

EC Continental Seminar on Infrastructure
-Opening Speech for the Open Session with Partners from 01 Oct 2013 to 04 Oct 2013

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Opening Speech - Roberto Ridolfi

Dear colleagues from

The African Union Commission,
Regional Economic Communities,
Financing Institutions,
Sectoral Policy Platforms,
EU Delegations from across Africa,
Headquarter colleagues

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It is a pleasure to welcome you to this continental infrastructure seminar in Addis and see your response in such great numbers.

First of all, please allow me to specifically thank the EU Delegation to the African Union Commission for all their considerable efforts in organizing this event.

[Proposal: Introduce yourselves and your infrastructure experience, with a good practical example for instance that highlights the challenge for infrastructure development]

Infrastructure is responsible for more than half of Africa's improved growth performance and has the potential to contribute even more in the future.

Whereas we can certainly agree to this statement, we are all well aware that the financing needs are huge. With the given infrastructure needs, and the current financial crisis in many donor countries, it is illusory to expect that development aid can meet the gap between needs and resources.

Therefore, our joint challenges are to find innovative ways of financing infrastructure development. Only this will put us in a position to achieve and deliver better results for the socio-economic development of the African Continent. It is my true believe that this will significantly dominate the development agenda in the coming years.

In this context, Development Financing Institutions will have an important role to play in leveraging financing for infrastructure. For bridging the gap, the private sector involvement will be a further key pillar since public funds alone will not suffice.

From our EU policy objective, the strategic use of grant elements to leverage additional public and private resources will be a key focus in the future. Innovative financing with its different facets and particularly loan/grant blending will be the avenue to embark on if we want to accomplish our aim of aid delivered with high impact.

As you are well aware, the targeted use of grants can address market inefficiencies and can make projects with high economic but insufficient financial return, possible. In private investment, a grant element can set incentives, address factors that hold back investments such as risks and send our positive signals to the market actors. It also offers the

opportunity to address and promote sector reforms, climate change matters or social issues within an investment projects.

But beyond financing, Africa has to take the leadership of its own infrastructure development and combat inefficiencies in the policy and regulatory arenas with a focus on the regional level. Let the benefits of good roads - for instance - trickle down to the people by lowering transport prices or allow a truck to travel 100 km along a corridor road without being stopped five times.

African leadership is further indispensable for the establishment of a reliable business environment that is capable of attracting the private sector on a sustainable basis.

Regarding tools for infrastructure planning, this brings me to the 'success story' of the Programme for Infrastructure Development in Africa – PIDA. With pleasure, I note that PIDA has in the meantime crystallised as the main entry point to guide the strategic planning of infrastructure development, respective project preparation and accompanying regulatory reforms. I believe my African colleagues can be proud on this achievement since PIDA offers the potential to promote the regional dynamics for a better integration of Africa into the World Economy.

Turning now to the seminar specifics, I would like to recall that this event has been developed with a view to address both the infrastructure needs and response side taking the different roles and mandates of our participants into account. I am proud to say that the seminar offers us the unique chance to bring our African Partners, Financing Institutions, DEVCO Services and almost all our African EU Delegations together at

continental level for the purpose of a strategic dialogue and coordination in the domains of Energy, Water, Transport and ICT.

For the EC, this seminar's main objective is certainly to guide and orient our future Infrastructure agenda for the delivery of the best suited response strategy at regional and continental level for which we need to partner and align vis-à-vis the African Priorities at continental and regional level.

Through open debate and guided through your valuable presentations and contributions, we will take the opportunity in the coming days to share information, raise knowledge, focus on policy and investment responses and tackle the regulatory arenas.

Having said that, I wish us all a successful seminar in support of joint endeavour to support Africa's growth and well-being of the African population.