

EIB President, Werner Hoyer

Global Connectivity Event

US State Department – IMF/WBG Spring Meeting 14/4 Thursday

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Of course, we are all aware: New Digital Technologies are transforming the world. They are a powerful engine for innovation, entrepreneurship and economic growth.

They provide people with unprecedented opportunities to access better jobs, education, health care and government services.

The Internet has also become an essential platform for SMEs and international trade.

Connectivity is a crucial factor in the future prosperity of developing nations.

Broadband access in developing countries often functions as a substitute for non-existent physical infrastructure and transport links.

It's also a way to extend financial services to people who can't reach a bank, allowing them to carry out current account transactions by SMS.

The same is true of agricultural, social security, health and educational services.

We at the EIB are fully committed to support the global community to bridge the digital divide.

It remains a real challenge. Today, in spite of important advances in improving connectivity, too many people, in particular, in rural regions of the world continue to be left behind.

But let's be clear – when we talk about the digital divide we are just talking about developing countries, the developed world also has a challenge to confront.

So, I congratulate John Kerry and his team for this Global Connectivity Initiative! Today, alongside our partners in the Development community, we offer our financing support--and our experience and expertise.

The European Investment Bank has a 20-year track record of financing telecoms infrastructure, mostly in Europe, and a current exposure in the sector of more than \$17 billion, making it one of the world's largest lenders.

Since 2008 we've loaned \$22 billion to finance infrastructure and RDI in broadband, communications technology, and digital content.

Last year, our new commitments to ICT projects reached 2.0 billion dollars.

And broadband, after all, is the objective of the Global Connect Initiative.

The digital projects signed in 2015 alone by the EIB are expected to connect 15.3 million people in the EU.

But while we do 90 percent of our business in Europe, as the European Union's bank, we are committed to helping deliver in the EU's development goals outside Europe.

Last year we signed a \$9 million loan that will bring high-speed broadband to every household in the Caribbean island of St. Maarten.

With the help of the EU-Africa Infrastructure Trust Fund we have backed 11 thousand miles of underwater cable in the last few years connecting 20 West African countries to Europe.

It also funded a link between Africa and the Seychelles which quadrupled internet access in those Indian Ocean islands.

We're also very excited about a new project to support rural communities in Cameroon and the Democratic Republic of Congo. Rural communities are actually becoming more and more isolated, because telecommunications upgrades focus on urban areas.

The EIB is poised to loan \$27 million to extend mobile networks here.

That would mean helping to fund an alternative infrastructure company whose ambition over the next five years is through this project and others to connect 65 million people in rural areas.

People who currently lack access and where established operators won't provide service—incidentally, a project that Facebook has declared interest in supporting.

We estimate 400,000 subscribers to the new service would use mobile banking, bringing important business opportunities, and 220,000 would access health information services through the system.

It is all very much in line with the Africa-EU Infrastructure Partnership and its key goal to use ICT as a way to tackle poverty and support growth and socioeconomic development.

But getting those 1.5 billion online means we need to do even more. We need to make partnerships that can take the foundations we lay and construct on them the massive investments the developing world needs. Partnerships with multilateral development banks, governments, and other international organizations. Partnerships with private investors.

We also need to put in place tailored advisory services that enhance the access to finance and support the implementation of digital projects.

To start that job, we're currently finalizing a ground-breaking new facility called the Broadband Investment Fund.

The aim is to bring together public and private funds across Europe to put \$570 million into small broadband investments, mostly in infrastructure for rural areas.

It is clear multilateral development banks like ours have a major role to play in bringing last year's international agreements into reality on the ground.

The sustainable development goals, the SDGs cannot just remain a dry acronym.

The initiative you and your team have framed, Secretary Kerry, gives us an opportunity to work together to fill the SDGs with real meaning for people around the world.

Let me underline another way we at the EIB can help. We are a crowding-in bank. EIB lending leverages public and private sector investment. Our estimates put the leverage of EIB lending in the ICT sector at about 19 times.

With a range of risk based financial products including Debt and Equity, the EIB is planning even more investments related to connectivity and the SDGs.

We are offering advisory support to increase the investment readiness of such public-private initiatives with a focus on rural areas and high development impact within and outside the EU.

We will be glad to find new ways to work with other multi-lateral development banks, international donors, national governments and the private sector to find new solutions to bridge the digital divide. In this way we can have a real impact on using ICT to improve the well-being of people around the world.

Let me assure you that we intend to put this expertise and effort to support the Global Connectivity Initiative and its principles – and congratulate you once again.