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Speech Opening Session - Africa Day 2017

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Check Against Delivery

Seul le texte prononcé fait foi

Es gilt das gesprochene Wort

This is the EIB's third Africa Day. Last year, we held the second one in Abidjan, Côte d'Ivoire. As you see, we are establishing a tradition, a partnership of trusted collaboration. Every year our talks were fruitful and brought about ideas of collaboration, projects, and each year I see this trend more pronounced: Africa is a continent on the path of economic acceleration, growth – sustainable growth.

There is a shared will to develop, modernise, create jobs and anchor a period of sustained economic progress.

The European Investment Bank

The EIB is already a partner in this process and we are ready to increase our support further on.

To introduce our Bank quickly: founded in 1958, we have developed into the largest multilateral borrower and lender by volume, as we provide finance and expertise for sound and sustainable investment projects around the world.

We started operations in Africa in 1963. We have thus been active on the continent almost since our very earliest days, supporting EU development policies abroad.

As the Bank of the European Union, ladies and gentlemen - the only Bank owned by the Member States - we represent their interests, as our shareholders.

These interests are also shared with the African continent.

Only in the last five years, we have invested over 10 billion euros in Africa in over 200 projects. In 2016, we invested just over 2 billion euros. This has been typical in terms of amounts and volumes per year, but the EIB, like our partner institutions of the European Union, and like our financing peers on the African continent, is always looking at impact, development and how can we create better lives for the people in their home countries.

We bring our long-term financing - up to 50% of the total cost of any given investment - our expertise, advice and technical assistance, to ensure a project gets off the ground and then leverages further contributions from other investors.

One of the key elements of the EIB's support to sustainable growth and development remains our **broad range of financial instruments** available, trying to meet the specific requirements of each operation.

Here I am thinking of sovereign loans, project and corporate finance, credit lines to local banks, subordinated loans, quasi-equity and guarantees - in foreign, but also in local currency - therefore supporting private sector investment, which is the engine for sustainable economic growth in Africa.

This flexibility is extremely important.

Global partnerships

We live in a time of ambition and willingness to cooperate to get things done, quickly, at large scale, to benefit everyone.

The adoption of the Agenda 2030 and Sustainable Development Goals is a sign of this.

The Addis Ababa Agenda, "from billions to trillions", is another. The Paris Agreement, despite a recent speedbump...is another sign.

We are holding our conference today on the eve of the G20 Summit in Hamburg. A core component of Germany's presidency has been the launch of the "Compact with Africa". We expect this initiative to lead a change in the prevailing thoughts on Africa's development, we hope to drive and mobilise more investments on the continent. Of course, at the EIB, as the EU Bank, we stand ready to help with the implementation at project level.

Africa is a continent of countless opportunities.

Just last week, the African Union held its 29th Summit with the core theme of “harnessing the demographic dividend through investment in youth”.

To achieve all of these objectives we need to crowd-in more partners from the private sector to support policy goals. We need to be efficient and smart in what we do, and look at where we can have impact.

From an EU perspective, the New European Consensus for Development is a welcome step as it formalises the relationship between financing and development, and represents an opportunity for Europe to harmonise its approaches to be more responsive and efficient.

Changing our DNA

We are changing our DNA by creating new instruments, supporting new initiatives and re-examining the types of operation we can support, expanding and focusing the geographical scope of our operations.

Just a few examples:

The EIB has been managing **the Investment Facility revolving fund since 2003**. This has been successful in supporting the private sector in sub-Saharan Africa, alongside our own resource operations, which typically look at public sector projects. The Investment Facility has enabled the EIB to finance over 250 projects for a total of 20 billion euros in that time, catalysing a lot more.

In 2014, the Impact Financing Envelope came into being, as a stand-alone envelope of 500 million euros for ostensibly riskier projects with a higher developmental impact..... becoming a revolving fund of 800 million euros to support projects which tackle “the root causes of migration” and create good jobs for young people, rural populations and women.

Africa is ready for something of a venture capital revolution. These are the kind of operations the EIB is looking at closely. In the case of “Boost Africa” and the “Novastar Ventures East Africa Fund”, we are already there.

In North Africa, the Economic Resilience Initiative is also expanding our operations as part of a comprehensive framework to invest in public and private sector initiatives with wide-ranging benefits and impacts.

Most importantly and far-reaching –

the External Investment Plan that aims to leverage at least EUR 44 billion of investment in Africa and the European neighbourhood by 2020. On this front we are leveraging the expertise at the EU Bank and institutional synergies with the European Commission, the European External Action Service and the EU Member States. Our Multilateral partners remain key for this delivery and here I am thinking of IFIs, MDBs – of course our close collaboration with the African Development Bank is remarkable for this common goal.

The digital economy

Today we speak about digital economy – digitalisation is going to be a huge enabler to achieve **all 17 of the Sustainable Development Goals**. Digitalisation is connection, the “force of gravity” enabling fast flow of information, economies of scale, world-around reach of ideas, services, products.

It will definitely play a critical part in Africa’s economic emergence and further integration into the world economy.

The EIB has been investing in projects in this field for some time, not only in Europe but also in other continents.

Through the EU-Africa Infrastructure Trust Fund, which is marking a decade existence this year, the EIB, the European Commission and the other donors, in this case certain EU Member States have enabled the installation of the Seychelles, Mauritania and East Africa submarine cable systems. These connect Africa's business hubs with each other, they connect islands with the mainland and they connect Africa to Europe.

We have also invested in broadband networks in Angola and 4G networks in Tunisia, projects which stand to benefit thousands of businesses, services and hundreds of thousands of people.

Creating opportunities in Africa start with connecting people, connecting those who have been disconnected from the economy with the opportunities we create together. High tech is one element but we must not forget of the basics: the EIB last year agreed to finance the rural telecom network expansion carried out in Cameroon and the Democratic Republic of Congo by Africa Mobile Networks.

This project will see solar powered masts connect 3.6 million people living in rural areas, approximately the population of Berlin to mobile for the first time. Instantly, they will have access to more services in healthcare, education, banking, agribusiness... This is extremely important in terms of better quality of life and impact in these communities.

Two weeks ago, the first investment under "Boost Africa", one of our many initiatives with the African Development Bank and the European Commission was formally agreed with the TCOM Tide Africa fund. This fund is looking to invest in digital: "African solutions for African problems". And look to incubate the next group of young African tech entrepreneurs.

These young men and women will be the drivers of future prosperity, ideas, development. The young people are the greatest asset we can develop and support, they are the future.

I wish you an enlightening day, fruitful discussions, and I trust you will find concrete proposals to open avenues and bring our work to fruitful projects.