

H.E. Mrs. Shirley SKERRITT-ANDREW
Ambassador of Saint Lucia
Chairperson of the ACP Committee of Ambassadors

Statement
Meeting of the ACP Committee of Ambassadors & the
European Investment Bank
EIB Headquarters
28 June 2012

**H. E. Mr. Werner Hoyer,
President of the European Investment Bank (EIB),**

**Mr. P. Sakellaris, Vice President,
Distinguished Executives of the EIB,**

**Colleagues Ambassadors,
Ladies and Gentlemen,**

On behalf of the Committee of Ambassadors and in my own name, I would like to thank the EIB for inviting us to this meeting and for the warm welcome.

This annual gathering in Luxembourg has now become deeply rooted in the “traditions” of the ACP Group and we note with satisfaction that each year, the number of participants on our side keeps growing. The issues we discuss here are certainly of vital importance to our Member States; even more so this year as we have extended the scope of our interaction. Indeed, besides the usual presentation of the Investment Facility Annual Report, we would also have the opportunity to exchange on a number of critical topics, *inter alia* on EIB’s support to the SME sector in ACP countries. We will also address wider strategic issues, in particular

those pertaining to EIB's financial perspectives in the ACP under the 11th EDF.

Mr. President,

Excellencies,

Ladies and Gentlemen,

For the ACP Group the topics slated for discussion today are most relevant and timely. The issue of SMEs in particular has been high on the ACP agenda since several months.

As you may be aware, not later than two weeks ago, the ACP council of Ministers at its 95th Session, held from 11 to 15 June 2012, in Port Vila, Vanuatu, adopted a Resolution on the "*Access of ACP Small and Medium Enterprises to the Investment Facility*". Indeed, while recognising the positive role played by the EIB in assisting investment projects in many ACP countries, it is generally recognised that ACP SMEs have difficulties accessing EIB funds. Yet, we cannot over emphasise the importance of SMEs for our Countries. Indeed SMEs are the very backbone of our economies and the promotion of their development is an

imperative for fostering entrepreneurship, competition, innovation, and hence growth of our economies and regions.

In view of their critical roles in ACP States, Ministers felt that SMEs should benefit from targeted support measures. In this regard, a number of concrete proposals aimed at enhancing the access of ACP SMEs to the Investment Facility, have been made, namely:

- (i) the possibility for the EIB to use one its partners as an apex to provide loans / lines to other lenders in the SME sector or alternately to include a line of funding in its facilities to qualified development banks so that they can in turn, on lend to other intermediaries that target SMEs;
- (ii) The possibility for the EIB to subcontract appropriate entities at local and sub-regional levels to achieve wider coverage and improve on the penetration of the SME sectors.

- (iii) The possibility for EIB to use forms of collateral other than Government guarantees such as guarantees from qualifying third parties and the use of other qualifying tools as a basis for extending financing. And
- (iv) The possibility for EIB to use its grant resources to leverage additional grants from other institutions to fund relevant and critical interventions.

In addition to the above, Ministers also called on the EIB to utilise the mechanism of “blending” as a mean to reduce the cost of funds to targeted SMEs, as well as to expand the range and/or extent of alternative financing mechanisms utilised in SME development.

We are happy to note that we have a presentation this afternoon on the very subject of blending and we look forward to that.

Mr. President,

Excellencies,

Ladies and Gentlemen

As indicated before we would have the opportunity today to learn about the EIB's contribution to the SME sector in developing countries. We would in this context welcome EIB's initial response to the proposals contained in the Resolution of the 95th ACP Council of Ministers.

Mr. President,

Excellencies,

Ladies and Gentlemen

We also look forward to our debate on EIB's Financial perspectives under the 11th EDF. On the ACP side, we would once again wish to underscore the catalytic role, which the EIB plays in the development of ACP States, and the need for adequate funding to be made available for supporting projects in our countries. Certainly the specificity and needs of 79 States do vary from one another. There is therefore need for flexible

approach to respond to the specific investment needs of the individual countries.

However projects alone are not sufficient, they have to be complemented with the appropriate Technical Assistance to assist countries, not only in submitting bankable projects, but also in the project implementation phase. As you are aware the recent Decision of the Joint ACP-EU Council of Ministers does recognise the importance of Technical Assistance component in Projects. Annex II of the Cotonou Agreement has been amended to ensure continuity of technical assistance related funds until the end of the 10th EDF. We need to ensure that such funds are also available under the 11th EDF and the ACP Group looks forward to further discussing this issue with you in due course.

Mr. President,

Excellencies,

Ladies and Gentlemen

As we move forward it is equally important for us to ensure that the EIB's presence in our regions is reinforced so that they can have the maximum impact in the field. In this regard, allow me to reiterate this strong call from our Ministers, requesting the EIB as a matter of priority, to review the existing location of the EIB office in the Pacific, taking *inter alia* into account the following factors: sustainability/viability; accessibility of office to Pacific ACP States; and costs.

Mr. President,

Excellencies,

Ladies and Gentlemen,

On this note, I conclude my intervention and wish us all a fruitful debate.

Thank you for your attention.

