



**VISIT OF  
THE ACP COMMITTEE OF  
AMBASSADORS AND ACP SECRETARIAT  
TO THE EUROPEAN INVESTMENT BANK**

**SPEECH BY  
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*European Investment Bank*

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**Mr. Werner Hoyer, President of the European Investment Bank,**

**H. E. Diodorus B. Kamala, Ambassador of Tanzania and Chairman of the ACP Committee of Ambassadors,**

**Mr. Pim van Ballecom, Vice President of the European Investment Bank,**

**Mr. Phillipe Loop, Head of Unit, European Commission (DG DEVCO)**

**Mr. H-P Shadek, Special Envoy for the EU-Africa Summit, EEAS**

**Excellencies, Ambassadors,**

**Distinguished Ladies and Gentlemen,**

On behalf of the ACP Group, I would first like to thank the European Investment Bank for the warm welcome we always receive during the Committee of Ambassadors' annual visit to Luxembourg. We are pleased that this year is no different.

This is only the second time that I am participating in this annual visit, but I can assure you that as Secretary-General of the ACP Group, I have noted the importance of the EIB's contribution in achieving the main objective of the ACP-EU partnership, which is the reduction of poverty and, ultimately, its eradication in ACP countries.

Allow me to say that the time is now ripe for private sector development. We have at our disposal a number of documents and initiatives which motivate us to intensify our respective efforts to support the expansion of the private sector in ACP countries.

Apart from the Cotonou Agreement which governs our partnership, the need to increase this sector's involvement in the development process has been repeatedly underscored at the international level in recent years. The discussions held at the High-Level Forum on Aid Effectiveness in Busan in 2011 and the work currently being carried out on the Post-2015 Development Agenda recommend bolstering the private sector's contribution to development and poverty reduction.

The European Commission's Agenda for Change also envisages support for the development of competitive local private sectors in developing countries.

In April 2014, the ACP Group adopted a Strategic Framework for Private Sector Development. One month later, the European Commission published a new Communication on the role of the private sector for inclusive and sustainable growth in developing countries. In Nairobi, during the ACP-EU Council of Ministers meeting in June 2014, a Joint ACP-EU Cooperation Framework for Private Sector Development Support under the 11<sup>th</sup> EDF was also adopted.

### **Excellencies, Ladies and Gentlemen,**

As you are aware, now is a favourable time for private sector development because today we are better equipped and in a better position to take decisive action with regard to the private sector in ACP countries.

However, as Seneca stated, *"there are no favourable winds for those who do not know where they are going."* I can assure you that now more than ever, the ACP Group knows exactly where it wants to go in terms of private sector support. The objectives and main guidelines outlined in the ACP Strategic Framework and the Joint ACP-EU Cooperation Framework clearly indicate the direction in which ACP States wish to go and prefigure implementation mechanisms and instruments to be set up in close collaboration with the stakeholders.

The European Investment Bank plays a key role in the private sector support mechanism envisaged by our partnership. Our annual meetings are a unique opportunity for the ACP Ambassadors and the ACP Secretariat to recognise the evolution of the EIB's support through the annual review of activities and the new orientations that will be presented to us throughout the day.

The ACP Group welcomes the strengthening and diversification of the EIB's activities over the course of 2013, in sectors of vital importance for ACP countries, such as infrastructure, energy, climate and finance. These activities will be further supported in the context of private sector support under the 11<sup>th</sup> EDF. This is why the resources allocated to the Bank in this regard have been increased.

The ACP Group also welcomes the fact that a part of the Investment Facility resources will be attributed to projects with high development impact, but which also entail high risks. We thank the Bank for having given us a glimpse into the Impact Financing Envelope (IFE) instrument during a side event that was recently organised during the ACP-EU Council of Ministers in Nairobi, in June.

## **Excellencies, Ladies and Gentlemen,**

The challenges facing us for private sector development support are so great that we need to constantly adapt our responses and improve our actions and our instruments. In ACP countries, there needs to be greater awareness of the EIB's services and contributions. In this regard, the ACP Group supports the Bank's efforts to have a greater presence on the ground, while noting, however, that recruiting eleven local employees is still not enough. It is by working very closely with the beneficiaries that we will obtain the best results.

As you are also aware, technical assistance is essential to the success of the Bank's interventions in ACP Member States. The share allotted to technical assistance had increased from 10% to 15% following the amendment of Annex II of the Cotonou Agreement by the Joint ACP-EU Council in June 2012. This 5% increase amounting to €20 million, according to the EIB, enabled the financing of several technical assistance operations in the amount of €17.3 million.

The rate of absorption of these amounts and the bankable projects that have been implemented, are all proof that we were right to proceed in this direction. In future, we need to deepen our efforts to further strengthen technical assistance operations in order to guarantee that projects are successful, and also to ensure the sharing and transfer of knowledge and know-how in ACP countries.

### **Excellencies, Ladies and Gentlemen,**

I would also like to underscore that the issue of access to financing remains crucial in ACP countries and, in particular, financing for micro and small enterprises. Without financial inclusion, there would be no social inclusion in ACP countries. The ACP Strategic Framework for Private Sector Development and the Joint ACP-EU Cooperation Framework for Private Sector Development recommend the use of basic financial services with emphasis on start-up capital, which is the missing link. According to a Cameroonian proverb, *"long lianas are not enough to build a hut; you also need short ones to bind the corners."* We need to respond; therefore, to micro- financing needs and not fear the resulting challenges.



The ACP Group encourages the EIB, through the Investment Facility, to continue to develop effective instruments to respond to the specific financing needs in ACP countries, in order to make the conditions for allocating funding even more flexible and to improve financial services.

I would also like to draw your attention to an issue which concerns the ACP Group and which we raised last year. It concerns the slow disbursement of monies in relation to the financing proposals that are approved and signed, both for the Investment Facility and the Bank's own resources. Only 40%, in other words, less than half of the allocated amounts were disbursed at the end of 2013. This poses a fundamental problem given the extensive needs of ACP countries. As a result, in-depth reflection needs to be carried out to enable us to find a solution to this issue.

**Excellencies, Ladies and Gentlemen,**

To obtain tangible results, we need to further strengthen complementarity and synergies between the EIB, the European Commission and the ACP Secretariat. It is by working closely together that we will obtain the best outcome.

I am convinced that we will learn valuable lessons today and that the discussions between the European Investment Bank and the Committee of Ambassadors will be fruitful.

***Thank you for your kind attention.***

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