



# **NEPAD/SADC REGIONAL INFRASTRUCTURE PROJECTS CONFERENCE**

**WELCOME AND OPENING REMARKS**

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**CHAIRMAN**

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## **SALUTATIONS**

Programme Director

Excellency Deputy President of the Republic of South Africa,

Honorable Ministers

Excellency the Executive Secretary of SADC

Senior Government Officials

Distinguished Ladies and Gentlemen

## **WELCOME**

On behalf of the NEPAD Business Foundation, The Department of Trade and Industry and the Department of Foreign Affairs I would like to welcome all present to this important conference.

Excellencies, Ladies and Gentlemen

Allow me also to specially acknowledge the support of the NEPAD and SADC Secretariats for their endorsement of this conference.

## **INTRODUCTION**

Ladies and gentlemen, at the behest of the Presidency of South Africa, a number of South African business leaders established the NEPAD BUSINESS GROUP (“NBG”) in June 2002. The establishment of the NBG was done out of the sense of shared responsibility and interest for the rebuilding of the African continent.

The organisation was formally launched in August 2003 and it was endorsed by President Thabo Mbeki and Professor Wiseman Nkuhlu, representing the NEPAD Secretariat at that time. The NBG was incorporated as a section 21 company in October 2004 and was repositioned as the NEPAD Business Foundation (“NBF”).

The mandate of the NBF is to enable, facilitate and promote business enterprises to conduct sustainable and profitable business on the African continent, within the context of the values expounded by the NEPAD initiative, especially focused on the alleviation of poverty through the generation of economic and social growth and development.

## **NEPAD-an African Inspiration**

### **Excellencies**

#### **Ladies and Gentlemen**

Over the last two years, skepticism and uncertainty regarding the relevance, impact and future of NEPAD have threatened to erode the gallant progress made during the early stages of inception. While there some merits in the criticisms leveled, the NBF strongly believes that NEPAD still remains relevant because the vision of African leaders and people as articulated in NEPAD has not changed and remains as relevant today as it was in 2001. While there are certainly major challenges in implementation, it is my considered opinion that we must all work together to build on the momentum generated so far.

For instance, as a result of the advocacy by the NEPAD champions at a political, business and civil society level, both within and outside Africa, a number of financing instruments to support infrastructure development in Africa have now been established. The NEPAD Infrastructure Project Preparation Facility (NEPAD-IPPF) at the African Development Bank (ADB), the Infrastructure Consortium for Africa (ICA), the Investment Climate Facility (ICF), the EU-Africa Infrastructure Fund and the Pan African Infrastructure Development Fund (PAIDF) deserve to be highlighted.

In terms of project implementation, NEPAD has made steady but significant progress. According to the African Development Bank (AfDB), over the period 2002-2007, financing of regional infrastructure projects by the AfDB and other development partners stands at approximately US\$ 4,3 billion representing about 53% of the original total estimated cost of the NEPAD Short-Term Action Plan (STAP). Amongst some of the projects initially supported by the NEPAD IPPF and currently in different stages of implementation are: Mozambique-South Africa Gas Pipeline (completed); the Morocco-Algeria-Spain Electricity Inter-connector (nearing completion) and West Africa Gas Pipeline (nearing completion). Further,

as at 31<sup>st</sup> December 2007, there was a pipeline of 15 projects with total commitments of U\$ 8,254 million.

Further, the NEPAD IPPF supported projects that have secured financing for physical implementation: The Benin-Togo-Ghana Electricity Inter-connection Project and the EASSy ICT Project. In addition, three other projects have partly secured funding: Kenya-Uganda Oil Pipeline Project; The Zambia-Tanzania-Kenya Electricity Inter-connection and the Senegal River Basin/OMVG Energy Project. Furthermore, as at 31<sup>st</sup> December 2007, there was a pipeline of 15 projects with total commitments of U\$ 8,254 million. Similarly, the NEPAD IPPF Vision Statement and Indicative Work Plan for the period 2008-9 contains a pipeline of 60 projects to be supported by the IPPF at a cost of U\$ 45 million (energy sector =66%, transport sector= 33%, water= 7% and ICT=3%).

While significant progress has been made, there are certainly major challenges in the implementation of NEPAD, particularly with regards to the need to scale up private sector participation and investment. As the above clearly illustrates, with very few exceptions, financing of infrastructure projects under framework of NEPAD has been largely dominated by development finance institutions and international actors, including China and India. While this is certainly a welcome development, it also represents both a challenge and an opportunity for private sector within and outside Africa. The NEPAD Business Foundation recognizes this and has committed itself to play a more pro-active role in supporting project implementation within the framework of NEPAD. This includes multi-pronged interventions in several fronts.

## **NBF'S CONTRIBUTION TO NEPAD**

### **Excellencies**

### **Ladies and Gentlemen**

The NEPAD Business Foundation is now in its 6<sup>th</sup> year of operation. To date most of the work done has been through the committed efforts of people, at an individual and institutional level, volunteering to make a contribution to the socio-economic development of Africa, in response to the partnership call by the New Partnership for Africa's Development (NEPAD). Excellencies, ladies and gentlemen, ours must therefore, be considered as an earnest effort to play a role as the business economic partner in the partnership. As a result of this commitment, we have during the same period witnessed enthusiastic and substantial support from the Founder Partners of the Foundation, namely MTN, Eskom, Old Mutual, Anglo American and Transnet who continue to be active supporters of the cause and to whom we are profoundly indebted.

In the past year the NBF, in response to the crying need for African leaders, launched the African Leadership Programme, a Programme that is designed to develop leaders with a profound appreciation of the continent's needs in a global context. The Programme recognizes the need for the crucial interplay between management, particularly business management, and the all important subject matter of Leadership per se. It is itself, predicated on partnership, i.e. partnership amongst the NBF, Wits Business School and partnering organizations such as MTN, GTZ (German Technical Cooperation) and Four Pillars Network in London, UK. The Programme has been hailed as a major success by the candidates themselves as well as the various contributors that participated including the United Nations, OECD and the African Development. The programme had its second intake on the 18<sup>th</sup> May 2008 and is now seriously striving to attract participants from other African countries including SADC member states as well as replicating itself in other localities, particularly in East Africa and West Africa.

In the true spirit of NEPAD, during the course of this year the NBF has devoted its attention to consolidating business to business relations within and across the African continent. Accordingly, the NBF has established very good working relationships with other NEPAD Business Group Chapters in Africa, particularly

those in the ECOWAS region. A Memorandum of Understanding & Cooperation was signed with the NEPAD Business Group in Côte d'Ivoire. The intention is to strengthen business ties and to expand similarly into Central and East Africa whilst consolidating the NEPAD agenda within the business community in the SADC region.

Substantial progress is also being made to scale up the involvement of the NBF in project development and implementation. In this regard, during the past 12 months, the NBF supported by the technical support from Deloitte and PricewaterHouseCoopers and financial assistance of the South Africa Federation of Civil Engineering Contractors, crystallized its focal interest in project facilitation, development and implementation through the establishment of the Project Management Office (PMO). The PMO has been operational since February this year, and the PMO will act as the purposeful vehicle to mobilise, coordinate and ensure an integrated private sector approach in the implementation of NEPAD. It is with this vision in mind that we have agreed to co-host this conference.

**Excellencies,**

**Honourable Ministers,**

**Distinguished ladies and gentlemen**

As many of you are aware, on 8-9 October 2007, the NEPAD Business Foundation together with the Department of Foreign Affairs, Department of Trade and Industry and the NEPAD Secretariat, hosted our maiden NEPAD Projects Conference. The feedback received during and in the aftermath of this conference stressed the urgent need to focus on concrete deliverables, i.e. projects. Accordingly and in line with the NEPAD vision of promoting a comprehensive and integrated development of Africa, the organizers of last year's conference decided to focus on a few development corridors as a means

to unlock opportunities for business. Through this approach, the NBF together with its partners wishes to improve the deal flow to an acceptable level.

Therefore, ladies and gentlemen, allow me to emphasize the following. For the NBF, this conference is not simply an event. In fact, this conference constitutes the beginning of a process which should culminate in a more pro-active, focused and results oriented partnership involving the African governments, private sector, civil society, ordinary citizens and international development partners.

In conclusion, I thank you all for taking time of your busy schedules to attend this conference and wish you fruitful deliberations.