



**UNITED NATIONS  
ECONOMIC COMMISSION FOR AFRICA**

***CHECK AGAINST DELIVERY***

**Dakar Financing Summit for Africa's Infrastructure**

**Opening Statement**

**by**

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Excellencies,

Distinguished Ladies and Gentlemen,

I am delighted to be here today in the beautiful city of Dakar and to be part of this important Summit to discuss the financing of Africa's infrastructure. The importance of infrastructure investments to economic growth is well established. It is estimated that closing Africa's infrastructure deficits will increase the continent's per capita economic growth by 2 per cent a year and increase productivity of firms by as much as 40 per cent.

This Summit is very timely because boosting investment in infrastructure is critical to the success of Africa's economic transformation agenda which is articulated in the African Union Agenda 2063. The positive spirit behind Agenda 2063 is also driving progress in the infrastructure sector.

Through the elaboration of PIDA, Africa now has a comprehensive long-term development plan for its infrastructure development. This provides a coherent platform not only for action at the national level, but also for engagement with the private sector and development partners. Out of 51 priority action projects identified in this regard, 16 projects have been pre-selected following an expert group meeting arranged by NPCA, ECA and COMESA in Lusaka.

These things require finance and it is a good thing that Africa is taking the lead in financing its infrastructure. It is not well known that African countries are themselves financing a significant share of their infrastructure projects. Domestic resources account for almost half of the total of US\$90 billion spent on infrastructure projects in Africa. Its share is very significant in countries. Examples from the recent past include Cape Verde - 44%; Namibia - 39%; Uganda - 28%; and South Africa - 24%.

This is also evident from the outcomes of the study undertaken by the NEPAD Agency and ECA at the behest of the NEPAD Heads of State and Government Orientation

Committee on the mobilization of domestic resources to implement regional projects that the resources exist within the continent for this purpose. This Dakar Financing Summit will help put some of the recommendations in that study into action.

It has also become clear that Africa's ability to raise finance for infrastructure projects is also very dependent on the norms and institutional frameworks that are put up for such purpose. It is therefore essential that we address some of these issues in a meaningful manner.

There is for instance the obvious divergence in legal systems in Africa which has implications on infrastructure finance and development, particularly in the regional context. Similarly important are concerns about transparency in the procurement process which need to be addressed for they act as a disincentive to foreign investors. Another vital point relates to the loss of indigenous capacity to undertake heavy engineering projects. Estimates suggest that Africa spends as much as US\$4billion annually to employ over 100,000 non-African experts for its projects when there are over 300,000 highly qualified Africans in Diaspora, with up to 30,000 of them having doctorate degrees.

We continue to need strong regional arrangements to coordinate and harmonize policies for the effective mobilization of resources for infrastructure development. A good starting point is to identify the issues and enact rules and regulations for such purpose including public-private partnerships, deregulation and streamlining of administrative processes and simplification of related procedures. An integrated dispute resolution system is also a critical requirement in this regard.

This Summit is the right platform to deliberate on all these issues so as to lend momentum to the mobilization of resources and the actual construction of the identified regional infrastructure projects.

Thank you for your kind attention.

