

**NEPAD Initiative Support Conference**  
**« For a Continental Infrastructure Policy »**  
**French Agency for Development, March 6-7 2003**

**Speech delivered by the Minister for Cooperation and  
Francophonie**

Mr. General Director of the French Agency for Development,  
Presidents, General Directors, Ambassadors and Heads of  
Delegations,  
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To close this « NEPAD initiative support conference », I would like to thank each one of you, in particular for the quality of the speeches and the richness of the discussions. This quality and richness are very encouraging.

This conference provides a very useful contribution to the coming deadlines of the G8 schedule, and in particular the priorities set by the President of the Republic with regard to the French cooperation policy are very clear. They can be summarized in two slogans: more APD, more Africa. More APD: France has promised to double its public development aid over five years so as to reach in 2007 a ratio of APD to GNP of 0.5%. More Africa: this priority was again forcefully expressed at the 22<sup>nd</sup> conference of Heads of State of Africa and France held in Paris two weeks ago. At that conference the President of the Republic proposed concrete measures to foster agricultural development of the African continent, with a frank and open approach to trade questions, without any complexes nor any taboos. As you

know, he proposed a moratorium on subsidies by developed countries to agricultural exports. He also took note of the determination of the African countries to implement the objectives of the NEPAD, in particular in terms of good governance and democracy. To the mobilization of African countries in favor of development must respond the mobilization of the international community in support of Africa and NEPAD so that “no African country engaged in achieving the objectives of NEPAD must lack the resources to do so.” It is important to respect this strong commitment taken by the major industrialized countries at Kananaskis. France is determined to keep it, and will make this question one of the priorities of the Evian summit meeting.

Yesterday you heard Mr. Michel Camdessus, the personal Representative of the President of the Republic for Africa, who spoke about the response to give to NEPAD. Mr. Camdessus proposes to take an approach that he describes as « notarial », namely to adopt, line by line, the action plan for Africa of the G8 agreed upon at Kananaskis and to determine for each point what response the international community is in a position to provide. It is through this type of pragmatic and realistic approach that we can move from commitments to implementation, from political speeches to action. We thus propose to go our part of the way in implementing the principles of partnership and mutual responsibility that must govern our relations with the African continent.

This is the spirit of the conference that brings us together today. What conclusions can we draw from this conference? First of all, that it is important to conduct the political dialogue already begun at the level

of personal representatives for Africa of the G8, at the level of heads of development aid agencies. These two levels complement one another: the response to give to NEPAD must be both pragmatic and global. After the commitments made at Kananaskis this response is now entering a phase of implementation and examination of concrete projects. It is therefore important that we present our projects that are underway or in preparation, that we compare our financial mechanisms, and that we think together about the ways to increase the external resources devoted to the development of Africa. This is what you have done since yesterday, and what we must continue to do.

NEPAD contains a fundamental chapter to which a concerted answer should be provided: infrastructures. This chapter is not the easiest one to deal with. For over a decade we have witnessed a certain loss of interest on the part of financial backers for this sector. Projects sometimes poorly executed in the past, the difficulty in raising private capital alongside public funding, allocation of resources to sectors more directly linked to the fight against poverty like education or health all contribute to explain this state of affairs. In this connection, I welcome the new approach to this subject that emerges from your discussions: it concurs with the assertion by the Africans themselves that there can be no development without simultaneous development of infrastructures. This is why I totally agree with the analysis made by the British Department for International Development in a recent study that establishes the link between infrastructures and the reduction of poverty. The priority given to the infrastructures sector must be evaluated in proportion to the their contribution to achieving the Objectives of the millenium: this is why we should consider, in addition to the projects themselves, the institutions that guarantee their

proper functioning and especially the impacts on the living conditions of the populations. It is by establishing these links between infrastructures, their institutional context and their social impacts that this sector can be restored to the position that it deserves in development policy.

Taking institutions into account in the development of infrastructures leads us to raise questions that are at the heart of NEPAD: Good governance, strengthening of capacities, and the creation of an environment favorable to private investments are conditions indispensable to the development of the sector. From your discussions I also remember the contribution of infrastructures to regional integration, also at the heart of the dynamic NEPAD process. In this connection, we should define the right balance and the right coordination between the most appropriate levels for the implementation of concrete projects: the national level, to be sure, but also the local and regional or sub-regional level. My personal impression is that in any event we should strengthen the capacities of the existing institutions of regional integration. This observation probably also holds true for the African « peer review » mechanism project.

When we consider the social impact of infrastructure projects we must also revise the methods of our initiatives. The output-based aid contracts seem to me to be a promising method to make sure that public services actually do benefit the poorest. Speaking more generally, we must analyze more deeply the contribution of infrastructures to the achievement of the Objectives of the millenium for development. In particular, the rapid urbanization of the African

continent must lead us to pay greater attention to urban poverty and the links between cities and rural zones. Putting infrastructures in the service of the fight against poverty requires dealing with the thorny question of the prices of public services, access of the poorest to services offered and the setting up of funding mechanisms combining national public capital, private funds, and the support of financial backers.

Indeed, infrastructures raise a funding problem that can be solved only by public aid to development. This aid provides only a partial contribution to the sector, most of it being covered by national public funds as well as the private sector. It is estimated that the volume of funding devoted to infrastructures in the developing countries is around 200 to 250 billion dollars a year. The APD covers only 5 to 10% of this total. But these contributions of public aid funds can play the role of a catalyst to mobilize external private funding and local resources: this is the whole challenge of private-public partnerships, all the mechanisms of which you have explored. These partnerships can only be implemented in a stable political environment. NEPAD must be able to make a contribution. Moreover, we should pursue our reflection on setting up international funds raising long-term resources to contribute to development objectives and the including of guarantee mechanisms in the calculation of the APD.

To conclude, the two days of discussions that we have conducted have clearly moved things forward. Our thinking must progress even further, but we have identified avenues for adapting financial instruments to the needs expressed, for identifying criteria for selection of projects in conformity with the logic of NEPAD, and for

the use of mixed approaches on the basis of a public-private partnership logic. These ideas will provide material for the discussions of the ministers of development of the G8 that will meet in Paris on April 24 to prepare the Evian summit. They will enable us to formulate concrete proposals in our dialogue with NEPAD. Lastly, I hope that they will be pursued and completed at the meeting of Heads of State and Government at Evian so as to give this summit a true North-South dimension in conformity with the wishes of the President of the Republic, Mr. Jacques Chirac.

So I warmly thank you for your active participation in this conference and I welcome the progress that it made possible to accomplish on the path to development of Africa. I also assure you of the determination of the French Government, and mine in particular, to pursue actively our common efforts to meet this great worldwide challenge together.