

15 July 2015

**Statement of H.E. Mr. Sam Kahamba Kutesa,
President of the 69th Session of the General Assembly,
at the Joint African Union and European Union Event on Private
Sector and Blending**

**Excellencies,
Distinguished delegates,
Ladies and gentlemen,**

It is my pleasure to open this Event organised by the African Union and the European Commission. I commend EU Commissioner Neven Mimica and AU Deputy Chairperson Erastus Mwencha for this important initiative focusing on catalysing private sector engagement and resources for development.

We meet at an opportune moment. As you know, we are in the midst of a landmark year in which world leaders will adopt an ambitious and transformative Post-2015 Development Agenda this September in New York; as well as a new, universally-binding climate change agreement this December in Paris.

These efforts are interconnected. Success here in Addis Ababa will set the stage for the other two processes.

Excellencies,

We will require substantial resources in terms of finances, technology development and transfer as well as capacity-building to implement an ambitious and transformative development agenda. To this end, a holistic approach will be needed to mobilize resources from all sources; public and private, domestic and international.

Significant investments will be required particularly in infrastructure development, agriculture and agro-processing, industrialisation and value-addition.

For example, the Programme for Infrastructure Development in Africa (PIDA) estimates that about \$68 billion should be mobilized by 2020 for infrastructure projects in energy, water, transport and ICT.

To transform the economies of African countries, infrastructure development is critical. It facilitates domestic, regional and international trade, reduces the cost of doing business and enhances competitiveness. In this regard, attracting and catalysing private sector participation is crucial.

We will need all actors including governments, the private sector, businesses, and other stakeholders working together more than ever towards achieving the SDGs. The private sector continues to make an important contribution to economic growth and development at national level, including through taxes, employment creation and provision of services.

Africa is endowed with vast natural resources and numerous opportunities for investment with high returns. However, some investors remain hesitant to invest in the continent because they deem the risk to be high.

While the risks are sometimes real, they are often mere perceptions. Nevertheless, the end result is the same as large amounts of capital held by private investors in developed and emerging economies remain untapped. At the same time, African companies' growth potential is constrained because of lack of access to financing at affordable rates.

To address this challenge, African countries should continue taking steps to create an enabling environment to attract more domestic and foreign investments.

Innovative financing instruments, such as the blending mechanisms championed by the European Union, are one way of utilizing EU grants to mitigate risks and leverage additional financing to African countries.

Through such initiatives, some impressive results have already been achieved. For instance, the EU-Africa Infrastructure Trust Fund has already supported 80 projects and grant contributions of about Euros 530 million in seed money have leveraged more than 7.5 billion euros from European financing institutions and the African Development Bank.

Furthermore, European partners have indicated their intention to scale up such blending mechanisms, including with a new Africa Investment Facility. This promising undertaking, when combined with the EU's renewed commitment to reach the 0.7% aid target, has the potential to significantly contribute to Africa's development.

Excellencies,

This year, we have embarked on an unprecedented journey toward sustainable development that is both inclusive and transformative. A renewed global partnership will go a long way toward meeting those objectives. The historic and fruitful cooperation between the African Union and the European Union sets an important benchmark, in this regard.

Let us continue building on this partnership while putting improving the livelihoods of people at the centre of all we do.

I thank you.