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Working Breakfast of the NEPAD Continental Business Network (CBN)

**Mobilizing African national pension funds and sovereign wealth funds for the
Program for Infrastructure Development in Africa (PIDA) projects**

18 September 2017, NASDAQ, New York, USA

Opening remarks

**H.E. Mr. Moussa Faki Mahamat
President of the African Union Commission**



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I would like to express my sincere thanks to Dr Ibrahim Assane Mayaki, Chief Executive Officer of the NEPAD Agency, for inviting me to take part in this high-level dialogue on the mobilization of pension funds and sovereign wealth funds for PIDA projects, which I am attending for the first time.

I would also like to thank the private sector leaders, members of the Continental Business Network (CBN) for their continuous efforts, their availability and their support of the implementation of our continental projects.

Ladies and Gentlemen,

We are in an important moment for Africa's development which requires modern and quality infrastructure in order to assure structural transformation of our economies, as stated in the African Union Agenda 2063.

Since the launch of PIDA in 2012 by the African Union, the implementation rhythm of its priority projects has been relatively slow, while the PIDA Priority Action Plan (PIDA-PAP) is coming to an end in 3 years, 2020. This situation is mainly due to a weak mobilization of necessary financial resources for the project implementation of these priority projects.

Furthermore, the Africa's needs to fill the infrastructure gap are enormous, about \$ 100 billion investment per year, while we notice that the financial gap keeps increasing year after year.

To address such gaps and face the urgent needs in modern infrastructure development on this Continent, we will need institutional investors such as our Pension Funds and Sovereign Wealth Funds. We also need to establish innovative and unconventional financing mechanisms for regional infrastructure projects in Africa.

Following the Dakar Summit on Infrastructure Financing in Africa in 2014, the NEPAD Agency was mandated to increase and co-ordinate private sector participation in PIDA projects through the Continental Business Network (CBN), an initiative that serves as a high-level continental platform to enable private sector representatives to share with African decision-makers their views and recommendations to improve the business environment in Africa, specifically with regard to infrastructure financing.

The CBN is also an instrument to promote PIDA projects in order to increase the involvement of the private sector at their preparation phase and subsequently in their implementation.

Ladies and Gentlemen,



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Based on the guidance and recommendations from you, members of the CBN, the NEPAD Agency, as the technical arm of the African Union Commission, will launch a campaign to increase the funding allocated by African asset holders to African infrastructure projects. In concrete terms, the initiative aims to raise these funds from a current small percentage of 1.5% of their assets to an amount as significant as of 5%.

This "5 %Agenda" initiative is important for the development of a concrete and realistic roadmap for increasing the participation of African institutional investors in our continent infrastructures.

In this regard, we need to adopt a coherent and coordinated approach to address these challenges and mobilize those institutional investors while limiting their exposure to risk.

This requires targeted policies and the right instruments to reduce risks at source. At national and regional levels, sectoral and financial regulations also need to be reformed to remove barriers to investment in these asset classes.

Ladies and Gentlemen,

I would like to assure you that the relevant recommendations that will emerge from this consultative dialogue, including those related to policies to remove obstacles to investment in Africa and increase institutional investment, will be taken into account in the decision-making process of the of the African Union's organs.

The African Union Commission, which I chair, will ensure the promotion of the "5 % Agenda" initiative which is a source of hope.

This is an exercise that must imperatively succeed if Africa is to emerge from its infrastructural precariousness and if its industrialization if to be fostered.

I appreciate and welcome the "5 % Agenda", which I have the honor to officially launch today.

I remain convinced that the "5 % Agenda" initiative will create the conditions for mobilizing the pension funds and sovereign wealth funds of our countries in order to accelerate the financing of PIDA projects.

Ladies and Gentlemen,

I wish you successful meeting and thank you for your kind attention.

