

The Honorable Felix Mutati, Minister for Commerce, Trade and Industry, Republic of Zambia.

Mr. Mario Amano, Deputy Secretary General of the OECD

Dr. Bernard Kouassi, Executive Director of the APR Secretariat.

H.E Prof. Semakula Kiwanuka, Minister of State for Finance, Planning and Development.

Distinguished Ladies and Gentlemen

I am delighted to be here in Lusaka for this regional roundtable on *Strengthening Investment Climate Assessment and Reform in African Countries*. It is particularly fitting that this meeting is taking place in Zambia, which has a strong record of active involvement in efforts to promote Investment reforms and to strengthen the role of the private sector as an engine for economic growth. I therefore wish to thank the Government and people of Zambia for their generous hospitality and the excellent facilities that have been placed at our disposal.

Let me, perhaps, pay particular tribute to the dynamic leadership of Minister Mutati, whose example of commitment to support a private sector-led development strategy continues to inspire us all.

I am also very glad that the OECD, which is a key partner to NEPAD, is adequately represented here by its Deputy Secretary General Mr. Amano, who I understand is on his first trip to Africa in his new position. I wish him all the success.

NEPAD is pleased to be working closely with the OECD to promote Investment reforms in Africa, in the context of the NEPAD/OECD Africa Investment Initiative. It is our hope that this Initiative assists in supporting African governments' efforts to develop an integrated policy roadmap, based on concrete measures for improving their investment climate. And to further strengthen African countries' own capacity to design, implement and advance a result-oriented national reform agenda to improve the investment climate.

The presence of a broad range of senior policy makers from across the continent and from its development partners in this roundtable is also a visible evidence of the emphasis that we all place on overcoming the constraints facing private sector in Africa and improving the environment for doing business.

Ladies and Gentlemen,

There is no region in the world where private investment is needed more than in Africa. Domestic capital formation and international investment are drivers of development and crucial for sustaining higher living standards. And indeed, there have been encouraging economic developments in many African economies in recent years. Domestic investment has expanded robustly and high output growth maintained. In terms of international investment, inflows have reached record levels of 36 billion USD in 2006, which is double what it was in 2004; a trend that will continue through out 2007. But unfortunately they remain predominantly in the resources sector, concentrated in a small number of African countries and overall inflows still represent a small fraction of global international investment. This gathering affords us with a unique opportunity for dialogue on how to address these challenges.

But more specifically, the Roundtable will give us an opportunity to follow-up on some of the discussions that we have initiated last year in our meeting in Brazzaville. Especially with respect to efforts to develop policy capacity building tools that will help African countries improve the investment related content of the peer review process (APRM).

In doing so, we should be bold and ambitious in identifying the challenges as well as coming up with viable proposals to address them. We should be able, I hope, to come out with a set of tested guidelines on how to complete the investment climate content of the APRM questionnaire that is available to countries that have acceded to the APRM, in order to support and strengthen their capacity to implement investment climate reform. The objective is certainly to assist countries in bringing out more saliently the growth agenda needed to realize the MDGs through the review process.

I should also add that the NEPAD Secretariat is also working actively with African countries that have undergone the review process to assist them in implementing their National plans of action. We are doing this by developing a capacity building framework that is aimed at supporting these plans of action and by providing a platform where all stakeholders and partners can explore opportunities to provide support. The work we are developing jointly with the OECD on the investment-related content of the APRM would obviously feed into these efforts.

Ladies and Gentleman,

Another critical issue that we will be discussing during the course of our roundtable is the issue of private sector involvement in the Water and Sanitation sector and means of implementing reform policies conducive to

attracting investment for development in this sector, which is a key sector for Africa's development as highlighted by NEPAD through its infrastructure program.

As you may be aware, NEPAD has highlighted infrastructure as one of the key priorities that is impeding Africa's development. You may also be aware, that water and sanitation is on the top of this infrastructure agenda under the NEPAD Short Term Action Plan on Infrastructure (STAP); our blue print for advancing regional infrastructure projects in Africa.

It is disheartening to note that Africa has the lowest drinking water and sanitation coverage in the world, and estimates of the level of investment needed to improve coverage, equivalent to US \$ 20 billion per annum over the next two decades are more than double current levels of investment spending. Scaling-up of resources to address this gap is obviously our key challenge.

In this regard, private sector involvement in this sector provides an important opportunity to address the widening resource gap. Our discussions, thus, will help put the guidelines developed by the OECD for private sector involvement in this sector, in an African context.

Ladies and Gentlemen,

Let me conclude by emphasizing the important role of the Steering Group of the Initiative that will hold on the side-line of this roundtable for the first time. This Steering Group will help a great deal in giving strategic guidance to the initiative based on regional as well as national priorities. It will also assist us in disseminating the outcomes of these roundtables and ensuring that it indeed assists African countries in enhancing their capacity.

In this context, allow me to make three brief remarks on how we see the Initiative moving forward.

First, learning from the experience of African countries where progress has been made in reforming the investment environment can serve as a basis for inspiring reform efforts in other African countries, thereby contributing to regional development goals. We will continue to work with partners to showcase and promote successful national investment reform programs that African countries have undertaken through the NEPAD/OECD Africa Investment Initiative.

Second, it is critical that the Steering Group plays its envisaged role in promoting the initiative and building ownership among by countries. We will do every effort from our side to support the work of the Steering Group. But we

will also encourage countries and Regional economic communities to benefit from the opportunities afforded by this Initiative and proactively participate in its activities.

Third, we will continue to focus on critical issues that we believe are of concern to African countries in improving their investment climate and solicit the support of our partners in assisting countries in addressing these challenges.

Ladies and Gentelemen,

I would like to reiterate that NEPAD remains strongly committed to the success of this Initiative. We shall therefore continue to work closely with our partners to help African countries and Regional Economic Communities define their national and regional priorities on investment reforms. Working together, we shall surely succeed in using private investment to stimulate growth and development in Africa.

I thank you for your kind attention and look forward to an exciting and engaging exchange of views.