

Ministry for the Economic Development, Round Table

“Italy & Africa Partners in Business”

Rome, 25-26 June 2009

Presentation by Marina Mira d’Ercole - The European House-Ambrosetti - Project Leader of the Project of the Fondazione Banco di Sicilia: “The Development of Africa: an opportunity for Europe, Italy and Sicily”.

Esteemed Ministers, influential participants in this important Round Table,

for some years now, the European House-Ambrosetti has been working on Africa and with Africa for the Project of the Fondazione Banco di Sicilia, the vision, goals and contents of which have just been illustrated to us by Prof. Puglisi.

I’d like to start by saying that the slogan that we have adopted right from the outset has been **“UNCHAIN AFRICAN AND EUROPEAN ENERGY!”**.

In fact, these years, in which we have developed Projects, concrete initiatives, and which have taken us on various occasions to Africa to discuss and exchange ideas on themes, priorities and modes of action, have helped us form a number of convictions that we feel it would be useful to share with you.

I’ll list 5 of these:

1. **The importance of launching initiatives that unchain the energy of enterprises and institutions on both sides: Europe and Africa.** Mutual opportunities exist, as does the will to seize them. Africa is striving incredibly hard towards development

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and is seeking contacts and partners that will actively assist it. The problems are too complex and too wide-reaching to be resolved with planned, state initiatives alone. What we need to do is to start up of thousands of individual “engines”, all generating energy.

2. But, the sheer **complexity of involving the private sector** still remains to be resolved. This is because there is a gap in the expectations and timescales between the private sector and Africa that needs to be bridged. Private operators should immediately identify the opportunities, even if long-term, and assess the risks calmly, with sound knowledge of the rules and regulations involved. Investments must be made in Africa. It is a long-term challenge. This is what we told those who were interested in entering China, 10-15 years ago. And, in fact, those who invested in China are now reaping the benefits. It is important to plan the intervention through **Projects organized in modules with fixed deadlines, set within a more wide-ranging vision**. And continuity is essential. Because this is the way to really “**unchain energy**”.
3. And now we come to the third consideration: the long-term sustainability of the actions undertaken, at any level, cannot yet be guaranteed in Africa through single organizations and isolated initiatives. An integrated, three-sided approach is required, involving all the players: **private enterprises, Governments and society**. When I say “Governments” I mean, first and foremost, African Governments, which must realize that in terms of **their Country's attractiveness, they have to compete with the rest of the world** so it is important to plan

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ad hoc policies in order to attract investments in a framework of established rules and targeted concessions, within a **long-term Country Strategy**. A strategy that knows how to use the existing assets to advantage, thereby “creating value” in the long term through the accrual of experience and knowledge, optimizing the balance between the Public and the Country’s interests and that of the Private sector. Here, if you will allow me, I would like to make a brief – but important – digression. Today we are hearing more and more about **PPPs, Public Private Partnerships**. This is an important challenge, a necessary step, I believe – but the architecture of it is not to be underestimated. Good practices undoubtedly exist, particularly for major engineering projects, that can serve as a guide. **But “definitive” PPP techniques especially for promoting widespread industrialization initiatives** are still difficult to find even in the West and undoubtedly require refining. I think this is an extremely important theme which needs to be worked on, developing the capacities to assess the quality of the partnerships and, above all, creating control tools and mechanisms and an appropriate, impartial authority within the individual Countries. I stress, once more, the vital importance of this for **unchaining the energy** of the private sector.

4. Again, I would like to underline the need for a **multi-sectoral approach**: it is not possible to speak of Health (such as the initiative that we developed with the DREAM centre of the Comunità di Sant’Egidio for the fight against AIDS, which uses telemedicine in order to reach the highest possible number of sufferers and in order to guarantee treatment with Western

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standards) divorced from economic development (the AIDS emergency is an economic development problem as it undermines the Countries' active forces, productivity and wealth of experience) or from ICT or from Energy or from Training, if specialized and skilled personnel are to be trained in the Country. This also applies to the Tourism or to the Agroindustrial sectors, which are the subject of a Project currently under development. What I wish to say is that on the basis of our experience, **frequently the Round Tables, the contacts, the Ministers and even the very budgets are still too compartmentalized** and fail to see the close connection and the need for integrated multi-sectoral programmes.

5. Last but not least, **the infrastructures**. I spoke earlier of widespread industrialization. Without infrastructures, industrialization cannot take place. To this end, the role and the support of **“transnational corridors”** are of vital importance. These corridors represent the **real qualitative leap** in Pan African development projects; they are vital for creating the necessary conditions for production, because without energy, railways, roads, access to the sea, it is impossible to work and for “extending” local markets, taking advantage of the enormous potential existing in the intermediary sectors and for the end market. I believe that in these large Projects – and I am thinking, for example, of the North-South Corridor in which international Organizations, but also the individual Countries, are involved – Italy **should invest in a more direct and more active way**: it is a great opportunity, first and foremost for Africa, but also for many, very many Italian enterprises. If we

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manage to **unchain this energy** we shall have done a lot for Africa, for Europe and for Italy. Thank you for your attention.