

**The Horn of Africa Initiative Infrastructure Donor Conference,
12-13 March 2012, Nairobi, Kenya
Speech L. Briët, EU ambassador**

Speech

Honourable Mr. President, honourable heads of state and heads of government, honourable ministers, excellencies, ladies, gentlemen, all protocol observed.

- Allow me to express the gratitude of the European Union to the Government of Kenya, and to Mr. President Kibaki, and to IGAD for hosting this important event and for inviting the European Union to it.

THE EU'S STRATEGIC INTEREST IN PROMOTING STABILITY AND DEVELOPMENT IN THE HORN

- IGAD and our Kenyan hosts have come a long way to organise this conference on the Horn of Africa Initiative (HOAI). Our thanks go to the Kenyan government for agreeing to host this important event. It is not the first time that the Kenyan government has cooperated on the HOAI. Your drive and commitment as a participant and host was instrumental to an important meeting of Horn finance ministers in July 2010, without which today's conference might not have happened.
- The EU has worked as a cooperating partner since 2007 when it launched a HoA Initiative to show its commitment to the Horn region. Our ambition is that today and tomorrow we will draw other donors and financiers to join our efforts.
- Permit me to underline that this event is special in no uncertain terms. While it deals with promoting regional integration through building up cross-border infrastructure, this conference is about much more.
- The HOAI was launched in 2008 by -at the time- all seven Horn countries and the European Union. It now contains projects that include all eight. Its most important aim was to build regional peace and stability through cross-border cooperation for the common good and everyday needs of all Horn residents.
- It intended to create a pragmatic framework of cooperation regardless of historical institutional and political difficulties that often make outsiders look at the Horn with suspicion and fear. This conference is convened

today to show how we can fight against these two enemies of cooperation and peace. The EU has shared this ambition with the Horn countries along the way.

A NEW EU STRATEGIC FRAMEWORK

- This event is the culmination of our joint efforts to galvanise outside support to make the Horn better integrated into the larger East African region. It is also marking a beginning.
- In November 2011, just a few months ago, the European Union adopted its first ever Strategy for the Horn of Africa. Not merely an initiative as in 2007 but a regional strategy.
- This strategy is an expression and explicit recognition of the EU's strategic interest in the stability and development of the Horn countries. It incorporates in full our current cooperation under the 2007 Initiative. At the same time, it is much more comprehensive in its scope given expanded EU prerogatives under the new Lisbon Treaty. So we hope that it will serve as a basis for many cooperative ventures in this region.
- To quote the EU Foreign Affairs Council's conclusions of November 14, 2011: "The EU's long-term commitment to the Horn of Africa is rooted in the region's geo-strategic importance, the EU's desire to support the welfare of the people of the Horn and to help lift them from poverty into self-sustaining economic growth."

AND DEEP FINANCIAL COMMITMENT BY THE EU

- The political support the EU has given the region is key, but behind the political support lies concrete action. To make its interest in peace and stability a reality, the EU has made deep financial commitments to assist the region.
- For over 20 years, the EU, through the European Development Fund (grants, not loans), has been a major player in financing infrastructure that leads to better interconnectivity of the Region:
 - One notable example is the Northern Corridor that through the port of Mombasa provides a gateway to the sea for the region. EDF grants totalling several hundred million Euro have financed construction and rehabilitation of various sections of this transport corridor in Kenya, Uganda and Rwanda.

- In Kenya alone, over 140 M€ of the EU's current portfolio is committed to regional transport corridors which includes the North-South link between Kenya and Ethiopia (Merille River to Marsabit section).
- Complementing the grants provided through the EDF, the European Investment Bank (EIB) continues to provide long term financing for infrastructure projects in the region. The current EIB portfolio includes power generation and transfer projects.
- The EU was thus proud to attend last week the ground breaking ceremony of the Lamu Port, South Sudan, Ethiopia Transport Corridor project. The EU is currently assessing to what extent it can contribute further to this endeavour, bearing in mind the need to balance economic development, environmental considerations, and the rights of the people affected.
- Such support would be consistent with the 'Agenda for Change' which is the most recent EU Communication on its development policy. Of particular relevance is that it promotes the value of blending grants with loans, particularly in the field of major infrastructure (cf. EU-Africa Infrastructure Trust Fund).
- Currently, we also support the region in the fight against piracy on the Indian Ocean, a criminal activity draining your and our economies. The assistance of Kenya has been invaluable in this regard and we look forward to the Policy Statement due to be adopted by the GoK this week!
- Regional ownership is important. That is why the EU supports the regional Eastern and Southern Africa/Indian Ocean anti-piracy strategy adopted in Mauritius in October 2010. Also worthy of mention is the civilian mission to build regional maritime capacities, benefitting the littoral countries of the Red Sea and the Horn of Africa.
- But it remains crucial to tackle the root drivers of piracy such as poverty and unemployment in Somalia itself. The EU is doing this through an extensive development programme. Its objective is to provide alternative ways for Somalis to make a living through education and economic opportunities. This will not only prevent them from turning to piracy but also from general criminality and terrorism. Djibouti's, Ethiopia's, Kenya's and Uganda's unwavering commitment also in the general fight has shown our common resolve in these endeavours.

- Last year's drought in the Horn has led us to step up our actions fighting food insecurity. This is in addition to projects already financed by us on common water management, road and electricity infrastructure that form the focus of this conference.
- EU Commissioners for Development and Humanitarian Assistance who visited the region last year are committed to approaching food insecurity and malnutrition in the Horn of Africa strategically. The approach is to build up local resilience to avoid the repetition of such large-scale disasters. We will work closely with the Horn countries and IGAD in the coming months on this issue.
- In two weeks, IGAD will be hosting a large event on drought resilience as foreseen in the Nairobi Summit Declaration of September last year. We are about to step up efforts to build sustainable and drought resilient agricultural and pastoral production and policies from the household up to the national level.
- The EU is also stepping up its assistance in response to the region's energy needs. Under the UN-sponsored "Energy for All" initiative, we have committed significant amounts of EDF money. This should translate into concrete improvements in the proportion of renewable energy production and access to energy by rural households.

POLICY REFORM FOR INTEGRATING THE REGION

- Political support provides the impetus, and financial commitment the much needed resources, but these two elements can go nowhere without properly designed policy frameworks.
- The EU would like to find better ways to assist your countries in creating conditions for robust and sustainable economic development. Recent WB report on barriers to trade presented on the occasion of the recently concluded AU Summit shows that policy bottlenecks create non-tariff barriers equally pernicious to economic growth as supply side constraints.
- The report also shows great potential in intra-regional agricultural trade that should make your countries less dependent on imported food. The same goes for intra-regional trade in manufacturing. But without policy reform, and real efforts to implement such initiatives as the EAC Common Market or IGAD's Minimum Integration Plan, this trading potential may not be effectively unlocked.

- The EU will fully support you, but strong political determination of the Horn countries is a precondition for regional integration to become a reality. Your support to your regional organisations and bodies that are at the forefront of building your common regional markets is essential. We also see opportunities for you to avail yourself of the continental frameworks such as the African Peer Review Mechanism to learn best practices from your African peers in other regions.
- The EU is amongst the few donors that support the Regional Economic Communities (including IGAD). We see this support as essential to institutional strengthening of the Horn of Africa.

CONCLUSIONS

- In conclusion, the EU is deeply committed to the Horn, politically, developmentally, and financially. This conference marks an important initiative that makes the Horn its exclusive focus. We do hope to continue our ongoing bilateral and multilateral cooperation; be it with the Horn countries, or IGAD, or with other regional organisations often not in the limelight but important to region's development such as the East African Power Pool to name just one that will be featured at the conference.
- We have all been working on the pieces of the puzzle needed to accomplish the theme of the conference, which is "interconnecting the Horn of Africa for Peace, Security, and Sustainable Development":
 - the EU has common interest in promoting peace and stability in the Horn,
 - the EU is politically and financially committed, and
 - the EU stands ready to assist in unlocking barriers to regional economic development and political cooperation.
- Thank you.

V. 12/3, 7.30am