

**EIC Intervention at Final Plenary
of the 4th High-Level Forum on Aid Effectiveness
29/11 – 1/12/2011 in Busan, Korea
*Michel Démarre, EIC President***

First of all, my sincere compliments go out to the organisers and specifically the Korean Government for having organised such an inspiring, diverse and forward-looking conference!

As President of European International Contractors, I'm very grateful indeed for being granted the floor in this distinguished Final Plenary session on behalf of the private sector.

This is a great privilege and, at the same time, also a great responsibility and challenge because the term "private sector" covers a broad range of actors.

I would also like to add that, for us as international contractors, the distinction between the "local" and the "foreign private sector" is somewhat artificial: As far as the construction sector is concerned, we cannot "export" a bridge or a road overseas, but in fact, when working abroad, we are using local materials and much of the management staff and the overwhelming part of the workforce are locally sourced.

And this kind of amalgamation between foreign and local industry is probably true for other industries as well and makes a good case for development because it enables technology and know-how transfer as well as better access of the local industry to finance.

In the few minutes allocated to me please let me make the following comments:

1. First of all, I would like to sincerely appreciate and acknowledge that the private sector has been referred to in the Busan Outcome Document as an important partner for development!

Our federation has been following the "Aid Effectiveness" Agenda since its inception with the "*Rome Declaration on Harmonisation*" back in 2003 and we were one of the very few private sector representatives – if not the only one – who were invited to participate in the 2008 Accra Forum. Looking back, I would like to commend the fact that the international development

community has come a long way to eventually incorporate the private sector into the development debate. On behalf of all private sector stakeholders, I wish to thank the political leaders for outreaching to the “private sector”!

2. Looking at the Busan Final Statement in more detail, the private sector welcomes the endeavour to “*develop innovative financial mechanisms to mobilise private finance for shared development goals*”. As we learned yesterday in one of the Side Events, private money can be attracted to Public-Private Partnerships in the Health and Infrastructure sectors in developing countries. As regards infrastructure, I would like to assure you that EIC is ready to share its know-how and experience on the possibilities to make better use of the modalities for blending concessional loan and grant instruments and developing innovative financial solutions to mobilise private finance for bridging the infrastructure gap.
3. We also welcome the reference to greater transparency and accountability in development co-operation. For the construction industry, this is a particularly relevant issue with regard to Transparency in Public Procurement. We share the view of civil society that there is a need for increased scrutiny to prevent corruption. As EIC we have subscribed to the “CoST” Initiative piloted by the World Bank and DFID which aims at replicating the experience of the “Extractive Industries Transparency Initiative” to the construction sector in order to improve transparency and Value for Money in public procurement. I am pleased that this initiative is referred to in the Joint Public and Private Sector Statement and we look forward to the follow-up discussion on this subject matter.
4. Allow me to conclude with a last point relating to the renewal of the Busan Document of support for South-South and triangular co-operation. From the perspective of a “*Northern*” business association, I believe that there are huge opportunities in implementing a “triangular” co-operation between North and South, not only on the part of the donors but also on the part of the industry. However, I would also like to state, that such collaboration would require “Southern” donors to equally untie their national development aid to the same extent as “Northern” donors in order to offer the partner countries the most cost-effective solution and to allow for partnerships.

I thank you for your attention.

Busan, 1st December 2011