

## Gordon Brown Outlines Africa Dream At WEF

By Matthew Le Cordeur

**SOUTH AFRICA, June 06, 2015 (News24DotCom)** -- The combination of investment in infrastructure and education will make Africa one of the leading economies of the world in the future, former British prime minister Gordon Brown told the World Economic Forum (WEF) on Africa on Friday.

"Infrastructure itself might sound like a technical or a boring word, but it is the economic and social fabric that is essential to improve the quality of lives of the people of Africa," he said at a press conference.

Brown, who is the chairperson of the Global Strategic Infrastructure Initiative of the WEF, was releasing a report about the WEF's three-year Africa Strategic Infrastructure Initiative.

### **\$1.5trn on infrastructure**

Africa's \$100bn a year infrastructure gap meant urgent action was needed. "We need to spend \$1.5trn on infrastructure in the next 15 years," he said.

Brown said it was critical to get basic infrastructure like electricity, water, sanitation, roads and rail necessary for economic growth to "provide jobs necessary for 18 million young people in Africa to get jobs every year".

"If Africa could solve its infrastructure problem and secure the investment that is necessary, the growth rate of Africa could approach that of China and India," he said. "That is the prize that is available to Africa if we can deliver better infrastructure.

"We're at the start, I believe, of an investment decade that will solve the infrastructure gap ... and give hope to Africans... .

"The combination in investment in infrastructure and investment in education are going to make Africa one of the leading economies of the world in the future," he said.

### **Praise for Central Corridor project**

Brown applauded a Central Corridor Presidential Round Table Investor Forum held in Dar es Salaam, Tanzania in March 2015.

"For the past two years, we have been working with African leaders on creating a bank of infrastructure projects that need to be done," he said.

"We are now at the stage where projects in the central corridor - which is a road, rail and port project - are nearing fruition," he said.

### **Kudos for Zuma**

"The lessons that we're learning is that there is political will in Africa to move and solve the infrastructure gap, there is co-ordination taking place amongst the leaders of Africa, particularly with the support this morning and over the last three years of President [Jacob] Zuma, who has a personal interest in moving infrastructure development forward."

Brown said Africa was ready for international investors to commit to the projects.

"There is an emphasis on delivery and getting things done," he said. "We are sending a message out to the rest of the world that Africa is ready with project that can be financed by

international investors if they are interesting in seeing the benefits that flow by investing in Africa."

### **Preparing programmes complex**

The report said that preparing infrastructure programmes to attract private investment can be a complex and demanding challenge, especially in the African context.

"While there is abundant private-sector interest in financing bankable projects - over \$60trn globally from institutional investors - the available preparation resources are insufficient to advance projects to a bankable stage; hence the pipeline of well-prepared projects is scarce, limiting investment opportunities.

"Responding to this paradox requires the private sector to take a role in the early stages of project preparation. Doing this effectively and efficiently, using a principled approach, will contribute to unleashing trillions for necessary infrastructure projects," the report said.

"A lack of well-prepared projects is a major obstacle to infrastructure development in emerging and developing countries, and hence to their general economic development.

"In Africa, for example, the infrastructure shortfall involves the sacrifice of about 2% of GDP growth per annum. Even a modest increase to the pipeline of well-prepared projects would impact beneficially on local economies, improving the welfare of communities and boosting the investment opportunities available to the market."

Infrastructure Project Preparation Facilities should aim to increase private-sector financing in project preparation, but also to leverage private-sector expertise to improve project preparation," the report concluded.

"When these private-sector resources are combined with public-sector support, the chances of

successful project preparation are greatly enhanced. That in turn enhances the prospects for full-scale sustainable infrastructure development, and all the consequences of that for economic growth and social progress around the world."

Source: **Fin24**

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