

Commentary

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Infrastructure Development in Africa

Experts agree that infrastructure serves an important role in the economic and social development of many of the world's less-developed nations; it is accorded a high priority in development programs since it provides access to basic services such as electricity, roads, water and communications. Infrastructure development is also acknowledged as a means to achieve short-term and longer-term poverty alleviation. United Nations Secretary General Ban Ki-moon has observed that although Africa possesses abundant natural resources, its economic and social potential is far from being fully developed. Based on recent UN assessments, Africa is not likely to achieve the UN's Millennium Development Goals by 2015; currently 40 per cent of Africa's people live in extreme poverty; it has 12 per cent of the world's population, but accounts for only one per cent of global gross domestic product and contributes only two per cent to the volume of world trade.

The African Development Bank has been a major force in private and public sector infrastructure development through the provision of financial and technical resources. Based on recent statistical assessments of the situation by the African Development Bank and the Intergovernmental Infrastructure Consortium for Africa, infrastructure is seen as a priority for the region's development. About 30 per cent of sub-Saharan Africans have electricity; 56 per cent have access to clean water; 40 per cent have basic sanitation facilities; only a third of rural Africans live near a road and, compared with other developing nations, there are far fewer paved roads, and only about 4 per cent of Africa's farmland is irrigated.

Africa currently suffers economically from this lack of the basic infrastructure necessary to facilitate sustainable development, to trade regionally, and to achieve competitiveness across its sub-regions. Many African countries have sought to

build on the weak infrastructure left by former colonial powers in the region. But poor planning and limited management capacity, coupled with inadequate financing, widespread corruption and a general lack of integrated regional and transcontinental planning, have resulted in situations where existing infrastructure is in a state of disrepair, particularly in rural areas. The challenges and opportunities for infrastructure development in Africa have generated a diversity of opinions on development policy and produced a range of alternative implementation plans. Traditional approaches to aid for social and economic development have often been in the form of donor countries deciding what programs might be deemed best for recipient countries. In the past fifty years, more than \$1 trillion in development-related aid has been transferred from rich countries to Africa. But this aid has not resulted in achieving the targeted reductions in poverty or increases in economic growth. Based on actual experience with aid programs, many experts claim that poverty levels continue to escalate in some regions of Africa and that growth rates have actually declined.

Dambisa Moyo, an economist from Zambia, and expert on African affairs who formerly worked at the World Bank, believes that reliance on aid has trapped developing nations in a vicious circle of aid dependency, corruption, market distortion, and continuing poverty. She advocates innovative ways for Africa to finance development, including accessing capital markets, making microfinance available, and extending bilateral trade with China. Ghana and the Gabonese Republic have recently issued US-dollar denominated bonds; they are among thirty-five African nations that have issued bonds in the international capital markets to help finance their development programs, including not only infrastructure but also education and healthcare. According to Kofi Annan, former Secretary General of the United

Nations, there is a compelling case for a new approach to economic and social development in Africa. African leaders appear ready to assume full control over the region's economic, social and political destiny. Africans are ideally situated to address the many opportunities for improving their own quality of life. The self-determination of Africans, the potential of its youthful population, and the emerging trends for development of partnerships between Africa and the rest of the world, represent a strong platform for future economic growth and development in Africa.

Meeting Africa's infrastructure needs is at the heart of the African Union's development framework. The New Partnership for Africa's Development (NEPAD) promotes good governance and economic policies that foster rapid and sustainable growth, poverty alleviation, and integration into the global economy. NEPAD's \$8 billion Short-Term Action Plan for infrastructure includes twenty priority projects designed to promote regional economic integration and set the foundation for medium-term and long-term investments to close Africa's infrastructure gap. NEPAD puts regional integration at the center of its infrastructure program; it calls for financing regional investments in agriculture, power, water, transport, and information and communications systems. Once in place, this connected infrastructure will enable inter-African trade, create economies of scale for investment and economic activity, reduce transport and communications costs and facilitate movement of people and goods across Africa's borders.

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