

Bridging the gap in Africa

By  Ravi Kumar

24 Jan 2017

Africa has seen great economic growth over recent years and is expected to continue growing at an average rate of 6% annually, between 2013 and 2023. However, one thing that may hinder Africa's growth prospects is its lack of infrastructure. The absence of adequate infrastructure is said to cost Africa approximately two percentage points off GDP growth per year. Nearly three quarters of construction projects in Africa are simply not getting off the ground. Africa requires a mediator, and facilitator of business in this crucial area.



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Lack of funding is often cited as the biggest reason behind Africa's infrastructure gap. According to the World Bank, Africa needs to spend about \$93bn annually until 2020 to bridge its infrastructure gap. As daunting as that sounds, half of this amount is already being financed by African governments, multilateral and bilateral sources of finance and official development assistance. Europe is the biggest financier in Africa, funding more than \$4bn annually to the continent. Crucially, as the second most attractive investment destination in the world, the continent has become an attractive market to private investors.

Major challenges identified

The answer to bridging the infrastructure gap in Africa does not therefore lie in identifying new sources of funding but rather in ensuring that planned projects are completed within reasonable timeframes. This will ensure that projects can start to deliver returns to their investors, helping to attract further investment in the future. We have learnt from challenges being experienced on current large infrastructure projects on the continent which has helped to identify the key areas to focus on to ensure success. These major challenges include a lack of policy frameworks for infrastructure projects, poor financing structures, weak contract and project management, as well as a lack of the necessary monitoring and evaluation throughout projects.

In order to complete projects within the hotel and real estate space of infrastructure, IDE will be running three summits in Africa in 2017, in order to facilitate the completion of existing projects in Africa as well as encourage further development on the continent. Through its industry networks, global reach and regional African focus, IDE aims to create personal and business opportunities providing stakeholders with quality contacts, content and communities.

Exclusive closed-door initiative

What sets IDE's summits apart from other business events in Africa is that it is an exclusive closed-door initiative, meaning only vetted stakeholders can attend. IDE-Global will bring together over 200 industry experts including international and leading hotel and real estate owners, operators, developers, architects, interior designers, consultants and service providers. The summits in Africa will explore the exceptional opportunities the African market offers.

In 2017, IDE will host the following summits to bridge the infrastructure gap in Africa:

- Hotelier Summit Africa (South), hosted in Johannesburg – April
- Hotelier Summit Africa (North), hosted in Casablanca - October
- Design Mission Africa, hosted in Cape Town – November

Africa is facing a critical development phase and is on the eve of an economic explosion. Project completion is the key to unlocking Africa's true economic potential. It can make both living and doing business in Africa less challenging. We look forward to facilitating this business in the region.

ABOUT RAVI KUMAR

Ravi Kumar is director of IDE
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