

Unlocking investment potential

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was previously Executive Director and Chief Operating Officer of Celtel International and was instrumental in its growth across Africa, overseeing operations in thirteen African countries. Prior to that Mr. Issa spent fourteen years with the IFC and six years with the World Bank. He began his career in Africa working for the East African Posts and Telecommunications Corporation, where he rose to become Deputy Chief Engineer and Chief of Long & Short Term Planning.

Tanzania has played a crucial role in prompting a re-appraisal of Africa's investment potential. One of the continent's front-runners in terms of economic development, the country has enjoyed steady growth and increasing prosperity over recent years. While much of this growth can be attributed to the country's many natural resources and peaceful civil society, it is important to acknowledge that economic potential can only be fulfilled if the investment climate is conducive to doing business.

The Investment Climate Facility for Africa

Growing recognition of the importance of investment climates for economic growth, job creation and increasing prosperity was a key stimulant for the formation of the Investment Climate Facility for Africa (ICF), which was formally launched in 2006 to help remove real and perceived obstacles to both domestic and foreign investment. We work with receptive African governments to make the continent an even better place to do business, systematically focusing on areas where practical steps can be taken to remove identified constraints and problems.

Part of our remit is to tackle the misperceptions that currently exist about Africa as an investment destination and a place to do business. And here the numbers are starting to speak for themselves. According to the World Bank, Africa currently offers 'the highest return on direct investment in the world.'

Barriers to doing business

That said, we are also very aware that doing business in Africa can be challenging. The continent has a fragmented business landscape, and businesses, regardless of their size or structure, have to contend with numerous obstacles and barriers that make running an enterprise difficult.

In a nutshell, Africa's infrastructure can be stifling to enterprise. Day-to-day business across the continent is often thwarted by practical struggles with transport, logistics, energy, and technology.

Developing Africa's capital markets and increasing access to finance and credit for enterprises is also crucial to improving the investment climate, as is strengthening property rights and improving the legal and enforcement systems that protect and promote legitimate business.

Sustainable Change

The broad base of support that the ICF has already

received from African Governments and institutions is evidence of a growing consensus that investment climate reform is crucial for wider economic growth. We are grateful to have the support of a number of corporate investors and development partners, and are currently funding and delivering projects across a number of markets, including Tanzania. The Tanzanian Government has been especially supportive of the ICF's goals and objectives, recognising that stimulating investment - both foreign and domestic - is key to the long-term prosperity and growth of Tanzania.

Working in partnership with the ICF

Continued private sector growth and investment will rely on ongoing improvements to Tanzania's investment climate. It is worth acknowledging that such reform can often involve difficult decisions that bring with them some short-term pain. However, such 'growing pains' are often fundamental to deliver longer-term benefits and a healthy, buoyant economy. The privatisation of the telecoms sector, of which I have first-hand experience, is a key example of a sector that experienced some short-term job losses as it moved away from public ownership, yet went on to become one of the continent's biggest employers and a key contributor to Africa's economic development.

The Tanzanian Government is aware of the need for a long-term programme of reform, and is already working in partnership with the ICF on two projects to deliver tangible and self-sustaining improvement, with further projects in the pipeline for development. The first project aims to strengthen and modernise the judiciary in Tanzania. At the moment commercial disputes in Tanzania take a very long time to resolve. The Judiciary does not have its own electronic database and proceedings are still recorded in long hand, leading to significant delays in writing and delivering judgements. The ICF will provide the Judiciary with support to improve technology and training to ensure it can deliver justice promptly, efficiently and transparently. The ICF is also working with the Tanzanian Government to establish a Land Bank, which will buy and prepare parcels of suitable land with the requisite infrastructure.

It is projects such as these that the ICF hopes will deliver tangible improvements to Tanzania's investment climate and make it an even better place to do business. **E**