



**MINISTRY: FINANCE
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**ADDRESS TO THE LAUNCH OF BIGEN AFRICA
THE INNOVATION HUB, PRETORIA
18 APRIL 2007**

Director of Ceremonies

Dear Friends

Let me join you in celebrating the wonderful occasion of the launch of BIGEN Africa today. The synergies that are created from the merging parties BIGEN Africa Consulting Engineers and Pan African Capital Holdings will produce a strong and strongly empowered partnership to share knowledge, skill, expertiseand innovate.

I have just read an exceedingly tragic account of the war in Darfur – I am sure that we have all read horrific accounts of the deeds of the Janjaweed and seen footage of the millions of terribly poor people displaced by that war. In the account I read, people talk of the changes to their land and lifestyle, aspects that we may not easily have considered. Some things have changed, explained a local Arab sheikh, “Sand blew into

fertile land, and the rain washed away the alluvial soil. Farmers who once hosted his tribe and his camels were now blocking their migration; the land could no longer support both herder and farmer. Many farmers lost their livestock and scratched at millet farming on marginal plots.” The God-given order was broken, the sheikh said, and he feared the future.

This is one part of the enormous challenge that confronts all of us in the management of depleting scarce resources like water. If we do not manage use and demand, large parts of the world could be trapped in the kind of internecine conflict that we now witness in Darfur.

Last year, the United Nations Development Programme (UNDP) devoted their annual Human Development Report to the issue of water. They opted to launch the global report in South Africa, for, as the report recognises, South Africa is one of the few countries that spends more on water provision than on its defence force. The report details each of the 8 Millennium Development Goals, and comments on the importance of access to clean water in relation to the delivery of each of them. The report says, “The word *crisis* is sometimes overused in development. But when it comes to water, there is a growing recognition that the world faces a crisis, that if left unchecked, will derail progress towards the Millennium Development Goals and hold back human development.” It argues, “the roots of the crisis in water can be traced to poverty, inequality and unequal power relationships, as well as flawed water management policies that exacerbate scarcity.”

The 2006 Human Development Report speaks to the situation in Darfur. But it also holds itself out as a challenge and opportunity to BIGEN with its experience in projects

such as the Moretele Water Scheme, the Temba Roodeplaat Water Supply Scheme and years of experience with municipalities in the management of that scarce resource, water.

But development is about more than just water provision. There are also a range of other examples where the unlocking of infrastructure is essential to the release of new economic energy. A few years ago, I was privileged to serve on the Commission for Africa. Our report acknowledges

Poor infrastructure is a critical barrier to accelerating growth and poverty reduction. In Uganda, transport costs add the equivalent of an 80 percent tax on clothing exports. In some regions of Africa, farmers lose as much as half of what they produce for lack of adequate post-harvest storage. Across the region, women and girls currently walk an average of six kilometres to collect water. The life of those living in urban slums is made still worse by the lack of infrastructure – only seven percent have access to sewage facilities, for example, leading to economic costs in terms of health and lost work hours.

I raise these examples because too frequently we believe that the development challenge is one that requires copious resolutions of intergovernmental forums, when what we actually need is innovative design, construction and project management. In other words, we are talking of smart civil engineering.

As the story of Darfur affirms – we will have to call the peacekeeping troops later, if we fail to recognise the problem; identify the solution - which may be an engineering solution to a hydrology problem; and fix it.

With the pressures of additional calls on our scarce resources – be it through population growth, wasteful usage, or the cumulative neglect now evidenced in climate change, the world needs new innovation.

Similarly, the world is becoming increasingly interconnected and needs to manage economic relations between larger markets – already analysts have combined almost 40% of the world's population into a futuristic single market, called “CHINDIA”. We cannot be left behind as this happens. As Africans, we must think as Africans, with a vision that extends way beyond sovereign borders and construct a larger market – this also demands innovation. It requires of us to think of new infrastructure, new ways of constructing it, new methods to finance it and new rules for maintaining it.

But, if we want all this, then we need new agencies. Those who will be better and those who are capable of leveraging their experience, of utilising their new synergies, and those who understand development as a catalyst for durable peace.

This is the reason I join with you today in celebrating the establishment of exactly such an agency, BIGEN. And in case BIGEN thought about yesterday's approaches to problem-solving, we should remind them that here in the Innovation Hub, yesterday's solutions are the exception that will need to be justified – this is a home of forward-looking companies. There is simply no escape – demonstrate what difference your partnership, continental experience, Pan-African vision and co-operative approaches to problem solving can make to genuine empowerment. With what you already have – I challenge you to prove me wrong.

Thank you.