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**Rethinking Sub Sahara Africa (Ssa)-China
Infrastructures Development Cooperation For
Sustainable Economic Development And Growth:
Issues, Prospects And Challenges**

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RETHINKING SUB SAHARA AFRICA (SSA)-CHINA INFRASTRUCTURES DEVELOPMENT COOPERATION FOR SUSTAINABLE ECONOMIC DEVELOPMENT AND GROWTH: ISSUES, PROSPECTS AND CHALLENGES

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ABSTRACT

The focus of the paper is on the relevant incentives and fundamental measures that need to be put in place or taken to develop and deepen the essentials (reforms inclusive) for revamping the decaying; and developing and promoting an integrative, relevant, productive and proactive SSA infrastructures. The paper posits that there is a high level of inadequacies and dysfunctionality in the SSA. It also posits that there have been rising Chinese infrastructures interventions in the SSA in the past decade. Consequently it examined the decay, inadequacies and dysfunctionality within the millennium development goals (MDGs), New Partnership for Africa's Development (NEPAD) and the SSA China economic relations. In doing this the paper examined the current infrastructures situation in the SSA. It adopted the comparative and questioning approaches, including recommending infrastructures partnership. Mainly the paper examined the constitutive element and the architectural arrangements in place for SSA-China infrastructures development aid that should guarantee economic development and scale up poverty reduction. In furtherance of this fundamentals, the paper did an overview of broad spectrum of current financial, institutional, economic, participatory planning and political planning arrangements that can inhibit or accelerate infrastructures development and growth within the context of SSA-China infrastructures relations and within a multipolarity infrastructures framework that include both traditional and emerging infrastructures actors/investors/finances in the SSA. Essentially it did a prognosis of current infrastructures development in road transport, maritime transport, electricity, water, and telecommunications, etc in the SSA , and how the Chinese fit into this a quadrilateral or multipolar infrastructures development partnership/concept. This it did by examining it along a broad spectrum of constraints that can inhibit or promote a sound productive infrastructures development and growth. It examined it by strategically targeting poverty and sustainable development in short, medium and long-term. Finally it put forward numerous policy prescriptions for ensuring a new infrastructure

development order and partnership in the SSA. It concluded that the present and emerging infrastructures architecture development is a mix-grill of isolated pockets of engagements and haphazard management structures that lack any form of cooperation among traditional and emerging actors, in addition lack the capability to deliver and scale down poverty in the SSA in the 21st Century. Consequently the paper posit that if the desired goals in the current attempts to integrate the SSA into global development architecture and growth is to be achieved, the SSA, the traditional and emerging actors/investors/financiers must deliberately craft a productive and proactive infrastructures architecture for the SSA in which all of them (SSA inclusive) cooperate and collaborate with each other, with the SSA providing the lead and not as an infrastructures destitute. In investigating the theme the paper is intentionally provocative, it does not mean in the extreme or untrue but to provoke further intellectual or policy debate or discourse.

INTRODUCTION

The SSA exhibits huge decay and lack of maintenance of existing infrastructures; and strong unmet demand and deficits for new infrastructure construction and for infrastructures finance, suffering from huge infrastructural deficits that culminated in a pathetic growth path, decay, external dependency and unsustainability.

Essentially SSA infrastructures financiers/actors can be grouped into two categories: 1) The traditional actors that are OECD member countries; and 2) the emerging actors/financiers, which include China, India, Arab countries and Asian countries. Of the emerging actors China is the largest, with a commitment that rose from USD 0.5 billion in 2001-2003 to over USD 7 billion in 2006 and trailing back to USD 4.5 billion in 2007 (Vivien Forster, 2008).

The poor state of infrastructures in the SSA its electricity, water, roads, information technology-cuts national development by two percentage points every year and reduce productivity by as much as 40 percent. To scale down this infrastructures gap, an annual spending of USD 93 billion is required (World Bank 2009).

The SSA suffers from huge infrastructural deficits particularly when compared to other developing regions, both in terms of cross national and cross regional infrastructures development (Caldron Ceasar and Serven Luis, 2008 and Charles Abuka 2005). The worst hit is the power sector with generation and household access at around half the levels observed in East Asia and Pacific. Unreliable power supply lead to losses in industrial production value at 6% of turnover. Limited infrastructures services tend to be costlier than those available in other regions. For example, road freight costs are two or four times higher than those in the United States, and travel times along export corridors are two to three times as high as those in Asia. It is also estimated that deficient infrastructures may be costing as much as one percent point per year of

per GDP growth. This is compounded by inadequate, inefficient and very expensive telecommunication services.

The infrastructures needing attention in the SSA and the OECD countries to which China have shown interest include: road transport, maritime transport, electricity, water sewage treatment, information technology etc.

Specifically a report of the United States international trade commission report, 2009 indicate that: 1. most roads in the SSA are poorly maintained and often unpaved; the truck fleets generally consist of aging fuel inefficient vehicles that are often over loaded that contribute to further degradation of road. The region has made very slow progress in the construction, maintenance and management of roads. The region Lag behind other regions in the quality and quantity of land transport infrastructures. 2. By the international standard most ports in the SSA are small, even when compared, with many facing physical capacity to handle maritime trade volume. However, there have been modest improvements in productivity and infrastructures but the problem of maritime infrastructure remain. 3. Railway capacity by any standard is low and characterized by the absence of high quality rail lines due to infrastructures decay and endemic unreliability of operations. In addition it is loosing market share to truck traffic and has suffered from continental wide investments. 4. An assessment of SSA electricity indicate that it is the least developed, the least reliable and most costly to operate and on the average the highest priced in any region in the world resulting in higher competitions. 4. Telecommunications is in a similar state in the SSA as transport and power supply. Though improvements have been recorded in the last ten years, the telecommunications infrastructure in the SSA remains inadequate and chaotic.

In the last decade China has entered as a growing infrastructures financier in the SSA, comparable in scale to that from traditional official assistance from organization for Economic Cooperation and Development (OECD) countries or capital from private investors. This growing contemporary infrastructures relations date back to 2002 when it entered into infrastructures agreements with countries such as Angola and Nigeria. This intervention is largely in hydro generation and railway projects, and largely financed by the China Export-Import Bank on concessional terms that is significantly less than that provided by the OECD countries (Vivien Forster William Butterfield, Chuan Chen and Natalya Pushak 2009).

A large number of SSA countries have benefited from China-SSA infrastructures deal, but the major beneficiaries are Angola, Ethiopia, Sudan and Nigeria. Infrastructures deals have largely been contracted on natural resources extractions that are directed to broader development projects through a mechanism known as “Angola Model” (Vivien Forster etal, 2009).

China's finance of infrastructures in the SSA is huge but pinning it to specific figure is difficult because Chinese data sources do not disclose data on concessional lending at the level of disaggregation required to determine the level of Chinese investments in the sector.

Essentially China's infrastructures finance is allocated to general multi-sector infrastructure projects within the framework of broad bilateral agreements that allow resources to be allocated with government priorities.

The rest of the paper is structured as follows:

1. China-SSA Infrastructure Development Challenges in the SSA (section 2);
2. China Infrastructures Interventions in the SSA (section 3);
3. Constraints/Criticisms and Incentives (section 4);
4. Defining the Infrastructures Partnership Quadrilateralism or Multipolarity (section 5);
5. Requirement for successful SSA-China Infrastructures Partnership (section 6); and
6. Policy Prescription/Conclusion.

CHINA-SSA INFRASTRUCTURES DEVELOPMENT CHALLENGES IN THE SSA

The SSA is a factor driven, low income economies dominated region and several challenges present itself in the quest for a sustainable infrastructures development in the region within the context of China- SSA relations. These among others include:

- i. How to increasing all stakeholders input into infrastructures maintenance and new construction planning, monitoring and evaluation process. Essentially this has up till today remains the sole preserve of government and the China with the whole exercise shrouded in secrecy and sometimes political image laundering.
- ii. How to improve infrastructures maintenance and construction funding and financial sustainability without the risk of debt unsustainability. A critical example in this respect is Nigeria which have just exit the debt unsustainability but her debts is building up again as a result of China's concessional loans for infrastructures financing among others.
- iii. How to increase transparency and accountability in the whole process of contracts award and implementation and evaluation in the whole process of infrastructures maintenance and new constructions as defined by the SSA-China relation
- iv. How to seriously scale down the disconnect between government and the SSA citizens in the disconnect in the whole process of SSA-China infrastructures maintenance and new construction negotiations and implementation process.
- v. How to disconnect natural resources exploitation financing from infrastructure maintenance/new constructions development financing.

- vi. How to develop and sustain institutional and ownership structures of infrastructures networks, which should raise concern given the massive financing. Despite frequent media reports of corruption in infrastructures development in the SSA involving China (e.g in Nigeria), few people ever study the issue, firms, and officials benefiting from such corruption have interest in propagating technical, a political models of infrastructures planning and impact. Besides these infrastructures projects involving the Chinese are shaped by their heavy reliance on Chinese specialized personnel who have a relatively poor understanding of local context.
- vii. How to overcome the increasing excessive dependence on Chinese technology and funding for infrastructures development in the SSA.
- viii. How to evolve appropriate pricing for natural resources which are exchange for infrastructures development, in the SSA usually the natural resources are underpriced.
- ix. The challenge of defining the type of infrastructures partnership that the SSA want with the Chinese and taking the lead in this partnership.
- x. The challenge of coordinating China's infrastructures development in the SSA with other emerging traditional infrastructures development actors in the SSA.
- xi. The challenge of defining, harmonizing and enforcing good practices of infrastructures development standards for both Chinese and other actors (emerging and traditional)
- xii. The challenge of how the SSA can exploit the comparative advantage of the four key players in infrastructures development in the SSA (China, USA, EU and India).
- xiii. How to enhance sub-regional organizations in infrastructures development in the SSA (policy formulation, implementation and monitoring evaluation).

CHINA INFRASTRUCTURES INTERVENTIONS IN THE SSA

Chinese first infrastructures relations with the SSA dates back to 1976 when it constructed 1860 kilometer of railway line Tanzania, Zambia that was meant to provide transport corridors to SSA countries. The contemporary infrastructures commitment can be traced to 2002 when it entered into infrastructures agreement with countries such as Nigeria and Angola. The current infrastructures relations have grown exponentially in the last 10 years and it is commercial in nature and the focus is on infrastructures development and rehabilitation.

Chinese investments in infrastructures rehabilitation, maintenance and new construction is intensifying across the SSA. This it does on its own terms by ensuring that resources needed for this rehabilitation and development process are granted and administered either through China Development Bank or China Export Import Bank. For instance the USD 5 billion China-Africa Development fund that was approved by the Chinese state council in 2007 is to be

administered by the China Development Bank and targeted at Chinese firms engaged in development, investment and economic activities in Africa (infrastructures development inclusive) (Lucy Corkin, Christopher Brike and Martyn Davis 2008). Furthermore, China Export-Import Bank in 2007 through its Vice President announced that USD 20 billion will in the next 3 years be committed to infrastructures development in Africa. But this in addition to other concessional loans that has been and will be disbursed by China Export-Import Bank and to be target at infrastructures project undertaken by Chinese companies. According to World Bank estimates this stand at about USD 12.5 billion as at 2006 for large scale infrastructural projects in the SSA though the China Export- Import Bank official figures are much less (Lucy Corkin et al 2008). According to the World Bank, more than 80% of these loans were concentrated on Angola, Nigeria, Mozambique, Sudan and Zimbabwe. Projects in the power sector accounted for 40% of the commitments, followed by general or multi-sector commitments (24%), transport (20%), telecommunications (12%) and water projects (4%) (Peter Bosshard Citing World Bank Report)

In a study by Vivien Forster et al (2009), in 2007 China financing commitments to the SSA stood at 14 per cent to the general infrastructures projects without any clearly identified sectoral allocation, including USD 2 billion of line credit earmarked for multiple infrastructures projects. Of the remaining financing commitment, about 33% went to electricity (especially hydro power) 33 percent went to transport (especially railway), followed by ICT (mainly equipments supply) water projects attracted the least amount of financing (Vivien Forster et al 2008). By the end of 2007 China invested the following in infrastructures in the SSA: more than USD 3.3 billion toward the construction of 10 major hydro projects amounting to more than 6,000 mega watts (MW) of sustained capacity. It financed over USD 4 billion of the rehabilitation of more than 1,350 kilometers of new railway with the largest deals been in Gabon, Nigeria and Mauritania. A total of USD 3 billion worth of ICT equipment was supplied by Chinese telecom firms to Ethiopia, Sudan and Ghana. In road and water projects a total of not more than USD 900 million overall has gone into both sectors.

In Southern Africa Development Cooperation (SADC) China has recorded the under listed infrastructural engagements:

- * In April 2006, the Mozambican government signed a memorandum of understanding with the China Export-Import Bank for a USD 2.3 billion six year project, the Mepanda Nkha dam and hydroelectric station on the Zambezi river that should generate 12000 megawatts of electricity the project will supply Maputo with electricity too. The MOU also include the construction of the Moamba-major dam in Maputo province that will supply Maputo with drinking water. The dam is to cost USD 300 million.

* In Zimbabwe, an agreement set in motion a USD 1.3 billion joint venture between Ele Resources (a local firm) and China Machine-Building Corporation the construction of three thermal power stations and a coal mine in the Zambezi valley on the border with Zambia.

* In Rwanda China is financing the sopertrade highway leading to Kigali City center at a cost of USD 30.7 million. (www.newsmaxworld.com/africa/china-push-africa).

Since July 2010 China and Nigeria sign agreement to build a hydro power station, take over a privatized oil refinery (a money loosing proposition). All in all China it will amount to about USD 7 billion. Off recent it also sign a major deal for the build of three refineries in Nigeria with USD 23 billion.

As at 2009 China has 79% of total commitment in the Africa (Goa zhen 2007). By 2007 it has invested USD 5.3 billion in 16 SSA countries and USD 3.3 in 10 hydro projects in SSA countries.

CONSTRAINTS/CRITICISMS AND INCENTIVES

CONSTRAINTS/CRITICISMS:

The way both the SSA and the Chinese are going about the maintenance, rehabilitation and construction of new infrastructures presents some constraints particularly in the resource rich countries that in dire need of infrastructures development and support. These constraints include the under listed among others:

* China a much better informed development partner with a coordinate and coherent policy and institutions is rebuilding the SSA infrastructure on its own terms-framed with the framework of China's strategic engagement in the SSA. This appears to be constraining the SSA ability to domesticate the funding, the technology and human requirements needed for the development of a sustainable infrastructures engagement in the SSA (Lucy Corkin etal 2008).

* Low end quality materials from China, because of the very low level of profit on which Chinese firms operate compared to others and the ability to undercut competitors by up to 50% of overall bid. Very few local markets have the capacity for large scale project for SSA infrastructures rehabilitation and new constitutions and rarely find themselves competing with Chinese companies, even the western companies and maintain a slight edge over the Chinese, when it comes to specialized technical areas of construction they are gradually finding themselves unable to compete with the Chinese companies. This places a constraint on the ability to develop a sustainable and competitive infrastructures

market. Notable examples of this type of competition include Tanzania, Zambia and Angola where China has caused considerable alarm. (Lucy Corkin et al 2008).

- * There is a constraint in capacity building in terms of the lack of skill labour and local procurement sources that has forced majority of Chinese construction firms to import materials and labour directly from China.
- * A serious constraint to this infrastructures development by is the issue high level of corruption of government officials that have responsibility for negotiating, approving monitoring and evaluating these infrastructures deals. Corruption can be an impediment in the scale, quality and ability of the infrastructures to sustain development and scale down poverty.
- * China's preferred method of accessing resources is the barter system, which cleverly identifies systems desired by African elites; extractive and construction Chinese agenda's alike. Infrastructures geared towards resource rich SSA nations. Consequently infrastructures that was just 4% five years ago is now 79% (Khadija Sharife 2010). While this is good for the infrastructures health of the SSA China should also be impressed on to extend it to the resources poor SSA nations. This is because this strategy adopted by China deprived the larger segment of the SSA nations from access to the huge infrastructural resources of China.
- * China trading system of resource-targeted development (such as ports, railways, mining facilities and mega dams) for access to resources is two-prolong: first, it allows for China, through policy banks such as China Export-Import Bank (extending over USD 24 billion on concession terms) to ensure that Africa's resources needed for further development and China's finances are both repatriated through almost exclusive development by China's state-owned firms. Additional are materials and guaranteed contract utilizing loans (Khadija Sharife 2010).

INCENTIVES

The constraints notwithstanding there are a lot of opportunities or incentives which should serve as a catalyst for the SSA to be integrated into competitive global architecture system for sustainable development. Some of these include:

- * China has established and is in the process of establishing designated special economic zones (SEZ across the SSA that can become SSA's new economic growth model-a transnational infrastructures network as China's commercial strategy towards the SSA that can link the SEZ by building special infrastructures corridors across the SSA. The first of the SEZ in the SSA was established in Chambishi, Zambia, with the Chinese

government committing USD 800 million in investment credit for Chinese firms to tap into. The zone anchor investment is put at USD 200 million copper smelter for local beneficiation. In addition to an estimated 60,000 jobs that will be created in the SEZ. The SSA government can tap into this opportunities too by not leaving it alone to the Chinese but all seek committed funds for these zones from multinational international institutions such as ADB which SSA companies can tap into.

Concessional infrastructures loan/grants from China to the SSA should be seen as potential sources of funds for the construction of productive infrastructures rather than as source of controversy or for comparing western governments' loans and that of the Chinese. What should be the fundamental consideration is how to effectively utilize these loans and protect it from being mismanaged through corruption. Of the infrastructures loans and other aids provided by China to Africa, South, East, Asia and Latin America from 2002-2007 Africa was allocated to 44%.

Chinese infrastructural attention on Africa is resuscitating others attention (particularly the traditional actors-United States and EUs) in the SSA who have long neglected it. The SSA must therefore put in place the necessary machinery for coordinating them and getting the best out of the situation in terms of sustainable infrastructures development as the situation might not last forever.

China's infrastructures development should offer specific lessons for the SSA. For example China has in recent decades made massive investments in infrastructures a foundation for economic revival. The SSA stands to benefit from it in two ways: 1) it should learn from China about the importance of infrastructure; and 2) China is providing infrastructures support to the SSA. The SSA should see this as opportunity to develop and domesticate her infrastructures rehabilitation and new construction architecture/mechanisms.

It is instructive that most western countries have for decades shied away from support infrastructure and higher technical training in the SSA, two areas that are vital for economic growth. China involvement in this area has assisted Africa to restore these two important factors in economic discourse and SSA governments should build sustainable infrastructures development on this (Celestns Jurna 2010).

SSA has the following physical infrastructures resources which is both an incentive and constraints to infrastructure development within the context of China-SSA relations (Olu Ajakaiye 2003).

* 10.5 billion metric tones of crude reserves, which is about 8 percent of world crude oil reserves.

- * 10.2 trillion cubic meters of natural gas reserves which is about 7.2 percent of world reserves.
- * 432,000 metric tones of uranium deposits which is about 28 percent of world uranium deposits.
- * 62 billion tons of coal reserves which is about 6 percent of world reserves.
- * 1600 gigawatts of exploitable hydro resources, which is about 33 percent of world hydro resources.
- * A plethora of renewable energy resources and solar energy resources.
- * 4,000 cubic meters of renewable water resources which is over 10 percent of world endowments.
- * Over 40 million hectares of irrigation potentials.
- * Over 60 shared international water basins.
- * A variety of temporal and special climatic zones.

All these resources endowments are unevenly distributed in the SSA. In addition their development has been constrained by prevalence of war and conflicts in the region; and lacks of political support for sub regional and regional planning in the infrastructures sector e.g the energy sector. Beside owing to poor water infrastructure development the SSA have not be able to harness these resources however, recent development shows China have engaged the constraints head on with admirable success and this call for a deeper understanding of China's investment engagement in the SSA as well as a deep investigation as to why the success, for the mutual benefit of the SSA and China.

DEFINING THE INFRASTRUCTURES PARTNERSHIP: QUADRILATERALISM OR MULTIPOLARITY

Multipolarity in the new world order explore a post cold war international system in which orders intermingle with their strategic influence. The interesting thing about this today is the involvement of many great powers and many less powerful or weak states that have somehow succeeded in holding to ransom or manipulating them into conflicts for their interest. In relation to the infrastructural development in the SSA the new international order reflects a situation where the hegemony of the EU and North America is threatened by China and thus setting a ground for conflicts, cooperation and collaboration, but the question is where the SSA fits in. It requires counter balancing by the SSA and the partners in the partnership, including potential challengers within the collaboration to guarantee a true infrastructural development in the SSA. Within this context Quadrilateral relations (infrastructural relations included) refer to jointly planned and financed cooperation projects by four established actors or donor countries or

regions together with the recipient of the cooperation country(s) in the SSA as the fourth country or region. The critical feature of this arrangement is that its funding and the know-how transfer to the SSA country is jointly arranged by the donor(s) and the SSA country. In this case the quadrilateral infrastructural partnership is defined within the context of the European Union, North America, China and SSA. This type of partnership will be particularly important for the SSA infrastructure development for three reasons: 1.) China which used to be a recipient country has now a significant role as a major aid donor to the SSA; 2.) China's increasing involvement in infrastructural development in SSA is fast displacing the traditional, and hegemonic, European Union and North American development partners, and this is causing a great deal of apprehension; 3.) China's role in the SSA is not determined in isolation but as an integral and critical input of its foreign investment and foreign policy.

Taking the above into consideration and China growing relations with the SSA The main question to be answered is: in the face of the global financial crisis that have hit North America and the European Union very hard, what appropriate actions should the EU and North America put up in crafting new infrastructures architecture for the SSA? What role should the SSA play – a destitute or a leader's role? This is against the background that the SSA is highly aid dependent, the globe's poorest region and the most vulnerable region. Here four basic distinctions can be made:

- i. How will the SSA cope with a quadrilateral infrastructures partnership in the face of current financial crisis at different levels of impact on the various levels of infrastructures commitment by both the EU and North America?
- ii. SSA funding contributions or negotiations in its relationship with the EU, the US or China is anchored to the export of raw materials or primary products with high risks involved because of the instability of market prices.
- iii. China's development cooperation (infrastructure included) in SSA is used as a means of pursuing her diplomatic and economic interests and seems to be focused on bilateral relations (Thomas Fues et al. 2006 and Yilman Altenburg 2007).
- iv. The development cooperation strategy of both the US and EU (social and physical infrastructure included) seems to be focused on how to recover their lost grounds to China as former hegemonic powers in SSA. They therefore want to intensify development cooperation with China (Thomas Fues et al. 2006). Consequently, both the EU and US strategies are focused on offering a different form of cooperation with SSA in comparison to China. However, this sounds problematic largely in terms of:

- * Issues of the definition, harmonisation and enforcement of standards (good practices of infrastructural development aid included).
- * Issues bordering on foreign policy focus and national interest on the one hand and development cooperation aims on the other hand.
- * How to explore the comparative advantages of three key players: China, EU and US in SSA? It is thereby important to recognise that these key players are not homogeneous unities themselves.
 - How to coordinate multilateral EU and American IFIs, the interplay between the Chinese government and Chinese public and private companies and the member states, regional organisations in SSA, not to forget about the multinational institutions as for example the WB, United Nations (UN) and International Monetary Fund (IMF).
- * Issue of spin-offs from established bilateral development cooperation (such as that between Nigeria and China) in order to accommodate the multilateral cooperation in SSA.
- * The level of complementarity that should exist between multilateral cooperation and bilateral cooperation in the SSA.

According to Yilman (2007), both the EU and US budget their development cooperation with recipient countries as negotiated quota. However, the Chinese do not indicate in their budget how they it is been calculated. This creates a potential problem for the multilateral cooperation. However, the question is: Which quota should be considered for the proposed quadrilateral programs?

To address this, the following questions need be addressed:

- i. Will global public goods be provided? If this is the case, will it then be ideal to debit a major part of the costs to the accounts of European or American countries while using specialised funds instead of country quota?
- ii. Does the multilateral development cooperation predominantly benefit SSA? Should the financial efforts be debited to SSA?
- iii. What are the needs and what are the capabilities of all the partners involved? Where is the ownership resident? Are there conditionalities and if so, what are they?

Essentially, as argued in this paper, some risks could be said to be associated with quadrilateral development cooperation and these could be minimized if they are deferred to regional institutions when implementing the project. This is because regional institutions could enjoy the support of all the parties to the cooperation as well as acting as a donor. This will be particularly true where a constellation exists that formerly privileged one partner. Ultimately it will be suited to build bridges between the partners through regional institutions that support regional projects and programs.

In a quadrilateral relation, development cooperation should aim to redistribute and transform infrastructural expenditures to break intergenerational transmission of poverty that has been prevalent in the SSA. This can be accomplished through a pro-poor public expenditure. It should be seen as a major potential for broad based social and physical infrastructure that transcend ideological, national and regional interests of the donors who, in this case, are China, the EU, US . It should provide an important opportunity to share more widely the benefit of infrastructural development cooperation in a manner that is not likely to have any disincentive for crowding out future growth and scale up poverty and it should provide an important growth.

REQUIREMENT FOR SUCCESSFUL SSA-CHINA INFRASTRUCTURES PARTNERSHIP

As China's infrastructures investments increase in the SSA and relationship grow and the institutional tendrils for managing them become emerged in China and locked into Africa there is the likelihood that huge problems may emerge that could bring its own development risks and long-term repercussions across the SSA. Consequently there is need for key questions of infrastructural dependency, ownership and macroeconomic development. These include:

- * In what ways do the pattern of Chinese infrastructures reinforce existing macroeconomic reforms and structures in the SSA, does it work against them?
- * How has Chinese infrastructures investments transformed ownership of development process in the SSA?
- * How has Chinese infrastructures investments affected the reduction of poverty in the SSA?
- * How do the different classes of SSA citizens perceive China's growing infrastructural role in the SSA?
- * How do politicians and political parties in the SSA countries play the China card, are they active or docile?

- * In what ways does China deliver infrastructures development aid and how is it different and distanced from the West? How are different discourse of sovereign cooperation and development mobilized with respect to infrastructures development?
- * How are Chinese infrastructures investments projects decided upon and allocated?
- * What level of conditionality exists in Chinese infrastructures development investment/aid? What effects does this have on policy autonomy in the SSA states?
- * What tensions exist on ground over infrastructures actors' coordination in the SSA? Are traditions and other emerging infrastructures actors and China seeking to cooperate and collaborate with each other?

In addition other emerging question aimed at exposing the fundamental requirements for China infrastructure aid/investments partnership in the SSA include:

- * How beneficial is China's relationship with the SSA?
- * Is the SSA learning the ropes?
- * Is the SSA leveraging on China's experience?
- * Is the leveraging on strategies which saw China out of poverty?
- * Is SSA-China infrastructures with the SSA akin to that of the traditional actors?
- * Is there a strategic blueprint in place in the SSA to make China transfer its technology to the SSA?
- * The enthronement of a dominant structuralist paradigm in which the challenge should be to constantly seek optimum combination of the participation of public and private organizations (Nigeria, Chinese, European etc) in infrastructures development for the purpose of maximizing of SSA citizens welfare effectively, efficiently and equitably.
- * The promotion of investment in infrastructures, especially improvement of systems maintenance practices that should sustain infrastructures.

In addition to the above the following also need to be activated or installed as further imperatives for infrastructure sustainable development in the SSA:

- * The two continental mechanisms of African Peer Review Mechanism (APRM) and Pan African Parliament (PAP) should be strengthened and made more responsible in its oversight function or to serve as a check on the negotiation, implementation and monitoring and evaluation of infrastructures rehabilitation, maintenance and new construction by both the traditional and emerging infrastructures actors in the SSA (China inclusive).
- * Infrastructure financial crime and corruption reduction and elimination agencies (parallel judicial bodies) such as the Economic and Financial Crimes Commission of Nigeria

should be installed and strengthened in the SSA as a means of tackling infrastructures embedded corruption.

In addition efforts must be setup to assist in the development of institutional support mechanisms in dealing with infrastructures rehabilitation and new negotiation and full commitments with both the traditional and emerging infrastructures actors in the SSA (China inclusive). As a matter of urgency continental and sub regional infrastructures development secretariat in the SSA be domiciled in the AU and sub regional organization such as SADC, ECOWAS etc.

- * Others include (Olu Ajakaiye, 2003):
- * The introduction of regulatory framework and capacity building for regulations with a view to promote policy and regulatory harmonization with a view to facilitate cross boarder interaction and market enlargement. The regulatory framework should ensure the realization of the desired of the out put valuables on a sustainable framework.
- * The installation of policy and legislative framework that should encourage competition among traditional and emerging infrastructures actors in the SSA (China inclusive).
- * The promotion of community and user involvement in infrastructure construction, maintenance and management especially in poor urban and rural areas.
- * To be able to ensure a better deal in the China-SSA infrastructures relations, the all and other regional infrastructures development agencies should redefine the infrastructures partnership between China EU, the United States and other from an African Perspective and Leadership.

The continental mechanisms of African Peer Review Mechanism and the Pan African Parliament should be strengthened and made more responsible to carry out its oversight function or to serve as a check on the negotiation, implementation, and evaluation of infrastructure rehabilitation and new construction by both traditional and emerging infrastructure actors, corruption with a view to ensuring the integrity and efficiency of infrastructures development process in the SSA.

POLICY PRESCRIPTION/CONCLUSION

seems to be the most conspicuous and a catalyst to rehabilitation and constructing new infrastructure in the SSA. However the SSA continues to present a sad case of a region excluded from world trade and development largely as a result of the decay and deficits in infrastructures development.

As at today China offers a wide range of monetary and non monetary packages for infrastructures development. This include grants and loans, plants and equipments and training

and technical assistance, which is largely tied to china's quest for raw materials. However the potential impact of China's infrastructures aid or investments in the SSA will depend to a large extent the institution, structural and governance capacity of the SSA (Dorothy McCormick) which for now seems very low, but to which China should remain committed and proactive for mutual benefit of China and the SSA.

The SSA infrastructures development partnership offered by China can be strengthened or deepened through a lot of ways amongst which are:

- i. China should within the context of Sino-Africa strategic partnership commit the SSA governments to a medium term infrastructures development and wealth creation priorities within the goals and aspirations of the Millennium Development Goals (MDGs) and Economic Partnership for Africa Development (NEPAD) that is driven on the terms of both China and the SSA.
- ii. China should evaluate the contribution of aid/investments in infrastructures in the SSA within the context of Sino-Africa strategic partnership and from time to time evaluate and real on them in terms of:
 - * To what extent has infrastructures aid/investment resulted in building domestic investments?
 - * To what extent do infrastructures aid/investments impact on human welfare?
 - * What extent have Chinese infrastructures engagements induced social and environmental concept?
 - * To what extent has infrastructures FDI from China facilitated development in the SSA?
- iii. China should put in place a infrastructures collaboration and cooperation actions and goals that is targeted at developing jobs and export manufactures in the SSA to which both the Chinese and Africans are employees
- iv. Within the context of Sino-Africa relations and long term strategic survival and development, China and the SSA should develop strategy for supporting NEPAD and expanding regional infrastructures integration programmes. With a view to supporting intra regional developments in terms of:
 - * Vastly improved utilities-power, energy and communications.
 - * Improved transportation-road, rail and air.
 - * Better ports-gateway to international trade.
 - * Provision of quality water-for irrigation, with necessary reticulation, portable water and water for industrial use.
 - * Investments for human capital with emphasis on entrepreneurial and technological skills and information technology competences.

In addition given the dominant contribution of agriculture in most SSA countries GDP, infrastructural development with the context of China-Africa relation should emphasize improvement and upgrading competitiveness in the agricultural sector through the development of key process industries. In this regard four critical issues appear relevant (Anya O. Any 2001).

- * Raising the level of productivity;
- * Reducing the population on the land;
- * Providing easy access to funds and capital.

The efficiency of all this depends on the quality and availability of relevant infrastructure to which the Chinese are critical, but the terms should be dictated by both the Chinese and the SSA on mutual beneficial terms.

Against the above background in order for the current Euro-America and Chinese infrastructural development effort in SSA to be a success, a partnership between the EU, the United States and China that seek to genuinely construct mechanisms and measurements aimed at assisting the SSA enthrone a sustainable infrastructures development framework where the SSA is not treated as a development destitute needs to be developed. Therefore, the EU, US, China and SSA need to collaborate with each other in a multi-polar framework and which should address the following issues:

- * How can SSA infrastructure be developed through a genuine and collaborative partnership between the US, EU, China and SSA?
- * The private sector is a key player in infrastructural development. How will a partnership between the EU, US, China and SSA support more effective private sector participation in the SSA infrastructural development?
- * How can the partnership between the EU, US, China and SSA support or accelerate sub-regional infrastructural development in SSA?
- * What are the accompanying measures that the quadrilateral relations can introduce to ensure a sustainable infrastructural strategy for SSA that encourages economic growth and scale up of poverty reduction?
- * In which way will the EU, US and China participate in an integrated Euro-America, China and SSA infrastructural development framework for infrastructure related technical assistance with a view to improve trade and scale up poverty reduction?

SSA remains a ground for fragmented EU and United States infrastructural development cooperation and collaboration with each wanting to impose its own terms or conditions which

has made it difficult for sustainable development architecture to be put in place. Worse still the Chinese infrastructural development strategy is on isolated basis and no attempt to collaborate with the EU or North American actors. This represents a global development challenge to SSA and call for a paradigm shift in the infrastructural development of an infrastructural complex and deficit SSA. The immediate importance of these are:

- i. Unless the EU, the US, China and SSA re-strategise the basic parameters for a collaborative infrastructural development role, SSA will continuously be dogged by chronic underdevelopment and poverty.
- ii. Unless the EU, the US and China collaboration intervene by assisting the SSA using their huge mineral and human resources as a basis for building development capacity (infrastructures inclusive) and within the context of NEPAD, the MDGS or other sustainable alternatives, the consequences will be chronic under development and poverty and human misery that the economic and destitute migration implications will be mainly directed at the EU and North America in terms of coping with a huge SSA migrant population and human trafficking
- iii. In crafting a new role for the EU, US and China in the infrastructural development of SSA, they must first identify, harmonize, coordinate and give special high priority to existing infrastructural development policies and their impact on food and security, intra and international trade, and socio-economic challenges.
- iv. This new EU-US-China-SSA partnership should create new infrastructural opportunities in the context of repositioning SSA in the new world economic order and scale up poverty reduction.
- v. The partnership should enhance sub-regional organisations' participatory planning in infrastructures policy formulation implementation and evaluation with a view to improve SSA global competition and the standard of living.
- vi. In addition in line with the recommendation of the China Export-Import Bank on infrastructures development (Go Zhen 2007):
 - There should be frequent contact with the World Bank, African Development Bank and other multi lateral and bilateral agencies.
 - Work with leading commercial banks that are active in the SSA
 - Strengthen the efforts by sub-regional and regional banks.

- Underline each others policy and operations and find ways to strengthen it for the interest of the SSA or mutual benefit of the SSA and the aid donors or infrastructures investors.
 - Identify potential opportunity for cooperation
 - Provide opportunity for contact and periodical meeting for the review of where we are, where we should be, what we are doing wrong and what we are doing right.
- vii. Provide a collaborative context where grants or investments can be accelerated for the maintenance and construction of railways and roads that are critical for inland transit that is needed to boost intra and inter nations trade and economic relations as well as facilitate regional infrastructural integration.

The history of the SSA relationship with Europe and North America is chequered but that of China is friendly. However, viewed in the long term perspective, it is in the interest of the European Union and North America to develop a positive stand towards China's increasing presence (infrastructures development inclusive) in Africa as well as towards the potential for growth, poverty reduction and regional stability that China's engagement in Africa entails (Thomas Fues et al 2006). This calls for a comprehensive dialogue and intensified EU, North America and Chinese coordination in development cooperation with the SSA, perhaps within the framework of the United Nations and G.20 forum, Paris Declaration or other alternative forums on Aid effectiveness.

If infrastructural development in the SSA is to yield positive results and scale up poverty reduction the SSA should explore practical avenues for cooperation between North America, European Union, China and the SSA, preferably in NEPAD Policy Field (particularly social and physical infrastructure), China would be encouraged in keeping with the Paris Declaration to become involved in donors harmonization. This notwithstanding, it is fundamental that the critical actors in the whole infrastructures development process should be the SSA countries and their regional or sub regional organizations. It should be SSA driven/led and not the donors.

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