

Dr. Collins Odote, a Senior lecturer at the University of Nairobi, was a participant. He authored the following article on the event, which was published on [Business Daily](#) - Sunday, August 23rd 2015

Global discussions regarding Africa have over the last two years changed from regarding it as a dark continent to the next frontier for growth and expansion.

What has led to this “Africa Rising” narrative? Is it true? Are we prepared for it? Who will benefit?

These, among other issues, occupied our minds during the meeting in South Africa in discussions that revolved around the large infrastructure developments taking place across the continent, their financing and implications for Africa’s development and governance.

There are massive infrastructure developments taking place across the continent, including Kenya’s Lapsset Corridor project, the standard gauge railway and the Northern Corridor Transport Improvement project.

The framework for their funding and implementation is governed by a document prepared under the auspices of the African Union titled the Programme for Infrastructure Development in Africa whose implementation is coordinated by the African Development Bank, the AU Commission and the Nepad secretariat.

The programme’s goal is to promote socio-economic development and poverty reduction in Africa through improved access to integrated regional and continental infrastructure networks and services. It argues that although Africa is rising, this rise is being hampered by an infrastructure gap.

To help ensure that the continent’s potential is realised in the shortest time possible the programme identifies and costs the financing needs for the continent’s infrastructure needs. It puts the amount of money required at \$360 billion between 2011 and 2040.

The sums above are to fund large scale projects with priority projects worth \$68 billion in the sectors of energy, water, transport, ICT and transport prioritized to be implemented by 2020. This is not just ambitious but also necessary.

However, as the conversation in South Africa last week explored, there are several aspects of these infrastructure development that require a closer look.

First, these projects require huge sums of money. In addition to conversation about the financing sources, there should also be focus on the conditionalities and impact of the finances and project implementation.

Infrastructure helps ease movement of goods and people, and opens up remote regions. But for this to happen several key issues must be addressed. Within the broader geopolitical debate the financing of these projects is driven largely by geopolitical considerations.

One need only see the ongoing scramble for Africa between the West and China and other emerging economies to realise what is at play. In the midst of this, a lot of strategic imperatives can be overlooked to the detriment of African countries which may end up being mere pawns.

Dr Alexander Budzier from Oxford University argued that despite being very attractive, the mega infrastructure projects have negative aspects that should concern us and that need mitigating, for example, being over-budget and over-time.

These projects are important for several reasons, though. They create jobs, rely on domestic goods, help to lower costs of production, benefit consumers through better services and improve the environment. However, if proper checks and balances are not put in place they can impede development.

First, due to the huge sums required for their implementation, these projects become an avenue for rent-seeking. Stories are told of how the political elite study budgets to identify which infrastructure projects are being planned with a view to identify sources of tenders and illicit funds.

This challenge is exacerbated by the fact that there are always players seeking attractive investment opportunities. The owners of this capital will do whatever it takes to access markets and investment options for their resources.

Secondly, launching a project brings with it huge political dividends, as it is evidence of development. Discussions of potential adverse impacts like environmental degradation, displacement of populations, and debate burdens are seen as distractions. Yet they are not.

So as we roll out these huge projects we must ensure we are firmly in the driving seat. We have to set the development and financing agenda.

Bottom line:

If we allow the agenda to continue being set by multilateral and bilateral lending agencies, developed countries and emerging financial power houses like the BRICS, then we run the risk of facing the same challenges that the continent faced in the era of the structural adjustment programmes.