

AU-China Infrastructure Deal Makes African Unity Possible

by Douglas DeGroot

Feb. 20—The signing of a Memorandum of Understanding (MoU) by the African Union and China on Jan. 27 at African Union (AU) headquarters in Addis Abeba, Ethiopia, for a continent-wide agreement to improve and greatly expand Africa's continental transport systems, including high-speed rail, road, aviation, and other infrastructure necessary for the industrialization of Africa, marks a shift in Chinese policy toward Africa that has been emerging since Xi Jinping became President in March 2013.

The MoU marks a positive shift from the already extensive bilateral cooperation between China and individual African countries, often in return for raw materials, to a policy of China collaborating, through the AU, to develop the entire continent, including countries that do not have resources that China needs. It is noteworthy that the agreement was signed at the headquarters of the AU, the successor organization to the Organization of African Unity, founded by Kwame Nkrumah on May 25, 1963. The AU headquarters was built by China as a gift to Africa.

The agreement was signed by AU Commission Chair Nkosazana Dlamini-Zuma and Special Envoy and Vice Foreign Minister of China Zhang Ming, prior to the 29th summit of the AU's permanent representatives committee, which began on Jan. 29. Dlamini-Zuma called the MoU "the most substantive project the AU has ever signed with a partner."

Referring to the longstanding, historic, and growing relationship between China and Africa, she said, "This would be the first continental project that Africa and China will be undertaking in all these areas. . . . The relationship, particularly the cooperation, is taking a different height, a different level, and a different dimension."

At the signing ceremony, Zhang underscored China's determination: "This is a grand and very ambitious project, but it is also a feasible project." He called the MoU "the document of the century," adding that "the aviation agreement marks a new area for cooperation

between the AU and China. . . . Africa is a vast continent where it must be possible to travel without transiting via Paris or London."

The agreement was finalized in the era of the new development paradigm established by the BRICS last year (Brazil, Russia, India, China, South Africa). China is the most powerful force for development in the BRICS group, and the establishment of the BRICS New Development Bank in Brazil last July, combined with China's strong history of building infrastructure in African countries on a bilateral basis, puts China in an ideal position to lead the shift toward a continental scale of development.

The MoU means that Africa is not only depending on China, but rather on the alternatives presented by the new paradigm of the BRICS system.

Ironically, on the same day that the MoU was signed, IMF Managing Director Christine Lagarde was in Kigali, Rwanda, attempting to spread fear there that African countries were at risk of being hurt by a slowdown in China's economy, in combination with what she said was an imminent increase in U.S. interest rates. But the fact that the IMF's bankruptcy became obvious with the 2007-08 collapse of the trans-Atlantic system, has removed all leverage the old IMF order has against the BRICS new paradigm.

Continental Development

The MoU complements the framework of the AU's Agenda 2063, which emphasizes the continental integration of Africa, Xinhuanet reported. The scope of the continent-wide development that the Memorandum designates, indicates a joint coordination role of the AU and China for projects in which other African and Asian partners could be invited to participate.

The AU-China commitment to develop infrastructure to link the African continent together finally puts the goals of Nkrumah for the development of a united Africa back on the agenda. With respect to the lack of development in Africa since independence, dating from

the early 1960s for most African countries, African sources report that if it were not for all the impediments that were put in the way of its development, Africa would at least have been at the level of development which has been attained by Malaysia.

The task will be enormous, when the size of Africa is taken into account. The continent is larger than the combination of mainland U.S.A., China, India, Japan, and all of Europe. Infrastructure linking the nations of the continent is a crucial precondition for its development.

Given the enormity of the challenge, the funding base will have to be broadened. Chinese Premier Li Keqiang announced last year the formation of a \$2 billion multi-lateral “Africa Growing Together Fund” (AGTF) to finance projects by other than Chinese firms.

The role of Dlamini-Zuma in this agreement takes on added significance, because she is from South Africa, the fifth member of the BRICS group. She was formerly the foreign minister.

The MoU was based on her discussions with Premier Li during the latter’s visit to AU headquarters in May 2014. Li focused on building trans-national transport and aviation infrastructure, and spoke of the dream of linking all African capitals by high-speed rail. That was the first stop of his [four-nation Africa tour](#).

Noting the singularity of the recent agreement, Dlamini-Zuma said, referring to her discussion last year with Li, she added that since then, teams have been established to work out the details of projects. “This would be the first continental project that Africa and China will be undertaking in all these areas,” she said of the Memorandum. “The relationship, particularly the cooperation, is taking a different height, a different level, and a different dimension.”

Chinese Foreign Ministry spokeswoman Hua Chunying said at a press briefing in Beijing the day after the



Xinhua/Zhai Jianlan
Zhang Ming, China’s Special Envoy and Deputy Foreign Minister, is greeted by Nkosazana Dlamini-Zuma, chairperson of the African Union Commission, during the ceremony signing an historic Memorandum of Understanding at AU headquarters in Addis Abeba, Ethiopia, on Jan. 27, 2015. The agreement is for continent-wide cooperation in infrastructure development and industrialization.

signing of the MoU, that it “shows China wants to translate President Xi Jinping and Premier Li Keqiang’s cooperation concept with Africa into reality, building railway, road, and regional aviation networks... This is also our commitment to enhance the continent’s connectivity and integration, breaking the bottleneck of its development and realizing sustainable development.”

Hua stated that China had completed 1,046 projects in Africa, building 2,233 km of railways and 3,530 km of roads. Other Chinese projects include hydroelectric dams. Electricity, like transport infrastructure, is vital for industrialization. Hua urged more countries to follow China’s lead, and make a commitment to improve infrastructure in Africa, in collaboration with China.

There has never been an effort by Africa’s former European colonial powers to support such a development push in Africa, nor by the United States, since the assassination of President John Kennedy.

Development Potential

Indicative of the broad commitment to development by China and the BRICS, an article by Xinhua writer

Cheng Lu, which appeared in ShanghaiDaily.com Feb. 12, emphasized that the Chinese Maritime Silk Road (MSR) does not leave out Africa. Cheng noted that Chinese navigator Zheng He made contact with Mombasa, Kenya, 600 years ago, and that now China is building a standard-gauge railroad from Mombasa to the Kenyan capital, Nairobi, which is ahead of schedule, and will provide 30,000 jobs. It will be completed in three years, and will eventually connect Nairobi to Uganda, Rwanda, Burundi, and South Sudan, linking what Cheng termed the vast East African hinterland to the Indian Ocean, as the 21st-Century Maritime Silk Road, revived in 2013, expands beyond Asia to Africa.

In addition to port expansion at Mombasa, China is funding and developing other East African ports, including in Lamu, Kenya; Djibouti, Tanzania; and Nigeria.

Africa-China trade volume was more than \$220 billion in 2014. For the last five years, China has been Africa's largest trading partner. Cheng notes that the MSR, like the overland New Silk Road, puts an emphasis on infrastructure projects. For that reason, China has funded the Asian Infrastructure Investment Bank, as well as a \$40 billion Silk Road Fund. The improved infrastructure is necessary to facilitate trade, thus providing a windfall for African countries. Without modern infrastructure, industrialization will not be possible.

Referring to the MSR, former Egyptian Ambassador to China Mohamed Noman Galal told Xinhua that it presents an historic opportunity for countries benefiting from the route. "But it is not China's own business," he said. "It needs cooperation. A win-win situation also means a do-do situation."

Responding to the opportunities presented by China and the BRICS, Egyptian President Abdel Fattah el-Sisi made a four-day trip to China last December, with the declared intention of making Egypt "a mainstay in the initiative of Chinese President Xi Jinping to revive the ancient Chinese Silk Road trade route." The two nations signed 25 agreements, primarily in power generation and transportation.

Since his return, el-Sisi has undertaken initiatives to settle conflicts to make development possible, and to launch development initiatives in Egypt and the region.

He has succeeded in resolving differences with Ethiopia over construction of the Ethiopian Grand Renaissance Dam on the Blue Nile, and he met Somali President Hassan Sheikh Mohamoud, pledging coop-

eration for development of war-torn Somalia. Prior to his trip to China, he had met with Sudan President Omar Bashir and Chad President Idriss Déby.

Ethiopian Premier Hailemariam Desalegn said in an interview with an Egyptian television channel that bilateral relations have improved since el-Sisi became President of Egypt.

Egypt and South Africa are pushing for the formation of a 27-nation Cape-to-Cairo trade bloc, an area that is home to 626 million people, over half of Africa's population. When finalized, this agreement will complement the AU-China initiative.

Another transport project which is already underway is the Lapsset project, providing transport linkage among Kenya, South Sudan, and Ethiopia. This flagship project has been referred to as "the mother of all infrastructure projects." The idea for it was developed in the region, and China was invited to participate. It includes the development of a new port at Lamu, on the northern coast of Kenya, which will be larger than the port at Mombasa, plus railway, highway, and oil pipeline connections from Lamu port through northern Kenya, with branches to South Sudan's capital Juba, and its two oil fields, and a road and rail extension from its eastern branch in South Sudan, crossing the western border of land-locked Ethiopia.

The pipeline will also eventually connect more recent oil discoveries in Kenya and Uganda. Uganda has joined the project, which was initiated by Kenya, South Sudan, and Ethiopia on March 2, 2012. The railroad from Lamu is projected to eventually establish a land-bridge across central Africa, through the Central African Republic, to the port of Douala in Cameroon.

The Kenyan government is funding 25% of the initial project; China is providing low-cost funding as well, while, according to unconfirmed reports, additional funds will come from South Korea, Qatar, Brazil, and South Africa.

More BRICS Support

At the AU summit that followed the signing of the Memorandum, Dlamini-Zuma received a special message from another leader of a BRICS nation, the Russian President, in which Putin confirmed Russia's interest in strengthening its ties with Africa. It was delivered by Mikhail Bogdanov, the Special Representative of the President of the Russian Federation for the Middle East and countries of Africa and Deputy Minister of Foreign Affairs of the Russian Federation.