RAPPORTEUR REPORT

A ONE-DAY CONFERENCE ON "PROMOTING AFRICA-CHINA BELT AND ROAD COOPERATION FOR A NEW ERA OF COMMON DEVELOPMENT"

ORGANISED BY THE GUSAU INSTITUTE (GI) AND THE CENTER FOR NIGERIAN STUDIES, INSTITUTE OF AFRICAN STUDIES, ZHEJIANG NORMAL UNIVERSITY (ZJNU)

Date: October 19, 2023
Time: 09h00-17h00 (WAT)
Venue: Nigerian Army Resource Centre Abuja, Nigeria (NARC)

1. PREAMBLE

1.1 Africa is an important ally in China's Belt and Road Initiative (BRI), with 52 African countries as well as the African Union Commission having already signed agreements on cooperation under the initiative. After the 8th Ministerial Conference of the Forum on China-Africa Cooperation (FOCAC) held in Dakar, Senegal from 29 to 30 November 2021, China and Africa jointly prepared the China-Africa Cooperation Vision 2035. It was decided to implement the action plan for Vision 2035 in tandem with China's BRI. The execution of Vision 2035 synchronously with the BRI is a timely call for action to address the immediate challenges that threaten our collective ability to also deliver on the African Union (AU)'s Agenda 2063, Africa's strategic framework for the socio-economic transformation of Africa, and the 2030 Agenda for Sustainable Development Goals (SDGs).

1.2 Also, 2023 is a special year for China as it marks the 10th anniversary of BRI, an initiative considered to be a novel worldwide development model. The BRI comprises a Silk Road Economic Belt – a trans-continental passage that connects China with southeast Asia, south Asia, Central Asia, Russia, and Europe by land – and a 21st-century Maritime Silk Road, a sea route linking China's coastal regions with southeast and south Asia, the South Pacific, the Middle East, and Eastern Africa, all the way to Europe. The BRI has received positive responses and broad support from the global community and impacted positively on international cooperation, generating huge opportunities and dividends for nations around the world, especially for African countries. China is an important part of Africa's economic recovery in the 21st century, playing a vital role in advancing trade, investment, finance, and social development. Still, room for improvement in relations between China and Africa remains and the 2023 Abuja Forum. This conference seeks ways in which China and Africa would achieve even better collaboration in future. The conference focuses on four of the "Nine Programs" for China-Africa Cooperation and China-Africa Cooperation Vision 2035 which are also in line with the co-hosts' joint goals including combating maritime piracy in the Gulf of Guinea; using duty-free access to close the trade deficit gap; infrastructure development and financial constraints and China-Africa educational exchange and industrial capacity cooperation.

2. RATIONALE FOR THE CONFERENCE

2.1 China is an important part of Africa's economic recovery in the 21st century, playing a vital role in advancing trade, investment, finance, and social development. Still, room for improvement in relations between China and Africa remains and the 2023 Abuja Forum focused on how to achieve even better collaboration in future.

3. METHODOLOGY

3.1 The conference was an eight-hour meeting hosted onsite at NARC and on the Zoom platform. The event formally commenced with the welcoming of guests by Mr Emeka Izeze and goodwill messages from the organizers as well as from the Ambassador Extraordinary and Plenipotentiary of the People's Republic of China to the Federal Republic of Nigeria. This was followed by the introduction of Zhejiang Normal University (ZJNU) and the Gusau Institute respectively as well as the keynote address and presentations. Eight speakers presented their papers in four panels, after a brief introduction of each speaker by the moderator. The presentations were followed by an interactive session and final remarks which signaled the end of the event. The proceedings were conducted in English and Chinese.

4. PARTICIPANTS

4.1 Participants were high-level decision-makers from the public and private sectors, as well as diplomatic envoys. The conference had 98 attendees, including the Taraba State Governor.

5. PRESENTATIONS

5.1 Keynote Address: HE Dr Mohammed Ibn Chambas *(African Union (AU) High Representative for Silencing the Guns)*

5.1.2 Transcript: Let me commend the Gusau Institute for choosing the most appropriate subject for its 2023 Annual Conference namely "Promoting Africa-China Belt and Road Cooperation for a New Era of Common Development." Despite the media's frenzy about China in Africa, history informs us that China made contact with Africa during the Ming Dynasty. Zheng He arrived on the East African Coast several decades earlier than Vasco Da Gama. Zheng He's maritime travels took place from 1409 to 1433. It is documented that in 1418 he led a vast fleet of no less than 62 ships ferrying 37,000 soldiers across the Indian Ocean. No European had had the capacity, technology, and know-how to produce ships of that magnitude at the time. What is significant is that this encounter between China and Africa was not followed by a sustained relationship, trading or otherwise over the next century. China did not show a desire to conquer or dominate Africa in spite of its superior military and maritime clout. No slavery, no domination, no colonialism resulted, rather China withdrew from the world and looked inward for most of the following centuries.

5.1.3 The next encounter between China and Africa was not to be until the post-Second World War period when China had bounced ed into the world scene following the successful Chinese revolution under Mao Zedong. The People of the Republic of China from 1948 onwards positioned itself as a supporter of the African people's fight for self-determination against colonialism and for independence from Western powers. China provided training to African freedom fighters and military support to the liberation movements and the struggle to rid themselves of the racist/apartheid regime in South Africa. and the remnants of colonial rule in Zimbabwe, Namibia, Angola, Mozambique, Guinea-Bissau and São Tomé and Príncipe.

5.1.4 It was during this period that China built the iconic Tanzam rail line from Dar es Salam in Tanzania to Zambia to link the frontline states. The project was executed in 1970 and 1975 with an interest-free loan over a long period. This is the background against which African countries voted to admit the People's Republic of China into the United Nations organization in 1971 in place of Taiwan. It is said that many African diplomats at the UN were so excited that the industrious son of Africa Salim A. Salim, then eminent representative of Tanzania in the UN danced on the floor of the UN General Assembly.

5.1.5 The People's Republic of China embarked on all-encompassing reforms with the ascendency of Xi Jinping. In no time, the country transformed beyond recognition, showing remarkable economic achievements. Hundreds of millions of Chinese were lifted out of poverty and China became a global trade and economic power, lending billions of dollars even to leading industrialised countries.

5.1.6 China's goal of achieving full integration into the global economy over the longer term, currently manifest in two separate but interconnected global initiatives; the Belt and Road Initiative (BRI) to project China's global economic connectivity and influence along two major axis; the on-land Eurasian bridge referred to as the Silk Road economic belt and maritime raft which connects seaport in China to those in Asian, Pacific and Africa, referred to as the 21st-century maritime silk road and the international capacity cooperation initiatives which aim primarily to move offshore in the form of project-specific investment, a significant part of China's excess industrial manufacturing capacity.

5.1.7 China has also set up a variety of special-purpose infrastructure investment funds such as the China-Arab Investment Fund, China-South America Fund, China-Africa Development Fund, and the China-Africa Fund for Industrial Cooperation, to bolster support, the China-Africa Industrial Capacity cooperation to boost the African industrialization drive.

5.1.8 Since the beginning of the 21st century, the relationship between China and Africa has grown exponentially. Africa has become an increasing economic partner with China which is evidenced in the volume of trade and aid between the two parties. Chinese investment in Africa grew Chinese investment in Africa grew from USD 210 million in 2000 to 3.17 billion in 2011. Africa has always been a top recipient of China's aid from 2009 to 2012 China provided USD 10 billion in financing to Africa in the form of concessional loans. During Chinese President XI Jinping's first overseas trip to Africa in March 2013, he doubled this commitment to USD 20 billion from 2013 to 2015.

Indeed, the head sovereign risk analyst of the Export-Import Bank of China announced in November 2013 that by 2025, just a year or two from now, China will have provided Africans with about USD 1 trillion in financing including direct investment, soft loans, and commercial loans.

5.1.9 Distinguished ladies and gentlemen, there are a few lessons that I see we can learn from the Chinese experience. First, many commentators see China's drastic development as a miracle, but it is obvious that this was no miracle, it came about as a result of careful planning, directed by national vision. From my experience over the years, the saying that failure to plan is planning to fail is a truism. The Chinese were able to correctly analyse and understand their situation, decided where to go, and set out to plan the exact steps to take to get there, but we all know planning alone isn't enough. Therefore, the second important lesson we can learn from the Chinese experience is the discipline of policy implementation; no matter how well one plan without proper execution everything will come to naught. We have a serious problem with following through without plans in Africa. I have seen a fair share of good policy documents prepared by equally good experts encompassing regional and continental reports which have remained on the shelves while the problems they have been designed to solve lingered on. I am curious to see how the Africa-China partnership would help us develop the discipline of implementation and effective delivery.

5.1.10 Thirdly, the Chinese have been able to develop without compromising their culture, history, and their way of life. I think it is remarkable that they have been able to waver all other pressures including ideological, philosophical, cultural, moral, ethnic and political pressures to keep their culture. In my perspective, it reveals the ability to maintain and improve upon their way of life that has helped the Chinese to come this far. What this teaches is that we cannot develop by seeking to copy everything from other places, development after all is a positive evolution of culture. How do we take stock of our history and culture, improve upon the positive aspects, and resolve the negative aspects so that can take full advantage of our enormous resources to build the prosperity that we so desire as Africans? This is a question that should essentially and continually agitate our minds as we engage all partners.

5.1.11 Ladies and gentlemen, amid the story of the partnership between Africa and China, there are criticisms for example, there are those who are concerned about massive debt accumulation which threatens our economies. Critics of the BRI accused China of pursuing the policy of 'dept-trap' diplomacy. They alleged that China is luring poor developing countries into agreeing unsustainable loans to pursue infrastructure projects so that, when they experience financial difficulty, Beijing can seize the asset, thereby extending its strategic or military reach. The World Bank IMF reports that

China's share of total African debt is only 20 per cent. The current debt crisis Africa faces is more from private sector financial institution equity funds than from bilateral and multilateral loans.

5.1.12 Of course, one major issue surrounding BRI projects and their agreements has been the secrecy of contracts in general in Africa. This is not unique to China-Africa contracts. One expert in this area has argued that whatever the cause of the failure to make government contracts routinely public on a timely basis and increasingly accessible fully, the effect is getting information in the public domain, most of the time attracting little interest in public scrutiny and providing cover for incompetence and misdeeds.

5.1.13 As an African Union High Representative for Silencing the Guns, I am particularly optimistic about what the China and African relationship means for peace and security. The Africa-China cooperation equally aims at building a safer, stable, and more peaceful Africa by holding a common comprehensive cooperative and sustainable security concept.

5.1.14 China and Africa continue to pursue peace through cooperation to resolve differences through dialogue and consultation. China supports African countries in seeking African solutions for African problems. The two parties jointly promote the timely accomplishment of silencing the guns in Africa. China and Africa have also conducted closer exchanges in cooperation in joining exercise and training, peacekeeping and stabilisation, fight against terrorism, counter-narcotics, counter-piracy and other areas, while internet security and the management and control of small arms have become new directions of cooperation. China and Africa also advance governance experience sharing and enhance the alignment of development thinking and concepts.

5.1.15 China supports African countries in independently exploring development paradigms tailored to their national conditions, enhancing governance capacity building, building an open and inclusive society of common prosperity, and achieving long-lasting peace and stability. While these are areas not particularly pertinent to the BRI, it is worthy of note that the Belt and Road initiative is not at the expense of other equally important areas such as highlighted above.

5.1.16 In conclusion, I will simply add that all sides must strive to make the Africa-China partnership durable and a win-win for both sides. May this relationship contribute to Africa realising its vision of a prosperous, peaceful, inclusive continent captured in Agenda 2063 ‘the Africa we want.’ On this note, I wish you successful deliberations. Thank you for your kind attention.

6. PANEL 1: COMBATING MARITIME PIRACY IN THE GULF OF GUINEA (*Moderated by Brig Gen Saleh Bala (rtd*), *President of WISER*)

6.1 Introductory Comments: Maritime piracy in the Gulf of Guinea has been a problem for centuries, plaguing Nigeria, the region, and the international community. Pirates have shifted from targeting oil to hostage-taking and ransoming, with 80% of attackers carrying firearms, threatening regional and international economic stability. Contemporary efforts to tackle the menace have been ineffective due to poor leadership from coastal governments and the nature of evolving threats.

6.1.1 Extensive discussion focused on issues and challenges in resolving maritime piracy in the Gulf of Guinea, pervading crimes and insecurity in the Gulf of Guinea, the relationship between the countries of the Gulf of Guinea and the interaction between the major world powers on the menace of maritime piracy. It further interrogated the type of relations among these countries that have hugely impacted solutions to the problems.

6.1.2 The discussion proffered solutions for resolving and combating threats facing the effective harnessing of the potential of the Gulf of Guinea for the benefit of the coastal region and the international community.

6.2 Speaker 1: Dr Wan Cheng
(*Associate Research Fellow and Deputy Director, Center for Africa Security and Development Studies, Institute of African Studies, Zhejiang Normal University*)
Topic: Prospects for Resolving the Problem of Piracy in the Gulf of Guinea from a Regional and International Perspective.

6.2.1 **Transcript:** Ladies and gentlemen, good morning! First of all, it is a great honour for me to come to Abuja, the capital of Nigeria, to attend the Abuja Forum. I want to pay tribute and thank the Fangusha Institute for co-hosting the Forum and all the academic colleagues attending the forum. Today, I would like to share with you the topic of the future governance of the piracy problem in the Gulf of Guinea from the perspective of regional and international relations.

6.2.2 The problem of piracy in the Gulf of Guinea has plagued Nigeria, the countries in the region and the international community for a long time and is still moving in a direction that is not optimistic. By 1983, pirate attacks in the Gulf of Guinea had accounted for 63% of the global pirate attacks, and in the 21st century, it entered a new round of outbreaks, with the number of criminal cases remaining high.

6.2.3 Since 2015, pirates in the Gulf of Guinea have shifted from targeting oil tankers and oil to hostage-taking and ransoming, with 80% of attackers carrying firearms, making pirate attackers increasingly threatening.

6.2.4 Pirate attacks in the Gulf of Guinea have not only caused huge losses to the safety of the crew and the property of international escorts but have also had a serious negative impact on the socio-economic development of littoral States and regional international cooperation. In light of this, and as the problem of Somali piracy has subsided, the international community has paid increasing attention to the problem of piracy in the Gulf of Guinea and provided a wealth of research insights.

6.2.5 While the international community and Nigerian scholars have paid more attention to the central-local relationship between the central government of Nigeria and the Niger Delta region, my share today is more concerned with the impact of the relationship between the countries along the Gulf of Guinea and the interaction between the major powers outside the region on this issue. Although the Niger Delta region is to some extent the source of the piracy problem in the Gulf of Guinea, after it became the "problem", the relationship among the countries bordering the Gulf of Guinea, their priorities, and the competition among the powers outside the region have had a huge impact on the solution of the problem, which would become the key to the governance of the problem.

6.2.6 Let us start with the relations among the countries of the Gulf of Guinea and their concerns. First, there is a lack of cooperation among the countries bordering the Gulf of Guinea in the fight against piracy. Despite the serious maritime security threats they face, the Gulf of Guinea countries lack cooperation in the fight against piracy.

6.2.7 Lack of political trust and different institutional views on ocean governance have prevented coastal states from establishing effective cooperation. For example, as the main hideout for pirates in the Gulf of Guinea, and as the number one economic and military power in West Africa, Nigeria should be playing a leading role in the issue. However, it is precise because of the lack of political trust that the coastal countries like Cote d 'Ivoire, Cameroon, and Benin are reluctant to let Nigeria play the role of regional "lead state", which also leads to a lack of authority, such as the interregional coordination centre for the Gulf of Guinea Security Mechanism in Cameroon, the Regional Maritime Security Centre for West Africa in Cote d 'Ivoire, and coordination centre of Nigeria itself in Benin. The lack of cooperation and leadership mechanisms is an important reason why the piracy problem is still not solved.

6.2.8 Secondly, the countries bordering the Gulf of Guinea are more concerned with land security than with maritime security. Across the Gulf of Guinea, countries are exposed to both sea and land security threats, but unfortunately, they are more concerned with security on the land or less concerned with maritime security threats.

6.2.9 In Nigeria's case, the fight against Boko Haram and the effective suppression of separatists in the Niger Delta region is its top security priority; Cote d 'Ivoire, Togo, and Benin are also currently facing the threat of terrorist infiltration from the northern Sahel belt and are struggling with the recent southward advance of the Islamic State West Africa Province and the al-Qaeda-affiliated Jama'at Nusrat al-Islam wal-Muslimin (JNIM).

6.2.10 Thirdly, the navies of the countries bordering the Gulf of Guinea are weak. Among them, Nigeria, the most powerful country, has a navy of 8,000 people, while Angola, which has the longest coastline, has just more than 1,000 navy soldiers. In addition to the lack of personnel, the current naval equipment of the countries bordering the Gulf of Guinea is also difficult to match the pirates.

6.2.11 Then, let’s talk about the impact of great power competition on the fight against piracy in the Gulf of Guinea. Firstly, France's departure is an opportunity for Nigeria to take the lead in the fight against piracy. France has long signed security and defence agreements with French-speaking African countries and has led security cooperation in these regions, including the Sahel and the Gulf of Guinea.

6.2.12 Since 2020, there have been military coups in Mali, Guinea, Burkina Faso, Niger, Gabon, and other countries, and French forces have then withdrawn from the above regions after the coups. For a power that has long dominated security cooperation in these regions and pushed out Nigeria's influence, France's withdrawal represents an opportunity for Nigeria. However, it is still not optimistic that the withdrawal of France coincided with the formation of an alliance among Mali, Burkina Faso, and Niger, which opened a wider rift within ECOWAS, which is not conducive to international cooperation against piracy.

6.2.13 Secondly, the growing rivalry between China and the United States in Africa will make international cooperation against piracy harder to achieve. For a long time, the US paid little attention to Africa, but it was willing to maintain a military presence in the region.

6.2.14 The US is trying to take the lead in fighting piracy in the Gulf of Guinea by involving NATO, but France is not happy about that. After Biden came to power, the competition and confrontation with China in the world has become a national strategy of the US, and Africa has also become a new front for the US to confront China.

6.2.15 For a long time, China has focused on improving people's livelihood in the Gulf of Guinea region, providing more jobs by building infrastructure such as ports and container terminals. We the Chinese believe that the resolution of livelihood issues is conducive to the fundamental solution to the criminal problem of piracy, although this may be a long-term project.

6.2.16 In addition, China is now also helping the Gulf of Guinea countries to solve the problem of piracy by providing assistance and training. The practice has proven that armed escort is the best means to prevent harm from pirates and combat piracy crimes, but due to the above reasons, it has never been able to appear along the coast of the Gulf of Guinea. The departure of France is an opportunity for Nigeria, but the root causes of the piracy problem in the Gulf of Guinea and the dilemma of international cooperation still exist.

In conclusion, there is still a long way to go to solve this problem.

6.3 Speaker 2: Ambassador Ahmed Magaji

(*Career diplomat and former Nigerian ambassador to São Tomé and Príncipe)*

Topic: Combating Maritime Piracy in the Gulf of Guinea

6.3.1 **Transcript:** Mr Chairman, Distinguished Participants. Please permit me to welcome participants to this syndicate and in particular Director Professor Liu Hongwu and my co-panelist Dr. Wang Cheng. Their indefatigable efforts in the areas of scholarship of interest to Africa and China deserve commendation.

6.3.2 I should also extend my sincere appreciation and commendation to the Gusau Institute and the Zhejiang Normal University for pioneering an African discussion on promoting Africa-China Belt and Road Cooperation for a new era of common development. It is, therefore, my hope that this pioneering initiative which I hope will be expanded to involve all of Africa, most especially the coastal African nations that share varying degrees, but similar problems associated with harnessing the enormous potentials that the Gulf of Guinea presents.

6.3.3 My task today is to initiate and stimulate a discussion on “Combating Maritime Piracy in the Gulf of Guinea”, which I am very honoured to undertake to probe into and find solutions towards combating the threats that piracy poses in the effective harnessing of the huge potential of the Gulf of Guinea. In discussing piracy in the Gulf of Guinea, I intend to focus on the following issues:

i. The Gulf of Guinea: Contextual Setting;
ii. Challenges and potentials for combating maritime piracy;
iii. Conclusion.

6.3.4 In discussing piracy in the Gulf of Guinea, I intend to focus on the following issues: The Blue Economy, a fancy term referring to the beneficial sustainable and hopefully, responsible exploration, exploitation and utilization of ocean resources, is today generating a lot of interest due to the advent of technology and the gradual limitation of land resources and land use and constant conflicts arising therefrom. Africa and the Gulf of Guinea are an integral part of this process.

6.3.5 The Gulf of Guinea is a depository of enormous natural resources as well as a navigable passageway for international, regional and intercontinental trade and maritime movement. Given its endowments and potentials the Gulf of Guinea must play a leading role in the global Blue Economy. However, the potential and benefits for the utilization of the endowments in the Gulf of Guinea come with significant obstacles and challenges.

6.3.6 The Gulf of Guinea and the Gulf of Aden are rated among the most insecure maritime regions of the world experiencing constant incidences of piracy and violence in their maritime space. contributing negatively to the data. Today, we will only address the Gulf of Guinea situation with particular reference to the negative effects of piracy and how to combat such menace to guarantee the peaceful and beneficial utilization of the potential that the Gulf of Guinea presents to the subregion and the world.

6.3.7 In addition to piracy, other criminal and security breaches exist in the Gulf of Guinea, which if not properly addressed will greatly hurt the effective utilization of the resources of the ocean by the states and other stakeholders. These activities are carried out mostly by locally based regional and foreign organized criminal gangs and involve the following activities:

i) Illegal fishing;
ii) Illegal mining;
iii) Illegal bunkering;
iv) Illegal passage and breach of territorial waters;
v) Subversion and other subversive activities;
vi) Illegal dumping of waste and hazardous materials.

6.3.8 The geographical area of our focus, that constitutes the Gulf of Guinea Region (GGR) is that “coastal region in West Africa extending from the Gambia river to the Gabon estuary” and “a part of the Atlantic Ocean that projects into the West Coast of Africa and extends from the Ivory Coast to Gabon.” It is, according to Wikipedia:

> “the northeastern most part of the tropical Atlantic Ocean between Cape Lopez in Gabon north and west to Cape Three points in Western region Ghana. The intersection of the Equator and Prime Meridian (zero degrees latitude and longitude) is in the Gulf.”

6.3.9 For clarity, we are limiting discussions to the Coastal Gulf with particular attention paid to the countries who are signatories to the Treaty establishing the Gulf of Guinea Commission (GGC), signed by the Heads of States on 21st February 2001 in Abuja, Nigeria. The Treaty parties within this context include Angola, Cameroun, Congo Brazzaville, Democratic Republic of Congo, Gabon, Equatorial Guinea, Nigeria and Sao Tome and Principe. Hopefully, other African coastal States will eventually join the GGC to make it more representative and functional.

6.3.10 The Gulf of Guinea is a vital shipping zone for the transport of goods, international fishing and most importantly for the production and transportation of oil and gas. The area accounts for 25 per cent of African maritime traffic and is home to about 20 commercial seaports. The region has significant geographical, geo-political and geo-economic advantages that cover two significant economic and geopolitical zones, the Economic Community of West African States (ECOWAS) and the Economic Community of Central African States (ECCAS). This has not gone unnoticed and has attracted global interest. As a result, the region has become the new frontier for what is widely touted as the "second scramble" only that this time, the prize is not territories, but access to and control of newly discovered enormous hydrocarbon and other marine resources.

6.3.11 Despite the region's economic and geographical advantages, it is at present one of the world's most perilous maritime zones with many attacks from pirates being most intense in its waterways. The negative impact of maritime piracy is attracting worldwide concern due to the threat it poses to international commerce, shipping, and human development. It is therefore imperative to find ways and means to combat the menace if the global and regional aim of benefitting from the Blue Economy is to be realized.

6.3.12 'Piracy', for our discussion connotes the act of attacking and robbing ships at sea. Maritime piracy which has existed since the 14th century is one common enemy that stands as a threat to Nations wishing to tap from the resources of the common heritage of mankind in the contemporary world. Article 101 of the UN Convention on the Law of the Sea (UNCLOS) defines it as

> "Illegal acts of violence or detention or any act of depredation committed for private ends by the crew or the passengers of a private ship or a private aircraft on the high seas against another ship or aircraft, persons or property…

6.3.13 Piracy has persisted in the Gulf of Guinea due mainly to the following factors:

i. Lack of coordinated efforts towards combating the menace;

ii. Weak and corrupt government officials, especially regulatory agencies who are sometimes complicit;
iii. Political violence;
iv. Widespread economic hardship and lack of opportunities;
v. Easy access to arms and weapons;
vi. Pure greed and criminality.

6.3.14 It is common practice under international relations for states to compete and aim to gain advantages over other states, however, when confronted by a common interest, enemy or threat, hitherto competing states need to come together to address such common threat. Acts of maritime piracy have constituted a threat leading to one or more of the following consequences:

i. Threat of destabilizing effects on international trade, commerce and shipping;
ii. High cost of goods and services, shipping insurance to customers and consumers;
iii. Threat to a peaceful and sustainable exploration and exploitation of the enormous marine resources of the Gulf;
iii. Threat to economic, territorial and sovereign integrity of coastal states in the Gulf of Guinea region;
iv. Loss of human lives, injuries, and loss of property.

6.3.15 Efforts have been made to address the maritime piracy issue. From the 14 to the 17th century, attempts have been made to combat the menace of maritime piracy using different methods. The phenomenon was curbed when the then colonial powers began to take an active and aggressive stance against piracy by introducing very stiff capital punishment for acts of piracy as well as equipping their various navies to individually, and collectively, confront the pirates at sea. These aggressive actions led to a decline in piracy in these periods. This shows that the incidence of maritime piracy can be checked or controlled if proper and coordinated strategies are adopted. However, contemporary piracy has evolved and become more sophisticated than those of ancient times, as the pirates have now acquired more effective equipment, skills, and weapons. Unlike in ancient times when piracy was used by some sovereigns as an instrument of war, today's pirate activities are mostly driven by criminal and personal aggrandizement.

6.3.16 An important question is why maritime piracy persists as a lucrative option in the Gulf of Guinea, despite all the publicized efforts reportedly put into the fight to suppress it. In my view, the Gulf of Guinea states are yet to evolve a genuinely coordinated regional approach and strategy to eliminate or at least minimize the thriving threat. Without a coordinated strategy, it will be a herculean task for maritime piracy to be minimized in the Gulf of Guinea.

6.3.17 An integrated and coordinated approach will require a critical look at the following weaknesses:

a. **Poor Regional Cooperation and Management**: Attempts made by the Gulf of Guinea countries to address the menace of piracy in the Gulf of Guinea through the GGC, ECOWAS and ECCAS, have been ineffective due to a lack of commitment and suspicion amongst the member states. Several declarations and arrangements have turned out to be worthless and unimplementable. Some of the member states view piracy as purely a localized problem afflicting countries like Nigeria, Benin, and Ghana. The most effective way to achieve success is for all stakeholder nations to truly show commitment and work in an integrated, organized, and coordinated manner to effectively confront maritime piracy. Almost all the countries involved are signatories and parties to the multilateral legal instruments that can be used to coordinate and enforce regional strategy, but they must have the will to address limiting factors such as sovereignty, suspicions, external interference etc. as well as to accept that not all of them have the naval capacity to confront such threat individually. Nations that have the capacity and responsibility to assist weaker nations in addressing the problem have abdicated that responsibility even when they are legally obliged to do so. Nigeria's neglect of the implementation of the military component of the Nigeria-Sao Tome and Principe Joint Development Treaty is a case in point. It is only through such integrated bilateral and regional cooperation that the Gulf of Guinea States can come together to pool their resources to set up organs and processes that will be responsible for implementing operations, thereby ensuring:

i. Coordinated military cooperation;
ii. Coordinated legal regime on maritime piracy;
iii. Coordinated enforcement of compliance with regulations; policies and guidelines by all ships in the Gulf of Guinea;
iv. Coordinated intelligence sharing on shipping, piracy and other criminal activities in the Gulf of Guinea.

b. **Technology**: Like governments, pirates also invest in technology. What is obvious is the adaptability of practitioners of piracy to learn and deploy expertise in technology to enable them to always stay ahead of law enforcement. Pirates deploy such expertise in cyber-attacks and digital communication intercepts to access information on activities in ports, contents of ships, on-board security measures, vessel positioning and other intelligence to give them a strategic advantage to attack. I should mention that although some individual governments have made efforts to deploy surveillance technology to monitor piracy, the projects became mired in allegations of corruption and are yet to be implemented. Fortunately, the technology currently exists by which the activities of all vessels including pirate vessels can be monitored in the Gulf of Guinea and governments may need to look into the involvement of shipping, technology and insurance companies for a more effective coverage of the Gulf.

c. **Bad Governance:** As long as there is poor political leadership and economic problems onshore, some form of criminality and piracy will spill offshore. Sadly, bad governance and political uncertainty are rife in most of the Gulf of Guinea states. Poor governance, unemployment, lack of education and skills, lack of opportunities and desperation, lawlessness and criminal activities which push some of their citizens living along the coast to go into piracy, activities must be addressed. China has recently appeared to have shifted from non-involvement to selective and incremental engagement in bilateral, regional and international cooperation on peace and security. It is hoped that, under the Belt and Road Initiative (BRI), attention will be focused towards cooperation between African Nations (especially those of the Gulf of Guinea) and China to implement maritime security measures that will help suppress maritime piracy. The deployment of technology, capacity building and joint operations may be areas to consider. This maritime security cooperation will open other possible vistas for African-China cooperation for the development of Africa's Blue Economy potential and other economic and trade relations.

d. **Ensuring Good Governance in the Region**: Most maritime piracy in the Gulf of Guinea has political undertones. The incidences of piracy mostly occurred in the territorial waters of the coastal states but gradually spread to the whole Gulf of Guinea region gingered by the localized success. The proliferation can be attributed to the neglect of the coastal dwellers and bad governance thereby leading to despondence, agitation and insurgency. These frustrations are usually expressed through maritime piracy, lawlessness and criminality. Other related issues include easy access to weapons, weak regulatory and governance structure, corruption, poor economic policies and organized crime syndicates. These issues are to a large extent more peculiar to Nigeria. Therefore, as part of the integrated approach, the coastal states and critical stakeholders must encourage and ensure good governance and strong institutions devoid of corruption and other forms of complicity, otherwise whatever arrangement is put in place, there is a strong tendency that it will be compromised over time and rendered ineffectual. There should also be adequate equipment and motivation for enforcement and compliance agencies to carry out their functions effectively.

e. **Enforcement and Penalties**: As part of the integrated and coordinated approach to combating maritime piracy, there should be strict adherence to the enforcement of penalties against persons found complicit in maritime piracy under a unified penal legal framework which imposes jurisdiction and responsibility on the States to try and punish such persons. Thus, this makes it easier for prosecution to take place in any of the coastal states and guarantees that pirates stiffly pay for their crimes to serve as deterrence.

6.3.18 Conclusion: In discussing piracy in the Gulf of Guinea, I intended to focus on the following issues: Maritime piracy, which is one of the oldest international criminal professions has constituted a threat to international maritime. The threat has become even more serious as the world moves towards the development of the enormous potential of the Blue Economy. There is therefore a need to quickly design an integrated approach to combat and minimize such threats in the Gulf of Guinea through the development of a coordinated and workable regional regime. The approach should involve the commitment and cooperation of all the coastal states and critical stakeholders to guarantee and safeguard operations and other commercial and economic activities in the Gulf of Guinea.

6.4 Interactive Session

6.4.1 Brig Gen Saleh Bala (rtd) gave the overview of the two presentations titled “Combating Maritime Piracy in the Gulf of Guinea.” He explained that maritime piracy has hampered international trade, commerce and shipping and has threatened the sustainable exploration and exploitation of the enormous marine resources of the Gulf of Guinea. He further said that the menace of maritime piracy has also threatened the economic, territorial, and sovereign integrity of coastal states. On the issues and challenges facing the maritime domain in the Gulf of Guinea, the discussion enumerated the following: Weak and corrupt government officials, especially regulatory agencies who are sometimes complicit.

6.4.2 Most countries of the coastal region are either poor or weak in terms of military equipment and might, resources and technology. Governments of coastal countries are more committed to land security than maritime security due to the changing nature of land security threats and the *modus operandi* of non-state actors such as Boko Haram terrorists. Lack of political trust and varying institutional views on ocean governance have hampered coastal states from collaborating effectively.

6.4.3 Political struggle, self-determination bids, and ethnic agitation are bedeviling issues affecting the coastal states. Widespread hardship, lack of economic opportunities, criminality, and greed are prevalent in the coastal states. The proliferation of small arms and light weapons (SALW) in the region makes it easy to have access to arms and weapons. French suppression of Nigeria to lead in combating maritime piracy in the Gulf of Guinea is complicating efforts. The lack of regional coordinated efforts and cooperation among the GGC, ECOWAS and ECCAS hampers the fight against maritime piracy and has negatively affected the blue economy.

6.4.4 The discussion highlighted the following resolution/recommendations:

i. A coordinated regional leadership is desirous to reshape the face of the Gulf of Guinea to effectively harness the potential thereof.

ii. True commitment from stakeholder nations such as the GGC, ECOWAS and ECCAS is critical to effectively confront maritime piracy.

iii. Bad governance and economic problems are responsible for crimes within the coastal region. Good governance in stakeholder states is desirous to reposition the Gulf of Guinea.

iv. Integrated bilateral and regional cooperation is crucial to properly harness the resources of countries of the Gulf of Guinea for enhanced security and interagency collaboration.

v. Deployment of technology is necessary for the security management of the coastal region.

vi. Strong justice systems to punish crimes and enforcement of laws are crucial to combat maritime piracy.

vii. There is therefore a need to quickly design an integrated approach to combat and minimize threats in the Gulf of Guinea through the development of a coordinated and workable regional regime. The approach should involve the commitment and cooperation of all the coastal states and critical stakeholders to guarantee and safeguard operations and other commercial and economic activities in the Gulf of Guinea.

7. PANEL 2: USING DUTY-FREE ACCESS TO CLOSE THE TRADE DEFICIT GAP (*Moderated by Prof Xu Wei*, *Deputy Director, Institute of African Studies, Zhejiang Normal University*)

7.1 Speaker 1: Mr Olusegun Awolowo (*Represented by Mr Olusegun Olutayo,* *Lead, Trade Enablement, Secretariat of the National Action Committee on the African Continental Free Trade Area (AfCFTA)*)
Topic: Using Duty-Free Access to Close the Trade Deficit Gap: A Path to Strengthen Sino-Africa Relations

7.1.1 Transcript: The Africa-China relationship has evolved significantly over the past few decades, marked by China's ambitious Belt and Road Initiative (BRI) and Africa's quest for economic development. The African Continental Free Trade Area (AfCFTA) has emerged as a pivotal institution in fostering intra-Africa trade and international partnerships. However, the burgeoning trade deficit in favour of China poses a significant challenge to African nations.

7.1.2 I am honoured to address this distinguished gathering dedicated to promoting Africa-China cooperation within the framework of the Belt and Road Initiative. Today, I will provide a critical analysis of the linkages between Duty-Free access and the trade deficit, exploring the potential of Duty-Free access as a mechanism to close the trade deficit gap between Africa and China. Specifically, I will focus on how leveraging duty-free access can be a catalyst for narrowing this gap. The African Continental Free Trade Area (AfCFTA) is a pivotal framework for achieving this goal, and I will present four important recommendations to harness its potential. Linkages Between Duty-Free Trade and Trade Deficits Duty-free trade arrangements are often perceived as a pathway to bolster exports and rectify trade imbalances.

7.1.3 The concept is simple: by allowing duty-free access to a partner's market, the importing country provides an incentive for its trade partners to export more goods, thereby narrowing trade deficits. However, in the context of Africa-China trade relations, several nuances come into play.

7.1.4 **Infrastructure Investment:** A key driver of the Africa-China economic relationship is the extensive infrastructure development carried out under the BRI. While this is undoubtedly beneficial for the continent's long-term growth, it has resulted in a substantial trade deficit. African nations import machinery, equipment, and construction materials from China to facilitate infrastructure development, leading to a trade imbalance. Duty-free access alone cannot fully rectify this, as the trade deficit is driven by capital-intensive imports necessary for long-term growth.

7.1.5 **Commodity Dependency:** Africa remains a significant exporter of raw materials and commodities to China, often facing limited value addition before export. Duty-free access might boost exports of these commodities, but without a concerted effort to add value locally, the trade deficit may persist.

7.1.6 **Economic Structure:** The trade deficit also reflects structural disparities between Africa and China. China's manufacturing capacity and export-oriented industries have given it a comparative advantage in global markets. Duty-free access, while beneficial, cannot immediately transform Africa's economic structure to match China's manufacturing prowess.

7.1.7 Closing the trade deficit gap between Africa and China is a complex challenge that cannot be solved by a singular approach. Nevertheless, utilizing duty-free access strategically can be a vital component of a multifaceted solution.

7.1.8 **Promoting Value Addition**: African nations should leverage duty-free access to encourage the establishment of value-addition industries. Instead of exporting raw materials, African countries can focus on processing and manufacturing goods locally before exporting to China. Duty-free access can be linked to specific conditions that incentivize value addition, thereby addressing the structural imbalance.

7.1.9 Infrastructure for Trade: While infrastructure development remains vital, African countries should negotiate favourable financing terms for infrastructure projects with China. Additionally, efforts should be made to include clauses that encourage the use of African labour and materials, thus reducing the import of capital-intensive goods and narrowing the trade deficit.

7.1.10 Diversifying Exports: Duty-free access should not be limited to a narrow range of goods. African countries should diversify their export portfolios, focusing on sectors where they have a comparative advantage. This diversification can help mitigate the trade deficit by expanding the scope of exports beyond traditional commodities.

7.1.11 Capacity Building: Africa should leverage duty-free access to foster technology transfer, knowledge sharing, and skills development. This can enhance the continent's capacity to participate in higher value-added segments of the global supply chain, contributing to long-term trade balance.

7.1.12 In closing the gap, AfCFTA, which came into effect in January 2021, presents a unique opportunity to address the trade deficit by creating a single continental market for goods and services. Its main objectives include promoting economic integration, industrialization, and sustainable development. Leveraging the AfCFTA, African nations can enhance their trade relations with China significantly.

7.1.13 African countries should leverage the AfCFTA to consolidate their position as competitive suppliers of raw materials to China. By harmonizing trade rules and removing tariff barriers among African nations, the AfCFTA can facilitate economies of scale and make African products more attractive to Chinese importers. It is essential to communicate these opportunities to African businesses and encourage their active participation in the AfCFTA.

7.1.14 Africans should Negotiate for Improved Access to the Chinese Market. African governments, through the African Union, should engage in constructive dialogues with Chinese authorities to expand the list of duty-free products. Encouraging China to open its market further to African goods, especially value-added products, will contribute to a more balanced trade relationship. African nations should also seek to diversify their export basket to include products with higher profit margins.

7.1.15 African governments should also promote industrialization through Chinese Investment. While trade in raw materials is essential, African nations must work towards adding value to their exports. China can play a significant role by investing in manufacturing facilities across Africa. Such investments should be aligned with the

AfCFTA's goals of fostering industrialization and building supply chains within the continent. These investments will create jobs, transfer technology, and lead to the production of higher-value goods for export.

7.1.16 To fully exploit the benefits of duty-free access, African countries need to address the infrastructure and capacity constraints that hinder their ability to engage in global trade effectively. China's Belt and Road Initiative (BRI) can be channeled towards developing vital infrastructure such as roads, ports, and logistics hubs. Additionally, China can offer technical assistance and training programs to African entrepreneurs and businesses, enabling them to meet international quality standards and improve their competitiveness.

7.1.17 In rounding up, the Africa-China relationship is a cornerstone of development for both regions. While the trade deficit remains a challenge, leveraging duty-free access strategically, alongside broader initiatives, can contribute significantly to addressing this issue. Furthermore, closing the trade deficit gap between Africa and China is a critical task that requires coordinated efforts from both sides. Leveraging the African Continental Free Trade Area, we can use duty-free access as a strategic tool to achieve this objective. By promoting African exports, negotiating for better market access, fostering industrialization, and investing in capacity building and infrastructure, we can forge a new era of common development in Sino-Africa relations.

7.1.18 Africa and China have a unique opportunity to strengthen their economic partnership, bringing mutual benefits to both regions. I hope that these recommendations will serve as a foundation for further discussions and actions aimed at realizing the full potential of duty-free access under the AfCFTA. Together, we can build a future of prosperity and shared growth for Africa and China.
Thank you for your attention.

7.2 Speaker 2: Dr Ehizuelen Michael Mitchel Omorouyi
(Associate Professor and Executive Director, Centre for Nigerian Studies under the Institute of African Studies, Zhejiang Normal University)
Topic: How Skills Acquisition Through “Triangle Collaboration” Can Change Africa’s Trade Profile

7.2.1 **Transcript:** Madagascar, not the movie but the country. Madagascar is an island off the East of the Continent of Africa. It is interesting to know that this country features in our daily lives and most of us are not cautious of that.

7.2.2 Many of us in this room are wearing perfume. Many of us may have shared birthday cake with our loved ones. Many of us in this room may have had a nice ice cream on a hot summer day. Or light a fragrance candle during our mealtime as we relax. In all those moments, Madagascar has been present. And the way Madagascar has been present in those moments is through its key commodity export vanilla.

7.2.3 Madagascar as a country supplies 80 percent of the global vanilla requirement. So, Madagascar is quite key to industries that require this commodity. Madagascar exports all its vanilla products that it grows all the way to Europe and when they get there, they are further processed and integrated into different industries such as the perfume industries and other industries. These products then find their way back to the African continent and we buy them expensively because they have got higher value that has been added to them.

7.2.4 This Madagascar vanilla story is a typical story of the manner in which the African continent trade with the rest of the world. There are many other examples such as copper from Zambia that will be exported to China and come back to the continent in the form of copper cable and copper wire, and we buy it at a premium. Other examples include cocoa from West African countries such as Cote D Ivoire, Ghana, and Nigeria, that will be exported to Europe and come back to the continent of Africa and we buy them as delicious Belgium chocolate. This is the story of the African trade.

7.2.5 It is good to know the reason why Africa's structure of trade is the way it is. It is been mentioned previously that the level of trade within the African continent is very low – 16 percent. If we compare this level of intra-African trade to for example how Europe trade with itself, we will find out that 67 percent of European trade happens among European countries. 46 percent of trade in North America happens among North American countries. Similarly, in Asia, it is 60 percent.

7.2.6 So, there is a lot of room for growth in this area, and there is an urgency that African countries need to begin to trade among themselves precisely because of the value and benefits that trade brings to economic prosperity. If the continent of Africa is going to grow, and if African countries are going to create the jobs they need to create particularly as part of Africa's post-COVID-19 reconstruction, African countries have to make sure they use trade as the key instrument for their transformation.

7.2.7 Madagascar still remains one of the poorest countries in the world. This country that exports 80 percent of vanilla to the world still has a per capita income of $527 dollars compared that to the United States that has a per capita income of $63,935 dollars or compare that to even Seychelles which has a per capita income of $20,899 dollars.

7.2.8 That means that this profile of Africa of continuing to trade with the rest of the world by sending primary commodities whether they are agricultural or mineral products and buying back the value-added products is keeping African countries in a perpetual poverty circle; this is an issue that African countries need to confront and addressed.

7.2.9 Why is the African trade profile like this? It is important that we trace Africa's current trade profile to the continent's history. We might not be able to find a solution to Africa's "chronic commodity dependence" if we do not acknowledge that we are still perpetuating the colonial patterns of production, colonial patterns of consumption, and colonial patterns of distribution.

7.2.10 In the 1800s when colonial masters from different parts of the world landed on the African continent, it was part of the extension of the imperialist agenda, but the priority was to exploit Africa's natural and human resources for the betterment and the growth of countries outside the continent of Africa. That is exactly how the trade profile of Africa was set up. It was about extracting natural resources and sending them to other countries to help with their development and industrialization.

7.2.11 It is a pity that we still have to some extent a similar profile that we have had since colonial times. That is why it becomes urgent that we address this fundamental challenge. The fundamental challenge of reversing the colonial patterns of production, consumption, and distribution of the African continent.

7.2.12 One of the key things that we need to look at when it comes to production is the fact that Africa represents 17 percent of the global population, but Africa only contributes

2 percent to global manufacturing and a share of 3 percent of global trade. This confirms the fact that our pattern of production is still very much in the manner in which it was set up a long time ago. Africa remains still largely an exporter of raw materials and still remains an importer of value-added products.

7.2.13 Let us look at Africa's pattern of consumption similarly, there is still a fundamental preference for products that are coming from outside of the continent of Africa. This is reflected in the fact that African countries are not trading with each other. There is still a fundamental preference for products that are coming from outside the continent of Africa. This is reflected in the fact that African countries are not trading too much with one another. Notably, 84 percent of Africa's trade is still with the rest of the world.

7.2.14 For the distribution pattern, all we need to do is to take a better view at the infrastructure map of Africa and we will begin to see that Africa's infrastructure is still structured in a way that it leads from a natural resource point out to the nearest exit port. It is a very extractive plan of infrastructure. Unlike bilateral infrastructure projects of the colonial period that subjected African countries to the distribution systems established by the colonial powers, the Chinese infrastructure projects are not externally connected like the colonial infrastructure but internally connected. Some examples are the Ethiopia-Djibouti Railway, Abuja-Kaduna Railway, and Nairobi-Mombasa Railway; these infrastructure projects are aligned with Africa's connectivity agenda to promote intra-continental trade and the realization of the AU's vision of continental integration agenda. This is because based on experience, China acts as a catalyst for economic diversification based on skills and technology transfer coupled with infrastructure, which makes contributions to Africa's development.

7.2.15 African nations need to come together to rethink their problems in frameworks different from those which created them. How can skills acquisition be a vital recipe for changing the African colonial pattern of trade?

7.2.16 If you go back to the 1966 literature by Chenery and Strout, you will be familiar with the story that there was a very simple economics identity that savings would lead to investment which would lead to growth. However, in the absence of savings, we need to remember that if we talk about the 1950s and 1960s, there were newly founded countries coming out of the colonial period there were not much savings in these economies. So, the idea was actually a laudable one since it was coming out of the success of the Marshall Plan. But the simple idea is that in the absence of savings, aid will replace savings, and aid will therefore drive growth and reduce poverty. These are the two aid matrices in which we should be judging the aid model. Therefore, the question is over the past six decades over one trillion dollars of aid money has been sent to Africa from the Western world, have we seen an increase in growth? The answer is no. Have we seen a decline in poverty? The answer is no. On these two matrices alone the aid model has failed.

7.2.17 Why is skills acquisition a vital recipe for changing the African colonial pattern of trade and the framework that created African "chronic commodity dependence" and not aid? For me, instead of saying aid will replace savings and aid will therefore drive growth and reduce poverty, I think we need to reframe it this way: skills acquisition will drive value-addition and value addition will drive trade, the trade will drive saving because of the income generated from trading with the rest of the world, and this would lead to investment which would lead to growth and ultimately reduce poverty.

7.2.18 According to a very good example provided by Philip Emeagwali, he stated that a $100 bar of raw iron is worth $200 when forged into drinking cups in Africa, $65,000 when forged into needles in Asia, $5 million when forged into watch springs in Europe. How can this be? European intellectual capital – the collective knowledge of its people – allows a $100 raw iron bar to command a 50,000-fold increase! It could be said, therefore, that a lack of intellectual capital is the root cause of poverty and the reason for Africa's chronic raw materials dependence. Without African intellectual capital, iron excavated in Africa will continue to be manufactured in Europe and exported back to Africa at enormous cost.

7.2.19 To alleviate poverty and change the framework that created Africa's chronic raw materials dependence, Africa needs to cultivate creative and intellectual abilities that will allow it to increase the value of its raw materials and to break the continent's vicious cycle of poverty and chronic raw material dependence. Africa's trade deficit is a result of the continent's absence of knowledge. UNESCO recommended that the education sector should not be allocated anything less than 26 percent of a nation's national budget. In 2016, the education sector got 7.9% of the budget. This was reduced to 6.1% in 2017 and increased to 7.1% in 2018. Reduced to 6.5% in 2020, reduced to 5.7% in 2021, 5.4% in 2022 and increased to 8.2% in 2023. Study shows that each year of skills acquisition increases individual output by 4-7%, and nations that improve literacy rates by 20-30% have seen an increase in GDP of 8-16% (Basic Education Coalition, 2004).

7.2.20 African countries' trade deficit is not as a result of China, rather, but it is as a result of the significant gap between demand and supply of skills required for value addition created by processing and manufacturing locally. However, China has repeatedly said it never deliberately pursues a trade surplus with any of its partners. As a way of balancing its trade with African countries, the Chinese government at the 2018 FOCAC introduced four new ideas to balance Africa-China trade which are (i) To do more to promote African products in China; (ii) The Chinese government offered 50 trade facilitation programs for Africa –that's close to one per country – and thereby increasing cooperation on market regulation and customs procedures; (iii) The Chinese government offered to create a new US$5 billion worth fund for financing imports from Africa. For this to be a win-win…African leaders will expect home-grown African businesses to be recipients of the new US$5 billion fund, not just Chinese-owned firms exporting to China; (iv) The Chinese government committed to continue to hold free trade negotiations with interested parties –which could expand the duty-free access that it already gives to 97% of products from the Least Developed Countries (LDCs) in Africa to other middle-income African countries too.

7.2.21 Using Nigeria as a case study with respect to the four ideas, the question is can Nigeria benefit from these four ideas? Nigeria can benefit if the country applies the triangle collaboration (manufacturing know-how, global retail market, and Nigeria's comparative advantages. In this kind of situation, with the help of the EU's and U.S. extension of preferential treatment to exports under the United States Growth Opportunity Act (AGOA) and the EU's "Everything But Arms (EBA)" initiatives with that of the Chinese government preferential treatment to expand the duty-free access that it already gives to 97% of products from the Least Developed Countries (LDCs) in Africa to other middle-income African countries too, Nigeria can target those economies with bigger GDP such as the United States to sell their products. The Chinese used the same approach to promote their trade. To gain more through this triangle approach, Nigeria needs to address its domestic supply-side constraints and increase its value-added production, which will ultimately help to diversify Nigeria's exports to China and other nations, and help Nigeria benefit from growth in China's consumer market.

7.2.22 Africa-China trade relations have been extraordinary in the past years. But as we move forward and try to solve the trade deficit issues there are some areas that need to be improved upon.

i. Aspiration 1 Goal 2 of Agenda 2063, SDG 4, Forum on China and Africa Cooperation (FOCAC), the 8 initiatives proposed at the 2018 FOCAC, 9 programs of the Africa-China Cooperation Vision 2035, Chinese Belt and Road initiative all recognize that the future of Africa, in part, rests in investing in the human capital of its young citizens. Therefore, for Africa to balance its trade with its partners, there is a need for African countries and China to build synergies among Aspiration 1 Goal 2 of Agenda 2063, SDG 4, FOCAC, and the Chinese Belt and Road initiative, which includes skills transfer, in light of the priority areas identified and growth requirements by African countries that would propel: (i) innovation; (ii) investment; (iii) technological change; (iv) economic diversification and competitiveness.

ii. African governments should implement policies that will enable skills transfer to target a value addition programme that can embrace manufacturing and lead to the eventual balance of trade.

iii. While African partners have an African policy regarding trade and investments, African nations and the African Union do not have a concrete policy regarding trade and investment they use to engage their partners. This weakens the bargaining power of African leaders in their engagement with their trading partners.

iv. African leaders should ensure that their partners finance investments in reliable trade-related infrastructure, including transport, communication, and energy infrastructure to provoke a strong supply response from the African private sector. This includes financial support for trans-border infrastructure projects that link African countries and regions and close gaps in regional infrastructure networks.

v. For a “win-win” purpose, African leaders should ensure that our trading partners support African nations to move away from their global position as a ‘chronic commodity dependence’. The most efficient way to support African countries accomplish this is not by selling African countries goods and services alone, but by buying theirs, supporting them in increasing their export potential to create local value chains, establishing local production facilities, and in turn, will help Africa’s relatively weak performance in global value chains (GVCs) trade.

vi. African countries should negotiate local value addition to raw materials as a continent with their trading partners before exporting. This can be possible if African nations apply careful policy coordination that relies on the following conditions: involve everybody; empower negotiators; keep the general public onside; and increase knowledge between various partakers.

7.2.23 In conclusion, Africa-China trade can benefit from a reset, if African countries and China can call for rethinking of priorities to “restart the clock” and rework the nature of Sino-Africa trade relations by revisiting their trade agreement that causes a gap in import-export to make a more sustainable, minimize, and advantageous trade relationship.

7.3 **Interactive Session:** On Africa-China ties the discussants agreed that certain areas need to be improved to address trade imbalance concerns.

i. To generate an adequate supply response from the African private sector, African authorities must ensure that their partners finance investments in sustainable trade-related infrastructure, such as transportation, communication, and energy resources. There is a need for financial assistance for cross-border infrastructure initiatives that connect African nations and regions and fill up gaps in regional infrastructure networks.

ii. African countries need to put in place measures that facilitate the transfer of talents to focus on a value-adding initiative that can include manufacturing and end up resulting in a trade balance.

iii. Before exporting, African nations should discuss with their trade partners local value addition to raw resources as a continent. This might be achievable if African countries exercise cautious policy coordination, which depends on the following criteria: include all parties; empower negotiators; maintain public support; and enhance understanding among different stakeholders.

iv. African leaders need to make sure that our trading partners help their countries escape the status of "chronic commodity dependence" on the rest of the world. The best way to help African nations achieve this is not by selling them goods and services on their own, but by purchasing them, assisting them in developing local value chains and export potential, and setting up local production facilities. This will help improve Africa's comparatively poor performance in global value chain (GVC) trade.

v. African countries, Nigeria in particular should utilize AFCFTA to promote African export.

vi. African governments, through the African Union, should negotiate for improved access to the Chinese market.

vii. African countries should work together to promote industrialization through Chinese investment.

viii. African leaders need to address the infrastructure and capacity constraints through partnership with China to enhance capacity building and infrastructure development.

ix. African leaders need to strategically leverage duty-free access alongside broader initiatives to significantly address the issue of trade deficit.

x. Africa and China need to leverage the African Continental Free Trade Area for strategic bilateral gain. By promoting exports, negotiating for better market access, fostering industrialization, and investing in capacity building and infrastructure, both countries can forge a new era of common development.

xi. African governments should implement policies that will enable skills transfer to target a value-additional programme that can embrace manufacturing and lead to the eventual balance of trade.

xii. African partners should have an African policy regarding trade and investments, African nations and the African Union do not have a concrete policy regarding trade and investment they use to engage their partners. This weakens the bargaining power of African leaders in their engagement with their trading partners.

xiii. Africa needs to cultivate creative and intellectual abilities that will allow it to increase the value of its raw materials and break the continent's vicious cycle of poverty and chronic raw material dependence.

xiv. Investment in Skills acquisition is a vital recipe for changing the African colonial pattern of trade and the framework which makes trade drive savings because of the income generated from trading with the rest of the world.

xv. Nigeria needs to address its domestic supply-side constraints and increase its value-added production, which will ultimately help to diversify Nigeria's exports to China and other nations and help Nigeria benefit from growth in China's consumer market.

8. PANEL 3: INFRASTRUCTURAL DEVELOPMENT AND FINANCIAL CONSTRAINTS (*Moderated by Mr Tunde Fagbemi, CEO, SpringFountain, and Chairman, Dukia Gold*)

8.1 Speaker 1: Dr Zhang Qiawen

(*Associate Professor at China-Africa International Business School, Zhejiang Normal University, and Deputy Director, China-South Africa People-to-People Exchange Research Centre*)

Topic: Advancing Sustainable Chinese Investments in Africa's Infrastructure Development Outline

8.1.1 **Transcript:** Infrastructure development serves as the pivotal foundation and prerequisite for overcoming economic and social development constraints, fostering economic growth, and alleviating poverty. The acceleration of infrastructure development has emerged as a unanimous goal among African leaders and a pivotal direction for governmental policies.

8.1.2 While the absolute capital demand and gap in Africa are relatively modest compared to other global regions, the economic fragility, political instability, and elevated investment risks prevalent in most African countries—exacerbated by the impacts of COVID-19—pose significant challenges. Given the substantial investment demands, African nations cannot solely depend on governmental interventions for infrastructure provision and necessitate the extensive involvement of the international community.

8.1.3 The immense demand for infrastructure development in Africa requires the technological, managerial, and operational expertise of Chinese construction enterprises, offering expansive market opportunities. China has emerged as the most prominent nation investing in African infrastructure projects, responding to the continent's substantial needs.

8.1.4 Presently, China's collaborative infrastructure endeavours with Africa predominantly revolve around engineering contracting, with minimal direct investments in infrastructure projects. The prevalent models, such as Engineering, Procurement, and Construction plus Financing (EPC+F) and EPC+F with Operation and Maintenance (EPC+F+OM), are primarily employed. Here, Chinese enterprises execute project construction and aid the host country in securing preferential loans from Chinese financial institutions, with the host country offering financial assurances.

8.1.5 Given the debt distress and constrained fiscal capacity, addressing the substantial infrastructure needs in Africa necessitates a significant influx of private-sector financing, which is now gaining heightened attention.

8.1.6 Strategies to attract Private Investors in the African Infrastructure Sector include:

i. The ability to control corruption by putting in place properly structured anti-corruption measures;

ii. Political stability; Nigeria must look into issues on environmental, social and governance criteria that attract investment. There must be the availability of a favourable environment that is economically and politically attractive for investment in Africa.

iii. Per capita GDP must improve.

8.1.7 Advancing Sustainable Chinese Investments in Africa's Infrastructure would require:

Favourable environment and the PPP model design: The private partnership must be structured properly to fit into the various infrastructural stock. The PPP has different models that are applicable for power, rail, and others to attract investment.

8.2 Speaker 2: Mr Lamis Dikko,
(Chairman, Infrastructure Bank Plc and NICON Insurance Ltd and Current Chairman of One 17 Capital – A Non-Interest Finance Advisor and Arranger)
Topic: Infrastructure Development and Financial Constraints

8.2.1 Transcript: I humbly thank the organisers for the opportunity to deliver this speech in the panel session of the ongoing conference, aptly timed and themed - "Promoting Africa-China Belt and Road Cooperation for a New Era of Common Development".

The topic for this Panel – “Infrastructure Development and Financial Constraints” is highly pertinent as Nigeria seeks to unleash its economic potential through targeted investments in the infrastructure sectors covering power and renewable energy, transportation (including roads, rail, aviation, ports), telecommunications, housing, municipal infrastructure, healthcare sectors, and so on.

8.2.2 I am indeed elated for the opportunity, having served as Chairman of the Board of The Infrastructure Bank PLC, - The foremost player in the nation’s infrastructure space, well accorded for its unique perspective of the nation’s economy that cuts across most sectors, all of which retain strong dependencies on the availability and accessibility of functional, quality infrastructure stock.

8.2.3 By the Bank’s mandate, which requires crafting and implementing bespoke banking and financial services to catalyse infrastructure development via private financing sources, the Bank is uniquely positioned to serve as a bridge and agent that bears the obligation for harmonising the sometimes, divergent goals and objectives of public contracting authorities and governments, on the one hand, and private financiers, investors, and project developers, on the other. As such, I am delighted to share insights on the observed correlation between economic growth and the attendant impact of the pace of infrastructure development, as evidenced by the health of economic indices. The financial constraints as the chief stunter of economic growth potential adduceable to infrastructure development remain the crux of this paper.

8.2.4 Infrastructure is vital and can be argued to be the most important factor in the economic stability of any country. Little wonder many countries across the globe, keep seeking both financial and technical solutions to their infrastructure needs. Rapid and significant changes in our society are compelling both public and private clients to rethink the traditional method of addressing the unique infrastructure deficit, which hitherto, relied primarily on on-budget funding, in the form of fiscal appropriations. A situation that has led to ageing infrastructure, occasioned by funding constraints, the rising cost of maintenance, skewed, and stunted regional development, and little or no attention to environmental protections and related social issues, all of which are a consequence of insufficient planning, under-investment in infrastructure, and the nation’s inability to address the huge and continuously growing demand for infrastructure.

8.2.5 As most of us are aware, investments in capital infrastructure have been recognised as a reliable tool for accelerating nations’ economic recovery and setting them on a path of sustainable growth. At The Infrastructure Bank PLC, we share this belief and have for several years advocated for economic development through massive investment in infrastructure.

8.2.6 The National Integrated Infrastructure Masterplan ("NIIMP"), developed by the Federal Government of Nigeria ("FGN"), provides a starting point and a roadmap for building a world-class infrastructure stock that will not only guarantee sustainable economic growth and development but also boost the nation's recovery from the worst recessions experienced in the past two (2) decades. NIIMP relies on empirical data, to identify a critical linkage between economic growth/sustainability and infrastructure development, stating that "developed economies typically record core infrastructure stock (includes roads, rail, ports, airports, power, water, ICT) of the value of about 70% of GDP, with power and 3 transportation infrastructure usually accounting for at least half of the total volume. In contrast to international benchmarks, however, Nigeria's core infrastructure stock is estimated at 20% to 25% of GDP." These indices reveal that Nigeria's infrastructure stock is far below the desired levels.

8.2.7 Furthermore, the spate of economic growth witnessed in emerging economies such as the BRICS (Brazil, Russia, India, China and South Africa) nations and the "Asian Tigers" allude to common denominators, most notably, demonstrated commitment to investments in enabling infrastructure, particularly in the power and transportation sectors.

8.2.8 The evidence presented by this empirical data reinforces economic analysts' assertion that the correlation between investments in infrastructure and economic growth and empowerment is irrefutable. Given that economists are principal advocates for the perspective that infrastructure is a key ingredient for productivity and growth; either directly, through the provision of hitherto unavailable services to boost productivity or indirectly, by reducing transaction and other costs, it is important to use economic metrics to ascertain How big is the contribution of infrastructure to aggregate economic performance – e.g., the level and/or growth rate of GDP?

8.2.9 The answer to this question is critical for many policy decisions – for example, to gauge the growth effects of fiscal interventions in the form of public investment changes, or to assess if public infrastructure investments can be self-financing. A World Bank research document, which references several studies posits that for developed countries, doubling of infrastructure capital, raises GDP by roughly 10%1, noting that this refers only to the direct effect of infrastructure on output. Other recent studies suggest that where the infrastructure deficit is more conspicuous and portends a greater macroeconomic barrier, as seen in developing economies, a 1% increase in physical infrastructure stocks, given other variables, temporarily raises GDP growth by up to 1-2%, in the near term. These statistics thus lend weight to the import of ensuring consistent, sustainable investments in infrastructure, as an avenue for sustaining the nation's economic recovery (Bom and Ligthart 2009 4)

8.2.10 The sheer size of funding required to meet the infrastructure deficit and the current economic climate of the country is indicative of the reality that Government budget funding sources have become grossly inadequate to bridge the infrastructure deficit. It also implies that the traditional method of delivering capital infrastructure projects favoured by the public sector must make way for alternative innovative infrastructure delivery methods that are agile, flexible, robust, and integrated towards the fight back for economic stability via infrastructure construction and maintenance.

8.2.11 In response, the FGN have for successive years resorted to debt funding of budget deficits. Worst still, the greater proportion of the borrowing caters to recurrent expenditures. Of course, the amply natural resource-blessed nation of ours does not have to struggle to have monies thrown at it, in the forms of domestic and foreign loans, even as government revenues' debt-service capacity continually dwindles. This approach remains highly inefficient, and impoverishing, especially in a nation with a very high rent demand for infrastructure, most of which are critical and commercially viable. Thus, suitable for private-sector finance initiatives. With the obvious gross inadequacy of government revenues to make any transformative impact on financial constraints for infrastructure development, the situation thus presents significant opportunities for the influx of apposite development funding, mostly under private sector finance initiatives. However, this is far from the situation, and one of the reasons for this is that "needs alone do not attract funding, only projects do".

8.2.12 It is instructive that China is taking cognizance of the criticism of the arrangement to help Africa's large Infrastructure projects in exchange for access to resources, as being prone to meeting unsustainable debt burden on the receiving African countries. Hence, the a growing interest in the adoption of innovative financing initiatives under the various Public Private Partnership ("PPP") models. However, the efficiency of the PPP initiatives is directly proportionate to the quality standard of preparation of the projects.

8.2.13 Project preparation is the panacea for financial constraints in infrastructure development. The need for a robust project preparation funding ecosystem for Nigeria's infrastructure space cannot be overemphasized. Nigeria's infrastructure development has been stifled for decades by the lack of proper preparation carried out by independent parties, resulting in the development of unviable and ill-conceived projects that are at the core of the epidemic of uncompleted and unsustainable economic projects that adorn Nigeria's landscape. Comprehensive project preparation helps ensure that only economically and technically viable, as well as sustainable, projects reach a point where significant economic resources can be committed.

8.2.14 More importantly, the government has found it near-impossible to attract wholesale private sector participation in infrastructure development as a result of insufficient information/data to make inferences about the economic and technical parameters of the Project, as most infrastructure projects (including projects intended for PPPs) are ill-prepared for consideration by investors. This is aggravated by the lack of a basic legal and regulatory enabling environment, as well as a weak policy environment. Consequently, potential economically viable infrastructure projects that can be funded by the private sector have languished in the project conception phase.

8.2.15 There is a need to bridge this gap by making funding available, on a sustainable basis, for the preparation phase of a potential economically viable infrastructure project which the private sector can key into. Given the comprehensive nature of project development, the funding requirement for project preparation is usually significant. It is estimated that preparation funding is between 5 and 10 per cent of the project value. Effective project preparation can help alleviate the African infrastructure backlog.

8.2.16 Behind the financial figures for infrastructure development are physical projects that must be completed. The conceptualisation, design, evaluation, and financing of projects are crucial components of the work that is required to bring a project to eventual fruition. This planning and packaging are broadly termed "project preparation". A fund dedicated to financing the project preparation phase of high-priority PPP infrastructure projects will provide catalytic finance to facilitate private sector investment in the projects, in line with the National Integrated Infrastructure Master Plan.

8.2.17 Consequently, it is proposed that a Project Preparation and Development Fund be established for the sole purpose of financing project preparation and development activities for priority public-private partnership infrastructure projects in Nigeria. It is proposed that the fund have a size of 6 US$ 20 million (20 million United States Dollars) and would invest in specific projects by way of funding project preparation and development activities, such as pre-feasibility and feasibility studies, and transaction advisory services.

8.2.18 The Infrastructure Bank PLC is well suited and poised to effectively manage Project Preparation Funds (PPFs), given the deep knowledge and experience in the infrastructure project development cycle. China is thus invited to participate in the set up of the PPFs in the case of "putting your money, where your mouth is", as a plethora of bankable projects will become readily available for investments by the Chinese Government owned and private entities, through various PPP arrangements.

8.2.19 The PPP In Addressing Infrastructure Development Financial Constraints: Harsher macroeconomic conditions plaguing developing, commodity-based economies such as Nigeria, have resulted in smaller budgetary allocations for infrastructure projects, which makes a strong case for the use of Alternative Financing Mechanisms that optimise the delivery process by integrating the funding with the operation and long-term maintenance of the completed infrastructure asset. The NIIMP thus estimates that about 48% of the funding required to bridge the yawning infrastructure deficit is to be sourced from the private sector. Experience suggests that private investors and financiers are willing to commit capital to fund viable, economic, and social infrastructure provided that the financing/transaction structure comprehensively addresses the credit and financing risks faced by project promoters, towards assuring the return on, and, capital invested. PPPs, PFIs and other private funding models offer the advantage of transferring some design, construction, and completion-related risks to the private sector, which should result in timely and cost-effective project delivery, in return for which the private proponent earns appreciable returns on investments.

8.2.20 Furthermore, when properly executed, PPP projects promote the efficient use of resources, minimize waste, and lead to the avoidance of project failure due to the misallocation of risks amongst the parties involved, whilst encouraging innovation, as well as value for money.

8.2.21 Government however retains key obligations including responsibility for project prioritization and selection, over-arching responsibility for the delivery of the public service to be provided by the completed infrastructure asset, responsibility for acting in a manner that continuously stokes investors' appetite for project finance and retaining regulatory oversight of the sector. The value proposition for private investments in infrastructure is premised on the expectation that greater private sector involvement will result in improved infrastructure service delivery to public users, as well as the availability of additional funding to ease the financial burden on the government.

8.2.22 Success in PPPs and private financing projects has however been measured. Nonetheless, the economic conditions and success of PPPs across similar developing countries like Nigeria, and across the globe provide confidence in the imminent success to be enjoyed by investors through PPPs very shortly. Several local private firms and organizations will be all too happy to collaborate with foreign partners to develop sustainable and effective alliances to successfully implement and complete projects through PPPs in Nigeria. This, however, requires the strengthening of the project financing ecosystem (including the legal, regulatory, policy and institutional framework) to support private investment in infrastructure through PPPs.

8.2.23 Developing an Efficient Financial Ecosystem: From experience, there is absolutely no doubt that the private sector can mobilise the required financial resources to fund the nation's infrastructure development, subject to the availability of an efficient financial ecosystem that will ensure that the funds available adequately match the profile of the projects under development and that these funds are accessible to Project Proponents, involved in the development and implementation of infrastructure projects. In other words, the availability and accessibility of funds, of the right temperament, is a national imperative for policymakers and regulators, with interests in the development and operation/maintenance of new and existing infrastructure.

8.2.24 An efficient financial ecosystem is reflective of the following key characteristics:

- The presence and requisite level of participation from all key players required to make infrastructure financing a reality; key players will include banks, development finance institutions (DFIs) and other financial institutions, fund managers and administrators, equity investors, finance organs of the government such as Ministry of Finance and the Central Bank, sector regulators and insurance companies;
- A favourable regulatory environment, which delineates the roles and responsibilities of key players, incorporates global best practice principles that provide comfort of the certainty of returns to financiers, and institutes appropriate mechanisms for monitoring and enforcing compliance;
- An array of market-responsive financial instruments, which instruments can tap into the pool of funding sources available whereby these instruments appropriately reflect the dynamics of the market. Such financial instruments will include commercial papers, asset-backed securities, notes, and bonds; and
- A reliable securities valuation system where, the pricing of financial securities is determined by market forces such as the riskiness, liquidity, and tenor of the security. The importance of creating an efficient financial ecosystem is predicated on the need to ensure that the financial market can attract the right temperament of funds required to develop infrastructure. The phrase "right temperament" refers to the ability of the funds available to match the financing needs of infrastructure projects; simply put, long-term funds (such as pension funds) are best suited for financing infrastructure projects, which typically have a long-term repayment period i.e., long-term money for long-term projects.

8.2.25 It should not be missed that Nigeria has continued to tinker with policy and institutional setups specifically to spur the flow of investment, and in other instances augment the financing through government appropriations, for infrastructure development. Amongst these arrangements is the set-up of the Nigeria Sovereign Investment Authority (NSIA), the InfraCredit, the Infrastructure Corporation (InfraCorp), and ahead of these three, the Infrastructure Concession Regulatory Commission (ICRC).

8.2.26 The NSIA is an investment institution of the Nigerian Federation set up to manage Nigeria's Sovereign Wealth Fund. The NSIA through its Stabilization Fund provides budget support in times of economic stress. It also uses the Future Generations Fund as an inter-generational savings fund for future generations of Nigerians. Most relevant here, is the Nigeria Infrastructure Fund, for investments in domestic infrastructure projects. InfraCredit provides local currency guarantees to enhance the credit quality of debt instruments issued to finance credit-worthy infrastructure assets in Nigeria that conform with its eligibility criteria. Through this instrument, InfraCredit addresses the lack of long-term capital in Nigeria's domestic banking market by attracting investments from pension funds, insurance firms and other long-term investors. Another core objective is to motivate Nigeria's pension market to invest in long-term bonds to finance infrastructure projects. The provided guarantees are irrevocable and unconditional.

8.2.27 InfraCorp was established to harness opportunities for infrastructure development in Nigeria by originating, structuring, executing, and managing end-to-end bankable projects, managed by reputable and highly experienced infrastructure asset managers and in partnership with public and private sector participants. InfraCorp mainly leverages **public**-private partnerships to unlock assets for the development and completion of projects. The ICRC was established to regulate and govern the conduct of infrastructure development, operations, and maintenance concessions of the FGN. This regulatory and legal framework-enhancing approach continues to prepare Nigeria as the haven for investible funds for infrastructure development.

8.2.28 In conclusion, the heightened awareness of the negative resultant debt-burden effect of the wanton supply of loans to governments against national resources is beginning to give rise to a rethink by sovereign lenders. The win-win alternative is for strict adoption of project finance methodology on a risk-sharing approach to primarily situate the economic entity (infrastructure) to be developed as the primary source of repayment of investments and returns to both debt and equity providers, including the government that will enjoy royalties and other forms of financial returns, not to mention the multiplier effect of the infrastructure on the economy as a whole. Indeed, private sector collaboration on the principles of Project Finance risk allocation and reward sharing will address the financial constraints, hampering infrastructure development in Nigeria and most developing nations.

8.3 Interactive Session

8.3.1 The Moderator commended the presenter for a succinct and great presentation and stated that Dr Zhang has finally converted the Gusau Institute into a go-to place for ESG consulting, and economic consulting by trying to write the proper visibility report for future PPP projects in Africa. What it means is that if one truly wants to write a proper feasibility report on the state of government or private sector, an ESG report for any private sector-led or public sector-led infrastructure that would attract finance of the BRI should be subjected to the consulting arm of GI Institute and the University as he is certain that they would do a good job. He noted the salient points in the presentations and the factors affecting infrastructure which boils around political factors and the need to eliminate corruption. He said that infrastructural development investment is required in the country; that the BRI initiative is very important in Africa and more importantly in Nigeria, as it would prepare Nigeria for the real deal.

8.3.2 The discussant noted that an efficient financial ecosystem is needed for Nigeria to attract the right temperament of funds to develop infrastructure and that the traditional method of delivering infrastructure should be eliminated. Innovative, agile, flexible, robust, and integrated alternatives are crucial to drive economic stability. To achieve an efficient financial ecosystem, such a system must reflect the following:

i. The presence and requisite level of participation from all key players required to make the financing a reality.
ii. A favourable regulatory environment, which delineates the roles and responsibilities of key players.
iii. The incorporation of best global practices and principles that provide the comfort of the certainty of returns to players for monitoring and enforcing compliance.
iv. An array of market-responsive financial instruments for funding resources, a reliable security evaluation system that is determined by market forces.
v. The use of long-term funds/money for long-term projects is required. Long-term funds like pension funds are suitable because they have a long-term repayment period.
vi. That the adoption of an innovative financing initiative under the various Public Private Partnership (PPP) models is imperative.
vii. There is a need for joint funding and collaboration with other financial institutions, fund managers and administrators, equity investors, finance organs of the government such as the Ministry of Finance and the Central

Bank, sector regulators and insurance companies. This would help develop sustainable and effective alliances needed to successfully implement and complete projects.

viii. Need to create a favourable regulatory environment, which delineates the roles and responsibilities of key players, incorporates global best practice principles that would provide comfort of the certainty of returns to financiers, and institute appropriate mechanisms for monitoring and enforcing compliance. An efficient financial ecosystem is predicated on the need to ensure that the financial market can attract the right temperament of funds required to develop infrastructure.

9. PANEL 4: CHINA-AFRICA EDUCATIONAL EXCHANGE AND INDUSTRIAL CAPACITY COOPERATION (*Moderated by Dr Adekunle Osidipe, Zhejiang Normal University*)

9.1 Speaker 1: Dr Usman Bugaje

(Convener, Arewa Research and Development Project)

Topic: China-Africa Educational Exchange and Industrial Capacity Cooperation: Some Thoughts

9.1.1 **Transcript:** *"…the single biggest mistake of President Biden, is to say that the great struggle of the world is between democracies and autocracies. The real struggle of the world is to live together and overcome our common crises of environment and inequality." Prof. Jeffry Sachs, former Director of the Earth Institute of Colombia University, NY.*

9.1.2 The world is changing. The old rhetoric is fading away and a new reality of cooperation and collaboration in fixing the common crisis facing humanity is here. Luckily a new realization is emerging in Africa and the old paradigm is fading away. Africa is breathing a new air of freedom and is ready to make decisions on its future, independent of Europe and America. Just to be sure, Africa's relationship with Europe has gone through three main phases: Slave trade, colonization and neo-colonization in all these phases Africa has been losing; first its peoples later its resources and until now its future. Africa has suffered for a whole century under the burden of imperial Europe and it is time that Africa relieves itself of this burden and starts a life of its own which focuses on building its independent future.

9.1.3 Considering the enervation of Africa as a result of its long association with Europe and its neocolonial institutions, Africa needs to build its capacity if it is to chart its course and secure its future. The most critical factor in capacity building is knowledge, as has been repeatedly said, in the 21st century knowledge is the greatest capital. In building this capacity, China is one of the most appropriate partners, not only because it has succeeded in its struggle to come out of the shadow of the West, in the process of which it has acquired relevant experiences but also because it is a ready partner.

9.1.4 Africa's relationship with China has so far been symbiotic and we have reasons to believe that China is pragmatic and is aware of Africa's sensitivity to imperial tendencies, given what it went through in its experience with Europe in the last century. China, like Africa, has a long history going back some millenniums which informs the psyche of its people and makes both heirs to culture and civilization. The cultures and civilizations of Africa and China are philosophically deep and ethical. A renowned British Historian Thomas Hodgkins did some comparison of Confucian cultures and West African Islam and found some astonishing similarities. This should be a subject for another discussion on another occasion.

9.1.5 Let us return to the theme of this discussion, China-Africa Educational Exchange and Industrial Capacity Cooperation. Let us also set the context. Today the world population clock shows the world population at 8.1 billion.[1] In the next 25 years, the world population is expected to be about 9.7 billion. By the time we reach 10 billion,

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[1] https://www.google.com/search?client=firefox-b-d&q=world+population+today+in+billion (17/10/1:27am)

there will not be enough protein to feed the world population and there are several researchers now exploiting the new sources of untapped protein including insects. The challenge for the global community is how to feed the world while making the environment safe and minimizing inequality which always fuels conflicts.

9.1.6 If we disaggregate the population growth, we find that Nigeria which is currently about 220 million is expected to be well over 400 million in about 25years' time which will make it the third largest country in the world after India and China. The challenge for Nigeria is how to feed over 400 million people. how do we provide the infrastructure, housing, education and jobs? How do we make the environment sustainable and minimize inequalities? These are the questions we should seek to answer as we tackle the theme of this discussion.

9.1.7 Luckily Africa has the agricultural land, (only about 40% of arable land has been put into production). Africa has the critical minerals to produce alternative and renewable energy for fire industries, like uranium, lithium, cobalt etc. Africa has the largest storage of freshwater the world will soon be looking for. Even more importantly Africa will have the manpower, as it has the youngest population in the world, with 60% being under 25 years. But the population without education is a liability. The challenge is how we educate a large number of young people in Africa with poor infrastructure poor economy and poor political leadership. How do we prioritize knowledge in a political culture that thrives on ignorance and thuggery?

9.1.8 From available statistics, today we have over 20 million children out of the formal school system. In a recent BBC Hausa Service programme the enrollment figures in some three States in the North West, show only about 50% of children of school-going age are enrolled in primary schools. But in more than 50% of these schools, there is only one teacher available, even if there are more on the payroll. The point here is that there is a huge challenge of numbers. Looking at the budget of the States, they cannot provide the infrastructure and teachers needed within record time. So this calls for technology solutions of online learning, something which China can easily facilitate. The software may have to be local, but the hardware has to be outsourced. Primary education is the most basic, without resolving it, it is foolhardy to speak of any level of education.

9.1.9 Africa is fascinated by China's achievements in science and technology and is eager to cooperate with China to leapfrog into the industrial age. This is all too easy to understand. What is difficult to understand is how Africa can do this without studying how China made it and how we can share that experience and modify and customize it to our settings and context. Let us have a quick look at Nigeria's attempt at educational development about 25 years ago. At the end of 1999, the then Education

Tax Fund (now TetFund) organized a series of workshops to assess the state of the country's educational system and plan for the future. The proceedings were published and a concluding paragraph of the first paper, authored by one of the editors, Ibraheem Sulaiman, seems to summarize the state of affairs at that time. "Education in Nigeria is in crisis." Sulaiman says without mincing words, "Quality of teachers is low, so naturally is the quality of what they deliver. This is largely the result of broken and unfulfilled promises by policymakers."

9.1.10 He continues to give some breakdowns. Instructional materials and facilities are scarce, and sometimes not available at all. This presents a severe handicap for the teachers and severely limits the efficiency of the learning process. Add to that the primitive state of Nigeria's infrastructure, which inhibits the introduction of new methods and techniques in the teaching and learning process. So Nigeria continues to lag and is yet to wake up to the reality of information technology, and the imperatives of science and technology. **Nigeria does not fund education very well. So education does not develop as it should, and the nation does not develop, as it should. The nation declines and decays.**[2][*emphasis mine*]

9.1.11 Today, 25 years after the situation is not too different. What we allocate to education is a small fraction of what it deserves. What is worse is that even this small fraction gets stolen through over-invoicing of contracts and numerous pilferages. The kind of industrial transformation we are looking at can only come through research in our universities and research centres and institutes, which are poorly funded with ignominy. Just recently the Association of Senior Staff Universities went on strike demanding a few billions, which turned out to be a small fraction of what government officials and their relatives were stealing and the NASS officials were distributing to themselves. Even where the universities succeed in carrying out research there appears to be no nexus between knowledge generated by institutions and the government policy.

9.1.12 This disconnect perhaps is the greatest challenge in the transformation to industrialization. For we can see where it has taken place government itself is leading the conversation and providing the requisite funding and should anybody be found pilfering any such funds it is death straight away.

9.1.13 Let us how it is done in China. In a recent case study done by Abbas, A. et al., they observed that "In China, the National Natural Science Foundation of China (NSFC) supports Universities by funding research for a maximum duration of four years. This

[2]O. Nnoli, I Sulaiman, (Eds), Reassessing the Future of Education in Nigeria, Abuja, ETF, 2001. P 8-9.

funding is allocated only at the start of a project and projects are evaluated by the government on their completion. … In China, the government usually encourages practice-oriented projects, despite the high risk involved. Theory-oriented University-Government research projects are a key source of new knowledge creation aimed at helping industry and aiding economic development. Chinese government financial investment policies encourage research and development activities (Huang et al., 2017). The purpose of this is to encourage the creation of new knowledge.

9.1.14 The government in China allocates approximately 40 billion[3] Chinese Renminbi (RMB) every year to support these research projects."[4] This collaboration between the University, Government and Industry is called the Triple Helix and has been the key behind the Chinese success story. It is worth sharing a bit of the details. "University-government collaboration provides a platform that enables universities to generate and protect their knowledge before commercialization through IPR law. To commercialize the newly generated knowledge to the industry, Universities must follow their internal rules and procedures, as well as government-issued policies and guidelines (Baba et al., 2009; Perkmann et al., 2013). The procedure for the generation and commercialization of new knowledge is built into the collaboration process. Direct methods include collaboration and licensing. Once intellectual property rights are applied for, the newly created knowledge is commercialized so that it can be used in industry.

9.1.15 The government helps to commercialize new knowledge by arranging meetings with industry representatives. The most common method in China for distributing intellectual property rights is "622". Here, the research team gets 60% of the intellectual property of any new knowledge, while 20% belongs to the school or department, and 20% goes to the respective University."[5]

9.1.16 At the moment and as far as I know, there is no concrete link between our Universities and our industries, or what remains of them. We have got to find a way to make our Universities establish links with our industries, whether the Government is ready to play its role or not. We have to educate our government to realize that for any industrial

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[3]This is about 5-6billion USD and about Double the annual budget of Nigeria for 2020.

[4]Asad Abbas et al., 'University-government collaboration for the generation and commercialization of new knowledge for use in industry' in *Journal of Innovation & Knowledge 4 (2019) 23–31*

[5]Ibid.

take-off, what is required today are skills not degrees. We need to multiply our technical colleges and polytechnics and target those skills germane to our industries. As some of you would know, at some stage China converted 600 universities into polytechnics to generate the much-needed skills to power their economy[6]. We have a lot to learn from China in this respect.

9.1.17 Some of these areas to prioritize are in the field of agriculture, where we have a comparative advantage and where we need to do a lot of processing and value addition to fix the various agricultural value chains, which will create jobs and prosperity. Another related area is in the field of seed production and fertilizer which is critical to production, as the yield per hectare of many of our agricultural products is way behind African yields much less global standards. Renewable energy is one area we can easily excel once we acquire the skills. Transport engineering is a critical area in opening our markets and boosting trade. We may wish to start with simple issues like call centres in our universities where students can learn IT skills while studying on campus, earning and learning at the same time.

9.1.18 There are lots of ideas to start with and the real thing required for all these vast opportunities to kick off is the political will. The kinds of governments we have seen in the last 25 years don't give some of us the hope that governments will soon wake up to this responsibility. My reasons are not far-fetched. Most of the political leaders are coming from the least educated cadre of the community.

9.1.19 The Universities should not wait for a government that is not ready (there). Universities should take the initiative to reach out to the industries to cut a deal that will be mutually beneficial. Once it works, the government will come, if only to collect VAT. Waiting for the government can take eternity and the Universities should know better. I do hope that these kinds of interactions will bring out ideas of how to surmount these obstacles. I remain confident that once there is a will, there will be a way.

9.2 Speaker 2: Mr Chen Jiquan Representative

(Chairman, Yalong Intelligent Equipment Group of Company Ltd)

[6] https://www.universityworldnews.com/post.php?story=20140612080509913 (10/10/23 1.45am)

9.2.1 Dear ladies and gentlemen, hello everyone! Due to some issues, we deeply regret that our Chairman, Chen Jiquan, was unable to attend this forum. So, I would like to greet everyone and make a speech on behalf of him.

9.2.2 Yalong Intelligent Equipment Group Co., Ltd., as a leading enterprise of vocational education equipment in China, has always adhered to the mission of bringing technology and skills to more people around the world. The rapid development of China's economy cannot be separated from the cultivation of skilled talents through vocational education. I dare not say that China's vocational education is the best in the world, but I dare to say that China's vocational education is the largest in the world. In 2023, the Ministry of Education of China calculated a total of 3072 higher education institutions (including undergraduate and vocational colleges) in China, and there are 7201 secondary vocational schools in the country. This huge volume has formed a set of advanced vocational education concepts, education system standards, curriculum standards, and equipment standards.

9.2.3 This systematic system has been adopted by many countries, such as Luban Workshop, Silk Road College, Zhenghe College, and other international collaborations, which can be reflected. For example, the Luban Workshop at the nearby Abuja University is an international cooperation between Tianjin Sino German University of Applied Science and Abuja University. Luban Workshop is equipped with Yalong's Electronic training and assessment equipment, as well as a complete set of high and low-voltage power supply and distribution systems, which can train talents in electronic skills and power supply and distribution. As a supplier of vocational education equipment and overall solutions for over 40 years, Yalong has served tens of thousands of universities worldwide, and every year, tens of millions of students acquire advanced technical skills through Yalong's products and services.

9.2.4 Yalong can provide customers with a comprehensive solution for professional construction. We provide professional construction services from five aspects:

positions, courses, competitions, certificates, and international services. Analyze the skill requirements of different job positions, develop professional courses, reflect the skill levels of students and teachers through skill competitions, evaluate skill levels through skill certificates, strengthen external communication through international cooperation, and meet the needs of international talent cultivation.

9.2.5 It can be seen that Yalong is not just a supplier of vocational education equipment. In China, we have served national vocational skills competitions, provided competition platforms, provided technical support for competitions, and evaluated students' comprehensive abilities through competitions. Internationally, from 2010 to 2023, we have had very good cooperation with the official ASEAN Skills Competition. We have provided 3 skill competition platforms for five consecutive ASEAN Skills Competitions: industrial automation, CNC maintenance, and IoT technology competitions. We also provided competition platforms for the BRICS Skill Competition and the World Vocational College Skills Competition.

9.2.6 Our visit to Nigeria this time is mainly through the Abuja Forum to meet more Nigerian universities or schools, and we can discuss Nigeria's industrial talent needs together. Our major services include Electrical and Electronics, Mechatronics, Robotics, Industry 4.0, Intelligent Building and Internet of Things, Automotive Maintenance, Air Conditioning and Refrigeration, CNC Maintenance, Elevator Maintenance, Railway traffic, and so on. We hope to seek cooperation from more Nigerian universities or schools, providing standard professional equipment, localized course development, technical support for regional and national skill competitions, standard formulation of skill evaluation certificates, and international cooperation with Chinese universities or schools. Bringing a variety of technical skills to Nigerian youth, as long as they have one skill, they can not only find employment but also seek high-quality employment. Cultivating students with more vocational skills not only improves youth employment rates but also provides talent protection for rapid economic development.

9.2.7 We would like to collaborate with more Nigerian universities to bring the latest technology to Nigerian youth and make more contributions to Nigeria's vocational education and economic development.
Thank you all.

9.3 Interactive Session

9.3.1 The discussants noted the following:

i. There is a need for technological solutions to education and for online learning which China can easily facilitate given its achievement in science and technology.
ii. Need for technology and skills transfer as well as quality education and skills to spring Africa/Nigeria into the industrial age.
iii. Need for Africa to study the Chinese model of industrialization, and modify and customize it to the African settings and context.
iv. Need for intense collaboration between the university, government, and the industries for industrial take-off in the country to develop the country.
v. There is an urgent need to multiply our technical colleges and polytechnics and target those skills germane to our industry.
vi. Universities should take the initiative to reach out to the industries to cut a deal that will be mutually beneficial rather than waiting for the government.
vii. Need to prioritize agriculture, where Nigeria has a comparative advantage and where the country needs to do a lot of processing and other value addition such as seed production, fertilizer and renewable to fix the various agri-value-chains, which will create jobs and prosperity.
viii. Quality education and skills will help achieve these and China is well to aid studies in acquiring IT skills. China's Ministry of Education has formed a set of advanced vocational education concepts, education system standards, curriculum standards, and equipment standards over the years. Improving China-Africa Educational Exchange and Industrial Capacity Cooperation is paramount to springing the country and by extension the continent into the industrial age.
ix. Increase collaboration between schools in Nigeria and China to bring the latest technology to Nigerian youth and make more contributions to Nigeria's vocational education and economic development. China has the largest vocational education training centres in the world.

10. Votes of Thanks were delivered by the co-hosts and the conference concluded at 17h00 WAT.