NIGERIA’S INFRASTRUCTURE “HEADACHE” AND CHINESE INTERNATIONAL INFRASTRUCTURE DEVELOPMENT FINANCE “MEDICINE”: HOW POTENT?

Austine Okere
School of Political Science and Public Administration, Shandong University, China
E-mail: ia.okere@unizik.edu.ng

&

Kenechukwu Okeyika
Department of Economics, Nnamdi Azikiwe University, Nigeria
Email: ko.okeyika@unizik.edu.ng

Abstract
This paper explores the relationship between infrastructure challenges in Nigeria and solutions provide by China. Beijing came to the rescue of Nigeria and other developing countries by providing over 9 billion USD as infrastructure development finance. Research on potency of this support is missing in the Nigerian context. While some focuses on monies and efforts expanded on these projects (i.e. Abuja Light Rail, Mambilla power plant and re-modeling of airports), this paper examines inherent challenges in planning, evaluation and service delivery of said infrastructure projects. Guided by the South-South Cooperation theory, this paper argues that "institutions matter" just as much as provision of infrastructure finance. Combining qualitative methods of narrative and content analysis, the paper posits that challenges of corruption, improper feasibility studies and monitoring have reduced the potency of Chinese infrastructure development finance. The paper concludes that institutional development combined with Chinese infrastructure development finance can bring a new system and (or) thinking to south-south cooperation and infrastructure development.

Key words: Abuja Light Rail, China, Infrastructure Development Finance, Mambilla, Nigeria, South-South Cooperation

Introduction
Despite the 2016 economic recession, Nigeria maintains pole position as one of the top economies in Africa. Economic slow-down of this recession period was followed by policies and key bi-lateral partnerships which have seen Nigeria’s investment ratings improve while ensuring slow but positive growth. In addition to this, Gross Domestic Products (GDP) has picked up and is looking good for the coming quarters. Policy analysts have credited this to a number of reasons: among such is the relaxation of easy-of-doing business policies and tackling bottlenecks at local ports (Kazeem & Chutel, 2017). Another reason is the improved spending on public infrastructure which currently constitutes about 5 percent of Nigeria’s GDP. In the 2016 budget, the government injected additional 350 billion NGN to pay bills of private sector contractors and remobilize them for various infrastructure projects which had gone unpaid for years. The potential to increase spending on infrastructure in Nigeria exists as oil revenues appear to be stable while the government attempts to leverage on domestic markets via public-private
partnerships to provide finance. With this trend, the size of Nigeria’s economy has attracted attention within and outside the global south. Since 2000, China has been a major partner and financier of infrastructure projects across Nigeria. Among recent infrastructure projects include the Abuja Light Rail, the Mambilla Hydro Power Project and the remodeling of major airports (i.e. Abuja, Lagos, Kano and Port-Harcourt) in the country. Jointly, these projects cost about 10 billion USD and financing is been provided by the Chinese government managed by the Chinese-Exim Bank. The Mambilla hydro-power project is important as it expects to increase existing power generation capacity by additional 3,050 megawatts; while lowering significantly cost of doing business and meeting other electricity demands of Nigerians. The Abuja Light Rail represents the first major to link the capital to suburbs, neighbouring cities and states with modern rail systems; while the remodeling of the four airports is long overdue, as passenger traffic is on the rise in Nigeria.

Chinese norm for investment in infrastructure across the globe has become a reference point for international policy experts and the academia. To some (see Keuleers (2015), Larsen (2014) and Zhongzhou (2016) there is the call to review the current infrastructure finance regime and an urgent need to emulate the Chinese-inspired development model. Inferences have been made to the Asian Infrastructure Investment Bank (AIIB) which was initiated by President Xi Jinping and Premier Li Keqiang during their respective visits to Southeast Asian countries in October, 2013 and later established in 2015. The overall objective of the AIIB is to provide much needed infrastructure finance (to the tune of 8 trillion USD each year) for its members (Bhattacharyay, 2010: 11). The opportunity to provide such infrastructure finance rests with recorded Chinese economic development and her new found role in multilateral engagements across Asia and beyond. An important aspect of such financing involves “un-conditional” infrastructure finance loans to bridge the gap for needed infrastructures in member countries. Also, the strategic importance of this institution is that it extends its areas of operation beyond Asia and now involves member states in other continents.

Such investments mode has been extended to most African countries that have been quick to accept this method of infrastructure development finance from Beijing. Furthermore, popular view held by some scholars like Zhongzhou (2016) is that with the mechanism of the AIIB, China believes the institution has been able to enhance relationship with other development finance institutions (e.g. the African Development Bank, the Caribbean Development Bank, the Inter-American Development Bank and the West African Development Bank). The extension of such infrastructure finance forms a major content of Chinese foreign policy, as relations with developing countries constitute basics of current Chinese foreign policy. This is important as China considers herself as the leading developing country in the world.

In the case of Nigeria, such bi-lateral infrastructure finance has potentials for a profound effect on the easy-of-doing business in Nigeria. It also guarantees further investments and income generation for Nigerians while providing a veritable partner for Beijing in trade and other spheres. However, what remains unanswered, at least on Nigeria’s side, are responses to challenges associated with planning, execution, and maintenance. According to research estimates, the power sector alone loses an estimated 2.5 billion USD annually resulting from inefficiencies (Foster and Pushak, 2011: 28). Understandably, China, in adhering to her ethos in foreign policy –i.e. non-interventionist –expects policy makers in host countries to provide well-
rounded feasibility, plans and impacts assessments of such infrastructure projects; but it appears these challenges outweigh expected benefits. Although this should not undermine the importance of these infrastructures, but the Nigerian government has been criticized on many forums for her inability to deliver on these projects due to institutional set-backs and challenges.

The focus of this paper is thus to review this pivotal aspect of Chinese foreign policy (i.e. infrastructure development finance for developing countries) vis-à-vis the conceptual framework of South-South Cooperation (SSC) while suggesting possible improvement on the part of both governments. The rationale for this stems from the view held by Lin (2012: 402) who believes that Sino-African cooperation is definitely a win-win system due to globalization and the plethora of economic openings that arrives with it. However, he cautions that “the decision making [must] come(s) from their –i.e. African- governments and people –while understanding how China had created its own economic destiny by using a unique economic system alien to the western models” (Lin, 2012: 402). With this, there might be the need for Chinese infrastructure development finance to make well-rounding adjustments to work with institutional peculiarities and challenges of countries such as Nigeria.

Theoretical Framework: South-South Cooperation (SSC)
In tracing the incipiency of South-South Cooperation theory, Modi believes that it began during the post-WW II era when many developing countries in Africa and South America became liberated from colonial powers and began to challenge the established international economic system which most considered where unfair and ill-balanced (Modi, 2011). Academics began promoting the ideas of SSC in the 1970s when the United Nations (UN) and the United Nations Conference on Trade and Development (UNCTAD) empathized with the New International Economic Order (NIEO) debates and started to encourage sustainable trade among developing countries. In spite of this, it was not until the late 1990s when the idea of South-South Cooperation became a major contributing academic field for international relations and development studies research. The basis for this lies in the fact that scholars of the Dependency theoretical paradigm began to proffer South-South Cooperation as an alternative to the existing western dominated order. As such, evidence points to a decreasing dependency on aid from developed countries and in an overall more balanced world economically, and politically. (Igwe and Okere, 2013)

Consequently, this paper hinges on the South-South Cooperation (SSC) theoretical construct to justify Chinese support for Nigeria’s infrastructure development quagmires. This theory has been used by academics to explain the increasing levels of exchange between and among countries designated as the ‘Global South.’ Exchanges existing in spheres like resource interdependence, technology and knowledge transfer, international trade, and global governance systems among others; with a view to bridge the gap between the global north and south. This concept has been developed into a theoretical framework in order to help academics to understand the study of political, social and economic change which is occurring in developing countries. The reason for this theory gaining credence is because overtime, some phenomena could not be explained by the traditional model or paradigm of North-South cooperation. School of thoughts who adopt this theory appears to be polarized. On one hand, those who believe in “neo-third worldism” considering that advancement in some economies in global south can ensure liberation from Northern domination; on the other hand, those radical pessimist who still believe success of
some global south economies are counted to early, because their economies are still enmeshed in existing global capitalist paradigm which determine contemporary issues like climate change. (Leal-Arcas, 2013: 3)

In the past decade, the world has experienced a rise of countries from the South, namely Brazil, Russia, India, China and South Africa, who have come to be known as the BRICS. To support this idea, it is conceived that many developing counties in Latin America and Asia have undergone significant economic transformation which has essentially changed the structure of the global political and economic order to favour South-South Cooperation. Accordingly, the World Bank records that

…developing countries are likely to show robust growth rates over the next five years and beyond. Sub-Saharan Africa could grow by an average of over 6 percent.... Development is no longer just North-South, it is South-South even South-North, with lessons for all with open minds… It is a new world where developing countries are not only recipients but providers of [development] aid and experience. (Sanoussi, 2012: 24)

Such view reflects a third debate of SSC, where current trends in global south economies and capacities can ensure the restructuring of global power relations and lead to a reform of global governance institutions and norms of the world (Polanyi, 1944). Consequently, China has become the largest economic player on the global south arena. Not only has China raised approximately 300 million people (from 2000-2015; and a total of 850 million from 1978-2013) out of poverty without implementing the Washington Consensus model (World Bank, 2017); she has grown individually. China has also made some significant stamps geopolitically, by providing development assistance such as Lines of Credit (LOC), infrastructure and loans on less strict terms without demanding access to resources in many African countries and this has essentially turned China into a significant development agent for the continent. This theoretical framework of South-South Cooperation thus provides an appropriate framework for understanding African-Sino economic relations in the contemporary milieu.

Since South-South Cooperation refers to successful cooperation between developing countries, this research uses this theoretical framework to examine some challenges which might militate against this cooperation at the host community level. It is expected that identifying these challenges might influence a reconsideration of Beijing in her international infrastructure development finance towards Nigeria in particular and Africa in general.

**Chinese Foreign policy and Infrastructure Finance Regime**

The evolution of ideas and principles guiding Chinese foreign policy has been the focus of many Sino-centric international relations scholars. The articulated effort to academically systematize Chinese foreign policy has led to the conception that there are three major motivations guiding Chinese foreign policy namely: Sovereignty, Security and Development. Consequently, China’s relations with the international community is motivated by these principles and fall within aspects of major power relations, neighbouring relations (peripheral diplomacy), relations with developing countries and finally multilateral diplomacy which entails her commitments to
international institutions and global regimes (Moore, 2005: 121). Due to space, the focus of this section would be on the latter two levels.

Chinese economic growth and development in the last two decades has been a major propelling force for her foreign policy and increasing relations with developing countries around the world. Since economic reforms of the late 1970s, China has surpassed major economies of the world in terms of Gross Domestic Products (GDP), exportation indices and number of poor household out of poverty. Positive results have also been recorded in sectors of banking, agriculture and technology development. Christophe Roulet believes that in the agricultural sector alone, the Agricultural Bank of China alone recorded 22.1 billion USD in 2010, making it the biggest share flotation for global investment among global south countries (Roulet, 2010). With such capital available, China has become the fifth largest investor, bankrolling over 52 billion USD for projects in 2010 alone. Such finance available to China has prompted more infrastructure finance policy as part of Beijing’s foreign policy and interaction with countries on her peripheral and developing ones in Africa. This has been channeled most recently via the One Belt, One Road initiative -OBOR (or popularly called the Belt and Road Initiative –BRI).

Incipience of the BRI is traceable to 2013 when President Xi Jinping proposed a USD 5 trillion international infrastructure plans intended to advance land and maritime trade routes between Asia, Europe and Africa (Van der Lee and Yau, 2016). Since then, the initiative has seen major projects for infrastructure development undertaken by Chinese state-owned and private enterprises mostly funded by Beijing and other international finance agencies. Some African countries as recipients of the BRI, have seen the construction of several infrastructure financed by Beijing. Among these include the Addis Abba-Djibouti rail line, which is Africa’s first transnational electric railway; and the construction of a port at Bagamoyo, Tanzania with the potential of decongesting neighbouring ports and attracting new foreign direct investments to East and Central Africa. With the Belt and Road Initiative, China has continued to promote the “win-win cooperation” content of her foreign policy with developing countries in Africa while creating new model for major power relations with the global south. Such cooperation is a departure from earlier ideological driven investments which characterized China’s foreign policy prior to the 1970s. Even before the BRI, Chinese cooperation in Africa became a key element, irrespective of ideology, in her foreign relations with African countries. The 2006 African Policy paper encapsulates this trend as “Africa’s economic development” was mentioned as one of the ten key elements between China and Africa; with special focus on “improvement of [public] infrastructure (Corking, Burke, and Davies, 2008: 75).

To further strengthen her relations with Africa, China established the Forum on China-Africa Cooperation (FOCAO) in 2006. The idea behind this organization was to provide delegation with a structured plan for new strategic cooperation and expanding of already existing economic relationship with Africa. Since FOCAO, China has consistently doubled and intensified investments in infrastructure and trade for African exports; although these investments have not been without criticism. Researches have questioned the fact that most Chinese infrastructure finances are directed to resource rich countries in Africa or those with strategic geopolitical importance to China. In response, others have justified China’s action by positing that they (i.e. resource rich African countries) are where these infrastructures are needed to drive development with reverberating consequence across Africa (Corking, Burke, and Davies, 2008: 75).
Beijing believes through these aid and investment, she maintains other core principles of her foreign policy (i.e. strategic diplomacy, ideological values and commercial benefit). China in the coming decades hopes to deepen partnership abroad; as such, her infrastructure development finance regime in Africa is aimed at strategically strengthen existing diplomatic relations in the continent. In terms of China’s ideological values which guides both her foreign policy and engagement with Africa, this stems from China’s own development experience and growth. China went through a drastic economic transformation and has applied similar agreements, projects and ideas when it comes to economic transformation within the African continent (Brautigam and Xiaoyang, 2011: 34). Succinctly put, China understands that “… for African markets to be able to produce prime investments opportunities for Chinese firms, Africa must develop men [sic] become richer” (Haroz, 2011: 11).

Deepen strategic partnership via infrastructure finance has thus motivated Chinese ideology to drive foreign policy with regards to infrastructure investments in Africa. Finally, with these principles, China hopes to restructure the international development finance regime which to a large extent has not favoured or pulled African countries out of poverty and underdevelopment. China’s bid to challenge this order has been approached in a subtle and mutual interest attraction manner via her win-win appeal and cooperation. It is therefore no surprise that most countries in Africa have taken to this new order of infrastructure development finance. Political statements have repeatedly stated that China does not want her relationship with Africa to be a zero-sum game but should emphasize absolute gains; thus should be centered on cooperation and assured benefits to all parties.

**China-Nigeria Relations and Infrastructure Finance**

Sino infrastructure finance in Nigeria is traceable to Nigeria’s relations with China since the 1960s and 1970s. Initially, Nigeria viewed China as a non-aligned developing country and did little to foster business or even diplomatic relations with Beijing. However, with the Deng Xiaoping economic reforms and China’s economic modernization with attendant industrial expansion, there was closer cooperation between China and Nigeria. It is important to note that Deng Xiaoping’s period marked a watershed in Sino-Nigerian relations. Within this period, relationship shifted from a period of indirect political and ideological support from the Chinese government to a direct support for various national liberation movements in African. Nigeria, as a self-styled frontline state also stood against white-led regimes in southern Africa and served as a facilitator of support for liberation fighters (Utomi, 2016). These interfaces strengthened diplomatic relations between Nigeria and China and resulted to trade expansion and numerous high level diplomatic visits. Trade volumes between Nigeria and China improved to the point that by 2000, Nigeria whose major foreign exchange was in crude oil became the tenth global export partner to China (See Table 1).

Within and after this period, Chinese companies began to secure various joint-venture contracts with Nigerian oil companies, often in exchange for low-interest loans and targeted development projects. The volume of trade increased from 1.3 billion NGN in 1990, to 5.3 billion NGN in 1996, to 8.6 billion NGN in 2005 which mostly consisted of oil trade and importation of cheaply manufactured Chinese goods and products. (Utomi, 2016) Currently, Nigeria imports over 8 billion USD worth of goods from China, while exporting over 3 million USD. The benefit of this
growing economic interaction is seen mostly in the availability of cheap commodity goods for Nigeria’s rising middle and low income classes. However, while it is difficult to evaluate future impact on Nigerian economy due to paucity of data, scholars like Kaplinsky, McCormick, & Morris (2008) believe that while China actions conveys a desire of South-South Cooperation, her engagement set-up does not give ample opportunity for knowledge and experience sharing; thus making said engagement defective.

Table 1: Chinese Crude Oil Export by Country, 1989-2009

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<tr>
<td>Indonesia</td>
<td>1.3</td>
<td>5.0</td>
<td>42.0</td>
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<tr>
<td>Oman</td>
<td>1.1</td>
<td>4.1</td>
<td>32.2</td>
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<tr>
<td>Malaysia</td>
<td>0.5</td>
<td>4.0</td>
<td>23.1</td>
</tr>
<tr>
<td>Iran</td>
<td>0.3</td>
<td>3.9</td>
<td>15.3</td>
</tr>
<tr>
<td>Pakistan</td>
<td>0.1</td>
<td>2.9</td>
<td>12.2</td>
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<tr>
<td>Saudi Arabia</td>
<td>2.5</td>
<td>11.6</td>
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<tr>
<td>Yemen</td>
<td>2.2</td>
<td>7.2</td>
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<tr>
<td>Indonesia</td>
<td>1.5</td>
<td>6.3</td>
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<tr>
<td>Russia</td>
<td>1.4</td>
<td>6.0</td>
<td></td>
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<tr>
<td>Other</td>
<td>7.1</td>
<td>40.8</td>
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<tr>
<td>Total</td>
<td>3.3</td>
<td>36.6</td>
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Source: (Leung, Li, & Low, 2011: 493)

Since the post-Cold War period, considerations for infrastructure finance for Nigeria has been on the rise. This has mostly been viewed from the grand Chinese perspective of winning the ‘battle’ for the hearts and minds of Nigeria in particular via development cooperation and its ‘no-strings-attached’ development assistance. Since 2000, it appears China’s model of development cooperation has gained credence due to its generosity and human approach to development (Corking, Burke, and Davies, 2008: 75). Beijing has stressed the need for coordinating its efforts throughout the African continent in such forums like FOCAC while at the same time encouraging strong bilateral relations with key countries (like Nigeria) of particular strategic significance. As such, Nigeria is China’s second biggest trading partner in Africa and continues to seek for ways to improve trade relations.

Notwithstanding Chinese interest in natural resource, Chinese development assistance attempts to strengthen infrastructure which is lacking in Nigeria. In recent years, such commitment has translated to several state-supported companies becoming active in rehabilitation and expansion of infrastructure projects in electricity, road and rail transportation, and telecommunications (Utomi, 2016). These projects have potential to reduce significantly the cost of doing business and the movement of goods and services across the country. Such is in tandem with the desires of successive Nigerian governments to solve infrastructure challenges and promote wholesome
economic growth and development. Since 2010, the Chinese government has improved on her role as a major financer for infrastructure projects across Nigeria. Among these projects include the Mambilla Hydro Power Project, the Abuja Light Rail; and the remodeling of major airports across Nigeria.

Nigeria’s ‘Big’ Infrastructure and Chinese Financing: An Overview

Financed by the Export-Import Bank of China (EXIM) at the total cost of 5.8 billion USD, the Mambilla hydropower project is one of the largest Sino-funded infrastructures in Nigeria. The Nigerian government agreed to provide 15 per cent while the EXIM bank will provide 85 percent of the cost. This project is an ambitious attempt to solve the Nigeria’s electricity generation problem for her teeming population. The project approved by the Federal Executive Council (FEC) of Nigeria is aimed at providing 3,050 megawatts of power which would include 700 kilometers of transmission lines and four dams (Ayemba, 2017). By geological estimation, the project was expected take about 6 years to complete; but expected completion date is 2030. When completed, annual power generation capacity is estimated at 4.7 billion kWh which is sufficient to meet electricity needs in Nigeria. Responsibility for the completion of the project is in the hands of a consortium of Chinese state-owned construction firms. The project is expected to be one of the cleanest and cheapest forms of power, as Nigeria is currently exploiting her potential for clean energy source in tandem with the Paris Agreement. Although this project was first introduced over 35 years ago, challenges in implementation, project citing, litigations and finance have been some of the issues besetting delivery of the hydropower project. Failure to complete this project would have resounding impact on current power generation and distribution capacities in Nigeria. More so, such would stretch power generation systems in Nigeria while regressing Nigeria’s effort to achieve to sustainable/clean means of power generation as contained in the Paris Agreement.

Bank rolling infrastructure projects in Nigeria’s transportation sector is a challenge subsequent Nigerian political leaders have continued to battle with. In 2013, the Chinese and Nigerian governments jointly agreed to a loan to refurbish four airports terminals in Nigeria. Such agreement was welcomed as Nigeria’s airport infrastructure had been grossly deficient. The airport infrastructure loan was signed off under President Goodluck Jonathan and it involved 3 billion USD at an interest rate of less than 3 per cent over a 15-20 year period (Amechi, 2016). An important component of this loan was the 500 million USD to (re)build airport terminals in four major Nigerian cities of Lagos, Abuja, Port Harcourt and Kano. A Memorandum of Understanding (MoU) was signed between the Nigerian and Chinese governments in Beijing for the China Civil Engineering Construction Corporation (CCEC) to undertake this ambitious project. This finance loan for the project constitutes the external borrowing content of the Nigeria budgeting system for the next decade (Amechi, 2016).

Another content of the 3billion USD is the Abuja Light Rail Mass Transit project which connects the Abuja International Airport and the Abuja Transportation Centre with eight stations. This rail system is estimated to have about 45km and should connect major parts of Nigeria’s capital city. The project was first announced during the presidency of Olusegun Obasanjo in 2007 as part of desired infrastructure to meet demands of hosting the 2014 Commonwealth Games. Estimation for the project was to cost over 800 million USD and would be provided by the EXIM bank.
under the control of the Chinese State Council. Dunne in examining the content of the Abuja Light rail project, anticipates that the Chinese government will also provide 192 million USD to pay for the 48 coaches and their maintenance cost over the next three years. (Dunne, 2018).

While China has continued to cite the ‘win-win’ aspect of such infrastructure development finance for Nigeria, opinions have been raised that with each project, Nigeria grows closer to China seemingly without notice or attention from the West. Dunne opines “although China building railways in Nigeria seems far away, the loss of Western influence means a loss of access to markets, loss of political cooperation and that other nations are more likely to look to Beijing rather than Washington for support” (Dunne, 2018). While projects like the airport and railway infrastructures have been welcomed in Nigeria, some public officials differ in their reception towards Chinese infrastructural development finance. The former Governor of the Central Bank of Nigeria, Lamido Sanusi, was of the view that these infrastructure finance could in the long run, hurt Nigeria’s budgetary systems by placing much emphasis on recurrent expenditure in debt financing rather than capital expenditures needed for wholesome development. Meanwhile, the former Minister for Finance, Ngozi Okonjo-Iwela argued that such finance should be accepted not only by Nigeria, but by other African countries, irrespective of where these finance is from (Reuters, 2013).

After an examination of the concessional loans made available to Nigeria for this project, Brautigam, writes:

… the terms of the facility are concessional, with 20 years term and seven years at 2.5 percent [fixed] interest. China Eximbank can provide either concessional loan … or regular export sellers or buyers credit. These terms are a bit higher than recent concessional loans to some countries. Which tend to be at 2 percent, but the 20 year term reflects normal practice for the concessional loans. Preferential export credits tend to be shorter term (around 15 years). Since the preferential export credit office was merged with the concessional loan office several years ago, it is not clear how separate these instruments are in China Eximbank’s practice. The subsidy for concessional loans come from the foreign aid budget (and makes these loans parallel to ODA). The subsidy for preferential export credits comes from another budget [OOF – other official flows] (and as export credits, these loans would not qualify as ODA, no matter how concessional). (Brautigam, 2013)

This view is shared by many, however, the concern of the current research is to consider these projects in tandem with Chinese finance from the perspective of challenges of project implementation.

How Potent is Infrastructure Development Finance?
The Mambilla hydropower project was first conceived in 1982 during the presidency of the late Nigerian president Shehu Shagari. Feasibility studies carried out on the project estimated that the project would be concluded within five years. A London based consultant (Bennie and Partners) were in charge of these feasibility studies but they were inconclusive (Tashikalmah, 2008). Reports show that since idea of this project was raised, it has recorded one problem or the other. The project was resuscitated in 2005 with an estimated cost of 3.2 billion USD under President
Olusegun Obasanjo; while a German company, Lahmeyer International was engaged to conduct another feasibility studies on the project (Punch NG, 2014). With the conclusion of the feasibility studies, in 2006, two Chinese firms, China Gezhouba and China Geo-Engineering Corporation, were awarded the project contract of 1.4 billion USD. The Nigerian government understanding the urgency of this project paid 15 per cent to the consortium as mobilization cost. The contract was signed by May 2007, but few months into implementation it was cancelled (Oruonye, 2015: 20).

Condition surrounding its cancellation was due to level of corruption and sharp practices engaged by public officials in charge of the project. Despite the delay in execution of the project, it was reported that public officials skimmed on the project development and award of contracts. News reports indicated that the Chinese government withheld its 2.5 billion USD counterpart funding as a result of challenges of project implementation (Punch NG, 2014). In spite of the importance of the project, Adeleke and Oresanjo (2007) observed that there is a degree of secrecy which surrounds the proposed hydroelectric project. Since the introduction of the project, there has been little press coverage beyond government announcement and no evidence of environmental impact assessment (EIA).

Public opinion about the project suggests high-level intrigues and power-play by powerful interested groups within Nigerian Presidency are the cause of unending delays in the completion of the Mambilla project. It appears many lobbyist groups within and outside Nigeria, has taken to influence the direction of the project (Nurudeen, 2013). Furthermore, the project has been subject to various litigations in Nigeria courts based on the Board of Trustee (BOT) concessions and contract re-awarding. A Committee set up to investigate the project, indicated that over 10 billion NGN has been embezzled under various portfolios under the name of this project (Oruonye, 2015: 21). In September, 2019, a newspaper reported that the Nigerian government could be fined 2.3billion USD by the International Chamber of Commerce for re-awarding the Mambilla contract after it was sued by Sunrise Power Transmission Company (Punch NG, 2019).

With the Buhari regime, there might be need for the Chinese government to adopt a pragmatic approach while engaging Nigeria public officials in providing future funds to infrastructure development finance. Most developing countries like Nigeria do not have sufficient institutional capacity to drive development projects irrespective of models of development finance. Consequently, adding development finance (ODA, gifts, or grants) to this mix contributes further to what Eliot Morss called “institutional destruction” of projects leading to weaker small African states (Brautigam and Knack, 2004: 261). While the provision of funds necessary to build infrastructure can never be overemphasized, the need to build institutions which should be saddled the responsibilities of managing the execution of these projects cannot be downplayed.

The success and perception of Chinese development finance needs to go beyond the provision of funds and tilt towards mechanisms to build institutional responsibility of countries in Africa. Such direction is poles apart from imperialist construct because, with the current state of weak institutions in Africa, Chinese development finance would make minimal difference in attending to infrastructure challenges which South-South Cooperation promises. Although, Chinese foreign policy and provisions of such infrastructure finance highlights the respect of sovereignty and ‘non-intervention’ in project development and design; but on the long run, a project such as
the Mambilla Hydropower might eventual turn to another bogus scheme adding to challenges of infrastructure development. China, with her unique development model, can bring a new system and (or) thinking to build institutional capacities of host countries as was the case when China recorded impressive infrastructure growth. With contract awarding and re-awarding, this only increases the cost of project planning before the actual project is undertaken; thereby holding-up important finance which could be utilized in other sectors. Talks are underway to kick start the project again; this only happened after a meeting between President Buhari and President Xi Jinping in September, 2018 (Vanguard News, 2018).

Challenges of institutional capacity also extend to plans to remodel four major airports in Nigeria. From project development to subsequent handling by CCEC, numerous delays and cases of corruption charges leveled against Nigerian public office holders have been recorded. A former minister for aviation who was in charge of these projects resigned after corruption charges where leveled against her. Investigative journalist reports that the minister for aviation diverted funds earmarked for the project while using some to purchase multi-million dollars bullet-proof cars (Sahara Reporters, 2016) (Nossiter, 2014). Additionally, the minister was accused by the Economic and Financial Crimes Commission (EFCC) of abusing power by giving express approval for a security company to make withdrawals to the tune of 5.6 billion NGN from project accounts without attaining set milestones (News Watch Nigeria, 2019). Attempts have been made to prove collaboration with the minister and said company to divert over 3 billion NGN of the funds for personal use. It was also noted that since oversight and procurement laws where not strictly adhered to, public officials procured low standard airports equipment through personal companies while cutting corners in the bidding process. A case was recorded “…at the Murtala Muhammad International Airport in Lagos, screening machines which were recently purchased from said funds broke down repeatedly” (Sahara Reporters, 2018). More so, despite provision of funding and the willingness of the Chinese government to engage with Nigerian public officials, the Port Harcourt and Kano phases of the airport remodeling have at best foot dragged. This comes in spite of assurances from the government that the project would be delivered to the public by 2018.

At the Abuja Airport, project coordinators and some on-site engineers interviewed by the researchers complained about the quality of materials used in construction. A source revealed that even with the low quality of materials used, the workers were unskilled in construction with little or no experience. This was done to cut corners and pay as little as they can to ensure construction companies make sufficient profit in project execution. Construction companies engaging in such practices however are not new, because from contract bidding, award and execution, bribes are usually given to government officials to guarantee project award. More so, since required over-sight procedures partially implemented, monitoring on-going construction and guaranteeing quality of projects delivery becomes cumbersome. Even when suggestions, innovations and amendments to procurement processes are put forward, institutions do not have the will to see them through (Ekekwe, 2017). It can thus be argued that Chinese financed infrastructure projects, in this case the airport refurbishing like others, has faced the similar fate and challenges of infrastructure financing and execution in Nigeria for over fifty decades.

The Abuja Light Rail project is considered as a vigorous attempt to rejuvenate Nigeria’s comatose railway infrastructure and reduce the burden of road transportation. This project is the
first of its kind in West Africa and only the second in Africa which connects the capital territory in Abuja with major cities and Kaduna State. Although Nigerians have become immune to public announcements on resuscitating railway infrastructure due to past failed promises, the inauguration of this project was most welcomed. However, the project has also been bedeviled with institutional challenges which should have ensured earlier delivery at a lesser cost.

During an oversight inquiry by the Senate Committee on Federal Capital Territory (FCT), myriad sharp practices were uncovered in the process leading to the award of the project. Investigation uncovered alleged fraud traced to former President Olusegun Obasanjo as the cost of project was inflated by almost 200 million USD at 10million USD extra per kilometer (Muhammad, 2016). Also discovered was that the project was signed without a design and MoU by the former minister of the FCT. When invited to answer questions on the project, the Project Manager of CCECC admitted “the contract was awarded based on conceptual design and estimates were not properly done. There was no formal design submitted and rail bridges and crossover bridges were not captured in the contract” (Muhammad, 2016). It becomes obvious that since institutions hardly followed due process, funds were inflated and diverted during project implementation. Also, attention was drawn to challenges of consultation in procurement during several railway rehabilitation programmes. One newspaper reports on failure to consult and include Nigerian Railway Cooperation (NRC) engineers by the Ministry of Transportation while purchasing locomotive engines and other relevant equipment for this project (Punch NG, 2016). However conceived, since institutions in Nigeria remains weak, the potency of any infrastructure development finance cannot be felt. Challenges of institutional capacity will unnecessarily increase funds used while extending service delivery time beyond expected dates of completion.

In terms of operations, there has been an increase of people seeking to reduce travel time while commuting between the capital and neighbouring cities because of the Abuja Light rail. However, compared to the quality of railway infrastructure existing in other cities like Addis Ababa, Nairobi, and Cape Town, the Abuja Light rail is far from effective. While the time of operations is limited to certain hours of the day, interview conducted by the researchers reveals that one of the busiest terminals of the line, the Airport terminal, operates once a day and this is not guaranteed. Commuters interviewed expressed their displeasure in operations as they had to resort to expensive airport taxis with major security concerns. Finally, this project like many others in Nigeria has been met with skepticism in public institution ability to maintain this project. At project development, the Federal Capital Territory Development Agency (FCTA) raised concerns in handing over the project to the Nigerian Railway Corporation which it believed has a penchant for not maintaining its public infrastructure.

The case made here is the need for Chinese infrastructure development finance in Nigeria to go beyond provision of funds to actual assistance in building institutional capacity of implementing agencies. Furthermore, discussions on ways to strengthen procurement laws and adhering to due process should be the concern as Beijing tries creating a new norm for global South relations. Most infrastructure projects introduced in Nigeria have suffered project delay with little to show for them. It appears Nigerian public officials have not vigourously adhered to international best practices in project justification, implementation and evaluation. Procurement laws needs further strengten to which constant failures might bring Chinese infrastructural funding to null.
Conclusion: Sustainability and Policy Options

Chinese infrastructural finance for Nigeria has numerous advantages, as Beijing offers lower quotations for loans in infrastructural investment; this is needed for wholesome development in Nigeria. On the other hand, the uncertainty brought about by the long term nature of investment in infrastructure is dependent on the host countries and other political, legal and institutional matrix which comes into play while executing said projects. While Nigeria records economic growth, it is also dependent on how her leadership navigates the labyrinth of bureaucratic systems and weak institutions to ensure that infrastructure development finance translates to sustained development across Nigeria. However, with the current leadership class in Nigeria, and most parts of Africa, this appears cumbersome.

The issue of corruption within highest political levels alongside failure to develop and strengthen institutional capacity militates against whatever benefits Chinese infrastructural development finance might portend for Nigeria. The political class in Nigeria has the responsibility to Nigerian people to ensure that Chinese infrastructural development finance works. The current wave of ‘no-strings’ attached loans should not go to waste as some political leadership in Africa and Nigeria sees this as an opportunity to skimp and cut corners on projects which have meaningful impact on people’s lives. The Chinese government therefore needs to adopt new methods within her mechanism of foreign policy and infrastructure development finance to engage by not only providing the necessary funds for project execution, but nudge countries like Nigeria to develop her institutional capacity. Only then can the normative power of China be felt as a leader of the global South. Rhetoric from President Xi agrees to the institutional deficiency suffered in Africa. During the G20 Hangzhou Summit in 2016, he proposed the establishment of a global alliance for interconnectivity among infrastructures; and intensify “monetary and intellectual support” for infrastructure projects development (Yabin & Xiao, 2017). This might translate to inter-exchange in project development and attempt to solve institutional challenges which Chinese infrastructure finance faces globally in low and middle income countries.

For policy options, Nigerian leadership needs to take a cue from the Chinese model of public administration or develop and adopt its own unique system for building/strengthening institutions with support from China or where ever they can find it. This should entail better planning with Chinese team (and other countries if necessary) towards collaboration and the conduct of evidence-based assessments of each party’s risk tolerance to minimize any dangers of insolvency. The success of Chinese infrastructure finance in Nigeria and Africa depends a lot on how governments execute them and how they build institutions which develop, monitor, evaluate and access such projects. On the part of China, more responsibility should be taken in her ‘delicate’ relationship with Africa. Absorbing herself of institutional quagmires by providing infrastructure finance might not spell well for her leadership of the global South. She needs to tilt her infrastructure development finance policy towards creating an enabling environment for these finances to actually benefit host communities before and after project completion. Only then can her songs of “win-win” cooperation become music to ears of Africans.
Notes
1. China had been able to achieve impressive economic growth and development by using her own model for development. While this was puzzling to most western countries, GDP grew while poverty and unemployment dropped in China within a period of time. The call then is not only for other developing countries to ‘copy’ the Chinese or Western model, but to adopt it to suite specific requirements and needs. Lin Yifu Justin, thus calls for the Flying Geese model to guide African countries in achieving this. Also see (Kojima, 2000).
2. The term ‘South’ refers to countries who are opposed to the domination of the global North (i.e. countries who have already established economic dominance on the international economic system either by imperialism or colonialism or by their unequal association with certain countries). This view is in line with the world’s systems theory which explains the international system as existing in different levels. However, international political economist and development scholars like (Ake, 1981) (Escobar A. , 2011) (Rodney W. , 1972) having reviewed this and believe the world is classified into different systems based on their economic development and capabilities
3. The idea of Win-Win Cooperation has been repeated in Chinese and Africa media as a systematic means of outperforming western systems (Britain, USA etc) and making China Africa’s largest trading partner based on mutual cooperation and benefits.
4. During the 1970s Chinese investments and cooperation in Africa was mostly guided along ideological lines of Socialism; this was during the Cold War and such cooperation received criticism by western public officials.
5. In the fight against colonialism and apartheid in Southern Africa, Nigeria’s immense contribution was welcomed and acknowledged across Africa. In return, she was dubbed a ‘Frontline State.”
6. According to the World Bank, over 40 percent of Nigerians live without access to electricity. See (World Bank, 2016)
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