

Africa and BRIC: an alliance to overcome emergencies and underdevelopment in the Sahel Region. The Transaqua Project

Rhodes Forum 2009 - Panel № 2 Economic

Lottin Welly Marguerite - President, "Associazione Interculturale Griot"
leader of the African Diaspora in Italy

I have a dream for Africa to become a land of opportunity, happiness and just development. I believe that Africans, above all the people and the youth living in the Sub-Sahara regions, deserve a better future. For decades Africa has been economically and socially victimized: we paid with our underdevelopment, while the rest of the world improved its conditions, and we are dearly paying now for the effects of the global financial crisis we had no role and no say in it.

We are today at an historical cross road and in front of an epochal challenge: either Africa has a strong voice in the new economic and financial architecture or Africa will suffer more than in the darkest colonialist periods of the past.

On June 2-5 2009 in Cairo Egypt, the meeting of the Committee of Experts of the 2nd Joint Annual Meetings of the African Union Conference of Minister of Economics and Finance presented a document "The global financial crisis: impact, responses and way forward" underlining that, contrary to superficial comments of many who say that Africa will not suffer much from the effects of the crisis because of her backwardness and her minimal involvement in the financial globalization, real economy, employment and the general social conditions will be severely effected. A decline in the economy of the so called advanced sector will reduce African economic growth and production, combined with a collapse in the prices, estimated around 20%, of African products and raw materials, like copper, coffee, cotton, sugar. The World Trade Organization indicates that the volume of global trade is expected to decline by 9 per cent in 2009, an optimistic forecasting, and the African exports will suffer consequently.

The document also states that the global crisis is already effecting negatively the debt services with higher interest rates and also higher prices of imported food. Africa is a net importer of food. All these combined affects will produce more poverty, more unemployment and more social crises. I agree with this analysis.

In "The Way Forward" section the experts demand more resources availability and increasing policy space in the reform of the international financial system.

Africa needs the assistance of the BRIC countries to be able to create for itself a situation of sovereignty and thus to manage her own economic and social development. Africa can gain more independence and more respect if the BRIC countries succeed to create for themselves a new space in the monetary and economic post crisis global order.

We do not need primarily economic aid from the BRIC countries, but the assistance and the protection of an older brother. Africa hopes that nobody of the new emerging countries be tempted to see Africa just as a continent rich of raw materials and other resources. This would be a betrayal of our hopes and a human and psychological disaster.

The BRIC plus Africa will make a new power block that cannot be ignored or subjected to outside decisions. We have the majority of the world population and of the resources of the world. Together with Europe, the United States and Japan, we can shape the future with a new spirit, new priorities for a peaceful cooperation.

For many historical, political and also cultural reasons it is the Sub-Sahara Africa that suffers most. This region has more than 800 million people on a territory of 24,3 million squared km, two and half times Europe. But it has a GDP of 847 billion dollars (half of the GDP of Italy), a foreign debt of about 200 billions and an export of 288 billions \$. But, as you all know, Africa has paid these debts several times already, with high interest rates, low prices for her products and raw materials, punishing trade terms and an induced underdevelopment, combined with proxy wars provoked from the outside for the control of resources. In Africa live most of the new 100 millions very poor people that the global economic and financial crisis produced during the past year, as the FAO reported just few days ago.

Nonetheless, Africa has all the institutions required to become a united continent in the like of the European Community: an African Union, an African Parliament, a Development Bank, an Investment Bank, etc. Since

many years different African leaders have spoken for an African Common Market and for a single currency. These are very important ideas and programs that must be supported and developed further.

I believe that Africa and African leaders should formulate in an independent fashion a global policy of development of the African continent based on two fundamental questions: sovereign credit formation and large infrastructure projects. These two aspects are the essence of any economic policy of development and growth. They have to be considered as distinct but connected issues and must be studied in a simultaneous way: productive credit implies the realization of projects and these ones cannot be done without cheap and long term credit lines.

First, let us analyze the credit question. So far African infrastructures have been totally dependent from grants coming from the World Bank, from the European Community, from other donors countries or from private multinational corporations interested in exploiting African resources. In other words, all significant credit lines were generated from the outside of the African continent.

In a well functioning economy, credit is issued by the authority of the state or of a coalition of states, like the European Union for example, through a Central Bank. This Bank should have in reserve real values in a certain percentage of the larger credit lines. The correct functioning of this mechanism is visible when the credit lines are directly exclusively in the promotion of the real economy sectors and of productive infrastructures. Africa has thus to come forward with a continental proposal for a credit system versus mere monetary agreements to support large and regional infrastructure investments in all sectors, primarily those ones that can guarantee African sovereignty, self sufficiency and independence

Africa has tremendous richness and resources. She has raw materials, gold, oil, land etc. African countries have only to agree to allocate a very minimal part of these resources as a reserve of an African Development Fund. The value of such reserves, as well as the legal agreements, could be jointly established.

The next financial and monetary step should be the definition of an African Currency Unit.. We are not speaking here immediately of an "African Euro" to be used in all the countries. This probably requires still some time and some more cooperation among African states. But of a currency unit, it can be called "OASIS" for example, to be used to define the credit lines, to regulate all the continental investments projects, to act in international trade and transactions and to regulate all international and continental balance of payments.

Second, the new credit lines will be extended for the realization of large continental infrastructure projects in areas like water management, transportation networks, energy, communication, agro-industrial development and in the crucial education and health programs for the well being and for the future of the vast young population of Africa in particular. The Continent must come soon to a unity process to create a large internal market, with local industrial sectors, food independence and freedom from the traditional and new neo-colonialist interests. To unite herself Africa needs a modern high speed rail way networks and roads, connecting the Mediterranean region with Cape Town and the coast of the Atlantic and the Pacific Oceans. Africa has to face urgently the deadly challenge of the growing desertification of productive lands. Large infrastructure projects have also the effect to dramatically increase the global productivity of the economy.

We need large continental infrastructures like the "Transaqua: an idea for the Sahel" project.

Transaqua was elaborated by a group of Italian engineers and experts at the end of the eighties.

The basic idea is to transfer approximately 100,000 million cubic metres per year of fresh water from the basin of the river Congo (Zaire) to the Sahel area in Chad and Niger. The mass of water of the River Congo, the most important river in Africa, calculated at its mouth to be around 1.9 million millions cubic metres flowing in the Atlantic every year, would be curtailed by barely about 5% of its discharge.

The basin of this largest African river forms a vast natural amphitheatre – at an elevation of about 500 m above the sea level. The project includes the construction of a broad navigable canal which, running along the eastern and northern crest of the Congo catchment, could intercepts also the waters of the extreme north eastern edges of the basin and after a course of about 2,400 km would reach the Zaire-Chad watershed in Central African territory and discharge the entire flow at the head of the River Chari, a tributary of the Lake Chad.

In these regions of the Sahel, it can be reckoned that between 12 and 17 million acres could be brought under irrigation development. The Lake Chad could be saved from drying up as well as very large areas of Niger and Chad which are in the process of becoming desert.

In its drop down to Chad, this water, via a series of hydroelectric stations, could produce energy to the extent of

some 30 to 35 thousand million kWh. Such quantity of energy could radically change the face of the present rural settlements and provide a strong boost for future agricultural developments.

Beside being a "transfer of water", the navigable canal would become an integral part of a vaster African international transport system intersecting the Lagos-Mombasa Trans-African Highway which will run for over 6000 km and connect the Indian Ocean with the Atlantic and the Lagos-Algiers Trans-Sahara Highway, a fast link between the Gulf of Guinea and the Mediterranean.

It will be a huge "river way" able to connect up the markets of vast Central African "enclaves" such as Rwanda, Burundi, the Kivu region, the northern part of the Republic of Congo and of the central African Republic with consumers centres of other Central African countries (Nigeria, Niger, Chad, Cameroun, Kenya and Uganda) and with the two ocean ports of Lagos and Mombasa for trade flows outside of Africa.

Project like "Transaqua" represent what must be called "Basic Economic Infrastructures". They are a system of improvements done in a territory and above all physical capital investments to increase its productive and living use. They are improvements in land fertility and fecundity for the activities in agriculture, cattle, and forest exploitation. They are managements of large hydraulic systems, which include water purification and desalinisation and therefore dams, canals, irrigation etc.

Conceptually, Transaqua and similar projects challenge two of the most insidious enemies of African sovereignty, of economic independence and of food self sufficiency: the idea of emergency situations and of charity operations masked by international cooperation efforts. These two approaches greatly contributed maintaining Africa in a situation of underdevelopment and of dependency.

Large infrastructure integration will become the strength of Africa in the continent and on the international arena. It is not just an economic issue, but it is a fundamental question profoundly related to the culture and to the identity of the Africans of tomorrow.