UK-China alliance plans to build African infrastructure

With a young and growing population, studies show that by 2075 the African continent will have some of the largest mega cities in the world. Predictions are that in 55 years, Lagos will compri 88-million people, Kinshasa - 8.3-million and Dar Es Salaam - 70-million.

Yet, in terms of infrastructure, sub-Saharan African countries lag behind their peers in the developing worl particularly in regard to paved roads, water distribution and storage, sanitation, telephone main lines and power generation – which remains one of the biggest challenges.

China and UK business networks have therefore agreed to build a strategic partnership for the 21st centu to promote commercial collaboration and knowledge-sharing, with the objective of building high-quality, sustainable infrastructure, including projects on the African continent. The initiative has the support of both UK and Chinese governments, each of which have substantial and growing ties to Africa. Last month, the U Government hosted a UK-Africa Investment Summit in London which supported over R120bn in commerc deals.

Memorandum of understanding

In line with this, in October 2019, a memorandum of understanding (MoU) was signed by the British Chamber of Business in Southern Africa and the South Africa China Economic and Trade Association, thereby strengthening their cooperation on projects that support high quality, sustainable infrastructure that meets Southern Africa's priorities and supports the region's growth.

On the back of this MoU, Turner & Townsend and CRI Eagle – who are acting as lead firms on each side within the alliance - are supporting UK and Chinese businesses in developing competitive project solution into the Southern African Development Community.

The need for infrastructure in Africa is clear, and industry will need to take an active role. In the past five years, the value engineering, procurement and construction contracts signed with Chinese organisations f projects in Africa dropped by 30%, with only 20% of those contracts implemented, according to Fred We director and deputy general manager of CRI Eagle. "Not only is suitable infrastructure limiting growth, ther is also a significant backlog in infrastructure maintenance and spending on maintenance. Positively howev in order to remain competitive on the continent, Chinese construction companies are increasingly partnerir with public sector clients."

Annamari Uys, director and head of the private public partnership business unit of Turner & Townsend: "Tl presents an ideal opportunity for PPPs to accelerate infrastructure delivery. They play a key role because they look at funding maintenance over the life of the project. PPPs have been implemented in countries su as South Africa, Nigeria, Kenya and Uganda, among others, with recent projects focusing on renewable energy, transport and water and sanitation.

"They also allow governments to partner with the private sector to leverage private party capital/finance an expertise, providing an incentive for on-time, on-budget infrastructure delivery, and transfer risk to those mandated to manage it. It is also a meaningful way to incentivise the private sector to invest in delivering quality projects with stringent maintenance requirements – something that is receiving increasing attention governments seek to manage public services for public good. A good litmus test for a worthwhile PPP whether it offers affordability, value for money, and appropriate risk transfer."