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Bloc Currency as Innovative Development Financing for Sustainable Development Goals in Africa

Oboshi J Agyeno*
Research Fellow, Institute for Peace and Conflict Resolution, Abuja, Nigeria.

***Corresponding Author**

Abstract: *Africa has been endowed with abundant natural resources that can put the region in the path of sustainable development. The natural resources can be used as a means of financing notable infrastructure development that is significant in poverty reduction and improved livelihood. This can be achieved through innovative development financing strategies that can build capacity for domestic resource mobilization. The capacity of African countries to generate funding from domestic sources to finance short, medium and long term development planning has been crippled by the shortage of funds, the unequal distribution of wealth, and the lack of accountability. It has become imperative to use the bloc currency as an innovative development financing model to mobilize funds to bridge the infrastructure deficit in the region. The bloc currency is a situation when natural sources are used to pay for the infrastructure development or services. The idea of paying for the large infrastructure development with natural resources has been based on the expediency and rationale that since some regions in Africa have been experiencing challenges in funding their development due to the high level of loans and indebtedness and low savings, there has been a current need to adopt the bloc currency. It has been suggestively a modern barter system that permits Africa to use its natural resources to directly pay for the development projects that would propel the economic prosperity in the region.*

Key words: *Bloc Currency, Natural Resources, Sustainable Development, Innovative Financing for Development*

INTRODUCTION

There is a cogent aspiration for countries in Africa to expand their funding options through various innovative means, especially where they would improve the regions' capacity to use indigenous resources to mobilize development finance to meet development demands. Africa has been endowed with abundant human and natural resources that can transform its physical environments, and improve its socio-economic development and move the continent into a middle income region. The transition of Africa from a development deficit into a modern and competitive global economy largely depends on the access to the development finance. Development finance is one of the most striking challenges faced by African countries in their quest to modernize, increase the productivity and reduce the poverty in the region. Mobilization of development finance could come through domestic and external sources, but Africa has been known to largely depend on external sources of financing for its development. Too much reliance on external sources of funding has stunted African growth and development, and reduced the ability of African countries to own, prioritize, direct, and negotiate its terms and type of developments. Even the 2002 Monterrey Consensus has declared that depending solely on the external sources of development finance by African countries will not improve the continent capacity to accelerate its growth and development. This condition has forced many development experts, scholars and policy makers from the region to look within the region, and find alternative ways of mobilizing development finance, especially from its natural resources.

Africa has its comparative advantage as a region with abundant natural resources. The natural resources could be used as means of financing notable infrastructures development that are currently in a short supply. The huge development deficit in Africa requires employing natural resources to generate funds through an innovative arrangement that could bridge the funding gap currently bedeviling Africa's socio-economic growth. This would suggest why using the "bloc currency" concept of development financing will provide options of innovative ways African natural resource could be applied to fund middle to long term infrastructure development in a sustainable manner. Currently, there is the need to support Africa development by using its natural resources to directly finance priority development projects in the continent. This could improve availability, and increase the access to development finance through the alternative and innovative means. It can also assist in providing public utilities and infrastructure that would improve the connectivity and interaction of African citizens, its markets and governments. It is also important in reducing high indebtedness of most African countries, as well can ensure the democratization of development financing by international financial institutions (IFIs).

Innovative financing for development, and policies that supports it has often been promoted from the global initiatives instead of regional or country specific initiation. The significance of pushing for this strategy of innovative financing can lead to a better resource governance (in the case of Africa), and promote the attainment of sustainable development. Innovative financing for development therefore would be the sum total of funds both cash and kind, formal and informal as would be guaranteed, that can be used to exchange for goods and services. There is a strong need for a constructive and workable approach to innovative financing for development that can assist in achieving sustainable development goals (SDGs) in Africa. This could open various opportunities for African countries that have been either burdened by huge debt or experiencing shortage of funds for development. To bring to the fore, innovative development financing by reintroducing non-financial or alternative methods of financing into mainstream models has been based on the peculiar challenges of development in Africa. The paper has not dwelt on the infrastructure deficit in Africa, but has been focused on the innovative ways Africa can finance its infrastructure deficit. It has also been an attempt to proffer solution on how Least Developing Countries (LDCs), mostly found in Africa can meet sustainable development goals (SDGs), through bilateral or multilateral cooperation and arrangements.

This paper has explored how Africa can use innovative development financing known as the bloc currency, to improve its domestic resource mobilization (DRM) that could finance the obvious development gaps experienced in the region. This was done in the hope that African countries individually or collectively can initiate, fund and build resilient, sustainable and focused development financing strategies based on their priorities. It is also expected that the bloc currency innovative development financing could assist in meeting the annual development funding requirement needed by most or all Sub Saharan Africa (SSA) countries to meet the UN SDGs. The paper, therefore attempted to answer the following questions as to: why is there a need to engage innovative development financing in Africa; what are the innovative options of funding development in Africa; how will the countries, international financial institutions (IFI) and development partners bridge the funding gap in Africa; how can the bloc currency be used to finance and achieve sustainable development?

Innovative Financing for Development and Nature of Development in Africa

Africa has been arguably the least developed continent in terms of several indices of development. Many reasons have been attributed to the current level of development in the region. Physical development in majority of African countries relied directly on funding and contribution of external donors. The capacity of the region to generate funding from domestic sources to finance its short, medium and long term development planning has been crippled by the shortage of funds, unfair distribution of wealth and lack of fiscal accountability. In addition, Africa has relied for many decades on sale of natural resources which are often the main income generator for the states. However, the revenues accrued from the sale of such natural resources have been mostly used by African governments to financing recurrent consumption as opposed to investing, accumulating and transforming the proceeds into human, social and physical capital. Natural resources have not been adequately put to use to meet development agendas, in as much as it is currently a major factor to consider if Africa would make significant progress towards sustainable development. To link sustainable development of Africa to natural resources, there must be a structural transformation in the utilization, approach and innovation in natural resource governance as suggested in the four-layer policy approach by the African Economic Outlook (2013).

However, Africa's natural resources have played a positive role in development of funding sources from domestic revenues currently experienced in the continent nonetheless. There are countries in Africa which have used natural resources to build wealth and increase the capital for their short, medium and long term development, such as Botswana, Rwanda and Angola. These countries have demonstrated the commendable public spending, investment and management of natural resources wealth, and diversification of the economy. Botswana for instance, created The Pula Fund (2018) to raise and mobilize revenue from domestic sources through the sale of its natural resources (diamond) which proceeds were put into a sovereign wealth fund (SWF) , and in 2007, accounted to 56 percent of the country GDP. This is an indication of an innovation in natural resource governance towards transforming and increasing the prosperity of the country, reducing poverty and distribution of wealth for future generation. There has been an urgent need to convert the abundant natural resources to more productive sectors of the economy that can accelerate and facilitate diversification and structural changes in the region, towards a sustained growth and development.

Some African countries with enormous natural resources have been unable to mobilize revenues from these resources due to several challenges of development that contradicted the principles of domestic revenue mobilization. The region has long been saddled with challenges of mobilizing adequate development funds to fund its development agendas due to the low savings rates, poor tax administration and a limited tax base, often dominated by a large informal sector ,restricting the growth of intra-African trade and large scale commercial tax evasion(UNCTAD 2007: 2). There has been a low saving culture within the continent, which has impacted on the level of revenue for governments to invest in public assets which is important for development. Low savings has been one of the many challenges that diminish available funds for medium to long term investment in economic infrastructure. In fact, Sub Saharan Africa (SSA) has the lowest savings rate of any developing region. In 2005, gross domestic savings in the region represented 17.6% of GDP, compared with 26.0% in South Asia, 24.0% in Latin America and Caribbean, and nearly 42.9% in East Asia and Pacific countries (World Bank, 2013). This condition has remained so over the years, and has adversely affected the investment in assets and human capital development. The low saving culture of the continent has had a direct or indirect relationship with the current poor investment associated with health sector, water, sanitation, education, and power sectors.

Development finance in Africa has also been known to be sufficiently tied to grants and external borrowing to fund economic, social and institutional development. In spite of foreign aids and external loans which have made considerable impacts on Africa's development, they seem insufficient in meeting sustainable development because of the infrastructure deficit, high level of poverty and low human development of the region. Hence, despite the attraction of African countries to this type of resource mobilization, there seems to be negative correlation between the funds sourced externally for the development with the level of development on the ground. The reasons for such condition could be the lack of accountability, low level inclusive governance, corruption and weak investment in economic infrastructure that could spur and improve the economic productivity, enhancement to the social protection schemes and a relatively small share for "future generations" funds (UNDP 2011:10). The structural implication of over dependence on external sources of funding in Africa, often attracted the continent development stride to external shocks, volatility and low ownership of public policy on development and accountability. Aryeetey (2007) in UNCTAD also confirmed that ODA, while it remained a major source of finance in the region, has been volatile, heavily concentrated and dependent on the priorities (often geopolitical or strategic, including security considerations) of the development partners. The continuous focus on the external sources of development finance has also eroded the effort capacity and focus of DRM on development in Africa.

Inextricably, countries in Africa have been significantly among the Highly Indebted Poor Countries (HIPC) by successive annual UN Development Index reports. The implication of this reality is that individually or collectively, countries in the region have had little funds for fiscal and physical development as they spend foreign earning from the sale of natural resources to paying back debt or servicing one; or again turned to external donors and aid. As stated above, there has also been a sense that donors' views on the purpose of aid have been constantly shifting, and there has been an increasing skepticism about the utility of aid that has been provided over decades, given the development results that have been achieved (NSI: 2013, 4-5). Even within the region, scholars, political leaders, policy makers and civil societies have become aware that there has been an urgent need to boost DRM and investment by creating systems that would sustainably improve the access to development funding from domestic initiatives and innovations. This could be the only way to bridge the huge infrastructure gap that has deprived and divided the region from benefiting in integration and close cooperation within its economies. The reality has become evident by the low level of market connectivity and high rate of poverty and underdevelopment generally perceived as Africa's uniqueness.

Domestic revenues in Africa have been low compared to other climes. This could explain why most African countries have been unable to mobilize domestic revenues above 20% of gross domestic product (GDP), required for a sustained poverty reduction and human development (ECOSOC 2011). Inadvertently, greater reliance on DRM to fund development in Africa has been necessary to lift millions of African citizens out of poverty, and strategically place the region into a path of sustained development. This can be significantly achieved through innovative financing for development and democratization of sources of funding for development. Moreover, the success stories of East Asia and more recently China and India have shown the value of a growth path underpinned by high levels of domestic savings and investment (NSI, 2010).African countries can therefore take advantage of the renewed interest of other emerging economies, notably China, to make the region's natural resources the yardstick of innovative development financing. According to African Development Report (2007), natural resources have dominated many national economies and have been central to the livelihoods of the poor majority. These natural resources can serve as funds to engender national and regional advancement in infrastructure that would improve living standards, economies and modernization of the region.

Innovative financing for development in Africa has therefore been a combination of public and private, formal and informal, conventional and unconventional initiatives to meet the unique development challenges of Africa towards availability, accessibility and sustainability of financing for development. Good planning and natural resource governance can contribute substantially in the ability and capacity of African governments to use its natural resources to diversify their economies. This paper attempted to unveil non-financial taxation and funding systems from Africa's natural resources that could give the continent the opportunity to increase its development financing options. Natural resources of countries in Africa can be converted to diversified economies by using natural resources as development financing for laudable infrastructure projects capable of transforming the region into economically viable states, and prosperity for current and future population.

This paper was a quantitative research and mainly gave descriptive analysis to why many African countries have been struggling to engender socio economic development and meet the expectations of its population. The data used for this study were derived from mostly secondary sources to enrich the assertions and observation of the phenomenon and provide meaningful dimensions to the subject.

Social Capital Theoretical Perspective

Social capital perspective is a construct that defines the application of value that is derived by a person, group or state. The social capital theory assists in understanding the advantages derived from ascribing value to material or immaterial objects or relationship. These advantages could come from tangible or intangible resources, and be anything from political, social, economic and cultural resources that could be converted to boost and promote individual or group position. Woolcock and Narayan (2000) presented social capital as anything constituting an important asset, one that can be called upon in a crisis, enjoyed for its own sake, and/or leveraged for material gain. Hence, the social capital theory could explain the relationship and opportunities inherent and common in and between African countries, as the case of its natural resources which could be transformed to the benefit of the states or region. Social capital can be some form of safety net which African countries possess by virtue of having enormous natural resource deposit as a collective value. This can be used to promote the wellbeing of its citizens and engender economic development. Social capital therefore, has a range of important implications for practitioners and policy makers seeking to cultivate a more productive and inclusive economy (ibid).

Nan Lin (2009) ascribed social capital to an aggregation of both individual and group levels. On the individual level, she saw social capital as how individuals invest in social relations and how they capture the embedded resources in the relations to generate a return. The group level focuses on social capital at the group level, with discussion dwelling on how certain groups develop and maintain more or less social capital as a collective asset, and how such collective asset enhances group members' life chances. It is important to note that these perspectives could be applied and identified by individual countries and sub-regional groups to facilitate their assets, relationships, or progress. For example, natural resource has been an individual and collective asset in Africa which has been propagating a mutually beneficial advantage to its people. The advantage however comes to how well investment has been made to provide the expected and needed profit. This asset has been achieved based on the access and value placed on relationship which has been built over time, that could produce capital. Capital therefore is the surplus value that has been attached to the natural resources for instance, and the measurement of the value it has produced.

Inherently in social capital perspective according to Burt et al. (2000:31), there has been a metaphor about advantage. They noted that any society can be viewed as a market in which people exchange all variety of goods and ideas in pursuit of their interest. In this regard, certain societies do better because they use certain positions and asset to advance their cause. That is why social capital is the sum of the resources, actual or virtual, that accrue to an individual or group by virtue of possessing a durable network of more or less institutionalized relationship of mutual acquaintance and recognition. In order words, an individual, group, country or region well known for a particular object, advantage or network, can be provided directly or indirectly with some obligatory values or supports, based on such characteristics. Social capital can thus be made to facilitate the interest of those who can be better served, based on the advantages they possess or able to build by their relationship with others.

Contextualization Ofbloc Currency

Financing for development strategies have not been universal, there have been codifications and norms that govern mobilization of resources especially from domestic sources based on realities and conditions. There have been several ways that African countries could attract financing for development with its natural resources that may be negotiated based on mutual agreement and understanding of the interest of the involved parties. Natural resources have played a crucial role in the development of countries in Africa, and potentially have held the key in meeting the SDGs by paying for Africa's development through the bloc currency. The bloc currency has been inspired by Brautigam (2009) and Purnendra Jain (2017) when in 1958, India entered into an agreement with Japan to build its steel industrial complex in Goa, India. Japan accepted to build the steel plant and India paid for the contract with iron ore. The 'bloc' stands for a resource possessed by a country which is willing to trade or use it as a mode of payment for an expected service or project. For a group of countries like the ECOWAS, the bloc currency would be the sum total of each member's contribution of the commodity that made up its natural resources as payment or means of exchange for the rendered services. ECOWAS as a bloc would therefore possess a bloc fund in natural resources that can be exchanged directly as a mode of payment to another entity, country or development willing to accept this mode of payment.

This idea of exchange between India and Japan was again captured more succinctly by Brautigam (2009:47) when she asserted that the significant aspect of this so called Goa formula in economic cooperation has been in exchange for assured access to important raw materials, as stated above, Japan would provide the necessary equipment, technical training, and financing. The idea of paying for large infrastructure development with natural resources has been based on expediency and rationale that since some regions in Africa have been experiencing challenges in funding their development due to high level indebtedness, low savings and foreign reserves; there has been the need in time to adopt the bloc currency. It should be noted that since innovative development finance has been dynamic and strategic, Africa's natural resources can be allowed to be used as a currency for individual countries or regional economic communities (RECs) to pay for its large infrastructure deficit. For instance, ECOWAS as a REC could use the bloc currency to enter into a contract with BRICS Development Bank or any entity, for its West African gas pipeline project, and be able to pay with crude oil, gold or coffee. The bloc currency should be viewed as a modern barter system where countries or sub regions could exchange commodity items for a particular infrastructure the region needs that could boost prosperity and common wealth.

Natural resources can be contributed by each member of the ECOWAS for instance, as agreed upon by a memorandum of understanding (MOU) to be used as a non-financial means of financing for development. As indicated, a particular percentage of a country's largest natural resource production or major foreign exchange earner could be contributed into a pool of fund, which would be used to pay for infrastructures that shall benefit three or more countries in the region at the same time. That is to say, if ECOWAS wants to construct highways that would link all the commercial cities of the region, it can contract such ambitious project with any conglomerate that would accept payment in kind. This can be arranged by experts who can calculate the worth and risks involved, and be able to come to an agreement in making the bloc currency feasible to the intended task. Payment through bloc currency can be mutually beneficial, considering the shortage of funds being experienced in most African countries or regions. The bloc currency can help governments and policy makers to use available funds in cash on recurrent or emergency cases, while huge infrastructure development is paid with funds from the bloc currency. This can inevitably be used to surmount some disadvantages typical of Africa where funds are lacking to finance socio-economic projects that would measurably reduce poverty in the region.

Sub Saharan Africa (SSA) has demonstrated a low saving culture over the years. This has affected the purchasing power and access to funding in the African states which have to invest on development. The ratio of domestic savings to GDP has still been below the average of middle income economies, and the average of the fast growing economies of East Asia (UNESC 2012). The gross domestic saving rate has been consistently lower than the gross domestic investment (ibid.). According to Ayeerty (2007), African countries are among the most Highly Indebted Countries (HIC) in the world, and have the lowest saving rate of any developing region. This reality has conditioned the region to progressively depend on external sources of development financing through official development assistance (ODA) and other foreign aids. However, the global economic and financial crisis has reduced the funds hitherto available to African countries from ODA. The bloc currency can provide an impetus for Africa to look inward and find innovative ways to invest in informal sources of development finance, especially in the capacity of states or regions to mobilize their own financing for development. Invariably, the capacity for SSA to look inward and rely on domestic savings to fund its development has been affected by not only low savings, but misappropriation of funds, huge debt profiles, and other corrupt practices. These among other conditions provided the need for the bloc currency and other innovative approaches to develop financing, in order not to leave the continent behind in development stride.

Therefore, the bloc currency has been a historical and traditional system of funding development and could be adopted in the 21st century to innovatively meet the funding deficits in Africa. There have always been various historic arrangements to fund major development projects around the world that is still viable to modern appeal. The bloc currency has been one of such strategies that allows for exchanges and arrangement where natural resources can be swapped for development projects (like infrastructures)to bridge the obvious development deficit in most parts of Africa. Natural resources have become the legal tender to pay for services or projects. It has been suggestively a modern barter system that permits Africa to use its natural resources to directly pay for the development projects that would propel economic prosperity. The bloc currency has been used in some African countries, where natural resources were used as the medium of exchange to pay for development. In some instance, the natural resource or bloc currency can be used as security to guarantee repayment. Bloc currency allows dynamism and flexibility in the discourse of development financing by encouraging DRM that can propel sustainable development. This can also open and democratize financing for development by opening up the space for international finance institutions (IFIs) to provide a cushion to developmentally disadvantaged countries or regions to enable them meet SDGs.

Bloc Currency as Innovative Development Financing

African countries and regions can use the concept of the bloc currency as a medium of exchange to fund its development. It can also be used to foster productivity through the sustainable management of natural resources and the provision of infrastructure services to the countries of the region. The bloc currency is a strategy of raising funds from where an entity considers its comparative advantage to pay or exchange for what it needs. As stated, Africa is rich in natural resources that can be converted to meet contemporary challenges of modernization. These resources can be used singly or collectively by African countries to fund infrastructure development, especially economic infrastructures that promote public wellbeing. The strategy is to use various acceptable options that can facilitate and serve as an instrument of payment for the infrastructure development or the provided services. In many cases, this type of transactions occurs when a huge sum of finances are involved, or where there are no adequate funds saved for a particular project. It therefore, depends on a special kind of agreement among the involved parties to accept the mode of payment, which could be in cash or bloc currency. These kinds of arrangements can be done through practical political economic consideration and cooperation.

In the case of SSA in particular, the need to build up innovative ways to fund the infrastructure deficit that challenges its sustainable development is crucial. SSA has enormous natural resources in oil and gas, precious metals, forestry and human capital. These natural resources could be contributed by each country to an agreed pool of funds as a mode of payment for development. It can also be referred to as a barter system for swapping natural resources for development, where natural resources are to pay for a development project as the currency of exchange. It can be initiated by an individual African country or region, based on agreed codes and standards to attract concessional loans or line of credit to meet national or regional objectives. The most instructive strategy about securing these funds is the flexibility that the beneficiary would be paid with natural resources over a period of years as agreed upon. There have been examples of such innovative development financing in which the parties involved have benefitted. The bloc currency as typified above, has been a means to strengthen the capacity of leaders, policy makers and small and medium enterprises to prosper in Africa by promoting alternative ways to accelerate Africa's development through access to development finances. This is necessary if consideration is given to the shortage of development financing occasioned by economic recession, aid and donor fatigue, and some accountability questions. Besides, mobilizing development finance through this channel to fund development has its own advantages. Some of these advantages are:

a) **Boosting DRM and Africa debt profile**: This innovative financing for development model could boost Africa's debt profile and increase its ownership and accountability on development, and will also reduce Africa's over reliance on external sources of development finance. UNCTAD (2007) explained that mobilizing financing for development within the continent will reduce the dependency on external flows, thereby reducing one of the sources of damaging volatility in resource availability, and reduce the vulnerability to external shocks. This is in the hope that SSA countries individually or collectively, can build resilient, sustainable, and focus on driven development based on its priorities. The dismal development record in Africa has been partly attributed to over dependence on external sources of finance against DRM. It is also expected that innovative domestic resource mobilization like the bloc currency, can assist in meeting the annual development financing need for delivering public infrastructures required to meet the SDGs, which requirement cannot be limited to a single source and type of funding.

b) **Democratization of financing for development**: The bloc currency can also be used to democratize global development financing regimes in order to assist developing countries to meet development targets. The logic is that since African countries are already burdened by huge loans, using informal sources of development finances like the bloc currency model will leverage on a modern barter system of using natural resources to pay for infrastructure development. This may not be a favorable instrument of payment under the Bretton-Wood institutions, but can aid many countries in their quest to achieve sustainable development. In democratizing development finance, the Bloc currency provides more options and opportunities that will serve as a strategy to provide an inclusive policy and incentive for African countries. The need for more innovations in development finances and the opportunities it portends made Lauren Brander (2011) assert that not only this can be the international community's own best interest, because it provides a more stable environment for economic growth, but the multiplier effect of policies that last can be felt by everyone in the global economy.

c) **Infrastructure development**: Sub Saharan Africa is a region with an obvious infrastructure deficit. The infrastructure deficit (quantitatively, qualitatively, physically and in terms of services rendered) leads to increased production and transaction cost, which lessens the competiveness of businesses, and therefore the possibility of implementing economic and social development policies (PIDA 2009). Africa is inundated with challenges which solutions rest on provision of infrastructure that increase the productivity of the economy. These infrastructures are huge capital requirements. Challenges associated with boosting regional markets and integration of economies as well as providing adequate ICT tools require investing in requisite infrastructures. These infrastructures are capital intensive, and require huge development financing to support its provision. The bloc currency is capable of bridging the gap created by insufficient funds to embark on ambitious infrastructure projects. This type of funding could be arranged between countries and development partners as may be agreed.
d) **Reduction in Corruption**: the bloc currency as the name suggests, deals mainly with funding development with natural resources. Most of the loans acquired to invest in development projects in Africa have been squandered using some illicit ways. The use of money to pay for development and other services in Africa has encouraged corruption, embezzlement and looting public treasury for personal gain or misappropriation. There are cases of financial misapplication of funds, and sometimes outright theft of monies meant for development by people saddled with the responsibility of managing public finance in Africa. The bloc currency would deny or reduce access to cash available for people to embezzle at their whim, yet still make funding available for needed development.

Implementation of the Bloc Currency

It is very rare for African countries to find access to fully fund its development projects. Development financing has always come from several sources and in many cases in short supply. This has created the logic in looking at other traditional, yet sustainable sources of providing financing for huge development projects in Africa. Ellen Hagerman (2012: 40) also agreed that more work should be done to look at different financing mechanisms including options such as hybrid financing mechanisms. The bloc currency falls readily under this option. Implementation of the bloc currency can be applied by an individual country, but a group of countries is preferred as they can collectively build a huge purse and goodwill from development institutions and governments. Regional Economic Communities (RECs) can also benefit from the bloc currency. In fact, the REC has a profound advantage to initiate the bloc currency in closing the funding gap in infrastructure investment. Bloc currency can be used to build an infrastructure program that can facilitate the integration of its market and people. ECOWAS for instance have many ambitious projects like the West African Gas Pipeline Projects and other Highway road projects to link the countries within the sub region with modern road infrastructures. These are certainly capital intensive projects. Natural resource export revenues can be contributed by each ECOWAS member on percentage to a pool as it is the norm. However, the raw material that makes up the natural resources itself can be contributed directly to the pool on percentage agreement. These raw materials or commodity can then be used to pay for infrastructure projects directly to any consortium or country willing to accept such mode of payment.

There are many institutions and global economic players that can accept the bloc currency if properly negotiated. The Asian Infrastructure and Investment Bank (AIIB) and Brazil, Russia, India, China and South Africa (BRICS) development banks are flexible enough to consider the democratization of development finance by adopting the bloc currency. In doing this, bloc currency can be negotiated with AIIB and BRICS banks with other regional development banks like the ECOWAS Bank for Infrastructure and Development (EBID), Southern African Development Commission (SADC) and other RECs, to complement other formal funds available to construct and provide laudable economic infrastructures to boost regional trade and facilitate the movement of goods and services in Africa. Most members of the RECs have had challenges contributing monies to the Commission, either as annual mandatory dues or contribution for a special development fund. However, asking the same members to contribute the major commodity of export known to the countries will be easier for them to do. For example, Nigeria can easily contribute a percentage of its crude oil production each year to a special fund in the EBID. The same will go for Ghana to contribute a percentage of its gold to the coffers of EBID, cocoa for Ivory Coast, diamond for Sierra Leone, to mention a few. These natural resources contributed, can be used in their original form to pay for major regional infrastructure projects that will benefit two or three member countries at the same time. The bloc currency model can be used along with conventional currencies and other instruments of payment to offset budgetary allocation for a project. This arrangement can be executed by individual countries who want to leverage on such mode of payment with a development partner like China, India and other entities that can entertain formal and informal development of financing options.

China for instance is increasing its presence in Africa through partnership, cooperation, trades, investment and infrastructure development in the natural resource sectors. The level of cooperation is growing due to China's rapid economic growth and increased prominent position in global development. Apart from being one of the most important trading partner of many countries in SSA, China has an insatiable appetite for Africa's natural resources to support its growing and expanding industries and ensure its drive towards becoming the biggest economy in Asia and largest in the world. The development trajectories of China and its interest in SSA's vast resources have provided windows of opportunities for Africa to exploit. This is partly due to an emerged China that is redefining and democratizing access to development finance through introduction of AIIB, the Belt and Road Initiative, and expanding international financial institutions (IFIs) like the BRICS Development Bank. These platforms present an alternative or complementary route for developing countries to harness what democratization of development financing is offering to international development. The rationale behind democratization of international development paradigm is the fact that the western driven development agenda and globalization is expanding, and its effect on many nations is removing the progress developing, and least developed countries can achieve development in pushing for an inclusive and people driven development needed in Africa.

There have been so many initiatives to promote and project Africa's development sponsored by global and regional organizations, like PIDA, ICA, etc. The successes of these initiatives have been sorely dependent on funds available to transform the strategies into apparent and tangible development. The West African Gas Pipeline Project for instance, has been slow in its implementation mostly due to insufficient funding in building it to fruition. A commitment among the countries under ECOWAS in paying for such project in kind for instance, could attract the funds and technical capacity necessary to provide such benefit to the people of the region. To achieve this objective, available funds for development, especially infrastructure development that would promote sustainable development should accommodate payment instrument that supports and encourages bloc currency. The bloc currency can be converted or used as direct wealth in exchange for goods and services, because harnessing natural resource wealth is a great transformative opportunity for many developing nations (SDSN 2013: 4).

Conclusion

Africa and the rest of the developing regions will have to be rebuilt with funding options that would accommodate formal and informal development financing. The actualization of Africa towards the UN

Agenda 2030 and AU Agenda 2063 along with other RECs visions and development plans going forward is fundamentally dependent on cooperation with the international community as stated in the Monterrey Consensus on financing for development. The bloc currency provides an innovative financing for development approach to countries that are constrained by funding, but are serious in harnessing DRM to build soft and hard infrastructures that can transform the fortunes of the people. It is an informal strategy to overcome the challenges of inadequate funding, as well as bridge the gaps between development expectations and reality in Africa. African states and institutions saddled with improving livelihoods of the people need to proffer various solutions to how the resources of the people, states and region can be harnessed to strengthened diversification and structural change.

The bloc currency as a financing for development model is imperative in Africa's ownership of development policy in transforming the destiny of Africa into a viable economic and technological hub. The bloc currency in the long run should be able to support African sustainable development agenda that would provide universal access to basic services, jobs for the productive population, and universal social protection for the poor and weak (UNMC 2013: 2) The model comes with several advantages and can redefine how African states perceive national savings, inclusive policies, accountability, redistribution of resources and raising domestic revenues. The idea and application of the bloc currency will progressively encourage capacity for DRM and reduce the pressure that is associated with funding ambitious development projects in Africa. Funding huge infrastructure development projects stand at the core of this model, and could aptly be seen as an alternative means of funding projects in Africa.

Africa is at the threshold of using innovative and alternative approaches and models to initiate economic prosperity for citizens. In the few decades before the new millennium, China as a modern example of a prosperous nation has grappled with the current development challenges faced by many African countries today. The Chinese used every innovative approach necessary to develop, especially by converting its natural resources to transform the huge country from an agrarian society into an industrial and commercial global hub. Africa as a continent also has the opportunity in the abundant natural resource deposit as its comparative advantage, to enter into innovative arrangements within and outside the region that can foster structural transformation of its economies.

Inadvertently, the last decade has witnessed renewed relevance and interest on Africa's raw materials by members of the international community. The growth and contributions of emerging regional international financing institutions like BRICS Development bank and Asian Infrastructure and Investment bank (AIIB) shall provide a panacea for the bloc currency. These financial institutions are expected to be flexible enough to accommodate innovative development financing models, and provide support for developing economies to access development finance. These institutions can enlist, nurture, measure and manage the bloc currency as an innovative funding model towards democratizing and financing for flexible development. The bloc currency as an innovative financing for development model therefore holds a promise to becoming a standard resource mobilization strategy that the IFIs and the international development partners can formally adopt to meet future funding approach in pushing for global attainment of sustainable development goals (SDGs).

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