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*Two Worlds*, 2003  
Acrylic on canvas  
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# Making the most of Chinese aid to Africa

It's time to move beyond sterile arguments and accept China's role in Africa. But it's also time for China to enhance that role.

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**The debate over China's role** in Africa continues to rage. One side contends that China is a rapacious neocolonial oppressor, while the other sees it as a miraculous alternative to decades of failed Western aid. To a large extent, however, facts on the ground have rendered this debate academic: China already has become an indisputably significant force in Africa's development, with substantially increased commitments and engagements just in the past few years. Pragmatism argues for moving the discussion ahead, to how China's involvement can reap the greatest benefit for both Africans and Chinese.

African and Chinese leaders—along with interested outside parties, such as multilaterals, foundations, and nongovernmental organizations (NGOs)—should focus on three opportunities. The first is strengthening Africa's economic-development strategies and capabilities at the national and regional levels. Second, China's willingness to undertake additional strategic-development projects in Africa, including the recent emphasis on sustainable and results-driven models, should be supported. Finally, collaboration between Chinese institutions working in Africa and other donors or partners ought to be developed and encouraged.

China's role in Africa is dynamic, with deep historical roots and a wide range of ever-changing engagements and models that don't lend themselves to black-and-white categorization. By pursuing these three opportunities, Africa and China can uncover new ways to promote economic development and the reduction of poverty on the continent.

### **China's historical role**

The People's Republic of China started engaging with African countries not long after it was founded. Since the Bandung Conference, in 1955, its activities in Africa have been rooted in their common experience as developing regions. From then onward, China has committed aid and support to various African leaders and countries, despite its own economic and political challenges and upheavals. With inventive packages of aid, loans, and investments, the People's Republic, in return, secured votes to take China's seat at the United Nations (held by Taiwan's government until 1971), opened up channels for much-needed oil and mineral resources, mitigated its food-security concerns, and gained a strategic foothold on the continent.

Even in 1978, when China was just emerging from the devastating effects of its Cultural Revolution and was itself one of the world's poorest countries, it provided foreign aid to 74 countries—and to more in Africa than the United States did. By 1984, China was the eighth-largest bilateral donor to sub-Saharan Africa, ranking higher than many members of the Organisation for Economic Co-operation and Development (OECD). From 2002 to 2007, China offered over \$33 billion worth of government-sponsored aid and investment, over half for infrastructure projects, to African countries. Today the continent is dotted with Chinese-sponsored projects, from railways to agricultural centers to clinics to stadiums.

Several attributes of China's engagement in Africa merit particular attention.

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## Credibility as a fellow developing country

It's no secret that some Chinese activities in Africa have prompted concern and even hostility, particularly the long-standing support of leaders in countries like Sudan and Zimbabwe, as well as questions about worker safety, community engagement, and environmental degradation. Overall, however, the evidence suggests that many Africans welcome the involvement of China not only because of the scale of its resources and commitments but also because it has credibility. The Chinese see themselves as a developing country, a view shared by many Africans; indeed, China still ranks 97th in the world for GDP per capita, according to the International Monetary Fund (IMF).

Yet China's recent development trajectory—lifting hundreds of millions of its people from poverty in the past 30 years—offers Africans lessons and hope. Other factors adding to China's credibility are its pragmatic, business-like approach to development and focus on much-needed infrastructure projects. Also, Chinese workers are generally well-respected because they are prepared to work in Africa's fields or factories, often at the locals' salaries, in contrast to the wages, housing,

and approaches of Western aid organizations or commercial enterprises. For this reason, China still explicitly rejects the label of donor.

## Project-based aid and investment models

Chinese aid generally focuses on specific projects rather than the large programmatic models familiar to Western donors, such as the President's Emergency Plan for AIDS Relief, a US-sponsored program for HIV/AIDS prevention and treatment. This US effort has a broad strategy, operating across several countries, with a multiyear approach and standardized practices. By contrast, China's health assistance generally involves commitments to build a clinic or hospital in a country or region or to send Chinese medical personnel or medicines to specific countries. These efforts are sometimes associated with a particular investment or a Chinese official's political commitment to a local African leader. Such projects are not part of a broader program to build networks of hospitals, for example, or to develop a replicable and scalable approach. Instead, the Chinese focus on an immediate need—though sometimes a very large one, such as dams or highways—which they generally execute in a timely, effective way.

Also, the line between aid and investment is unclear for many of these projects. Some of the ambiguity arises from China's aid model: with no central foreign-aid agency, Beijing often designates different ministries (or, in some instances, provinces) to tackle different projects in different countries. China's blended model of aid, investment, trade, and technology as levers for development, while less common in Western approaches, has an antecedent: China's own experience as a recipient of aid and investment in the 1970s and 1980s. At the time, China entered into deals with Japan and many Western partners, bartering its own natural resources and commodities for technologies, tools, and know-how.

### Broad-based interests

While access to natural resources and consumers is an important goal for many of China's African projects, such a narrow view of its role risks missing the broader commitment. Today, China is involved in almost every African country that does not recognize Taiwan—even the resource-poor ones. While the majority of China's \$107 billion-a-year bilateral trade with African countries still involves extractive industries, China's reach extends to almost every sector. In 2009, the Chinese Ministry of Commerce reported that about 1,000 Chinese enterprises do business in Africa, spanning fields such as trade, transportation, agriculture, and the processing of agricultural products. Even official Chinese development aid does not appear to be disproportionately provided to countries with large endowments of natural resources.

### New approaches and enhanced engagements

During the past few years, China has attracted considerable attention for its commitments to Africa. In November 2009, at the Forum on China–Africa Cooperation (FOCAC), Chinese premier Wen Jiabao announced a \$10 billion package of loans and aid, including programs in agriculture, education, and health. In addition, the China–Africa Development Fund has made more than \$5 billion of new money available for private-equity investments in Africa and has an ever-growing presence of workers on the ground to develop an investment pipeline.

In these and other announcements, we discern a shift in tone and emphasis on both the Chinese and African sides. China's engagement with the region appears to be growing not only in sectors and geographies but also in a broader strategic commitment. Premier Wen suggests as much in his

recent focus on support for African development in the fields of agriculture, debt relief, expanded market access, climate change, health, education, environmental protection, and investment. Similarly, African leaders increasingly seek more comprehensive and heavily negotiated packages of aid and investments from China—a preoccupation reflected in recent deals with Ghana and Malawi.

There have also been examples of better coordination and attention to measurable results and strategic goals. New dialogues between China and the aid and development programs of other countries, multilateral organizations, and NGOs are under way. Even collaborative opportunities with other foreign donors have opened up; most recently, the Chinese Academy of Agriculture has partnered with a number of Chinese and African institutions to support an international initiative by the Bill & Melinda Gates Foundation to create green super rice, a new variety that can survive in harsh environments.

### Strengthening African development strategies and capacity

Chinese leaders frequently make state visits to Africa. On their return to Beijing, they often take a “checkbook” approach to aid, charging Chinese government ministries with fulfilling commitments to high-level African officials for construction, infrastructure, health, agricultural, or other projects. Although this approach has led to random acts of kindness, they are often not only unrelated to the recipient government's agricultural- or industrial-development strategies but also not sustainable. What's more, the Chinese often rely on their own labor and materials, so projects may have little connection or benefit to local workers or industries.



China has, for example, launched over ten agricultural demonstration centers in Africa to expand R&D on African crops, irrigation, agricultural engineering, or other potential drivers of agricultural reform (as suggested by China's own experience). To date, however, these centers often operate in a vacuum, poorly connected to the recipient countries' national programs and with limited outreach to local farmers and slim chances of scaling up nationally.

The Chinese approach to aid and investment presupposes that an effective public sector in the recipient country exists, which is not always the case. That approach has to change. African countries must continue to take more responsibility for their development agendas instead of leaving them in the hands of others, even if well-meaning. It will therefore be necessary to create more explicit and comprehensive development strategies for agriculture and other areas. Planning is a skill, and African countries should develop it to make sure that the aid they get from China can be readily used and expanded. This view has gained currency and now has the support of groups such as the African Center for Economic Transformation, the Rockefeller Foundation, and the African Union. Even Chinese stakeholders, including China's state planning agency, recognize that many African countries lack robust strategic-development plans and therefore can't benefit fully from investments by China and others.

### Support China's shift to programmatic engagements

At the FOCAC meetings in Egypt last November, Chinese leaders repeated their commitment to connecting more closely with host communities, measuring results, and making them sustainable. These comments may reflect an understanding, held by many who follow China's work in Africa, that projects often haven't realized their promise.

How to get more from these investments? They must be more programmatic—that is, linked to a development strategy for the relevant country—have clear objectives, and span more than a single project. China's government and corporate leaders must establish performance metrics from the outset of engagements, provide appropriate and transparent roadmaps for achieving goals, and develop a way to measure outcomes. Depending on the project, the performance metric might be its impact on production, employment, the alleviation of poverty, market development, health outcomes, or student achievement.

Consider the fact that China has sent agricultural experts to Africa since the 1950s, basing its approach on the impact that hundreds of thousands of local extension technicians had on Chinese agricultural reform. Yet the country's current agricultural-extension efforts in Africa are small (with fewer than 1,000 experts on the continent), uncoordinated, and unsystematic. Several Chinese agricultural experts believe that these programs have had a negligible impact. Teaching formats range from classroom lectures to field schools, often without clear curricula or objectives. Generally, each African country decides on the technology, expertise, and training China should provide.

Such programs could prove valuable, but they would be more effective if planned and executed with a better understanding of specific African conditions and local issues. Other desirable features include relevant best practices and evaluation systems to measure a program's short-term impact (such as increases in productivity or the skills of farmers) and long-term, sustainable gains (such as higher levels of rural income).

### Encourage more collaboration

While some believe that China wishes to go it alone in Africa, there is increased evidence to the con-

trary. China's engagement with African national and regional organizations and leaders on a variety of projects has significantly increased. A formal dialogue among donors is taking place in the OECD's Development Assistance Committee (DAC). Many NGOs, foundations, and academic institutions in China, Africa, and elsewhere are beginning to work together. China invited academics, African health officials, and international representatives to Beijing last December, for example, to attend an international roundtable on China–Africa health collaboration. The discussions could promote greater cooperation between China and other partners—through temporary staff transfers, joint missions, and pilot projects—in delivering health assistance to Africa.

Enormous opportunities exist for shared learning and improved models for programs in agriculture, health, and financial services, to name just a few fields. Collaboration also holds great promise in scientific R&D as China dramatically increases its spending and capabilities. Moreover, the impact of aid and investment projects run by China could be enhanced if it worked with third parties that can make things happen because of their local staff and contacts and deep understanding of

the countries and sectors where they operate. Closer collaboration between the Chinese Ministry of Agriculture or the China–Africa Development Fund and the Alliance for a Green Revolution in Africa,<sup>1</sup> for example, could identify opportunities for investment, aid, and trade.



China could catalyze the efforts of African countries to develop economically and lift their people from poverty. Let's move the debate beyond “good versus bad” and “China versus the West” to capitalize on the opportunity at hand. 

<sup>1</sup> An NGO founded in 2006 to help smallholder farmers.