



Cooperating with China in Africa

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OECD donors, international organisations and non-governmental organisations are increasingly cooperating with China in Africa. This policy brief offers recommendations for policy-makers on how to lay the groundwork for cooperating with China in Africa, but also stresses that the involvement of African partners is critical in fully realizing the benefits such cooperation can provide for sustainable development.

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During the past five years, OECD donors, international organisations and NGOs have made progress on building development cooperation with China in Africa. China is playing an increasingly significant role in Africa through aid, trade, investment and political cooperation. Cooperating with China will facilitate the long-term ability of OECD donors in particular to manoeuvre in a changing landscape of international development. But such co-

operation continues to be an organic, evolving process with few precedents, rules and standards. Although often framed as trilateral cooperation, existing activities remain small-scale and largely bilateral, with little African ownership. As a result, how to cooperate with China effectively and how to ensure that this spurs sustainable economic and social development in Africa are pressing questions.

POLICY RECOMMENDATIONS

- 1. Cooperating with China in Africa requires concurrent action in Africa, China and at home.**
- 2. Recognise the diversity of China's Africa engagement beyond aid.**
- 3. Approach African partners on both cooperation and coordination with China to work to improve sustainable mutual benefits of China's wider development cooperation along with OECD donor engagement.**
- 4. Build on and adapt previous and existing relations with Chinese institutions in China to establish cooperation efforts on development in Africa.**
- 5. There may be tangible benefits to working with more technically-orientated line ministries, government administrations, independent confederations and Chinese embassies in Africa, rather than with China's Department of Foreign Aid.**
- 6. Thoroughly consider comparative advantages in Africa and investigate whether such best practices can offer benefits to China, within African development priorities.**
- 7. Start small and apolitical in cooperating with China in Africa, to build the mutual trust and understanding needed for scaling up to larger projects in the future.**



THE WINDS OF REFORM?

The State Council, China's highest government administrative body, released its first white paper on foreign aid in April 2011. While maintaining hallmark principles on political equality, non-conditionality and mutual benefit, it also reiterated China's commitment to reform and innovation in foreign aid and, for the first time, expressed a willingness to engage in trilateral cooperation that meets the needs of recipient countries. Changing domestic conditions, internal reflection on its recent African engagements and criticism from within Africa have all led the Chinese leadership to re-evaluate and consider reforming its policies. As a result, and in the face of China's strong normative commitment and pragmatism, the current situation presents opportunities for OECD donors, as well as other international organisations, to cooperate with China on development in Africa. But significant challenges stand in the way of transforming such cooperation into substantial development impacts for Africa.

A handful of OECD donors, international organisations and NGOs had already begun the process of building development cooperation with China in Africa before the release of China's foreign aid white paper. The motivations behind such efforts include: an interest in better understanding and learning from Chinese development cooperation; seeking to understand how Africa can learn from China's own experience with poverty reduction; responding to China's influence on their programmes and national interests in Africa; and incorporating China into international aid norms. But China has one foot in and one foot out of the international aid community. Noticeable policy changes in the foreign aid white paper do not necessarily equate to the practices of the Chinese government, companies and other organisations; it has been suggested that the white paper was released for foreign consumption. How far to engage with others in Africa, particularly OECD donors, is still very much up in the air in China, but existing partnerships are paving the way forward for possible deeper cooperation.

LEARNING BY DOING

Those partnerships that have been established with China are still in the early stages. Britain's Department for International Development (DFID) has emerged as a donor leader on China-Africa work. It has carried out a wide variety of activities involving the funding of research studies, organisation of conferences and workshops, and facilitation of training sessions and joint study trips. Norway has been another early mover, carrying out a project on responsible business practices with Uganda and China. The UNDP supported the establishment of the International Poverty Reduction Centre in China in 2004 in order to leverage efforts to share China's poverty reduction and economic development experiences. Based on a similar rationale, the World Bank Institute supports an annual visit by African officials to China to carry out on-site investigations and di-

scussions with Chinese officials and experts. Yet it remains the case that are few actual trilateral activities in which an African government or institution has significant involvement in planning or implementation. As a result, many of the lessons drawn from experiences to date focus on how to begin cooperation with China rather than on how the implementation of projects can be enhanced for economic and social development in Africa.

Cooperating with China in Africa will require a comprehensive effort in Africa, China and at home

Cooperation efforts cannot simply be managed out of the Beijing or Africa offices of OECD donors. Rather, they require triangular action across China, Africa and at home. To date, most OECD donors have placed the responsibility with their Beijing office but have, nonetheless, experienced organisational disconnects between headquarters, China and Africa. The broad objectives of headquarters need to match the capability of the Beijing office to cooperate with the appropriate Chinese institutions. Similarly, the objectives need to be realistic in Africa. The actions of headquarters and country level offices in Africa and Beijing will have to be synchronised. This is a time-consuming task, but a necessary part of the long-term process of cooperating with China and ensuring such cooperation ultimately meets development goals in Africa.

Recognise the diversity of China's Africa engagement beyond aid

China's wider economic role beyond aid is increasingly important and needs to be factored into OECD donor development programmes. Most OECD donors observe the absence of Chinese participation in aid coordination mechanisms. This absence clearly contributes to knowledge gaps. However, it could be said that considered in narrow development assistance terms, as opposed to forms of economic collaboration, China's importance at the aid coordination table should not be over-inflated. At the heart of this issue are conceptual differences in the very notion of development itself: in China, it is standardly used in economic terms. Although they are often framed in the language of development, other official forms such as non-concessional loans from China's state-owned banks should not be considered official aid. Trade and investment from China's state-owned and private corporations, as well as small-sized traders, has a much wider impact in many African countries than Chinese aid.

Approach African partners on cooperation and coordination with China

The involvement of African partners is critical in fully realizing the benefits cooperation with China can provide for sustainable development. African partners should be involved early on, preferably from the inception. Indeed, African governments and other development actors are being empowered by the diversifying options for innovative development partnerships now opening up and can

seize the opportunities presented to forge partnerships according to their own needs and more in their terms.

China is highly sensitive to upsetting its position as Africa's alternative development partner through its distinctive brand of South-South cooperation with Chinese characteristics. The approval of African governments and institutions is typically sought before it cooperates with OECD donors. China will, in principle, be open to any suggestion for cooperation provided there is the self-interested prospect of economic or political returns. However, Beijing will generally respond positively to African initiatives, in contrast to any potentially more loaded, politically problematic, approaches from OECD donors. African ownership is a foundational prerequisite, best able to promote longer term, more sustainable achievement of a project's objectives. African partners can be approached with not only cooperation but also coordination in mind to improve the sustainability and mutual benefits of China's wider development cooperation. However, many African governments doubt the sincerity of efforts to cooperate with China.

African governments may see few opportunities to produce a 'win-win-win' outcome and prefer more straightforward bilateral China ties. However unlikely convergence may be, African governments (and indeed Chinese interests) worry that a cartel between donors and China will be formed, socialising the Chinese in OECD-DAC principles and enforcing new political and economic conditions that upset their current bargaining position. This would threaten the diversification of external partners China has enabled, as well as the empowered ability of African countries to choose between competing alternatives. Nonetheless, views can differ across different constituencies between and within African governments and may adapt in the face of new political leaders or agendas. African regional institutions, civil society organisations and academic think tanks also seem more open to the prospect of trilateral cooperation. DFID has funded NGOs like the WWF to undertake work in Africa related to China, notably in Tanzania, as well as funded African research institutions to carry out studies on China in Africa. The challenge is therefore about how individual cooperation projects relate to specific African contexts rather than about whether or not cooperation with China can continue.

Adapt established programs in China to development goals in Africa

Building upon previous relations with Chinese institutions has proven useful in establishing cooperation efforts on development in Africa. The African embassies and offices of donors have not led initiatives to cooperate with China in Africa. Rather the policy initiative has come from OECD donor capitals and been steered forward by the embassies and offices in Beijing. Adapting existing programs in China for Africa requires the cultivation of good interpersonal relations with the ability to overcome institutional barriers and underpin formal cooperation initiatives. In China's Africa relations, especially given political sensitivities surrounding



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cooperation with the West, personal connections matter immensely to the prospects of any cooperation initiative.

Cooperate with a variety of Chinese institutions

There may be tangible benefits to working with more technically-orientated line ministries, government administrations, independent confederations and Chinese embassies in Africa. The central administrator of China's bilateral aid, the Department of Foreign Aid (DFA) at the Ministry of Commerce is understaffed and overburdened. At the same time, there is a 'crowded field' of donors seeking cooperation. After establishing several formal partnerships with OECD donors in recent years, DFA will likely only take on new engagements if they are presented with a straightforward idea, a definite budget and clear benefits. DFA is open to cooperation but it remains risk adverse and highly conservative, particularly towards working with donors. It prefers engaging multilateral and regional donors such as the ADB, UNDP, World Bank and NEPAD as well as initiatives falling under the Forum on China-Africa Cooperation (FOCAC).

OECD donors may find that by engaging line ministries in China, such as the Ministries of Agriculture or Health, they will face fewer political hurdles and ideological barriers than in working with larger ministries. State administrations and independent confederations, such as the China State Forestry Administration and the China Enterprise Confederation, are more specialised but often directed by former government officials. Chinese ambassadors in Africa can also be instrumental in cooperation. Generally there is little direction from Beijing on cooperation with OECD donors and the majority of ambassadors see such engagements as risky. But there have been some cases where ambassadors have taken individual initiatives.

Carefully consider comparative advantages in relation to Chinese interests

Before exploring cooperation, OECD country donors and others should first thoroughly consider their own comparative advantages and investigate whether practices in these fields will offer benefits to China. Quietly, China is increasing its interest in the experiences of other foreign engagements in Africa, including aid, partly in response to the increasing complexity of its own engagement. There is



interest from Chinese institutions in learning from OECD experiences in aid programming, project management and evaluation, social and environmental feasibility studies, and approaches to sustainability. But OECD donors should not assume that they necessarily have anything to offer China.

OECD donors have typically approached cooperation with China as a trade-off between their expertise in development cooperation 'software', such as in project management and evaluation, and Chinese expertise in development cooperation 'hardware', such as infrastructure construction. But this complementary approach is misleading and neglects the reality of a greater variation. China also has considerable experience in delivering development 'software' through such human resource development activities as technology and knowledge sharing in agriculture, training cooperation for government officials, and educational exchanges. The stereotype also overlooks that China's 'visible' infrastructure projects through building roads and constructing government ministries and conference halls can facilitate the 'invisible' side of development by spurring on private sector development and capacity building. Furthermore, while a division of labour may be clear in theory, there are considerable differences in aid modalities between donors and China in practice. Cooperating with China in Africa may demand that donors leave their 'OECD backpack' at home, particularly regarding coordination, and adjust to the top-down decision making approach of Chinese aid. There are considerable practical challenges ranging from language barriers to the unfamiliarity of Chinese aid officials with donor aid documentation and terminology.

Start small and apolitical, but scale up

'Small is beautiful' when it comes to establishing cooperation with China in Africa. The idea of trilateral cooperation is still fairly new in China (as it also is in many African contexts). A step-by-step process beginning with small-scale activities in apolitical, technical areas can help to build mutual trust and understanding with Chinese in-

stitutions, while laying the groundwork for scaling up to larger, more politically challenging projects in the future. There is a need to formally depoliticise development cooperation. Front-loading human rights or governance questions should be avoided, but rather such issues need to be adapted to technical subjects by, for instance, introducing socio-economic rights into areas such as infrastructure.

China has a tradition of piloting its engagements both at home and abroad. Cooperation with donors in Africa is no different. Small-scale activities can act as stepping stones to larger projects. The Chinese approach of scaling up at a rapid pace after experimenting with different pilot projects suggests that if cooperation proves useful there will be long-term benefits to starting small. China wishes to see what works and what doesn't. Small-scale activities such as research studies, conferences and joint study trips can indicate which direction to head in the future without incurring too much risk.

MOVING FORWARD

Cooperation with China by OECD donors, international organisations and NGOs has been a process-intensive exercise producing few short-term results and requires a committed long-term engagement. At the same time the ground may be shifting in Chinese development cooperation. Policies and modalities are currently undergoing evaluation towards potential reform. In late 2012 there will be a change in China's top leadership, not long after the fifth FOCAC summit in Beijing. Yet despite the possible upcoming changes and the challenging, incremental process of engaging China in Africa, continuing to build cooperation is an important long-term goal for international development cooperation as Chinese aid, and more importantly trade and investment, continue to grow. Bringing in African partners is therefore vital in ensuring the effectiveness of cooperation and capitalising on the increasing engagement of China and other emerging economies in Africa.

FURTHER READING

- Li Anshan, "Africa: From 'How Could' to 'How Should' – the Possibility of Trilateral Cooperation", *Pambazuka News*, 14 July 2011.
- Sven Grimm, "Engaging with China in Africa – Trilateral Cooperation as an Option?" *Policy Brief*, No. 9, EDC2020, February 2011.
- Xu Weizhong, "Cooperation between China and Traditional Donors in Africa", *Contemporary International Relations*, Vol. 21, No. 4, July/August 2011.

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