ANALYSIS

GLOBAL AND REGIONAL ORDER

CHINA'S INTERNATIONAL DEVELOPMENT COOPERATION

History, Development Finance Apparatus, and Case Studies from Africa

Marina Rudyak
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China is promoting its development and modernisation model and its approach to international relations as a "better" alternative for African countries.

Chinese firms are attractive to African governments, not only because of their competitive pricing and low production costs but because they come with their own financing sources. And too often, they are the only offer on the table.

The reason China's development cooperation system is opaque and difficult to decipher has less to do with deliberate secrecy and more with the highly fragmented nature of China's bureaucracy.

FRIEDRICH EBERT STIFTUNG

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Content

FOREWORD

The People's Republic of China (PRC) has abandoned its previous restraint and is now actively shaping the global order of the 21st century. For years, party and state leaders followed "part one" of Deng Xiaoping's counsel for the field of foreign policy: "Hide your strength, bide your time". Under Xi Jinping's leadership, it would appear that the time has come. China has shifted the logic underlying its foreign and security policy with a view to its increased political and economic power, thereby reprioritising a variety of strategic interests.

Now, instead of selectively adjusting to international norms and rules, the PRC aims to incrementally bring the world into line with Chinese ideas. The intent is not to completely supplant the previous structures upon which the international order was founded. Instead, the Chinese Communist Party (CCP) seeks to shape world politics so they will accommodate the CCP-led PRC. Its interests are being articulated increasingly clearly and consistently, lending momentum to the discourse surrounding an intensifying competition between systems, with the Chinese model of authoritarian state capitalism squaring off against the Western model of a democratic constitutional state and social market economy. In this context, the CCP increasingly emphasises that its model is more efficient and better suited for developing countries than the Western one and that modernisation does not have to equal Westernisation.

Accordingly, this analysis provides a comprehensive overview of China's international development cooperation, illustrating how China has become one of the largest contributors to development assistance and how the importance of development finance as a foreign policy tool has increased significantly since Xi Jinping came to power in 2012. The study's author, Dr Marina Rudyak, describes how Beijing is increasingly proactive in promoting its authoritarian development model as an attractive example and alternative for developing countries. To this end, she outlines China's highly complex aid and development financing bureaucracy and highlights the differences in the understanding of development between China and the West.

Rudyak shows that China is by no means a new actor and has used development cooperation as a strategic tool since the 1950s. She presents the development history of Chinese development financing to the African continent and illustrates how Beijing is no longer simply building roads but also offering solutions for digital and telecommunication infrastructures or smart cities. In many places, China has stepped into gaps left by the West or not addressed at all in the first place. Through three sector-specific case studies, she addresses China's cooperation with Africa in the areas of health, labour conditions and trade unionism in Chinese-financed infrastructure projects and smart city projects in select countries on the continent. In addition to her in-depth analysis, Rudyak succeeds in laying the foundations for strategic empathy — not to be confused with sympathy — i.e., understanding the history, geography, and motives behind China's actions. For her, strategic empathy is the foundation of effective foreign policy in times of *Zeitenwende*.

This analysis is part of a series of Friedrich-Ebert-Stiftung (FES) publications to help European actors gain a more profound understanding of Chinese thinking and key concepts. Rudyak provides both sector-specific and overarching recommendations on how the EU and Germany should respond to China's growing footprint in Africa.

Through its publication series, the FES aims to contribute to an informed approach to China. The overarching question of the series revolves around the future of multilateralism in the face of China's ascendance and the rising competition over the establishment of values and norms: What approaches could facilitate chances to initiate a constructive process of political negotiation between Europe and China on the framework conditions for international governance? In which areas is more coordination and cooperation with China possible? Where is pushback by Europe warranted? And where does Europe have homework of its own to do?

Stefan Pantekoek
China Desk, Friedrich-Ebert-Stiftung, Berlin

1

INTRODUCTION

» **How can China still claim to be a developing country when it is one of the biggest donors?**[1] «

China has emerged as one of the world's largest contributors to international development cooperation. Despite the scale on which China's development flows now take place, the details of how China provides aid and development cooperation remain largely opaque to German and European observers. This is, in part, because China does not report its development finance figures to international organisations. Moreover, with the exception of White Papers that are explicitly directed at foreign audiences, very little openly accessible information on the topic in Chinese is translated into English. The purpose of this study is to address this knowledge gap.

Though China is often perceived as a "new donor" on the African continent who seemingly appeared out of nowhere, this is by no means the case. Chinese development cooperation with Africa began soon after the Afro–Asian Conference in Bandung in 1955 and has continued without interruption ever since, with China consistently ranking among the top ten donors in Sub-Saharan Africa since the late 1970s.[2] Its development lending to the continent has increased in the last decade, rising noticeably following the launch of the Belt and Road Initiative (BRI) in 2013. According to estimates by the Washington-based think tank Center for Global Development, between 2007 and 2020, China lent more than twice as much for infrastructure projects in Sub-Saharan Africa as the United States (US), United Kingdom (UK), Japan, and Germany combined.[3] China characterises its cooperation with Africa as "South-South Cooperation",[4] which is defined by the United Nations (UN) as "technical cooperation among developing countries in the Global South".[5] Most official development finance from China consists of project loans for infrastructure development, which are often provided in the form of resources-for-infrastructure swaps.[6] But China is no longer simply building roads; it also offers solutions for digital and telecommunications infrastructure or smart cities. In many places, it has stepped in to fill gaps left by the West or in areas that were not addressed at all by other aid in the first place.

China's development footprint in Africa is immense. Though the European Union (EU) is the largest contributor to official development assistance (ODA) in Africa and the US remains the leading individual donor among the members of the Organization for Economic Cooperation and Development's (OECD) Development Assistance Committee (DAC), China has overtaken both as the most significant economic player in Africa. It is now the primary source of foreign direct investment on the continent. Moreover, China is now also Africa's second-largest trading partner after the European Union, with about US Dollar (USD) 282 billion in turnover in 2022.[7] By comparison, Germany's trade volume amounted to Euro 59.8 billion in trade in 2022, about half of which is accounted for by South Africa.[8]

The Chinese approach to international development cooperation is viewed with concern in Europe. Only a fraction of Chinese development finance meets DAC ODA criteria. Most-

1 Background interviews with Members of the European Parliament.

2 Rudyak, M. (2021). The Past in the Present of Chinese International Development Cooperation. *Made in China Journal* 6(2). https://doi.org/10.22459/MIC.06.02.2021.10

3 Lee, N. & Gonzalez, M.C. (2022). Stuck Near Ten Billion: Public-Private Infrastructure Finance in Sub-Saharan Africa. *CGD Policy Paper*, 251. https://www.cgdev.org/sites/default/files/stuck-near-ten-billion-public-private-infrastructure-finance-sub-saharan-africa.pdf

4 PRC State Council Information Office (SCIO) (2021). *China and Africa in the New Era: A Partnership of Equals. White Paper.* 26 October. http://www.news.cn/english/2021-11/26/c_1310333813.htm

5 UNDESA (2019). *What is 'South-South Cooperation' and Why Does it Matter?* United Nations Department of Economic and Social Affairs, 20 March. https://www.un.org/development/desa/en/news/intergovernmental-coordination/south-south-cooperation-2019.html

6 Rudyak, M. & Chen, Y. (2021). China's Lending Landscape and Approach to Debt Relief. *ODI Emerging Analysis*, October. https://odi.org/en/publications/chinas-lending-landscape-and-approach-to-debt-relief/

7 Global Times (2023). Chinese Foreign Ministry Stresses Solidarity With Africa, as Bilateral Trade Grows Steadily. *Global Times*, 24 August. https://www.globaltimes.cn/page/202308/1296912.shtml

8 This is an increase of 21.3% compared to 2021. InterGest (2023). German- African Trade Increased by 21 Percent to 60 Billion Euros in 2022. *InterGest South Africa*. https://intergest.co.za/german-african-trade-increased-by-21-percent-to-60-billion-euros-in-2022

ly, aid is provided in the form of blended finance packages, consisting of small parts of China's foreign aid combined with preferential loans, which are de facto export subsidies and tied to implementation by Chinese companies. This raises questions about the impacts of this development aid, including to what extent the broader population and not only the elites (and China itself) will benefit from the projects and whether the lending is sustainable. In addition, Chinese development finance is often accompanied by massive environmental damage, as many of the loans (estimated at 30 per cent) are resource for infrastructure swaps, meaning that they are paid back through mining and exploitation rights. Finally, the lack of transparency in Chinese financing makes it difficult for other donors to assess sovereign debt burdens.

Since Xi Jinping came to power as the General Secretary of the Chinese Communist Party (CCP) in 2012 and President of the People's Republic of China (PRC) in 2013, the importance of development financing as a foreign policy tool has significantly increased. Beijing is increasingly proactive in promoting its authoritarian development model as an attractive example and alternative for developing countries. This is a crucial factor in China's relations with countries in Africa, Asia, and Latin America; the long history of Chinese aid can be observed through the historical memory of bilateral cooperation. For instance, when Chinese leaders speak of their country's relationship with the African continent, no matter whether within China or while engaging with African counterparts, they frequently evoke a narrative of a shared history of anti-imperial and anti-colonial struggle and of a China that, despite its own economic challenges, always supported Africa to the best of its abilities. They portray Sino-African cooperation as being founded on principles of "friendship" and "mutual benefit", and they express gratitude for reciprocal support received from African nations in the UN for helping the People's Republic of China claim the China seat from the Republic of China (Taiwan) in 1971, and for voting with China on UN resolutions critical of China, for example on Xinjiang, Tibet, or human rights. This messaging is pervasive, as evidenced by the 2021 China and Africa White Paper, which references "friendship" 34 times and the term "mutual" 28 times.[9]

It's easy to dismiss this rhetoric as mere propaganda; however, the continuity starting in the mid-1950s does highlight China's long-standing presence on the continent and provides context for China's current engagement. Since 2000, African heads of state and Chinese leaders have met at least every three years at the Forum for China-Africa Cooperation (FOCAC). The Chinese Foreign Minister's first trip of the year is always to several African countries. Despite a clearly asymmetrical relationship, in terms of economic might and power, China seems to believe it's worthwhile to invest in the power of human relations through summit diplomacy.[10]

Although China repeatedly emphasises that it has successfully risen from being a poor country to being the world's second-largest economic power and has even become a "great power" ready to "share Chinese wisdom and Chinese solutions" with the Global South, it also maintains that it is a "developing country" and "will always be part of the family of developing countries".[11] What may seem contradictory to European readers is not so for China because it understands "development" not (only) in economic but also in ideological and historical terms. Moreover, it draws its legitimacy vis-à-vis the Global South from its development history and developing country status and is therefore unlikely to give it up. The Chinese Ministry of Foreign Affairs stated at a press conference in May 2023 that, given its postcolonial history, China cannot enter the Western "rich countries club".[12]

At the same time, Chinese leaders firmly believe that China's economic progress has been propelled by infrastructure development. A widespread Chinese proverb states: "If you want to get rich, build a road". Therefore, while China certainly uses developing financing to build structural power and address its domestic overcapacity, it also believes that it is helping close the infrastructure financing gap that Western donors and the Western-led multilateral system have not adequately addressed.

The belief in infrastructure as the driver of progress highlights the differences in understanding between China and the West when it comes to development. While DAC countries understand development as a multidimensional process where the political dimension, i.e., good governance, rule of law, and the promotion of human rights, is essential for development, a dominant and long-standing Chinese perspective holds that infrastructure and connectivity are essential prerequisites for progress in all other sectors. Moreover, Chinese leaders believe that development requires stability, and since the "right to development" is framed as the highest human right, the suppression of dissent or mass surveillance can be justified as protecting human rights. To Xi Jinping, "Chinese-style modernisation", meaning modernisation without political liberalisation or democracy, is not just the path to the "great rejuvenation of the Chinese nation" but is also a model that can be applied to other developing countries.

In addition to calling on Beijing to uphold its claim to be a "responsible stakeholder" in offering development cooperation and to be a reliable partner in multilateral forums, it is the responsibility of the European Union and Germany to sustain and expand their own development coopera-

9 SCIO (2021). *China and Africa in the New Era.*

10 Rudyak, M. (2023). "We Help Them, and They Help Us": Reciprocity and Relationality in Chinese Aid to Africa. *Journal of International Development* 35(4), 583–668. https://doi.org/10.1002/jid.3699

11 Shi, Q. 史青 (2023). China Will Always Be a Member of the Big Family of Developing Countries (中国永远是发展中国家大家庭的一员). *People's Daily* (人民日报), 12 April. http://web.archive.org/web/20230513233848/http://world.people.com.cn/n1/2023/0412/c1002-32661975.html

12 Wang, L. 王露 & Zhang, W. 张无为 (2023). Foreign Ministry: The U.S. Wants to Give China a 'Developed Country' Hat, Sorry, China Can Not Wear (外交部：美想给中国送一顶"发达国家"帽子，对不起，中国戴不了). *The Paper* (澎湃新闻), 12 May. https://www.thepaper.cn/newsDetail_forward_23055808?commTag=true

tion. For that, a better awareness of approaches and action patterns of Chinese development financing is crucial. At the same time, despite major systemic differences, Germany and China do share the commitment to the Sustainable Development Goals, which means that development coordination and cooperation with China can be possible and sensible.

Tackling these questions, this study addresses China's approach to development cooperation and rising presence in Africa. The first part (Chapter 2) outlines the history of Chinese development cooperation, providing context for today's developments. The second part (Chapter 3) outlines China's highly complex aid and development financing bureaucracy. The third part delves into three sectoral case studies, shedding light on China's health cooperation with Africa (Chapter 4), labour conditions and trade unionism in Chinese-financed infrastructure projects (Chapter 5), and Chinese financing for African Smart Cities (Chapter 6). The Concluding Remarks (Chapter 7) address the broader implications of China in Africa.

In addition to offering an in-depth analysis, the aim here is, first, to lay the foundations for strategic empathy – not to be confused with sympathy! – namely, to understand the histories, imagined geographies, and motives behind China's actions.[13] Strategic empathy is the basis for an effective foreign policy in times of *"Zeitenwende"*. This study's second aim is to provide sector-specific (Chapters 4 to 6) and key overarching policy recommendations (Chapter 7) on how the EU and Germany should respond to China's increasing footprint in Africa.

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13 Rudyak, M. (2023). Effective China Policy Needs Strategic Empathy Needs More China Competence (*Effektive Chinapolitik braucht strategische Empathie braucht mehr Chinakompetenz*). *+49security*, 19 January. https://fourninesecurity.de/2023/01/19/effektive-chinapolitik-braucht-strategische-empathie-braucht-mehr-chinakompetenz

2

THE HISTORY OF CHINESE AID AND DEVELOPMENT COOPERATION

Although often characterised as a "new" or "emerging" donor, the PRC actually began providing assistance to other nations shortly after its founding in 1949; throughout most of its history, China has been simultaneously both an aid provider and recipient.[14] China's current approach to international development cooperation and its self-image as a development provider are both, to a large extent, products of historical legacies and have been substantially shaped by historical memory. For instance, the policy of no political preconditions, often referred to as "no strings attached" (except for the non-recognition of Taiwan), has been a constant since the early 1950s. Behind China's focus on connectivity is the belief that infrastructure development fuelled China's economic development. The widespread Chinese saying goes: "If you want to get rich, build a road".[15]

Both political non-conditionality and China's massive lending for infrastructure have become the core of friction between China and the OECD's DAC development consensus. The DAC understands development as a multidimensional socio-economic process with political, economic, social, environmental, and cultural facets, wherein the political dimension is considered essential for realising the others. This is why DAC donors emphasise good governance, respect for human rights, and corruption prevention and often make respective efforts by recipients a condition of aid. Beijing, on the other hand, has been particularly critical of conditionality measures, arguing that conditionality and the focus on good governance neglect the real needs and experiences of developing countries.[16] Chinese officials and development scholars, like the former World Bank Chief Economist Justin Yifu Lin, argue that the DAC's development efforts are attempts to replicate developed countries' theories and experiences through grants and low-interest loans, while, in contrast, China utilises its own development experience and applies this knowledge to support other developing countries.[17]

China's conviction about the legitimacy of its own development approach is compounded by the fact that its development cooperation with Africa started in the mid-1950s. This history is regularly strategically employed by Chinese leaders, who, during their Africa visits, nearly always invoke an image of a shared past, of a joint "anti-imperial and anticolonial struggle" when China aided Africa as best as it could despite its own poverty. At the same time, they pervasively portray China-Africa cooperation as always grounded in "friendship" and "mutual benefit". While this rhetoric can barely mask the significant disparity between the professed equality and the actual power imbalances within the relationship, it merits attention that the terms equality, friendship, and mutual benefit have been fairly constant from the mid-1950s till today and have also been the principles of South-South Cooperation since the Afro-Asian Conference in Bandung in 1955.[18]

Understanding this historical context is an essential prerequisite to comprehending the contemporary patterns of China's interactions with the Global South. Moreover, for German and European policymakers, the evolution of Chinese development cooperation over time provides essential insights into its Chinese motivations, patterns, and potential implications, enabling a more informed and effective approach to dealing with China's presence in developing regions today. Learning more about the how and why behind China's actions can also provide valuable information to help inform Germany and Europe's own approaches and may become even more important in the future.

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14 Rudyak, M. (2021). The Past in the Present of Chinese International Development Cooperation. China was not the only developing country giving aid; India, too, has been simultaneously a donor and recipient.

15 Fan, Z. 范正利 (2018). "To Get Rich, First Build a Road", a Chinese "Folk Proverb" in International Practice ("要想富，先修路"，一条中国式"民谚"的国际化实践). *China Daily Online* (中国日报网), 30 September. http://china.chinadaily.com.cn/2018-09/30/content_37010654.htm

16 Wang, J. & Sampson, M. (2022). China's Multi-Front Institutional Strategies in International Development Finance. *The Chinese Journal of International Politics* 15(4), 374–394. https://doi.org/10.1093/cjip/poac019

17 Pan, Y. 潘英丽 (2016). Justin Lin: Constructing a New Concept of Development Cooperation (林毅夫：重构发展合作新理念). China *Economic Times* (中国经济时报), 10 October. http://opinion.hexun.com/2016-10-10/186336642.html; Global Times (2022); GT Voice: World Bank Needs to Avoid Bias in Aiding Developing Countries. *Global Times*, 21 April. https://www.globaltimes.cn/page/202204/1259993.shtml

18 Rudyak (2023). "We Help Them, and They Help Us".

2.1 AID DURING THE MAO-ERA: BUILDING SOLIDARITY FOR INTERNATIONAL RECOGNITION (1949–1978)

The PRC started giving aid to other countries almost immediately after its founding. First, from 1950 on, it provided military and economic support to communist forces in North Korea and North Vietnam; then, after 1953, it gave support to other Communist countries. After the Bandung Conference of 1955, it began giving to newly decolonised countries in Asia and Africa. Cambodia, Nepal, and Egypt became the first non-communist recipients of Chinese aid in 1956. At the same time, China was a recipient of Soviet concessional loans and technical assistance from 1950 onward, meaning that it was simultaneously a donor and a recipient.

With the exception of ties to the Communist bloc and India, the PRC was initially politically and economically isolated. It was excluded from the UN, where China was represented by the exiled government of the Republic of China in Taiwan, diplomatically recognised by only a few countries, and subject to a US-led total economic embargo following its involvement in the Korean War. In this setting, giving aid became a tool for China to break through international isolation and gain the diplomatic recognition of newly decolonised countries in Asia and Africa.

The Bandung Conference of 1955 served as a crucial point to start breaking through the diplomatic isolation. Chinese Premier and Foreign Minister Zhou Enlai, who was the architect of China's early aid approach, argued that China didn't come to export ideology but to advocate for peaceful coexistence and mutually beneficial aid among developing countries with no political conditionalities attached. The contacts established in Bandung initiated diplomatic exchanges. Then China either offered economic and technical assistance, which recipients rewarded with diplomatic recognition – or China rewarded diplomatic recognition with aid. In the years following the Bandung Conference, there was a clear correlation between initial aid commitments and diplomatic recognition.[19] Even if aid giving was economically costly for China, China's leadership believed that it would ensure stable relations in the long run. This is exemplified by Zhou Enlai's statement made before the National People's Congress in 1956:

> *China is a country that just recently has been liberated. Our economy is still very backward; we still haven't achieved full economic independence. […] But we have understood that economic independence is of major significance for consolidating political independence. Therefore, while we advance the building up of our own economy, we wish, within the bounds of our possibilities, to contribute our meagre forces to help other countries' economic development.*[20]

When China's relations with the Soviet Union started to deteriorate rapidly in 1963 due to an ideological clash between Mao Zedong and Nikita Khrushchev, eventually resulting in the Sino-Soviet split and the Soviets' withdrawal of all their aid to China, China turned its attention to Africa. Accompanied by a delegation of 50 Chinese dignitaries, Zhou Enlai travelled to ten African countries at the turn of the year 1963/1964, where he announced the "Eight Principles for Economic Aid and Technical Assistance", which, along with mutual benefit and mutual respect for national sovereignty, also stressed political non-conditionality and self-reliant development.[21] Africa became a strategic battleground where China vied for influence, not just against the West but also against the Soviet Union. In 1964, China accounted for 53 per cent of all loans made to the continent that year, meaning that it was giving more than the West and the Soviet Union combined.[22] Chinese aid and loans to Africa continued to increase even as the Cultural Revolution raged in China beginning in 1966, paralysing the country economically and politically. The 2000km Tanzania-Zambia Railway (TAZARA), for instance, was constructed with Chinese assistance at the height of the Cultural Revolution. The Soviet invasion of Czechoslovakia in 1968 and the beginning détente between the US and Vietnam in 1969, after Richard Nixon came to power, created a window of opportunity for China to further increase its aid efforts for diplomatic recognition, resulting in a final success. In 1971, the UN General Assembly voted to admit the PRC to the UN and to exclude the Republic of China in Taiwan in turn.

2.2 EARLY REFORM AND OPENING-UP: IN SEARCH FOR MUTUAL ECONOMIC BENEFIT FOR COMMON DEVELOPMENT (1978–MID-1990S)

When Deng Xiaoping came to power in 1978, two years after Mao's death, China embarked on a new "Reform and Opening-Up" policy, opening itself to the world and Western development assistance. At that time, China was ranked among the 20 poorest countries in the world, which, after the economic devastation of the Mao-led leadership, led China to question whether the country could afford to continue spending on aid.[23] In the end, Deng Xiaoping concluded that China's international status was inseparable from the support it provided to the Third World, and aid was, therefore, a strategic investment and

19 Ibid.

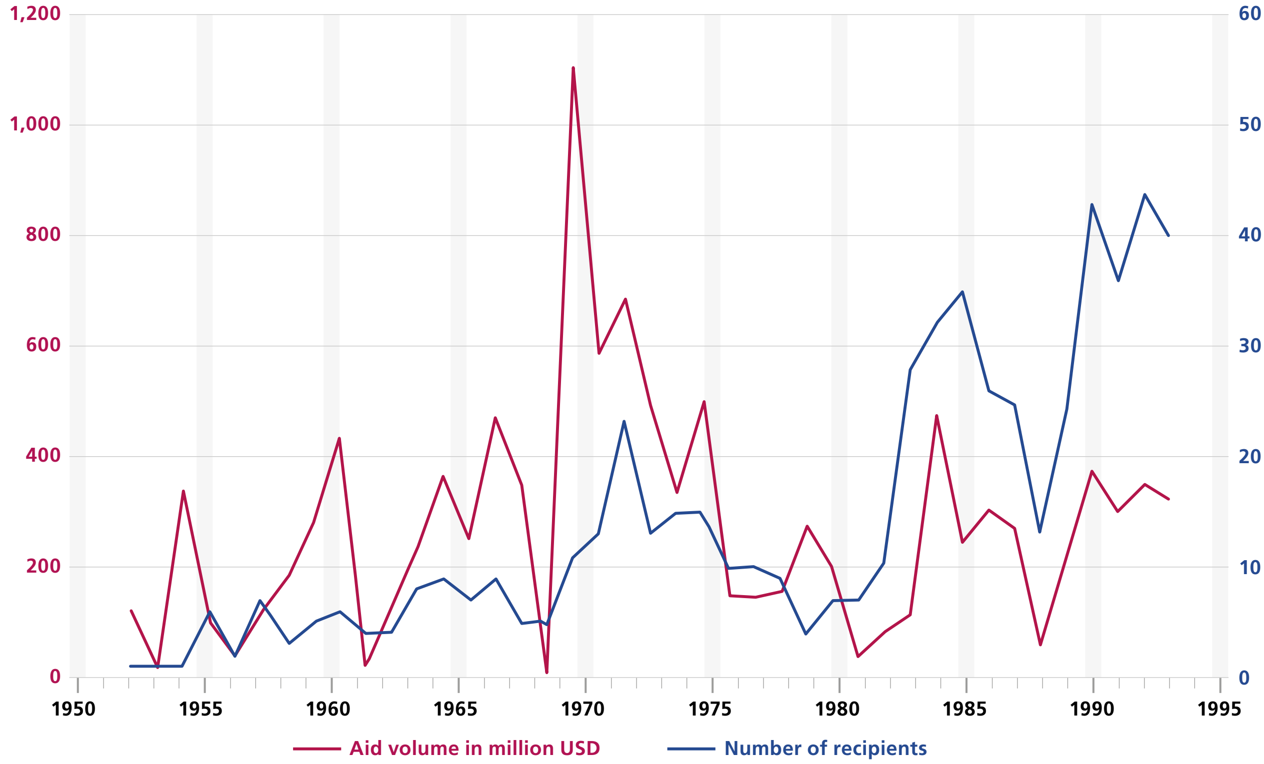
20 Zhou, E. 周恩来 (1956). The Speech of Premier and Minister of Foreign Affairs Zhou Enlai on the Current International Situation, China's Foreign Policy and the Issue of Liberating Taiwan (周恩来总理兼外交部长关于目前国际形势、我国外交政策和解放台湾问题的发言). People's Daily (人民日报), 28 June, 1.

21 Zhou, Enlai (1964). "The Chinese Government's Eight Principles for Economic Aid and Technical Assistance to Other Countries," 15 January 1964, History and Public Policy Program Digital Archive, Zhonghua renmin gongheguo waijiaobu and Zhonggong zhongyang wenxian yanjiushi, eds., Zhou Enlai waijiao wenxuan (Selected Diplomatic Papers of Zhou Enlai) (Beijing: Zhongyang wenxian chubanshe, 1990), 388. http://digitalarchive.wilsoncenter.org/document/121560

22 Yu, G.T. (1988). Africa in Chinese Foreign Policy. *Asian Survey* 28(8), 849–862.

23 Rudyak (2023). "We Help Them, and They Help Us", 589.

Figure 1
Chinese aid volumes and number of aid recipients (1953–1993)



Source: Own figure with data from Kobayashi (2008) for aid volumes; Fuchs and Rudyak (2019) for the number of aid recipients.

would remain so even if China one day became rich.[24] However, there was agreement that aid expenditure needed to be reduced (China couldn't sustain its 1970s levels) and that the focus would shift to mutually economically beneficial projects. Similar to Zhou Enlai in his time, Premier Zhao Ziyang travelled to Africa from December 1982 to January 1983, where he introduced the "Four Principles of Sino–African Economic and Technical Cooperation".[25] The "Four Principles" included the prior principles of "mutual benefit" and "common development", adding "practical results" and "diversity in form". China hoped to achieve the two new principles through joint ventures.

While aid amounts in the 1980s were less than in the 1970s, China continued to be a major player. In 1984, China was the eighth-largest bilateral donor in Sub-Saharan Africa, giving about as much aid as Norway and not much less than Japan or the United Kingdom.[26] Aid rose steadily starting in 1981 and spiked in 1984 when Vice-Premier Li Peng visited Africa (a year after Zhao Ziyang); the same was true for the number of aid recipients (Figure 1). After 1984, both numbers declined again but never dropped to the low of 1981. This steady and continuous aid presence laid the foundation for the expansion of Chinese companies into Africa starting in the 2000s, when they began to go global.

When numerous Western countries imposed economic sanctions on China following the crackdown on the Tian'anmen Square protests in June 1989, aid again emerged as a tool to help China gain the support of developing countries. This strategic deployment of aid was reminiscent of the Mao era. From 1988 to 1989, Chinese aid pledges quadrupled from USD 60.4 million to USD 223.5 million, rising further to USD 374.6 million in 1990. Meanwhile, the number of aid recipients doubled between 1989 and 1990 (Figure 1). While the total volume of aid did not reach the previous heights, the number of recipients in the early 1990s was the highest in the history of Chinese aid. Furthermore, the renewed outreach to developing nations was spurred by escalating competition with Taiwan. After martial law was lifted in 1987, Taiwan underwent a democratic transition and began revitalizing its aid initiatives in previously friendly countries, aiming to regain UN membership.[27] Increasing aid to strengthen its standing proved successful for China: all but three countries (Russia, India, and Slovakia) that voted against Taiwan's UN re-entry in 1993 had received Chinese aid in the early 1990s.[28]

24 Ibid., 590.

25 The Four Principles of Sino-African Economic and Technological Cooperation proclaimed by Premier Zhao (赵总理宣布中非经济技术合作四项原则) (1983). People's Daily (人民日报), 15 January, 6.

26 Brautigam, D. (2009). *The Dragon's Gift: The Real Story of China in Africa.* Oxford: Oxford University Press, 54.

27 Lee, W.-C. (1993). Taiwan's Foreign Aid Policy. *Asian Affairs* 20(1), 43–62.

28 Fuchs, A. & Rudyak, M. (2019). The Motives of China's Foreign Aid. In Zeng, K. (Ed.), *Handbook on the International Political Economy of China*. Cheltenham/Northampton: Edward Elgar Publishing, 392–410.

Looking for ways to increase the visibility and influence of its aid without spending significantly more, China began to link aid with trade and investment.[29] In 1995, it introduced concessional loans as the new main form of foreign aid, channelled through the Export-Import Bank of China (China Exim Bank), which was established one year earlier. Concessional loans meant the state subsidised the interest rate disparity between the preferential rate and the bank's benchmark rate from the state's aid budget. Consequently, what would have been a typical commercial loan transformed into a preferential loan, leading to the entire loan (not solely the grant) being categorised as "aid", significantly inflating China's aid figures.[30] Concurrently, this reform positioned Chinese companies as the primary aid executors, effectively paving the way for their global expansion. The new strategy largely emulated the Japanese approach of intertwining aid with trade and investment that China had encountered in the 1980s as a recipient of Japan's ODA.[31] Chinese officials were reportedly impressed that Japan's investments, particularly in China's infrastructure and heavy industry, contributed significantly to China's economic development and poverty reduction while at the same time supporting the internationalisation of Japanese industry.[32]

2.3 THE TRINITY OF AID, TRADE AND INVESTMENT: AID HELPS CHINESE COMPANIES "GO GLOBAL" (1995–2013)

From the mid-1990s onward, foreign aid increasingly served as a "door opener" for Chinese companies, allowing them to "go global" relatively risk-free and to introduce their products to developing countries with Chinese official financing.[33] Reflecting on the role of foreign aid in their global expansion, Chinese China-Africa relations scholar Luo Jianbo noted that:

> *"the fact [that Chinese] companies have been able to easily establish [a] foothold in Africa, is inextricably linked to foreign aid."*[34]

Subsequently, China's presence and investments in Africa have come to be determined by, at times, competing actors from the Communist Party, state government, provincial governments, military, state-owned corporations, private enterprises, and individual actors pursuing their own, mostly commercial or bureaucratic, interests.[35]

The massive reduction of DAC aid after the end of the Cold War also opened a door for a broader and stronger Chinese presence. Aid lost its political significance for the West while economic recession further increased domestic pressure for aid cuts, leading to DAC aid to Sub-Saharan Africa dropping by 40 per cent in the 1990s. Moreover, from 2000 onward, aid became notably more conditional, requiring recipients to undertake reforms promoting good governance.[36] The changes in Western aid coincided with China's "economic miracle", which also fuelled its oil demands. In 1996, China ranked third in oil consumption, following the US and Japan; by its WTO accession in 2001, it had become the second largest oil importer, after the US. Meanwhile, resource-rich Africa underwent transformative political shifts. The end of apartheid in 1994 facilitated South Africa's economic integration and development in the region. By the mid-1990s, macroeconomic stability improved in most sub-Saharan nations.[37] This set the stage for the "Angola Model": China began to offer developing countries aid and loans on preferential terms in exchange for access to natural resources without political conditions.[38] This approach has been particularly successful in countries such as Angola and Zimbabwe, where these deals could be negotiated with a narrow elite circle.[39]

In 2000, following the example of Japan's Tokyo International Conference on African Development (TICAD), China launched the Forum on China-Africa Cooperation (FOCAC). For China, its objective was to create a platform with "friendly African countries for collective consultation and dialogue and a co-operation mechanism between the developing countries in the spirit of South-South Co-operation".[40] Since then, high-level ministerial meetings have been held every three years, alternating in location between China and Africa. It was specifically the 2006 summit that put "China-Africa" on the Western agenda. That year, China offered African countries more than 10 billion USD in development

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29 Ma, J. 马金 (1994). Wu Yi Introduces the Concept of "Grand Strategies of Economy and Trade" (吴仪介绍:"大经贸战略"构想). *China Market* (中国市场) 07, 9.

30 Qi, G. 齐国强 (1995). Furthering the Reform of Foreign Aid Work Under New Circumstances: National Work Conference on the Reform of Foreign Aid was Held in Beijing (在新形势下进一步改革援外工作—全国援外改革工作会议在京召开). *International Economic Cooperation* (国际经济合作) 11, 4–5.

31 Shimomura, Y. & Wang, P. (2012). The Evolution of "Aid, Investment, Trade Synthesis" in China and Japan. In J. Sato & Shimomura, Yasutami (Eds.), *The Rise of Asian Donors: Japan's Impact on the Evolution of Emerging Donors*. Routledge, 114–132.

32 Nissanke, M. & Shimomura, Y. (2013). Institutional Evolution Through Development Cooperation: An Overview. In M. Nissanke & Y. Shimomura (Eds.), *Aid as Handmaiden for the Development of Institutions: A New Comparative Perspective.* Palgrave Macmillan UK, 1–47.

33 Johnston, L.A. & Rudyak, M. (2017). China's 'Innovative and Pragmatic' Foreign Aid: Shaped by and now Shaping Globalisation. In *China's New Sources of Economic Growth: Vol. II*. Canberra: ANU Press, 431–451.

34 Luo, J. 罗建波 (2016). Nine Characteristics of Chinese Foreign Aid (中国对外援助的九大特色). *International Aid* (国际援助) 04, 102–106.

35 Grassi, S. (2013). China und der Wachstumskontinent Afrika. *Frankfurter Hefte* 6, 10–15. https://www.frankfurter-hefte.de/media/Archiv/2013/Heft_06/2013-06_grassi.pdf

36 Mold, A. (2009). *Policy Ownership and Aid Conditionality in the Light of the Financial Crisis. A Critical Review.* OECD Development Centre. http://www.oecdbookshop.org/browse.asp?pid=title-detail&lang=fr&ds=&ISB=9789264075528

37 Johnston & Rudyak (2017). China's 'Innovative and Pragmatic' Foreign Aid, 438.

38 Downs, E. (2007). The Fact and Fiction of Sino-African Energy Relations. *China Security* 3(3), 42–68.

39 Grassi (2013). China und der Wachstumskontinent Afrika, 15.

40 FOCAC (2004). *Characteristics of FOCAC*. https://www.fmprc.gov.cn/zflt/eng/gylt/ltjj/t157576.htm, The Tokyo International Conference on African Development (TICAD), which largely served as a blueprint for FOCAC, was initiated by Japan in 1993.

finance for the period between 2007 and 2009[41], surpassing estimations of World Bank aid to Africa during the same timeframe.[42] As Figure 2 shows, China's total official financing increased almost exponentially from the mid-2000s on, while the share of "foreign aid" comparable to the ODA declined. Africa accounted for about 35 per cent of China's global development finance and about 45 per cent of China's foreign aid between 2000 and 2014, slightly more than China's development finance to Asia, which accounted for about 34 per cent.[43] With the exception of Cuba, Latin America became a destination for Chinese development finance only in the late 2000s.

China's "no strings attached" style of aid and its implications for the efforts to promote good governance and accountability triggered a controversial debate among DAC donors. The DAC attempted to socialise China into its aid regime by offering China an invitation to join, which the Chinese government declined, arguing that its aid was a case of South-South Cooperation. China also rejected the DAC's critique of its non-conditionality approach, stating that it was based on the principle of political non-interference and grounded in the historical memory of the Western embargo of China after 1949.[44]

Although China publicly rejected the Western criticism of its aid system, internally, the criticism sparked a vibrant debate about reforms that addressed the very points criticised by the West, including transparency, the effectiveness of development finance, standards, and conflicts between Chinese companies and local populations in recipient nations which tarnished China's reputation.[45] As the debate took place exclusively in Chinese, it was hardly noticed in the West. China also started to send observers to the DAC and delegations to aid agencies in DAC countries to study their aid practices. In 2009, China began participating in the China-DAC Study Group, where they shared aid practices. It has also been an observer in Paris Club meetings since 2013. However, the aim was never to abandon the non-conditionality approach but instead to use the experiences of DAC countries to professionalise their own system.

China has also responded to Western calls for more transparency in its aid activities. In April 2011, it published its first English-language White Paper on "China's Foreign Aid". The White Paper offered the Chinese government's official

41 FOCAC (2006). *Forum on China-Africa Cooperation. Beijing Action Plan (2007–2009).* 16 November. https://www.fmprc.gov.cn/zflt/eng/zyzl/hywj/t280369.htm

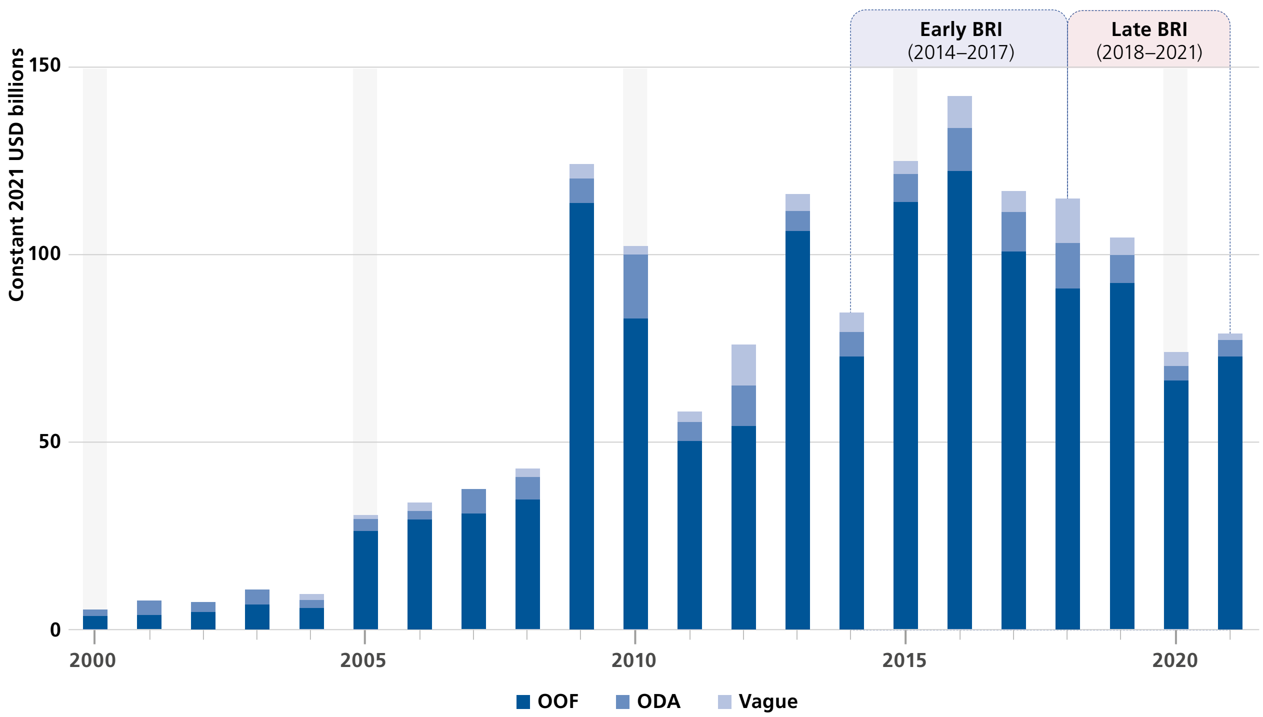
42 These estimates were later disproved, see Hwang, J., Brautigam, D. & Eom, J. (2016). How Chinese Money is Transforming Africa: It's Not What You Think. *SAIS-CARI Policy Brief* 11. http://static1.squarespace.com/static/5652847de4b033f56d2bdc29/t/571a2daf20c64744b887cf7c/1461333522495/China+Africa+Loans+Briefing+Paper_SAIS+CARi.pdf

43 China Power Team (2017). Where Is China Targeting Its Development Finance? *China Power*, 8 December. https://chinapower.csis.org/china-development-finance/

44 Rudyak (2021). The Past in the Present of Chinese International Development Cooperation.

45 Johnston & Rudyak (2017). China's 'Innovative and Pragmatic' Foreign Aid, 439.

Figure 2
Estimates of Chinese total official finance flows to developing countries (2000–2021)



Source: Parks et al. (2023) with data from AidData.

perspective on China's aid system and international cooperation, but, as many external observers criticised, it offered only aggregated figures for sectors and continents, without a breakdown by country or project. Two updates followed, likewise with aggregated figures, in 2014 and in January 2021. The January 2021 update was no longer titled White Paper on "China's Foreign Aid" but "China's International Development Cooperation", reflecting the shift towards a more proactive foreign policy under Xi Jinping.

2.4 FROM "FOREIGN AID" TO "INTERNATIONAL DEVELOPMENT COOPERATION": CHINESE DEVELOPMENT FINANCE IN THE ERA OF XI JINPING

Since Xi Jinping came to power, first as the General Secretary of the Chinese Communist Party in 2012 and then as China's President in 2013, China's foreign policy has taken a more assertive and ambitious turn. This has also impacted China's foreign aid policy. While in previous years, Chinese officials tended to keep a low profile and respond defensively when it came to Chinese aid, from 2013 on, China began to actively position itself as a provider of development solutions for the Global South.

The most visible manifestation of this policy shift was the launch of the BRI in 2013. Initially aimed at increasing cooperation with neighbouring countries, the BRI's scope was swiftly broadened to a global undertaking involving the development of sea and land-based corridors to link China with Europe, Asia, and Africa and massive infrastructure investment. The shift was furthermore accompanied by the establishment of new institutions to research and communicate Chinese knowledge for global development, namely the Institute of South-South Cooperation and Development (ISSCAD), now hosted by Peking University with the former World Bank chief economist Justin Yifu Lin as its inaugural dean, and the Center for International Knowledge on Development (CIKD), based at the Development Research Center of the State Council, the think tank of the Chinese Cabinet.[46] On the institutional level, the Foreign Aid Department of the Ministry of Commerce, which had been in charge of Chinese aid since the early 1980s, was removed from the Ministry and upgraded to an independent government body, the China International Development Cooperation Agency (CIDCA).[47] CIDCA was tasked with consolidating aid management to support the BRI and China's evolving proactive foreign policy approach.[48]

In parallel, Beijing also started to expand its multilateral footprint. In 2013, Xi announced the founding of the Asian Infrastructure Investment Bank (AIIB), and, in 2014, China became one of the five co-founders alongside Brazil, Russia, India, and South Africa of the New Development Bank (NDB). The AIIB and the NDB are both headquartered in China: the AIIB in Beijing and the NDB in Shanghai. The AIIB has been a particularly significant diplomatic success for China, with its membership growing from 57 founding members in 2016 to 106 by January 2023, along with another 14 prospective members, despite substantial initial resistance from the US. It has, however, faced some setbacks; in June 2023, Canada suspended its activity with AIIB after the bank's Canadian Director General of Global Communications resigned, stating that the bank was "dominated by the Communist party."[49] Apart from its involvement in the AIIB and NDB, China is also a member of several regional multilateral development banks (MDBs) and, as of 2023, is the sixth largest contributor to the World Bank's International Development Association (IDA).

Since the launch of the BRI, China has become one of the world's largest providers of international development finance. Most official development finance consists of project loans, which are often provided in the form of resources-for-infrastructure swaps.[50] It is estimated that between 2013 and mid-2022, the cumulative involvement of the BRI amounted to approximately USD 932 billion, with around USD 561 billion allocated to construction agreements.[51] Next to Asia, Africa has remained the key target of Chinese official development finance: China pledged USD 60 billion to African countries from 2015 to 2018 and USD 40 billion at the 2021 FOCAC Summits. Beyond such high-profile pledges, estimating the precise scale and effects of Chinese development finance is challenging for three reasons: The incomplete disclosure of data, the prevailing practice of blending aid with trade and investment, and treatment of state actors as commercial entities. The latter is exemplified by the insistence that the policy bank China Development Bank (CDB) should be treated as a commercial bank in debt relief initiatives.[52] These practices make it very challenging for observers from outside China to differentiate between development-oriented and commercial flows and also raise the question of whether all flows should simply be treated as originating from the Chinese state. This question is relevant when comparing the effectiveness of China's and DAC countries' development

46 Cheng, H. & Liu, W. (2021). Disciplinary Geopolitics and the Rise of International Development Studies in China. *Political Geography* 89. https://doi.org/10.1016/j.polgeo.2021.102452

47 This reform is discussed in detail along with the institutional structure of Chinese aid and international development finance in Chapter 3.

48 Cheng & Liu (2021). Disciplinary Geopolitics.

49 Reuters (2023). Canada Freezes Ties With Chinese Bank AIIB over Claim It Is "Dominated by Communist Party". *The Guardian*, 14 June. https://www.theguardian.com/business/2023/jun/15/canada-freezes-ties-with-chinese-bank-aiib-over-claim-it-is-dominated-by-communist-party

50 Rudyak & Chen (2021). China's Lending Landscape.

51 Nedopil Wang, C. (2023). China's Role in Addressing Post-Covid Debt Challenges in the Global South. *Panda Paw Dragon Claw*, 4 May. https://pandapawdragonclaw.blog/2023/05/04/chinas-role-in-addressing-post-covid-debt-challenges-in-the-global-south/

52 Ye, Y. (2020). How to Assess China's Participation in the G20 Debt Service Suspension Initiative. *East Asia Forum*, 7 Oct. https://www.eastasiaforum.org/2020/10/07/how-to-assess-chinas-participation-in-the-g20-debt-service-suspension-initiative/; The CDB did offer debt suspension to DSSI-eligible countries, but not as a participant of the DSSI.

contributions.[53] Estimates by AidData suggest China's recent bilateral annual international development finance commitments are around USD 85 billion a year, with only 5–10 per cent of this sum being comparable to DAC ODA.[54] By comparison, the ODA of the EU's largest donor, Germany, was USD 35 billion in 2022, with France coming in at USD 15.9 billion in 2020, and the US's ODA amounted to USD 47.8 billion in 2021.[55] The scale of BRI loans and the lack of transparency in loan contracts have raised concerns regarding debt sustainability.[56] Such concerns have been dismissed by increasingly assertive Chinese state actors such as the Ministry of Finance or the People's Bank of China, reproaching critics for focusing too much on debt and too little on development and infrastructure needs.[57] Nevertheless, China has agreed to participate in the G20's multilateral debt restructuring initiatives Debt Service Suspension Initiative (DSSI) and the Common Framework, albeit only for a portion of its loans.[58]

China's new assertiveness has furthermore been accompanied by the global promotion of distinct Chinese development paradigms, such as the "Community of Shared Future for Mankind" as an alternative vision of multilateralism based on "joint consultations" rather than on the rules-based order, which China views as dominated by the US.[59] Since 2021, Xi Jinping has announced three new global initiatives with relevance to development: The Global Development Initiative (2021), the Global Security Initiative (2022) and the Global Civilisation Initiative (2023). Together, these three initiatives convey China's official outlook on development: Namely, that development is the paramount human right. They describe stability and security (which in practice are often conceived of by the Chinese government as the absence of dissent) as essential prerequisites for progress. Moreover, these initiatives underscore China's stance that there are no *universal* values, only *common* values; every "civilisation" has its distinct development history and path, and modernisation does not equal "Westernisation". Speaking at a party study session in February 2023, Xi stated that:

> *China's Modernisation has broken with the myth that "modernisation equals Westernisation". It has expanded the possibilities of paths for developing countries to modernise and provided a Chinese solution for mankind's search for a better social system.*[60]

Amidst the shifts in narratives, however, the core remains unaltered. The principle of what China calls "internationalism" remains a cornerstone of its developmental philosophy. China staunchly believes that infrastructure is paramount to development, and it is committed to propagating this principle beyond its borders. Additionally, China's pursuit of creating an environment conducive to its own economic growth and political stability remains unwavering.

53 Rudyak & Chen (2021). China's Lending Landscape.

54 Malik, A. et al. (2021). *Banking on the Belt and Road: Insights from a New Global Dataset of 13,427 Chinese Development Projects*. Williamsburg, VA: AidData at William & Mary. https://www.aiddata.org/publications/banking-on-the-belt-and-road

55 OECD (2023). *Development Co-operation Profiles*. OECD Publishing. Paris. https://doi.org/10.1787/2dcf1367-en

56 Horn, S. et al. (2019). China's Overseas Lending'. *Kiel Working Papers*, no. 2132, June. https://www.ifw-kiel.de/publications/kiel-working-papers/chinas-overseas-lending-12820/

57 PRC Ministry of Finance (2019). *Vice-Minister Zou Jiayi Gave an Exclusive Interview on the Financing Sub-Forum of the BRI Forum for International Cooperation* (财政部副部长邹加怡就"一带一路"国际合作高峰论坛资金融通分论坛有关情况接受媒体专访), 25 April. https://archive.ph/WTmkO; Zhu, J. 朱隽 (2021) *Reflections on China's Participation in International Sovereign Debt Restructuring* (中国参与国际主权债务重组的思考), Shanghai Development Research Foundation (上海发展研究基金会), 18 August. https://archive.ph/EPCBz

58 Rudyak & Chen (2021). China's Lending Landscape.

59 See: Rudyak, M. (2023). Multilateralism, Development, Human Rights and Modernisation in Oud, M. & Drinhausen, K. (Eds.). *Decoding China Dictionary* (2nd ed.). www.decodingchina.eu

60 Xinhua (新华社) (2023). Xi Jinping Delivered an Important Speech at the Opening Ceremony of the Seminar on the Study and Implementation of the 20th NPC Spirit (习近平在学习贯彻党的二十大精神研讨班开班式上发表重要讲话), 7 February. https://web.archive.org/web/20230214184140/http://www.gov.cn/xinwen/2023-02/07/content_5740520.htm

3

THE CHINESE AID SYSTEM

3.1 THE INSTITUTIONAL APPARATUS OF CHINA'S INTERNATIONAL DEVELOPMENT COOPERATION

HIGHEST POLITICAL DECISION-MAKING LEVEL (PARTY AND STATE)

Central Foreign Affairs Commission (CFAF)
The Central Foreign Affairs Commission (CFAC) of the Chinese Communist Party is the highest foreign policy decision-making organ in China's political system and, thus, the highest decision-making authority on China's international development cooperation. The CFAC is chaired by the Communist Party's General Secretary and China's President Xi Jinping and vice-chaired by Premier Li Qiang. The CFAC General Office is led by Politburo member Wang Yi, who served as China's Foreign Minister from 2013 to 2022 and was reinstated in July 2023 after the demotion of Qin Gang. The CFAC directs China's foreign policy, including the major decisions on loans and China's foreign aid.

State Council
The State Council is China's highest administrative authority. It is chaired by Premier Li Qiang and comprised of the premier, the four vice premiers, three state councillors, and the heads of each of the 26 cabinet-level executive departments. The State Council decides on the general policy orientation and political guidelines of Chinese international development cooperation policies. Regarding foreign aid, it approves the annual budget, any grant above USD 1.5 million, projects costing more than USD 12.5 million, foreign aid to politically sensitive countries, and any request that exceeds the annual aid budget. China's aid agency CIDCA reports to the State Councillor Wang Yi, who is also China's Foreign Minister.

MINISTRIES AND AFFILIATED POLICYMAKING AND IMPLEMENTING INSTITUTIONS

China International Development Cooperation Agency (CIDCA)
The China International Development Cooperation Agency (CIDCA) is the lead coordinating agency for Chinese official development assistance, which China defines as "foreign aid" (*duiwai yuanzhu* 对外援助). Foreign aid includes grant aid (donation of goods, technical assistance, or training), interest-free loans, and concessional loans. CIDCA has the bureaucratic status of a vice-ministry and is directly subordinate to the State Council. It was established in April 2018 after more than ten years of debates on whether China needed a dedicated aid agency and replaced the Ministry of Commerce (MOFCOM) as the lead coordinating agency for China's foreign aid, which had overseen Chinese aid since the early 1980s.[61] Specifically, CIDCA's responsibilities[62] include:

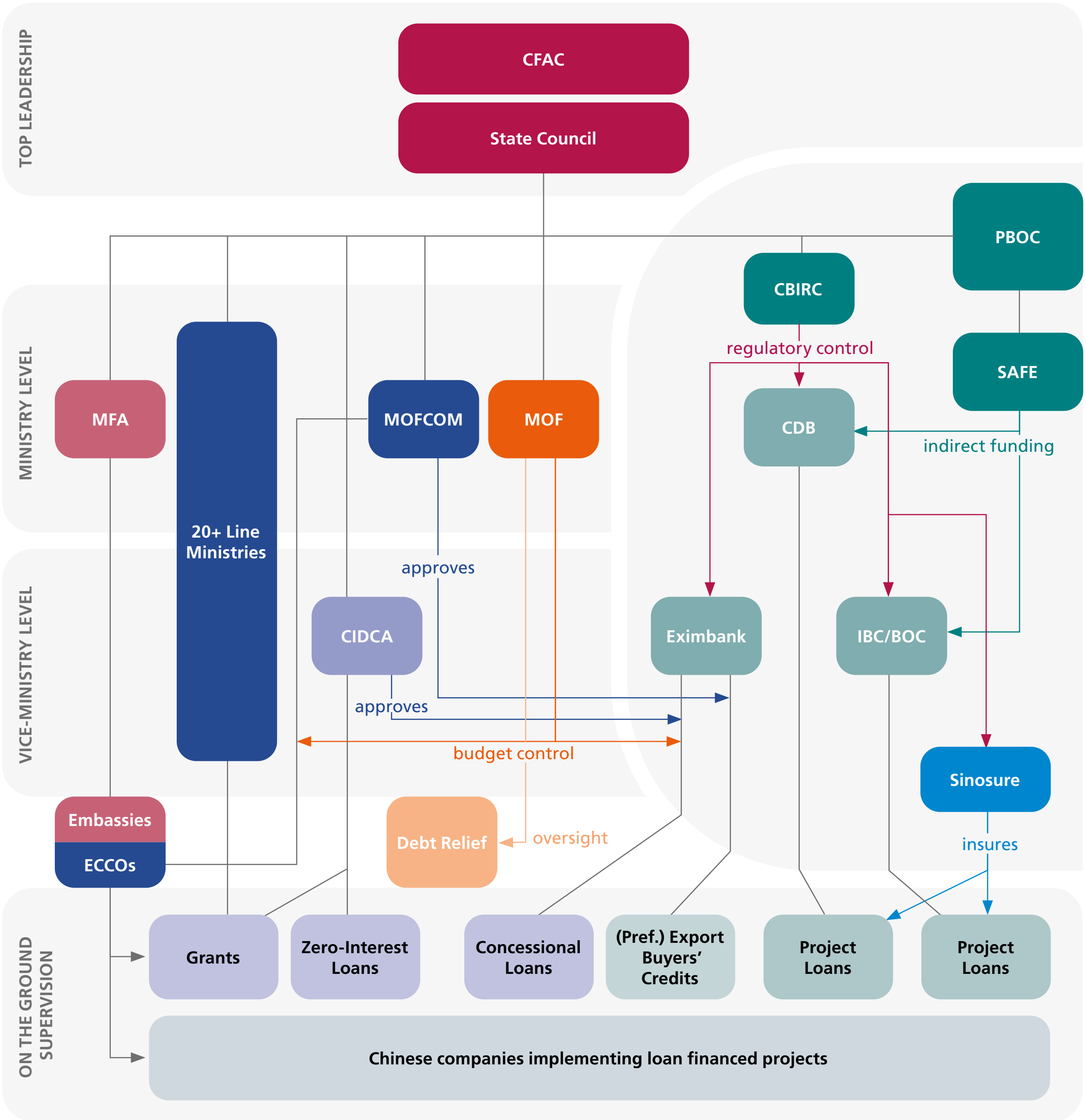
- drawing-up strategic guidelines and preparing medium and long-term foreign aid policy plans;
- formulation of country-specific aid policies;
- drafting of annual plans and programs and managing the scope and use of foreign aid funds;
- identifying suitable foreign aid projects and supervising and evaluating their implementation;
- conducting foreign aid negotiations with recipients and signing aid agreements;
- approving foreign aid concessional loans, which are disbursed through the China Exim Bank;
- monitoring and evaluation of foreign aid projects.

However, CIDCA's responsibility is mainly limited to political steering; it is not responsible for project implementation, which is principally carried out by MOFCOM's subordinate agencies and specialised line ministries. For example, the Ministry of Agriculture is responsible for the implementation of agricultural cooperation projects, and the National Health Commission for sending medical teams. In recipient countries, oversight of Chinese aid projects is implemented by Chinese embassies and consulates.

61 MOFCOM and its predecessor ministries.

62 As spelt out in the "Measures for the Administration of Foreign Aid" (对外援助管理办法), the guiding policy document on China's ODA. Rudyak, M. (2021). New Measures for the Administration of Foreign Aid by CIDCA, MFA and MOFCOM. *China Aid Blog*, 1 September. http://china-aid-blog.com/2021/09/01/407/

Figure 3
Organigram of the Chinese development cooperation apparatus



Source: Author's own figure

In addition to its aid policy steering responsibilities, CIDCA is also tasked with the continuous reform of foreign aid modes and the advancement of legalisation of foreign aid, as legal rules and regulations are still lacking for extensive areas of Chinese ODA. This includes areas relevant to measuring aid effectiveness, specifically monitoring and evaluation, and aid statistics. The "Measures for the Administration of Foreign Aid" of August 2021, which are the main guidelines for China's ODA governance, stipulate that CIDCA is responsible for the monitoring and evaluation of foreign aid projects while also mandating that CIDCA shall set up an oversight and monitoring and evaluation system[63] and develop criteria for project evaluation[64]. Moreover, CIDCA is also tasked with setting up a foreign aid statistics system and collecting statistical data on foreign aid.[65] It is noteworthy that language from the previous 2014 version of the "Measures" of the MOFCOM was transposed to the latest edition, implying a lack of progress on this front.

63 Measures Art. 43.
64 Measures Art. 44.
65 Measures Art. 47.

Luo Zhaohui became CIDCA director in 2021, having previously served as the Vice-Minister of Foreign Affairs and as China's ambassador to India. CIDCA has a staff of about 100 people, of which around 70 are working on foreign aid, with the remaining in administration.[66] While Chinese aid volumes have risen almost exponentially since the turn of the millennium, the number of aid staff responsible for its management has not increased since the early 1980s. For comparison, the German Federal Ministry of Economic Cooperation and Development (*Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung*; BMZ) manages an equivalent bilateral ODA budget with around 1,000 staff, which means that a person at CIDCA[67] is tasked with the management of about ten times as much aid funds as their German counterpart at the BMZ[68].

CIDCA in China's bureaucratic hierarchy

While CIDCA is supposed to coordinate China's foreign aid policy, as a vice-ministry, it is outranked by those whom it is supposed to supervise: by the ministries that are in charge of the execution of foreign aid projects; and by many of the state-owned enterprises (SOEs), that implement foreign aid project and also rank corresponding to ministries or vice-ministries.

Ministry of Commerce (MOFCOM)

The Ministry of Commerce (MOFCOM) is responsible for the implementation of the largest part of Chinese foreign aid projects, specifically turn-key (complete set) projects, technical assistance projects, material projects, and human resources projects. Moreover, MOFCOM is charged with the accreditation and selection of Chinese companies to undertake the implementation of foreign aid projects. The specific tasks are executed by MOFCOM's subordinate departments and agencies (Figure 4).

Prior to CIDCA's establishment in 2018, MOFCOM had been in the driving seat of China's international development cooperation. While it has lost the political steering function, it is still the largest player in China's foreign aid apparatus financially, with a foreign aid budget of 16.3 billion Renminbi (RMB) (Euro 2.1 billion)[69] for 2021, which is accounted for independently from CIDCA's budget and is significantly higher (CIDCA's foreign aid budget for 2021 was 78.7 million RMB (Euro 10.3 million).[70]

Department of Outward Investment and Economic Cooperation (DOIEC)

The Department of Outward Investment and Economic Cooperation (DOIEC) is responsible for several international development cooperation tasks, including some related to aid.[71] Its tasks related to Chinese aid include conducting a joint political review with CIDCA on grant aid and interest-free loan projects and overseeing the implementation of foreign aid zero-interest loan projects in coordination with CIDCA. In this function, it is responsible for the delivery of Chinese COVID-19 vaccines and protective equipment donations. The DOIEC also manages the accreditation process that Chinese companies have to go through before they can apply for tenders on delivery of aid-in-goods.[72] Beyond aid, the DOIEC is the department in charge of supporting the "going global" of Chinese companies: It publishes country guides for foreign investment;[73] conducts inspections of Chinese foreign contracted projects and the state of Chinese labour abroad (30 projects are inspected randomly per year); and compiles statistics on BRI investments and Chinese labour abroad.

Agency for International Economic Cooperation (AIECO)

The Agency for International Economic Cooperation (AIECO), established in July 2003 as an institution under the direct authority of MOFCOM, is responsible for the construction of "complete set" foreign aid projects, such as stadiums, hospitals, or government buildings.[74] "Complete set" is the official Chinese translation for turn-key projects in this sphere. AIECO is in charge of the full project cycle, from the technical negotiations between China and the recipient countries' governments on project design to signing the technical implementation and project handover agreements on behalf of the Chinese government. On the Chinese side, AIECO manages the accreditation process that Chinese companies must go through before they can apply for tenders for these "complete set" projects, as well as the bidding process. So far, "complete set" aid projects have been implemented solely by Chinese companies, mostly state-owned enterprises (SOEs); however, the 2021 "Measures for the Administrations of Foreign Aid" allows for pro-

66 Interview with a Chinese aid expert, June 2019.

67 The BMZ bilateral ODA budget for 2021 was about USD 6 billion: BMZ (2023). Facts and Figures of German Development Cooperation. Federal Ministry for Economic Cooperation and Development. https://www.bmz.de/en/ministry/facts-figures

68 China's bilateral ODA for 2018 was estimated to be USD 6.5 billion (Kitano, N. & Miyabayashi, Y. (2020). Estimating China's Foreign Aid: 2019–2020 Preliminary Figures. *JICA Ogata Research Institute*. https://www.jica.go.jp/jica-ri/publication/other/20201214_01.html

69 PRC Ministry of Commerce (2021). Ministry of Commerce Departmental Budget 2021 (商务部 2021 年部门预算). http://images.mofcom.gov.cn/cws/202103/20210325161919942.pdf

70 This is only the foreign aid budget. CIDCA's total budget is 154.4 million RMB (Euro 20.2 million). CIDCA. (2021). CIDCA Departmental Budget 2021 (国家国际发展合作署2021 年部门预算). http://www.cidca.gov.cn/download/2021-03/25/2021bmys.pdf

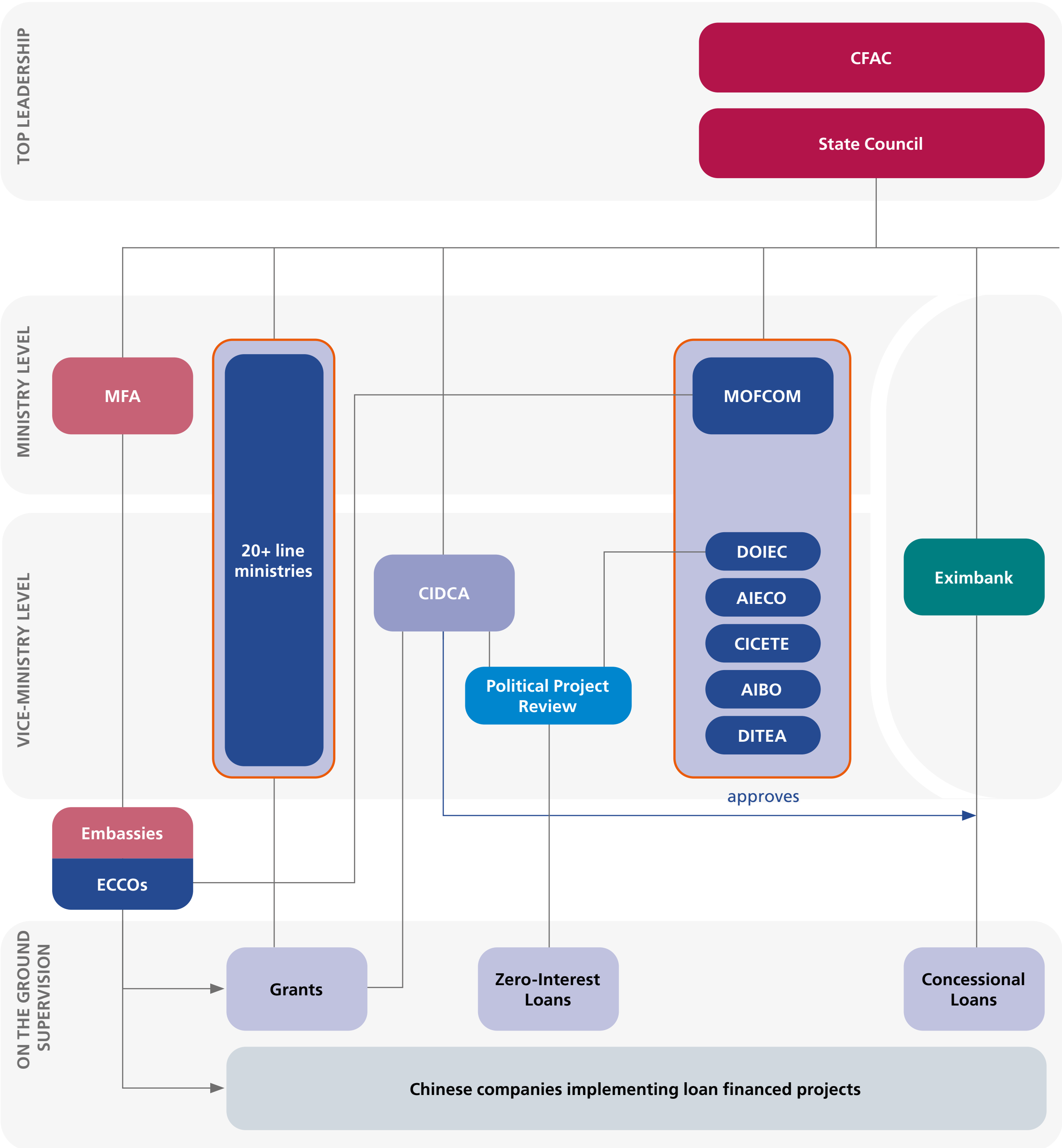
71 The information in this paragraph is derived from the DOIEC's website at http://hzs.mofcom.gov.cn [in Chinese].

72 As of May 2021, 145 companies were accredited as "foreign aid enterprises" for the delivery of aid-in-goods. The company list is openly accessible on DOIEC's website at: http://images.mofcom.gov.cn/hzs/202105/20210526092120420.xls [in Chinese].

73 All county guides are openly accessible for download at: http://fec.mofcom.gov.cn/article/gbdqzn/index.shtml [in Chinese].

74 The information in this paragraph is derived from the AIECO's website at http://www.aieco.org [in Chinese].

Figure 4
Organigram of MOFCOM-led foreign aid implementation



Source: Author's own figure

jects to be implemented by non-Chinese entities. AIECO signs the contracts with the implementing companies and is responsible for overseeing the contractual performance through inspections on aspects like project quality, compliance with time schedules, project safety, and budget management. Furthermore, AIECO is responsible for compiling the statistics on "complete set" aid projects and for formulating the management regulations, operation rules, and implementation rules for project construction. The agency is similar in size to CIDCA, with about 100 personnel on staff. According to its own statements, AIECO organises and implements more than 500 foreign aid projects each year in over 120 countries and regions, covering infrastructure, industry, agriculture, culture, health (hospital construction), communication, electricity, energy, and other fields.[75] Since 2023, AIECO is led by Kong Dejun. In contrast

75 Short reports on selected projects can be found on AIECO's website: http://www.aieco.org/article/y/ [in Chinese].

to his predecessor Li Xiaobing, a seasoned foreign aid bureaucrat, Kong, formerly the Deputy Director General of MOFCOM's Personnel Department, does not appear to have any track record in development cooperation.

African Union Conference Center

A prominent example of a "complete set" or "turn-key" project is the African Union Conference Center in Addis Ababa, which was inaugurated in January 2012. It was built with USD 200 million donated by the Chinese government through a collaboration with Tongji University, China State Construction Engineering Corporation, and China Architecture and Design Research Group. In January 2018, a controversy erupted over whether China had been spying on the building after the French newspaper Le Monde reported that AU employees found that servers in the centre were sending copies of their contents to servers in Shanghai every night. Chinese officials rejected spying claims.

China International Centre for Economic and Technical Exchanges (CICETE)

Originally established in 1983 to manage UNDP and UNIDO projects in China, the China International Centre for Economic and Technical Exchanges (CICETE) is now in charge of managing China's general goods aid and capacity-building projects to other developing countries. It also manages the USD 3 billion South-South Cooperation Assistance Fund (SSCF), which China set up after the Sustainable Development Goals Summit of 2015. The fund, so far, has been used primarily for joint projects with UN organisations, food aid, emergency-response assistance, post-disaster reconstruction, health aid in the context of the COVID-19 pandemic, and equipping African villages with access to satellite television ("10,000 Villages Project").[76]

The "10,000 Villages Project" (万村通)

The "10,000 Villages Project" was announced at the 2015 FOCAC Summit in Johannesburg as an initiative to tackle the "digital divide" between rural and urban areas by providing 10,000 rural communities across 25 countries in sub-Saharan Africa with access to digital television. The 25 countries are Nigeria, South Africa, Kenya, Tanzania, Madagascar, Mozambique, Côte d'Ivoire, Malawi, Uganda, Zambia, Democratic Republic of the Congo, Guinea, Ghana, Senegal, Cameroon, Rwanda, Burundi, Benin, Eritrea, Chad, Central Africa, Republic of the Congo (Brazzaville), Guinea-Bissau, Namibia, and Gabon. To realise this goal, the Chinese government contracted StarTimes, a Beijing-based private pay-TV platform with an estimated 33 million customers in 37 African countries. Each village received two projector TVs at public locations, one 32-inch Digital TV set and 20 DTH (Direct to Home) decoders and satellite dishes. Projector TVs and digital TV sets were equipped with solar power systems and DTH access units. The villages received a five-year subscription to Star Times and a bundle of 20 local, international, and Chinese channels.

The project has received critical coverage internationally, particularly in the US: CNN warned that the project is "paving the way for [StarTimes] – not any of its American or European media competitors – to dominate the African market" as it "slowly expands its power one TV set at a time… a stroke of soft-power genius."[77] An article in Foreign Policy argued that, due to its soft-power implications, the "10,000 Villages" project presented a bigger threat to the US than Chinese infrastructure projects.[78] Moreover, "10,000 Villages" does not stand alone; it is part of a larger Chinese media offensive, as Xinhua News Agency provides free news content on China to Africa. The TV station CCTV-Africa established its office in Nairobi in 2012 (it was renamed CGTN Africa in December 2016) with the objective of strengthening Chinese soft power by providing news coverage of Africa that countered narratives in Anglo-American media.[79] The extent to which these initiatives are successful, however, is debatable. In Mozambique, for instance, many of those who have received TVs were not able to afford the subscription costs after the free period expired, and the Chinese Star Times TV station is far from dominating in the African market, having come nowhere near strong local players such as MultiChoice Africa.[80] Even though CGTN Africa arrived in Kenya and South Africa early on and invested substantially in social media, the channel is still significantly less popular than the BBC.[81]

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76 Compilation based on press releases on the CIDCA website about the SSCF at: http://www.cidca.gov.cn/nnhzyzjj.htm [in Chinese].

77 Marsh, J. (2019). How China is Slowly Expanding its Power in Africa, One TV Set at a Time. *CNN*, 24 July. https://www.cnn.com/2019/07/23/business/startimes-china-africa-kenya-intl/index.html

78 Hruby, A. (2019). In Africa, China Is the News. *Foreign Policy*, 13 August. https://foreignpolicy.com/2019/08/13/in-africa-china-is-the-news/

Academy for International Business Officials (AIBO)
The Academy for International Business Officials (AIBO) coordinates and manages all Chinese foreign aid training programs and implements portions of the training in-house. The range of training topics offered by China to other countries is very broad, covering in 2021, for instance, women and children in the UN 2030 Agenda, railway and management, urban rapid transfer systems management, water conservation and irrigation in agriculture, public health management, traditional Chinese medicine, occupational safety, media, inter-bank cooperation, aviation safety, information and communication technologies, e-commerce, air pollution governance, and Chinese culture. While trainings took place in person before the pandemic, either in Beijing or in partner countries, they have been held online since the beginning of the COVID-19 pandemic.

In addition, the AIBO also trains MOFCOM staff seconded to the Economic and Commercial Counsellor Offices in Chinese embassies and consulates abroad, whose portfolios may include the supervision of foreign aid projects and Chinese foreign investment.

Department of International Trade and Economic Affairs (DITEA)
The Department of International Trade and Economic Affairs (DITEA) serves as the contact point for UN agencies and bilateral economic and technical cooperation donors and is the focal point for trilateral development cooperation projects. Traditionally, the department was responsible for coordinating multi- and bilateral technical assistance to China. When DAC donors phased out bilateral aid to China and started approaching China for trilateral cooperation, DITEA retained its function as the focal point, even though it is not involved with China's own foreign aid.

Ministry of Foreign Affairs (MFA)
In terms of Chinese foreign aid, the Ministry of Foreign Affairs' (MFA) task is to ensure that aid policy aligns with (and does not contradict) China's overall foreign policy. While the MFA's influence on Chinese aid was limited before the 2018 reform, it has since become an influential player in China's international development cooperation. This is not only reflected in the fact that CIDCA reports to State Councillor Wang Yi, who is also the Foreign Minister, but also in the appointment of Vice-Minister of Foreign Affairs Luo Zhaohui as the new head of CIDCA in April 2021. The MFA may suggest new aid projects to CIDCA, but the final say lies with CIDCA.

The MFA's Department of African Affairs hosts FOCAC's Secretariat of the Chinese Follow-up Committee. The last FOCAC Summit took place in Dakar, Senegal, in December 2021. Traditionally, the Chinese foreign minister's first trip abroad in the new year is to Africa. From January 9 to 16, 2023, merely weeks after assuming office, the Chinese Foreign Minister Qin Gang visited Ethiopia, Gabon, Angola, Benin, and Egypt, as well as the African Union Headquarters.

Chinese Embassies and Consulates
Chinese embassies and consulates serve as focal points for recipient country governments, conduct policy reviews for prospective projects, and oversee the implementation of ongoing projects. Chinese ambassadors are empowered to decide discretionary fund spending for smaller aid projects (around USD 50,000). Foreign aid reports are signed by the ambassador and sent to MOFCOM, MFA, and CIDCA through each embassy.

Embassy representatives rarely participate in donor coordination rounds in recipient countries – a point that has often been criticised by Western donors. Official responses from China often highlight the "South-South" nature of Chinese aid and describe donor coordination rounds as not recipient-driven, thus drawing a line between China and DAC donors. However, there are also other, more pragmatic reasons for non-participation: Embassies are often understaffed, with foreign aid being only one of many of their tasks and usually not accorded a high priority.[82] Their function in relation to foreign aid is more political, so they are not expected to have aid-specific knowledge or expertise in development cooperation. Moreover, unlike their DAC donor counterparts, they have no autonomy to make authoritative decisions in the field and must coordinate with MOFCOM, MFA, or CIDCA on almost all issues.[83]

Ministry of Finance (MOF)
The Ministry of Finance (MOF) drafts and manages China's national budget; therefore, foreign aid plans drafted by CIDCA need to be accepted by the MOF and integrated into the budget. Foreign aid project proposals need to be circulated to the MOF for approval. In terms of direct foreign aid funding, the MOF covers the gap between the commercial and concessional interest rates for China Exim Bank's concessional loans. In theory, the MOF is responsible for loan policies, drawing up the framework agreements, and determining the interest rates of concession loans. However, in reality, the MOF appears to defer these responsibilities to CIDCA and China Exim Bank, only signing off on loan agreements in order to approve the budget. As the responsible party for China's budget, the MOF also oversees Chinese bilateral debt cancellations and debt rescheduling.

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79 Madrid Morales, D. (2018). African News With Chinese Characteristics: A Case Study of CGTN Africa. Doctoral Thesis, City University of Hong Kong, 15 June. https://scholars.cityu.edu.hk/en/theses/theses(e86f5b04-454d-4dea-a8f0-b1ae48624802).html

80 Schluntz, K. (2020). The Chinese Government's "10,000 African Villages" Project in Two Mozambican Villages: Kung Fu, Confusion and Flags. *The China Africa Project,* 22 May. https://chinaafricaproject.com/analysis/the-chinese-governments-10000-african-villages-project-in-two-mozambican-villages-kung-fu-confusion-and-flags/

81 Wasserman, H. & Madrid Morales D. (2018). How Influential Are Chinese Media in Africa? An Audience Analysis in Kenya and South Africa. *International Journal of Communication* 12, 2212–31. https://ijoc.org/index.php/ijoc/article/view/7809/2355

82 Zhang, D. (2020). A Cautious New Approach: China's Growing Trilateral Aid Cooperation. Canberra: ANU Press, 250.

83 Zhang, D. & Smith, G. (2017). China's Foreign Aid System: Structure, Agencies, and Identities. *Third World Quarterly* 38(10), 2330–2346 (2333). https://doi.org/10.1080/01436597.2017.1333419

The MOF serves as the focal point for China's multilateral development cooperation. It manages China's financial contributions to multilateral development banks, including the Asia Infrastructure Investment Bank (AIIB), and contributions to the UN system, with the exception of dues to the IMF, where the liaison agency is the People's Bank of China. The MOF also seconds Chinese staff to multilateral development banks and represents China in multilateral debt negotiations rounds.

Ministry of Agriculture (MOA)
The Ministry of Agriculture (MOA) is a mandatory partner involved in the formulation of policies and plans on agricultural foreign aid. Its Foreign Economic Cooperation Center (FECC) is responsible for implementing agricultural aid projects and selecting Chinese agricultural experts. The FECC reports to MOA's International Cooperation Department (ICD). Furthermore, the MOA is responsible for the coordination of Agricultural Technology Demonstration Centres (ATDC). The ATDC are a FOCAC flagship begun in 2006 to facilitate the transfer of agricultural technology from China to Africa and to help Chinese agricultural products "go global". The ATDC program was designed by MOFCOM and MOA, who originally coordinated the centres in tandem. Now, CIDCA and MOA coordinate the ATDC jointly. Thus, the ATDCs answer concurrently to CIDCA and MOA, to their respective provincial governments, and to their parent companies, all of whom have different, and sometimes competing, priorities.

On the multilateral level, the MOA serves as the focal point for the UN Food and Agriculture Organization (FAO) and the World Food Programme's (WFP) agricultural assistance programs.

Ministry of Health (MOH)
The Ministry of Health (MOH) is responsible for the coordination of Chinese foreign aid medical teams, which China has been sending to Africa since 1963. Hereby, the MOH manages the budget for medical teams directly with the MOF, without CIDCA's involvement. The specific deployment of medical teams is coordinated by Chinese provinces; each province, with the exception of Tibet, Xinjiang, Guizhou, and Hainan, is assigned a partner country in Africa (some economically strong provinces, like Guangdong, have two partner countries), and is responsible for putting together a medical team consisting of doctors and nurses of different medical backgrounds from its provincial hospitals to send to the partner country. In the partner countries, the medical teams are supervised by the Chinese embassy.

It is noteworthy that the MOH is not involved in the construction of Chinese hospitals, as that is considered a "turnkey" project and is the responsibility of MOFCOM. The MOH considers it more appropriate to station the medical teams in existing hospitals.

Other line ministries
The Ministry of Ecology and Environment (MEE) administers the RMB 20 billion South-South Cooperation Climate Fund (SSCCF), which was announced by President Xi Jinping during his participation in the UN SDG Summit in September 2015. The Fund aims to support other developing countries to address climate change and transition to green and low-carbon development.

The Ministry of Education (MOE) is in charge of educational aid and related foreign aid projects.

The Ministry of Science and Technology (MOST) manages foreign aid in science, which primarily means using foreign aid channels and instruments available to CIDCA and MOFCOM to support Chinese information technology to "go global".

People's Bank of China (PBOC)
The People's Bank of China (PBOC) fulfils the role of China's central bank and is responsible for monetary policy as well as the regulation of financial institutions. It also represents China as a non-borrowing shareholder in several regional and sub-regional MDBs. PBOC plays a powerful role in holding China's foreign exchange reserves, the management of which is delegated to the subordinate State Administration of Foreign Exchange (SAFE). SAFE, via China's sovereign wealth funds, has a substantial stake in the major commercial banks, Sinosure, and the China Development Bank (CDB). This state ownership has some moral hazard effects for these banks' external lending, but they may perceive structural pressures to minimise potential losses that endanger China's foreign exchange reserves.

China Banking and Insurance Regulatory Commission (CBIRC)
The China Banking and Insurance Regulatory Commission (CBIRC) is a ministerial-level supervisory authority under the State Council; it is responsible for supervising the banking and insurance sectors. In 2017, the CBIRC's predecessor, the China Banking Regulatory Commission, issued the "Measures for the Supervision and Administration" for both the CDB and China Exim Bank, which included provisions on credit risk management. Prior to that, CDB and China Exim Bank were subject to the regulations for commercial banks.

People's Liberation Army (PLA)
The People's Liberation Army (PLA) delivers China's emergency aid as coordinated by CIDCA and MOF. Beyond this function, it also reportedly uses its historical ties with African elites from the time of the liberation movements to operate as a political as well as economic actor.

3.2 TYPES OF DEVELOPMENT FINANCE AND LENDING INSTITUTIONS

POLICY LENDING INSTITUTIONS/ POLICY BANKS

China Development Bank (CDB)
Established in 1994, CDB is the world's largest national development bank and China's largest institution for over-

seas investment, with total assets of USD 2.4 trillion in 2019. It provides USD or EUR-denominated medium- and long-term market-rate loans to government institutions and companies. The base interest rate is typically set to the (floating) LIBOR rate with an additional margin incorporated to account for borrower-specific risk and repayment capacity (see Table 1). The CDB sources its capital largely through bond issuances (71 per cent in 2014), corporate deposits (24 per cent), borrowing from PBOC and government organs (5 per cent), and limited foreign currency bonds. It enjoys a competitive rate when borrowing from government sources, at approximately 2 to 3 per cent. It can also raise funds cheaply through bonds due to its state backing, meaning it can offer the same rate as government bonds.[84] The CDB's interest rate is usually higher than that of the World Bank, but in cases of political interest, it may offer a very low interest rate (for example, the Jakarta-Bandung High-Speed Rail was offered a rate of 2 per cent).

The CDB is a ministry-level government agency under the direct supervision of the State Council and under the regulation of the CBIRC. It has the status of a "development finance institution" to support China's national initiatives (e.g., China-Africa cooperation and the BRI) and should prioritise China's political objectives over profits (though avoiding losses). Though it has played a key role in the BRI and China's overseas finance and has something of a hybrid status as a bank, the Chinese government insists that CDB is not an official bilateral lender. Instead, the Chinese government insists it be listed as a commercial bank in the DSSI.

Despite its large role in China's overseas lending, the CDB is considered inexperienced and weak in credit risk management in Chinese development circles.[85] Unlike the PBOC, which recruits Western-trained economists, most of the CDB's top management comes from the Agricultural Bank of China. In addition, the CDB was recently rocked by a major corruption scandal involving former CEO Hu Huaibang, who was forced to resign in 2018 and is now serving a life sentence in prison. During this time, both CDB and China Exim Bank were subject to external audits which significantly affected their overseas lending.

China Export-Import Bank (China Exim Bank)
Established in 1994, and with USD 610 billion of assets as of 2018, China Exim Bank's assets amount to only one-quarter of those of the CDB's. It is China's main lender to lower-income countries and fulfils a dual function as an official bilateral creditor, providing RMB-denominated concessional loans, and as an export credit agency, providing USD-denominated preferential export buyer's credits.

Concessional loans are the main form of Chinese foreign aid and are mainly used for large-scale infrastructure construction and the supply of large quantities of mechanical and electronic products and complete equipment. Their interest rate is below China's central bank's benchmark rate, usually a fixed rate of 2–3 per cent; the margin is subsidised by the MOF (see Table 1 for typical terms). In the process, the China Exim Bank is responsible for the appraisal of proposed loan projects, signing of loan agreements, giving out loans, post-loan management, and the recovery of loan principles and interests. Typically, loan projects are proposed to the China Exim Bank by CIDCA (in the past, they were proposed by MOFCOM) after negotiations during intergovernmental consultations. All concessional loan projects must be approved by CIDCA. Projects can also be proposed by Chinese companies or by recipient country governments. These proposals are made either to the Chinese embassy, a relevant ministry, or to MOFCOM's provincial subsidiaries (a Department of Commerce).

Preferential export buyer's credits are often confused with foreign aid by external observers but are, in fact, export subsidies. They are given to government institutions for the purchase of goods and services from Chinese companies. No intergovernmental agreements are required. Generally, they are slightly more expensive than concessional loans (higher rates, shorter maturities, shorter grace periods); these credits are financed by China Exim Bank's own capital and are not subsidised by the government. Moreover, these credits can support up to 85 per cent of a project's costs; however, a 15 per cent counterpart contribution is required.

The China Exim Bank is a vice-ministry-level government agency under the direct supervision of the State Council and is under the regulatory oversight of the CBIRC. It has the status of a "policy-based finance institution". Like the CDB, it should support China's national strategies. Unlike the CDB, it is not required to make a profit (though it should not operate at a loss).

Policy banks in China are ministry-level agencies under the State Council

Policy banks within China's bureaucratic system have a much different status than in Germany and other major donor countries, where policy banks are typically subordinate to an authority (ministry or a government agency) that is politically responsible for development cooperation or development financing. By contrast, China Exim Bank and CDB are independent ministry-level agencies that are not subordinate to China's MOF (which represents China in multilateral development finance negotiations), the Ministry of Foreign Affairs, or CIDCA. As such, directives that influence their activities, including their approach to debt restructuring, must come from the State Council or the CCP Central Committee.

84 Chen, M. (2020). Beyond Donation: China's Policy Banks and the Reshaping of Development Finance. *Studies in Comparative International Development* 55(4), 436–459. https://doi.org/10.1007/s12116-020-09310-9

85 Rudyak & Chen (2021). China's Lending Landscape.

State-owned commercial lenders

Chinese state-owned commercial banks provide USD or EUR-denominated medium- and long-term non-concessional loans to state-owned entities and enterprises and operate independently from China's foreign aid. As with CDB loans, the base rate is usually set at the (floating) LIBOR rate, with an additional margin added to reflect borrower-specific risk and repayment capacity. Interest rates average around 4.5–6 per cent and maturities and grace periods vary widely. Of the four state-owned commercial lenders, the Industrial and Commercial Bank of China (ICBC), Bank of China (BoC), China Construction Bank (CCB), and Agricultural Bank of China (ABC), it is primarily the ICBC and the BoC that operate internationally. So far, ICBC has only been involved in one debt restructuring case – with Angola in 2020, where it worked alongside the CDB.

Table 1
Types of development finance flows

<table>
<tr><th>Type by OECD category</th><th colspan="2">Lending instrument</th><th>Issuing institution</th><th>Treated by China as</th><th>Debt renegotiation and forgiveness</th></tr>
<tr><td rowspan="5">Chinese ODA (foreign aid)</td><td colspan="2">Grants</td><td>CIDCA</td><td rowspan="6">official</td><td>n/a</td></tr>
<tr><td colspan="2">Zero-Interest Loans (ZILs)
RMB-denominated, typically 0% interest rate, 20-year maturity and 10-year grace period</td><td>CIDCA/MOFCOM</td><td>Loan forgiveness/ write-off</td></tr>
<tr><td colspan="2">Concessional Loans (CL)
RMB-denominated, typical interest rate of 2–3%, 15–20-year maturity and 5-year grace period</td><td>China Exim Bank (upon approval from CIDCA)</td><td>Rescheduling, maturity extension</td></tr>
<tr><td colspan="2">South-South Cooperation Assistance Fund</td><td>CIDCA</td><td>n/a</td></tr>
<tr><td colspan="2">South-South Cooperation Climate Fund, est. in 2015, RMB 20 billion to support developing countries to address climate change and transition to green and low-carbon development</td><td>MEE</td><td>n/a</td></tr>
<tr><td rowspan="7">Other Official Finance (OOF)</td><td colspan="2">Export Buyer's Credits (EBCs); Preferential Export Buyer's Credits (PEBC)
USD-denominated, loan terms vary. PEBCS have a slightly subsidised interest rate, maturity typically 15 years</td><td>China Exim Bank (upon approval from MOFCOM)</td><td>Rescheduling, maturity extension, haircuts to interest rate in rare cases</td></tr>
<tr><td colspan="2">Middle-and long-term project loans USD or EUR-denominated, floating rate set to LIBOR at typical rate of 4.5–6%, varying maturity and grace periods</td><td>CDB</td><td rowspan="7">commercial</td><td>Rescheduling, rare cases of maturity extension</td></tr>
<tr><td rowspan="5">Special (equity) funds</td><td>China-Africa Development Fund (CADF), USD 10 billion for investment in Africa</td><td>CDB</td><td>unknown</td></tr>
<tr><td>China-Africa Industrial Capacity Cooperation Fund (CAICCF), USD 5 billion, for outsourcing of Chinese overcapacities</td><td>China Exim Bank</td><td>unknown</td></tr>
<tr><td>China-Latin America Industrial Cooperation Investment Fund (CLAI), USD 30 billion for investment primarily in manufacturing, high technology, agriculture, energy and minerals, infrastructure, and financial cooperation</td><td>CDB</td><td>unknown</td></tr>
<tr><td>China- Latin America and Caribbean Region Cooperation Fund (CLAC), USD 5 billion</td><td>China Exim Bank</td><td>unknown</td></tr>
<tr><td>Silk Road Fund, USD 40 billion for investment along the BRI</td><td>PBOC</td><td>unknown</td></tr>
<tr><td>Commercial loans</td><td colspan="2">Middle-and long-term project loans USD or EUR-denominated, floating rate set to LIBOR at typical rate of 4.5–6%, varying maturity and grace periods</td><td>ICBC, Bank of China, China Construction Bank, Agricultural Bank of China</td><td>Rare cases of rescheduling (ICBC in Angola)</td></tr>
</table>

Source: Author's own elaboration.

3.3 IMPLEMENTING ACTORS: CHINESE COMPANIES AND INDUSTRY ASSOCIATIONS

Chinese companies
Chinese aid projects are implemented by Chinese enterprises. In order to participate in tenders for foreign aid projects, companies must apply to MOFCOM's AIECO for accreditation as a "Foreign Aid Enterprise". Accredited enterprises are invited to bid for the implementation of projects. Companies can also propose projects directly to Chinese embassies in recipient countries or by lobbying MOFCOM and China Exim Bank. All overseas activities by Chinese companies, not just development assistance, must be approved by MOFCOM. In practice, CIDCA and MOFCOM have limited control over the conduct of Chinese companies abroad, which has been a recurring concern for the Chinese government.

China International Contractors Association (CHINCA)
China International Contractors Association (CHINCA) provides overseas research and assistance services to its member companies through its Engineering and Investment Department. It aids companies in conducting (pre-)feasibility studies for turn-key, technical cooperation, and physical assets projects commissioned by CIDCA to ensure that feasibility studies are conducted in accordance with relevant systems and regulations. CHINCA is also involved in trilateral cooperation projects, e. g., with the German Agency for International Cooperation (GIZ).

SECTORAL CASE STUDIES

4

HEALTH COOPERATION

4.1 CHINA'S ROLE IN AFRICA'S HEALTH SECTOR

Since the outbreak of the COVID-19 pandemic, the perception of China's health engagement in Africa in European debates has been mainly dominated by Chinese "vaccine diplomacy" and the reputational competition over who is the bigger supporter of Africa in the fight against COVID-19.[86] Indeed, the slow response of the West to the African needs in the pandemic, and in particular the failure of the COVID-19 Vaccines Global Access (COVAX) initiative to quickly provide global equitable access to vaccines, created a window of opportunity for China to advance its soft power through pandemic supplies. By October 2021, only 2.5 per cent of the globally administered vaccine doses were administered in Africa[87], while 70 per cent were administered in high-income countries – a point frequently mentioned by Chinese state media as a means of portraying China as the more reliable partner for Africa.[88] Along these same lines, Chinese provision of vaccines and health equipment to African countries was usually accompanied by handover ceremonies with the recipients' political stakeholders and the public's expressions of gratitude.[89] Africa received 125 million doses of vaccines from China through bilateral agreements, of which 31 million were donated.[90] For many countries, Chinese vaccines were the first available.

What is often overlooked in European debates is that China's engagement as a health actor on the African continent is not new, and that Chinese COVID-19 diplomacy builds on a history of health-related interactions. China has provided health assistance to Africa continuously since the early 1960s as part of its foreign aid programme. Over time, China's engagement has been driven by different ideological, geostrategic, economic, and commercial imperatives throughout history, mirroring China's overall foreign aid approach.[91] The amount of Chinese health cooperation is difficult to estimate due to a dearth of official data, but estimates based on open-source data suggest that Chinese health aid to Africa doubled over a decade from USD 323.1 million in 2007 to USD 652.3 million in 2017.[92] Moreover, Sino-African trade in pharmaceuticals amounted to USD 4.74 billion in 2022, which was an increase of 10 per cent compared to the previous year.[93]

Public health emergencies like the 2013–2016 Ebola epidemic and, to a larger extent, COVID-19 have accelerated the diversification of Chinese health actors in Africa. While in the past, China pursued a state-centred health cooperation approach, it now incentivises its sub-state and non-state actors to engage in various health-related trade and investment activities.[94] However, their activities are far less coordinated than official Chinese and African statements might suggest. As a result, Chinese health aid to Africa is, in reality, rather opaque and difficult to track. A more in-depth understanding of the context is highly relevant for European public health policy towards Africa. The following subsections outline the history of Chinese health cooperation, the institutions and actors involved, and describe selected projects and sectors before making some sector-specific recommendations. This study contributes to a vast knowledge gap, and substantially more research and information on Chinese health engagement in Africa is needed than can be provided here.

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86 Rudolf, M. (2022). *China's Global Health Diplomacy*. Bonn: Friedrich Ebert Stiftung. https://library.fes.de/pdf-files/iez/19608.pdf

87 Van Trotsenburg, A. (2021). Tackling Vaccine Inequity for Africa. *World Bank Blogs*, 8 October. https://blogs.worldbank.org/voices/tackling-vaccine-inequity-africa

88 CGTN (2021). The Lancet: Rich Countries Snap up 70% of COVID-19 Vaccine Doses. *CGTN*, 14 February. https://news.cgtn.com/news/2021-02-14/The-Lancet-Rich-countries-snap-up-70-of-COVID-19-vaccine-doses-XSE2Y8Mpna/index.html

89 CSIS (2021). China Is Exploiting the Pandemic to Advance Its Interests, With Mixed Results. *Center for Strategic and International Studies* (CSIS), 30 September. https://www.csis.org/analysis/china-exploiting-pandemic-advance-its-interests-mixed-results

90 Bridge Beijing (2022). Tracking China's COVID-19 Vaccine Distribution. *Bridge Consulting*, 28 December. https://bridgebeijing.com/our-publications/our-publications-1/china-covid-19-vaccines-tracker/

91 See Chapter 2.

92 Micah, A. E. et al. (2019). Tracking Development Assistance for Health from China, 2007–2017. *BMJ Global Health* 4(5). https://doi.org/10.1136/bmjgh-2019-001513

93 CCCMHPIE (2023). How to Get a Head Start in the African Pharmaceutical Market in the Post-epidemic Period? (后疫情时期，如何在非洲医药市场"抢先一步"?), China Chamber of Commerce for Import & Export of Medicines & Health Products (CCCMHPIE) (中国医药保健品进出口商会), 6 February. https://www.cccmhpie.org.cn/Pub/1757/180269.shtml

94 Fei, D. (2022). Assembling Chinese Health Engagement in Africa: Structures, Strategies and Emerging Patterns. *Third World Quarterly* 43(5), 1093–1114 (1093). https://doi.org/10.1080/01436597.2022.2042802

4.2 HISTORY OF CHINESE HEALTH COOPERATION WITH AFRICA

China's health cooperation with Africa began in 1963 when China sent a medical team to Algeria.[95] The following winter, after Premier Zhou Enlai's visit to 10 African countries in 1963–1964, Somalia, Congo Brazzaville, Mali, Mauritania, and Guinea joined Algeria, with the Chinese government sending medical teams and technicians to each country.[96] Chinese provinces were matched with African countries based on their size and population.[97] For example, the medical team in Algeria was sent from Hubei, which later sent doctors to Botswana.[98] This type of twinning system still exists today, and Chinese provinces continue to send medical teams to Africa.

Historically, China's health assistance to Africa was primarily motivated by political motives and consisted mainly of the dispatch of medical teams, construction of health facilities, donation of drugs and equipment, and some support for malaria control activities.[99] In the 1960s and 1970s, health aid was used as an instrument for establishing diplomatic relations with the newly independent African countries and securing a UN seat for the PRC. With the onset of Deng Xiaoping's "Reform and Opening" policy after 1978, health aid was seen as part of public diplomacy efforts to secure the "friendship" of African countries and thus create a stable international environment for China's development and modernisation policy.[100]

The new millennium saw a shift to more economic and commercial interests, with health aid increasingly serving as a "door opener" for the internationalisation of Chinese pharmaceuticals and medical equipment.[101] China's Anti-Malaria Campaign in Africa, for example, not only provided training programmes but also built Anti-Malaria Centres (from 2006 on) and provided free drugs.[102] It introduced Cotecxin, the anti-malaria medicine developed by the pharmaceutical company Beijing Holley-Cotec, to African markets, thus creating a new demand pipeline.[103] Moreover, Chinese companies were encouraged to establish joint-venture hospitals and pharmaceutical factories in Africa.[104]

In parallel, China also increased its multilateral involvement on the continent. Within the Chinese leadership and among Chinese health scholars, China's success in the achievement of the Millennium Development Goals on poverty reduction and health (which was a major contributing factor to their achievement globally)[105] led to a belief that the country's experience could offer valuable lessons for other developing countries.[106] Starting in the mid-2000s, China began to increase its engagement in multilateral health organisations in Africa, in particular with involvement with the following agencies: The WHO; the United Nations Children's Fund (UNICEF); the United Nations Population Fund (UNPF); the Joint United Nations Program on HIV/AIDS; the Global Fund to Fight AIDS, Tuberculosis and Malaria; and the Global Vaccine Alliance.[107] In addition, China also began to create its own multilateral health cooperation platforms with African countries, such as the Ministerial Forum on China Africa Health Development under the Forum on China Africa Cooperation (FOCAC) and the Belt and Road Health Conference under the Belt and Road Summit.[108]

China's National Health Commission released two separate three-year plans to promote BRI health exchanges and cooperation, termed the "Health Silk Road", the first of which is publicly available.[109] Though many of the items mentioned in this three-year plan are yet to materialise, its outline provides insight into the range of health-related activities envisioned or being undertaken by China, including commercial endeavours, health assistance, infectious disease control, and health security, all of which are primarily framed as "cooperation" rather than "assistance". This plan also highlights new drivers of China's global health efforts, such as the promotion of soft power and collaboration on research and development, as well as innovative approaches, such as the linking of global and domestic developmental challenges and the use of new technologies.[110]

95 Li, A. (2016). Chinese Medical Team Abroad for Assistance: History, Achievement and Impact. In Qin, Y. & Chen, Z. (Eds) *Future in Retrospect. China's Diplomatic History Revisited*, 279–315 (280). https://doi.org/10.1142/9781938134845_0008

96 Li, A. (2011). *Chinese Medical Cooperation in Africa. With Special Emphasis on the Medical Teams and Anti-Malaria Campaign*. Uppsala: Nordiska Afrikainstitutet (Discussion Paper 52), 9. http://nai.diva-portal.org/smash/get/diva2:399727/FULLTEXT02

97 For example, the province of Hubei was paired with Algeria and Henan was paired with Ethiopia. See: Li (2011). *Chinese Medical Cooperation*, 10–11.

98 Li (2016). Chinese Medical Team, 282.

99 Husain, L. & Bloom, G. (2020). Understanding China's Growing Involvement in Global Health and Managing Processes of Change. *Globalization and Health* 16(1), 3. https://doi.org/10.1186/s12992-020-00569-0

100 Li (2016). Chinese Medical Team, 282.

101 Huang, Y. (2014). Domestic Politics and China's Health Aid to Africa. *China: An International Journal* 12(3), 176–98.

102 Li (2011). *Chinese Medical Cooperation*, 13.

103 Fei (2022). Assembling Chinese Health Engagement, 5.

104 Ibid.

105 PRC Ministry of Foreign Affairs and United Nations System in China. (2015). Report on China's Implementation of the Millenium Development Goals (2000–2015). United Nations Development Programme (UNDP) China, 23 July. https://www.cn.undp.org/content/china/en/home/library/mdg/mdgs-report-2015-.html

106 Lin, J.Y. (2012). *The Quest for Prosperity – How Developing Economies Can Take Off.* Princeton: Princeton Univers. Press; Lin, J.Y. & Wang, Y. (2017). *Going Beyond Aid: Development Cooperation for Structural Transformation.* Cambridge: Cambridge University Press.

107 Fei (2022). Assembling Chinese Health Engagement, 5.

108 Ibid.

109 PRC National Health Commission (2015). Three-Year Implementation Plan for Promoting Health Exchanges and Cooperation along the Belt and Road (2015–2017) (国家卫生计生委关于推进"一带一路"卫生交流合作三年实施方案 (2015–2017)), 14 October. http://www.nhc.gov.cn/wjw/ghjh/201510/ce634f7fed834992849e9611099bd7cc.shtml. The second plan is not publicly accessible.

110 Husain, L. & Bloom, G. (2020). Understanding China's Growing Involvement in Global Health and Managing Processes of Change. *Globalization and Health* 16(39). https://doi.org/10.1186/s12992-020-00569-0

The launch of the Health Silk Road took place against the backdrop of a nascent shift initiated in the aftermath of the Ebola crisis in West Africa (2013–2016), where Chinese medical teams in Sierra Leone were already in-country and, therefore, among the first responders, when the outbreak started.[111] One of the lessons for China was that broader global public health engagement and support in building African public health systems was more needed than on-the-spot assistance in the form of sending doctors and equipment, or the building of hospitals. In response, the Vice-Minister of National Health and Family Planning Commission of the People's Republic of China (NHFPC) – which was superseded in 2018 by the Ministry of Health – was assigned a new global health portfolio, and the Chinese Center for Decease Control (China CDC) set up a new global health department.[112]

In addition, China engaged in triangular[113] public health cooperation with the UK government through the China-UK Global Health Support Programme (GHSP) from 2012 to 2019.[114] The goal of GHSP was to increase China's capacity to provide public health support and to participate in global health governance, predicated on the UK's belief that China's success in improving its own population's health can be instructive for other countries and that there is value in learning from China's experiences.[115] China, on the other hand, hoped to gain lessons for its own health diplomacy though the engagement with the UK.[116] In 2020, Chinese health experts assessed that:

> *[C]ompared with developed countries, there is still a substantial gap between China's "strong willingness" and its actual "qualified capacity" to engage in global health. China is not good at distilling and disseminating Chinese experience and lessons in health with a view to external applicability. There is a lack of understanding of the best practices of international DAH, and an inadequate ability to engage in global health governance and policymaking and for cross-border public health interventions and joint action. These insufficiencies have limited China's contributions to global health, and also make it difficult to meet the high expectations of the international community.*[117]

The programme included several pilot projects in Africa: One malaria control project in Tanzania, one maternal and child health project in Ethiopia, assistance to Sierra Leone to enhance its public health surveillance capacity, and consultations and co-sponsoring of seminars with international public health partners who are working in Africa.[118] However, one of the key learnings of GHSP was that China and Europe hold divergent understandings of how to approach "global health".[119]

Directed experimentation in health cooperation

China applies a "directed experimentation" approach to managing its engagement in global health, similar to its approach in the domestic health sector.[120] The top leadership issues general policy "directions", which leads government agencies and implementing units (sub-ordinated government organisations or research agencies) to respond with a range of policies and practices. The process is quite pluralistic and experimental, with actors looking for "what works" rather than following top-down directives.

4.3 CHINESE INSTITUTIONS AND ACTORS INVOLVED IN HEALTH COOPERATION

Multiple institutions and actors are involved in the implementation of Chinese health cooperation projects.

The National Health Commission (NHC), and specifically the Department of International Cooperation at the NHC, is responsible for designing strategic plans to promote overseas health exchange and cooperation.[121] Under the NHC, several institutions, including the National Administration of Traditional Chinese Medicine (NATCM), the Chinese Centre for Disease Control (China CDC), and the Chinese Academy of Medical Sciences (CAMS), have been involved in health assistance activities, especially under the umbrella of FOCAC and BRI.[122] The Ministry of Science and Technology (MOST), the Ministry of Education (MOE), and the Ministry of Human Resource and Social Security (MHRSS) engage in health-related projects to provide training and facilitate skills transfer.[123] The Ministry of Commerce (MOC) bears the responsibility for financing the construction of health facilities and the provision of medicines. Health cooperation that is part of China's foreign aid is coordinated with CIDCA, which publishes selected information on medical aid on its English-language

111 According to Chinese sources, about 1,200 Chinese workers, including doctors, public health experts, and military medical officers, were deployed to West Africa during the Ebola crisis. See Tang, K. et al. (2017). China's Silk Road and Global Health. *The Lancet* 390(10112), 2595–2601. https://doi.org/10.1016/S0140-6736(17)32898-2

112 Ibid.

113 OECD (2019). *Triangular Co-operation*. https://www.oecd.org/dac/triangular-cooperation/

114 Husain, L., Bloom, G. & McPherson, S. (2020). The China-UK Global Health Support Programme: Looking for New Roles and Partnerships in Changing Times. *Global Health Research and Policy*, 5. https://doi.org/10.1186/s41256-020-00156-1; Wang, X. et al. (2020). China-UK Partnership for Global Health: Practices and Implications of the Global Health Support Programme 2012–2019. *Global Health Research and Policy* 5(1). https://doi.org/10.1186/s41256-020-00134-7

115 UK Department for International Development (2015). Business Case and Summary 202708, September. https://devtracker.dfid.gov.uk/projects/GB-1-202708/documents/

116 Wang et al. (2020). China-UK Partnership for Global Health.

117 Ibid.

118 Ibid.

119 Husain et al. (2020). The China-UK Global Health Support Programme.

120 Husain & Bloom (2020). Understanding China's Growing Involvement in Global Health.

121 Tang et al. (2017). China's Silk Road and Global Health.

122 Fei (2022). Assembling Chinese Health Engagement, 11.

123 Ibid.

website.[124] In African countries, Chinese Economic and Commercial Counsellor (ECC) offices and embassies serve as the focal point for health aid and health cooperation.

At the subnational level, provincial health commissions coordinate the dispatching of medical teams and recruit doctors from provincial hospitals. The pattern of "a province for a country" was re-implemented after the COVID-19 outbreak.[125]

According to the latest data, medical teams from 23 provinces and municipalities were actively working in Africa in 2022. Typically, each province is paired with an African country, though some economically stronger provinces (e.g., Guangdong) have two partner countries. Pairing is also observed in the building of anti-malaria centres in Africa: 17 provinces were identified by NHC to assist in developing laboratories and diagnostic capacities in different African countries.[126]

Logistics of aid distribution is undertaken by the Joint Logistics Support Force (JLSF) of the People's Liberation Army (PLA). China deployed military medical staff abroad for the first time to Sierra Leone during the Ebola crisis.[127]

Funding for health cooperation projects comes mostly through the China Exim Bank, which provides concessional or preferential loans, and the CDB is also involved to a lesser extent, in providing loans at commercial rates.[128] As with other sectors, health projects funded by Chinese policy banks are typically tied to the purchase of Chinese goods and equipment. Chinese companies are involved as contractors, donors, suppliers, and investors of health projects.[129]

Chinese NGOs and businesses had emerged as new donors of goods and equipment prior to the COVID-19 outbreak and have since stepped up their engagement. The Jack Ma Foundation, established by the founder of China's e-commerce giant Alibaba, sent more than 400 tons of medical supplies to African countries between March and October 2020.[130] Chinese companies, both private and SOEs, make targeted donations to African ministries and organisations. In Zimbabwe, the Chinese business community and the Chinese Embassy raised half a million US dollars to upgrade the country's main COVID-19 isolation and treatment centre.[131]

In Ghana, Jiangxi International, a major engineering SOE of transport projects, donated masks to the Ministry of Roads and Highways.[132] In Algeria, China State Construction Engineering Corporation (CSCEC), a large SOE better known for infrastructure construction, donated hundreds of thousands of masks, alongside respirators and other goods.[133] In Ethiopia, Huawei Telecommunications Company donated technology products and personal protective equipment (PPE) to the Ministry of Innovation and Technology.

Chinese businesses have been expanding their trade and investment in the African health sector in the last decade. The value of China–Africa trade for medicine and medical supplies rose from USD 1.31 billion in 2010 to USD 2.93 billion in 2019, with Egypt, South Africa, Nigeria, Kenya, and Algeria being China's top trade partners for this sector.[134] The number of Chinese enterprises engaging in global medical trade also grew from 5,000 in 2010 to 10,000 in 2019, and 69 per cent of them are private businesses. Chinese investment in Africa's medical and pharmaceutical industries has also expanded. Huawei and ZTE made investments in e-health technologies in a number of African countries.[135]

The China Chamber of Commerce for Import and Export of Medicines and Health Products (CCCMHPIE, 中国医药保健品进出口商会), China's national pharmaceutical industry organisation, organises the promotion of Chinese pharmaceutics.[136] The CCCMHPIE organises Chinese pharmaceutical enterprises to participate in local pharmaceutical exhibitions[137] and engages with local pharmaceutical regulatory authorities, medical institutions, industry associations, and relevant enterprises. In 2019, a CCCPHPIE delegation travelled to Angola, Kenya, and Egypt. Furthermore, the CCCPHPIE organises the China-Africa Health International Symposium, special investment forums, and cooperation matching sessions (i.e., in 2019 in Kenya, Tanzania, Egypt, Ethiopia, Nigeria, and Uganda). It also conducts thematic research and publishes an annual report on China-Africa pharmaceutical cooperation. The CCCPHPIE is also involved in Chinese health aid through compiling foreign aid product catalogues, conducting feasibility studies for projects, and assisting in the organisation of foreign aid training courses. Moreover, the CCCPHPIE collaborated with UNAIDS and the

124 "Medical Aid" on CIDCA's English language website: http://en.cidca.gov.cn/medicalaid.html. The translated content is only a small part of the original Chinese content.

125 Ngeow, C. (2020). COVID-19, Belt and Road Initiative and the Health Silk Road: Implications for Southeast Asia, Friedrich-Ebert-Stiftung, October. https://library.fes.de/pdf-files/bueros/indonesien/16537.pdf

126 Fei (2022). Assembling Chinese Health Engagement, 11.

127 Huang, Y. (2017). China's Response to the 2014 Ebola Outbreak in West Africa. *Global Challenges* 1(2), 1600001. https://doi.org/10.1002/gch2.201600001

128 Fei (2022). Assembling Chinese Health Engagement, 9.

129 Ibid., 12.

130 Campbell, J. (2021). Vaccine Diplomacy: China and SinoPharm in Africa. *Council on Foreign Relations*, 6 January. https://www.cfr.org/blog/vaccine-diplomacy-china-and-sinopharm-africa

131 Fei (2022). Assembling Chinese Health Engagement, 15.

132 Xinhua (2020). Chinese Company Donates Face Masks to Support Ghana's COVID-19 Fight. *Xinhuanet*, 20 April. http://www.xinhuanet.com/english/2020-04/20/c_138993317.htm

133 Xinhua (2020). China Sends Medical Aid to Algeria to Help Combat COVID-19. *The State Council of the People's Republic of China,* 28 March. http://english.www.gov.cn/news/internationalexchanges/202003/28/content_WS5e7e9a6fc6d0c201c2cbfab6.html

134 Fei (2022). Assembling Chinese Health Engagement, 12.

135 Gensior, S. (2019). Belt and Digital Health – China's Other Silk Road. *Medium*, 3 June. https://medium.com/@sebastian.gensior/belt-and-digital-health-china-s-other-silk-road-fc4331a6a7a7

136 The section on CCCMHPIE is derived from its 2020 report on China-Africa Pharmaceutical Cooperation: China Chamber of Commerce for Import and Export of Medicines and Health Products (CCCMHPIE, 中国医药保健品进出口商会) (2020). *Report on China-Africa Pharmaceutical Cooperation* (中非医药合作报告), March, 24–25. http://images.mofcom.gov.cn/ml/202005/20200520041237963.pdf

137 Egypt, Kenya, and Nigeria in 2019.

Gates Foundation in the setup of the "China-Africa Pharmaceutical Cooperation Service Platform Database Website (Healthcac.com)". According to a CCCPHPIE report, Heathcac.com helped more than 100 Chinese pharmaceutical companies to launch their products.[138]

Though China's health cooperation with Africa is becoming increasingly more commercial, it is still dominated by health aid and involves primarily dispatching medical teams, building health infrastructure, donating medical supplies, and training of medical personnel.[139]

138 CCCMHPIE (2020). *Report on China-Africa Pharmaceutical Cooperation*, 24–25.

139 Fei (2022). Assembling Chinese Health Engagement, 6.

Table 2
Modes of foreign aid health cooperation

Medical Teams	China has been sending "Foreign Aid Medical Teams" to Africa continuously since the early 1960s. Though the overall responsibility for the Medical Teams programme lies with China's National Health Commission (NHC), the recruitment and dispatching of Medical Teams happens on the provincial level. Typically, each province is paired with an African countries, though some economically stronger provinces (e.g. Guangdong) have two partner countries. According to the White Paper "China and Africa in the New Era: A Partnership of Equals", as of 2021, there were nearly 1,000 Chinese medical workers in 45 African countries, working at 98 medical centres.[1] The estimated annual cost of 30–60 million US-Dollar are carried partly by China and partly by recipients.[2] Typically, the Medical Teams serve a two-year term. They usually consist of doctors specialised in internal medicine, surgery, gynecology, pediatrics and Traditional Chinese Medicine.[3] Mostly, they provide general medical services and technical assistance through training local doctors and nurses.[4] Increasingly, specialised Medical Teams are dispatched to treat certain health conditions (eg cataract, cardiovascular and women's health), control the spread of infectious diseases (eg malaria, Ebola and poliomyelitis), or respond to health emergencies in times of civil conflicts and natural disasters. [5] However, although the medical teams provide on-the-spot help, they contribute little to the building-up of domestic health capacities.[6]
Brightness Action Initiative (Guangmingxing 光明行)	Subsumed under Chinese Medical Teams is the "China-Africa Brightness Action Initiative". In this framework, Chinese eye doctors travel to Africa to preform free cataract surgeries. [7] The initiative was launched in 2010, co-organised by the China Association for Promoting Democracy (CAPD), the National Committee of Blindness Prevention (NCBP), China NGO Network for International Exchanges (CNIE), HNA Group, Anhui Foreign Economic Construction (Group) and Beijing Tongren Hospital, starting with the Southeast African countries Malawi and Zimbabwe. [8] According to Chinese statements, a medical team performs about 1000 surgeries within a week.[9] The programme also builds ophthalmology centres and invites a limited amount of African ophthalmologists to China to study.[10]
Capacity building	China offers scholarships for African students to study medicine in China under the "African Talent Program", launched in 2012.[11] It also facilitates capacity building through research and hospital coperation: It has twinned 10 Chinese hospitals with African hospitals to improve their capacity to fight AIDS, malaria and other major diseases. Chinese scientists are working with African research institutions to conduct joint research on adapting Chinese experience in areas such as malaria, schistosomiasis.
Friendship Hospitals	China has supported the construction of "Friendship Hospitals" in Africa as part of its foreign aid since the 1960s. They are typically handed over "turn-key", equipped with Chinese medical equipment. Mostly, Chinese Medical Teams work in Chinese-donated hospitals and clinics.[12]

1 SCIO (2021). *China and Africa in the New Era.*
2 Lin, S. *et al.* (2016). China's Health Assistance to Africa: Opportunism or Altruism?. *Globalization and Health*, 12(1). https://doi.org/10.1186/s12992-016-0217-1
3 China Daily (2018). A Summary of the Situation of Chinese Medical Team in Foreign Aid: National Health Commission. *China Daily*, 22 October. http://en.cidca.gov.cn/2018-10/22/c_284614.htm.
4 Fei (2022). Assembling Chinese Health Engagement, 8.
5 Ibid.
6 Alcorn, T. (2015). New Orientation for China's Health Assistance to Africa. *The Lancet* 386(10011), 2379–80 (2379). https://doi.org/10.1016/S0140-6736(15)01232-5.
7 Xinhua (2017). Chinese Doctors Bring Light to African Patients, 29 April. http://en.cidca.gov.cn/2017-04/29/c_260059.htm.
8 HNA Group (2010). "2010 China-Africa Brightness Action" Launched in Beijing, 19 November. https://www.prnewswire.com/news-releases/2010-china-africa-brightness-action-launched-in-beijing-109157339.html.
9 Ibid.
10 PRC National Health Commission (2018). Chinese Brightness Action to Provide Free Cataract Surgeries in Chad, 29 September. http://en.nhc.gov.cn/2018-09/29/c_73808.htm.
11 CCCMHPIE (2020). *Report on China-Africa Pharmaceutical Cooperation*, 14–15.
12 Fei (2022). Assembling Chinese Health Engagement, 8.

Source: Author's own compilation based on cited Chinese sources.

4.4 SELECTED PROJECTS AND SECTORS

PHARMACEUTICAL SECTOR

Africa produces only an estimated 6–20 per cent of its pharmaceutical and medical products supply, with the rest being met through imports.[140] The major suppliers for this sector are the EU, China, and India.[141] The African continent itself accounts for only 3 per cent of the global production of drugs.[142] This dependency on imports predisposes the continent to shortages, which, in turn, increases the costs of basic drugs and medical supplies. This is a major obstacle to improved health and wellbeing in Africa, as it limits access for the poor.

Health experts agree that China has the potential to make drugs cheaper on the African continent.[143] The Chinese government's encouragement of Chinese pharmaceutical companies' investment in Africa could help lower drug costs and build local drug and medical supplies manufacturing.[144] In Tanzania, for instance, Chinese imports have reportedly reduced the prices of health commodities by about 40 per cent.[145] A challenge, however, is that Chinese pharmaceuticals have a reputation for being of poor quality in Africa due to a widespread perception that imports from China, as well as India, are the main sources of dangerous counterfeits on the African market for medical products.[146]

Nonetheless, Chinese pharmaceutical trade and investment is growing: According to Chinese customs, the value of China-Africa trade in pharmaceuticals increased from approximately USD 1.31 billion in 2010 to approximately USD 2.931 billion in 2019, which amounts to an increase of 20.17 per cent year-on-year and a more than twofold increase in ten years.[147] The number of Chinese companies engaged in pharmaceutical trade with Africa has risen from more than 5,000 in 2010 to more than 10,000 in 2019.

China's main trading partners are South Africa, Egypt, Nigeria, Kenya, Algeria, Ghana, Morocco, Tanzania, Sudan, and Ethiopia.[148] Within this sector, 90 per cent of the trade is Chinese exports to Africa. Nearly 70 per cent of trade is done by private enterprises. Of Chinese pharmaceutical exports to Africa in 2019, USD 1.596 billion were drug exports, followed by USD 1.173 billion in medical devices, and USD 75 million in traditional Chinese medicine. Chinese imports from Africa were mainly components for Traditional Chinese Medicine, worth USD 52 million.[149] The main exporters are Guilin Pharma, Shanghai-based Disano, Shenzhen-based Mindray, Zhuhai-based United Laboratories, Nanjing-based Farma Sino, Zebo-based Reyoung, medical imaging solutions provider Neusoft Medical, and Chang'an-based NCPC International.

In addition to exports, Chinese companies have also invested in production capacities in Africa to produce for the African market. The first Chinese pharmaceutical company to invest in Africa was Shanghai Pharmaceuticals, which has invested and built factories in Sudan since the 1990s; these factories produce antibiotics and the anti-Malaria drug Artemisinin for the local market and export to other African countries.[150] Other examples include Humanwell Healthcare from Wuhan, which invested in a pharmaceutical company in Bamako, the capital of Mali, in 2013 to produce syrup and intravenous therapy products.[151] In 2016, Tianjin Yorkool opened a mosquito net factory in Uganda's capital Kampala to produce WHO-certified drug-treated mosquito nets.[152] According to Chinese statements, the factory employs 120 local staff. In 2017, the government of Tanzania signed a contract with Neusoft Medical for the construction of a medical equipment factory to manufacture Magnetic Resonance Imaging (MRI) and X-ray machines.[153] In 2018, Chongqing-based Sansheng Pharmaceuticals inaugurated a USD 85 million factory in Ethiopia to produce capsules and tablets for the African market and, eventually, the rest of the world.[154] The company also produced hand sanitiser during the pandemic.[155]

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140 Kamara, J., and Essien, U. (2022) COVID-19 in Africa: Supply Chain Disruptions and the Role of the Africa Continental Free Trade Agreement. *Journal of Global Health* 12, 1. https://doi.org/10.7189/jogh.12.03085

141 Ibid.

142 Adebisi, Y. A. et al. (2022). Revisiting the Issue of Access to Medicines in Africa: Challenges and Recommendations. *Public Health Challenges* 1(2), 4. https://doi.org/10.1002/puh2.9

143 Alcorn (2015). New Orientation for China's Health Assistance, 2379.

144 Ibid., 2380.

145 Zhao, R. (2018). Africa Welcomes Chinese Investments in Pharmaceutical Industry. *China Daily*, 20 August. https://www.chinadaily.com.cn/a/201808/20/WS5b7a7556a310add14f386bb1.html

146 Morgan, P. (2020). Can China Help Build Africa's Nascent Pharmaceutical Sector? *The China Global South Project*, 16 October. https://chinaglobalsouth.com/analysis/can-china-help-build-africas-nascent-pharmaceutical-sector/

147 CCCMHPIE (2020). *Report on China-Africa Pharmaceutical Cooperation*, 6.

148 CCCMHPIE (2022). What Are the Opportunities and Challenges for Chinese Companies to Explore the African Pharmaceutical Market? (中国企业开拓非洲医药市场面临哪些机遇和挑战？), 22 April. https://www.cccmhpie.org.cn/Pub/9813/179413.shtml

149 CCCMHPIE (2020). *Report on China-Africa Pharmaceutical Cooperation*, 6.

150 Fei (2022). Assembling Chinese Health Engagement, 5; Li, S. & Henderson, A. (2022). The Growing Role of Chinese Pharmaceutical Enterprises in the Global Fight Against Malaria. *Bridge Consulting*, 19 August. https://bridgebeijing.com/blogposts/the-growing-role-of-chinese-pharmaceutical-enterprises-in-the-global-fight-against-malaria/

151 The company started operating in 2016. Humanwell Healthcare (人福医药) (2021). Setting Up a Pharmaceutical Factory in Mali (China and Africa Jointly Build the BRI) (在马里稳扎稳打开药厂（中非共建 一带一路）), 10 September. http://www.humanwell.com.cn/detail.aspx?node=news2&id=3877

152 Economic and Commercial Councilor's Office Uganda (驻乌干达使馆经商处) (2016). Chinese Company Invests in Long-Lasting Insecticide-Treated Mosquito Net Factory in Uganda (中资企业在乌投资建设长效驱蚊蚊帐厂, '走出去'公共服务平台). MOFCOM "Going Global" Public Service Platform (商务部"走出去"公共服务平台), 12 April. http://fec.mofcom.gov.cn/article/ywzn/xgzx/guonei/201604/20160401293894.shtml

153 Namkwahe, J. (2017). Tanzania: Govt Enter Pact With Chinese Firm to Build Hospital Equipment Factory. *AllAfrica,* September 18. https://allafrica.com/stories/201709190237.html

154 Xinhua (2018). Chinese Pharmaceutical Giant Starts Production in Ethiopia, *China Daily*, 11 June. http://www.chinadaily.com.cn/a/201806/11/WS5b1dec5ba31001b82571f4e8.html

155 Fitsum Arega (2020). Tweet by @fitsumaregaa. *Twitter*, 27 March. https://twitter.com/fitsumaregaa/status/1243606286530478081

Table 3
Chinese company investment in the African pharmaceutical sector

Name	Headquarters	Country of Investment	Products
Beijing Holley-Cotec 北京华方科泰医药有限公司	Beijing	Tanzania	Antibiotics and Artemisinin
China Overseas Engeneering Group 中国海外工程有限公司	Beijing	Madagascar (local joint venture) Côte d'ivoire (subsidiary Kezhong Pharmaceutical 科特迪瓦科中制药公司	Tablets Tablets
Chongqing Sansheng 重庆三圣	Chongqing	Ethiopia	Capsules and tablets
Fosun Pharma 上海复星	Shanghai	Ghana, Côte d'ivoire, Nigeria, Tanzania, Kenya, Uganda and Malawi	Sales offices
Haiping Medical 湖南麓谷国 际医疗器械产业园 有限公司	Changsha, Hunan province	Ethiopia	Medical industrial parks
Huayao International Medical 华药国际	Shijiazhuang, Hebei province	Kenya	Sales offices
Humanwell Healthcare 人福药业	Wuhan, Hebei province	Mali, Burkina Faso, ethiopia	Syrup and intravenous therapy products
KPC Pharmaceuticals 昆药集团	Kunming, Yunnan province	Tanzania and Kenya	Sales offices
Sanbao Pharmaceutical 三宝药业	Lanzhou, Gansu pronince	Ghana	Infusion products
Shandong Luyin Pharmaceutical 山东绿因药 业有限公司	Linyi, Shandong province	Tanzania	Capsules and tablets
Shanghai Pharmaceuticals 上海医药	Shanghai	Sudan	Antibiotics and Artemisinin
Shenzhen Mindray 深圳迈瑞	Shenzhen, Guangdong province	Egypt, Kenya, and South Africa	Healthcare solutions
Shenzhen Zhonglian 深圳中联	Shenzhen, Guangdong province	Ethiopia (local joint venture)	Hard gelatin capsule shells
Sichuan Guangda Pharmaceuticals 成都中康光 大有限公司	Chengdu, Sichuan province	Nigeria	Antibiotics and Artemisinin
Tianjin Yorkool Technology 天津永阔	Tianjin	Uganda	Mosquito nets
Youcare Pharmaceutical 悦康药业有 限公司	Beijing	Nigeria (international joint venture)	Traditional Chinese Medicine and inhectables

Source: Author's own compilation based on CCCMHPIE (2020). *Report on China-Africa Pharmaceutical Cooperation*, 12–13.

Product registration and international certification challenges

"Although Africa's pharmaceutical industry is backward, its pharmaceutical regulatory system is basically copied from Europe and the US, and the regulatory requirements are much higher than expected. Some countries like Nigeria mandatorily require the use of common technical documents (CTD) to submit drug registration applications, and many countries such as Ghana, Kenya, [and] Nigeria require on-site production verification inspection of factories. The overall trend is that the registration requirements for pharmaceutical products in African countries are gradually increasing, both in terms of time cost and economic cost, with some countries currently taking up to three years or more to register, and currently affected by the epidemic, making registration more difficult. For companies going abroad for the first time, overseas product registration is not only the ticket to develop international markets, but also a major difficulty faced by companies at present."

Excerpt from an April 2022 CCCMHPIE report document[156]

PROMOTION OF TRADITIONAL CHINESE MEDICINE

China has been using health cooperation to promote Traditional Chinese Medicine (TCM) in Africa for nearly two decades. The China–Africa Forum on Traditional Medicine was inaugurated in 2002, followed by the adoption of the Plan of Action for the Cooperation of Traditional Medicine. Chinese medical teams typically also include TCM doctors.[157] For example, in Namibia, a medical team from Zhejiang Province offers acupuncture treatments at the Katutura State Hospital in Windhoek.[158]

The COVID-19 pandemic has enabled the Chinese government to further strengthen the promotion of TCM in Africa.[159] China is looking to increase TCM exports but also sees it as a channel to advance soft power, framing it as a "Chinese wisdom" and a "Chinese solution" to global challenges.[160] In several African countries, Chinese embassies promoted the use of TCM with websites showing a link to a page titled "Fighting Covid-19 the Chinese Way".[161] China has also been increasingly promoting the use of Artemisinin in the fight against malaria after having achieved successful results domestically.[162]

Chinese TCM aligns well with the existing context of widespread traditional (herbal) medicine usage on the African continent. According to Ibrahim Samba, former WHO Regional Director for Africa, traditional medicine is the first and only option for more than 80 per cent of Africans.[163] Several African governments have entered into official agreements with China to support TCM development.[164] In addition to entering into an agreement, Namibia has endorsed TCM under national law.[165] TCM products containing animal parts are openly available for retail throughout Africa.

However, the Environmental Investigation Agency (EIA) warns that a massive expansion of TCM could pose a major threat to endangered animal species, such as leopards, pangolins, and rhinos, which are all potential sources of TCM ingredients.[166] Moreover, the growth of TCM is accompanied by a growing trade in fake medicine.[167]

ANTI-MALARIA-INTERVENTION IN THE COMOROS ISLANDS

China began the implementation of the Fast Elimination of Malaria by Source Eradication (FEMSE) project in the Comoros in 2007. By that time, the Comoros had already undertaken a number of unsuccessful antimalarial projects, providing its residents with items such as long-acting insecticide-treated mosquito nets and indoor residual sprays.[168] The FEMSE project involved mass drug administration of Artequick (a fourth-generation combination of Artemisinin and a small dosage of Primaquine) to all age groups of a defined population (except those with contraindications to the therapy) at the same time regardless of infection status. The goal of the mass drug administration intervention was to eliminate malaria parasites directly from the human population.

156 CCCMHPIE (2022). What Are the Opportunities.

157 Silimina, D. (2021). Introduction of Traditional Chinese Medicine Is the Latest Chapter in the Decades-Long Health Cooperation between China and Africa. *Beijing Review*, 29 October. http://www.bjreview.com/World/202111/t20211104_800262380.html

158 Ibid.

159 EIA (2021). Fast Growth of Traditional Chinese Medicine in Africa is a Direct Ehreat to Endangered Species, *Environmental Investigation Agency*, 11 October. https://eia-international.org/news/fast-growth-of-traditional-chinese-medicine-in-africa-is-a-direct-threat-to-endangered-species/

160 CIDCA (2022). Chinese Wisdom, Solutions Contribute to Global Anti-Malarial Fight. *China International Development Cooperation Agency*, 28 April. http://en.cidca.gov.cn/2022-04/28/c_753705.htm

161 Procopio, M. (2020). China and Africa: The "Power" of Traditional Medicine. *A-id Agenda for International Development*, 25 September. https://www.a-id.org/china-and-africa-the-power-of-traditional-medicine/

162 The Chinese chemist Tu Youyou won the 2015 Nobel Prize for Medicine for her discovery of the antimalarial agent artemisinin thanks to her work with traditional Chinese medicine. See: Global Risk Insights (2017). Under the Radar: Africa is Becoming Traditional Chinese Medicine's Best Customer, 23 April. https://globalriskinsights.com/2017/04/radar-traditional-chinese-medicine-became-one-africas-fastest-growing-industries/

163 Ibid.

164 EIA (2021). Fast Growth of TCM in Africa.

165 Ibid.

166 Ibid.

167 Global Risk Insights (2017). Under the Radar.

168 This case study is based on: Ajari, E.E. (2020) Combatting Malaria in the Comoros Islands: How China Almost Got It Right. *The China Global South Project*, 18 September. https://chinaglobalsouth.com/analysis/combatting-malaria-in-the-comoros-islands-how-china-almost-got-it-right/

A year after the implementation of the FEMSE project, malaria was controlled in Mwali (Mohéli), the smallest of the four major Comoros islands. According to the Comoros Ministry of Health, the incidence and parasite-carrying rate of malaria decreased by 99 per cent, and no one died from malaria in that year (2008). The project reached more than 95 per cent of the Mwali population and about 93 per cent of the population of the island of Ndzwani (Anjouan). As of 2014, an over 50 per cent participation rate has been reported in Ngazidja (Grande Comore) (no recent data is available). However, this rate has likely increased since the project is still ongoing. Seven years after project initiation, Mwali and Ndzwani were declared Malaria-free.

Today, the FEMSE project in the Comoros is widely regarded as China's most successful health project in Africa. Experts believe that total eradication of malaria by 2030, as articulated in the African Union's Agenda 2063, is possible if the improved version of this project is implemented in other African countries. However, the FEMSE model has been rejected by some African countries due to ethical concerns surrounding the exposure of healthy people to drugs. After the completion of the project, a Comoros-China Malaria Control Centre was established on each island by the Guangzhou University of Chinese Medicine and the Comoros National Malaria Control Centre. Initially, the centres were staffed by both the Chinese and local medical personnel, the latter trained to eventually take the baton from the former.

However, despite the success, some of those who have received the drug felt cheated because the Chinese side did not disclose that the drug had not received WHO approval.

CONSTRUCTION OF AFRICA CDC HEADQUARTERS

China is aiding in the construction of the Africa Centres for Disease Control and Prevention (Africa CDC) headquarters. The headquarters is being built by China Civil Engineering Construction Corporation (CCECC)[169], for which China has committed USD 80 million in grant funding.[170] When finished, the building shall include an emergency operation centre, data centre, laboratory, resource centre, briefing rooms, a training centre, conference centre, offices, and expatriate flats, all furnished and equipped by the Chinese government.[171] Construction of Africa CDC's five regional collaborating centres in Egypt, Gabon, Kenya, Nigeria, and Zambia are expected to follow.[172]

The US has protested the construction of the Africa CDC by China due to concerns that the project could be used to spy on "Africa's genomic data".[173] Previously, in 2016, China and the US signed a memorandum of understanding to jointly support the Africa CDC and enhance Africa's public health capacity. However, this collaboration fell apart when Trump decided to cut foreign aid, allowing China, who had already offered to build the headquarters for free, to take a larger role in the project.[174]

HEALTH AND DIGITALISATION

During the COVID-19 pandemic, Chinese tech companies expanded their presence in African digital economies.[175] DJI Enterprise commercial drones were used to enforce curfews, spray disinfectants, and make public announcements in Morocco, Kenya, and Rwanda, among other countries. BGI, a genomics company, sold or donated rapid testing kits, gene-sequencing equipment, and laboratories. Huawei provided thermal scanners for access control, diagnostic systems using cloud computing, and artificial intelligence (AI), and communication platforms for hospitals. Prior to the outbreak, Chinese companies had already played a role in the digitisation of public services and other government functions in Africa. For example, the African Union (AU) launched a Smart Health Monitoring Room with ZTE in 2017. As tech companies in China developed products and services to combat the virus, they saw an opportunity to export or donate their solutions to foreign governments. The pandemic may have given Chinese companies a foothold in Africa's e-health market and opened the door for these companies to further increase their role in the digitalisation of public services through solutions often branded as "smart city projects".

4.5 SECTOR-SPECIFIC RECOMMENDATIONS

Though the diplomatic communication of the Chinese government highlights the growth of China-Africa health cooperation, many Chinese analysts point to the gap between the rhetoric and reality.[176] Despite being a long-standing player in the health care sector on the continent and the increase of China's engagement in the African pharmaceutical sector in the past decade, China's overall role is relatively small compared to the EU's level of involvement. Between

169 Xinhua (2021). China-Aided Africa CDC Headquarters Main Building Marks Structural Completion. Xinhuanet, 27 November. http://www.news.cn/english/2021-11/27/c_1310337402.htm

170 CGTN (2018) China-Africa Ties: China's Efforts to Medicine in Africa, 13 April. https://news.cgtn.com/news/3451444d7a454464776c6d636a4e6e62684a4856/share_p.html

171 Nyabiage, J. (2020). After US Retreat, China Breaks Ground on Africa CDC Headquarters Project. *South China Morning Post*, 16 December. https://www.scmp.com/news/china/diplomacy/article/3114052/after-us-retreat-china-breaks-ground-africa-cdc-headquarters

172 Ibid.

173 Munshi, N. (2020). How Unlocking the Secrets of African DNA Could Change the World. *Financial Times*, 3 May. https://www.ft.com/content/eed0555c-5e2b-11ea-b0ab-339c2307bcd4

174 Nyabiage (2020). After US Retreat, China Breaks Ground on Africa CDC Headquarters Project.

175 For the following section, see: Arcesati, R. (2021). China's Evolving Role in Africa's Digitalisation: From Building Infrastructure to Shaping Ecosystems. *Italian Institute for International Political Studies*, 26 July. https://www.ispionline.it/en/pubblicazione/chinas-evolving-role-africas-digitalisation-building-infrastructure-shaping-ecosystems-31247

176 Zhou, T. & Ma, T. (2022). Enhancing China-Africa Health Cooperation for a Healthier and Safer World: A Multilateral Perspective. *China Quarterly of International Strategic Studies* 08(01), 39–59. https://doi.org/10.1142/S2377740022500014

2017 and 2019, pharmaceuticals from China accounted for only 7.3 per cent of African imports, while pharmaceuticals from the EU made up 43.8 per cent of this type of import to the continent.[177] China is, however, significantly more important to African economies than the EU as an export destination, accounting for 29.6 per cent of exports compared to EU's 8.2 per cent.[178] Overall, however, there is still too little information on the extent and detail of Chinese involvement in the health sector.

– **Get a clearer picture of Chinese health engagement in Africa:** Chinese engagement in the African health sector, particularly efforts to combat HIV-AIDS and Malaria and investments in the African pharmaceutic sector, is to be welcomed in principle. If China can help reduce the costs of pharmaceuticals and medical supplies in Africa, making them more affordable for the impoverished sectors of the population, then its involvement will be beneficial. However, assessing the impact of Chinese health engagement beyond the positive statements of Chinese diplomats is difficult, as the openly accessible information is fragmentary and incomplete. In order to adopt robust and substantive political positions, more studies are needed, preferably ones grounded in on-site research.

– **Understand that "China" is not a monolith:** The Chinese government incentivises provinces, SOEs, and non–state actors to engage in health-related trade and investment activities. However, contrary to what Chinese and African statements might suggest, coordination between different Chinese stakeholders is poor. There is no coherent and coordinated approach between the various government stakeholders involved in health cooperation, such as the Ministry of Foreign Affairs, the Ministry of Commerce, the aid agency CIDCA, the National Health Commission, provincial actors, and Chinese enterprises. Quite often, different players even compete, which can be both beneficial and harmful to the African side.

– **Consider the health sector a potentially worthwhile area for technical dialogue or even triangular cooperation.** Despite rising systemic rivalry in other areas, improving global health remains a goal China shares with Germany and the EU. China's health engagement is to be welcomed when it yields positive outcomes for the local population. However, there are several significant obstacles to achieving this goal, primarily rooted in intercultural differences. Most Chinese actors, including government and research agencies, have little experience carrying out health interventions or collaborations overseas.[179] When constructing hospitals and healthcare facilities, Chinese companies may not consider local conditions and use building materials not suited to the local climate. Chinese medical teams are rarely proficient in local languages, and outreach to local communities is often lacking. Moreover, China has few global health professionals with field experience, and there are limited career paths or incentives for global health work. Chinese health aid is still too focused on building hospital facilities or delivering goods instead of supporting the build-up of public health systems. Some of these issues could be addressed in the context of trilateral cooperation or horizontal dialogue.

– **Acknowledge the significance of Chinese health cooperation in African countries:** Beijing's actions in the initial months of the COVID-19 pandemic represent a notable logistical accomplishment. No other state demonstrated the willingness or capability to provide comparable support to developing nations during this critical time. While the PRC's actions may not have been entirely altruistic, dismissing them is counterproductive. Moreover, Chinese health cooperation has historically played a role in bridging healthcare gaps in Africa. For instance, when the WHO exhibited a leadership vacuum during the Ebola outbreak in West Africa in 2014, Chinese medical teams played an important role as responders – simply because they were already present.

– **Expand German and European health cooperation:** Germany and the EU should continue to support the establishment of medical manufacturing facilities and strengthen African health organisations. Therefore, it should take into account that different partners, namely Least Developed Countries (LDCs) and Middle Income Countries (MICs), require differentiated approaches. Approaches to the latter should leverage the comprehensive range of tools available within the EU toolbox and extend beyond ODA and conventional modes of political and policy discourse, blending charitable and commercial elements.

– **Improve public health diplomacy:** Although the EU is a significantly bigger health player in Africa than China, it has a much lower visibility. China, on the other hand, strategically employs the rhetoric of brotherhood and equality. Despite its investments in global vaccine distribution, Europe has often been perceived as entirely self-interested in many parts of Africa due to its refusal to support patent waivers for the vaccines it manufactured. The EU has provided billions of euros in support of COVAX and expressed willingness to assist in building pharmaceutical manufacturing capacity in Africa; however, for some African leaders, it was "too

177 Africa Growth Initiative at Brookings (2021). Foresight Africa 2021. *Brookings*, 68. https://www.brookings.edu/wp-content/uploads/2021/01/foresightafrica2021_fullreport.pdf. Calculation based on statistics by the United Nations Conference on Trade and Development (UNCTAD).

178 Ibid.

179 Husain & Bloom (2020). Understanding China's Growing Involvement in Global Health. *Globalization and Health*, 16. https://doi.org/10.1186/s12992-020-00569-0

little too late".[180] Furthermore, the EU's adoption of unilateral measures, such as implementing travel bans to South Africa and neighbouring states in response to the emergence of the Omicron variant during the COVID-19 pandemic, further strained bi-regional relations. This state of affairs needs to be acknowledged and actively addressed. Moreover, restoring credibility requires a unified and integrated EU voice that is consistent and coherent.

– **Encourage and demand that China engages with the international community.** There is almost no cooperation between Chinese health actors and the international community, which leads to the loss of important information and the possible duplication of efforts. Germany and the EU should seek out ways to facilitate constructive Chinese engagement with the international community, wherever possible.

180 Fattibene, D., Olivié, I. & Santillán, M. (2022). The Future of the EU as a Global Development Actor. *ETTG | European Think Tanks Group*, July. https://ettg.eu/wp-content/uploads/2022/07/The-future-of-the-EU-as-a-global-development-actor.pdf

5

LABOUR IN CHINESE-FINANCED INFRASTRUCTURE PROJECTS

5.1 CHINA'S ROLE IN AFRICA'S INFRASTRUCTURE DEVELOPMENT

As of 2022, China is responsible for over 30 per cent of major infrastructure projects in Africa.[181] This includes both Chinese-funded projects and projects funded by the World Bank and other multilateral lenders whose tenders were won by Chinese companies. Between 2007 and 2020, China's two state-owned development banks, CDB and China Exim Bank, invested USD 23 billion in African infrastructure. This is more than the other top eight lenders combined, a list which includes the World Bank and European development banks.[182] By comparison, total comparable finance by MDBs averaged only USD 1.4 billion a year from 2016 to 2020.[183] In 2020, about 15 per cent of all finance for large infrastructure projects in Africa came from China.[184]

Several factors account for China's dominant presence in the African infrastructure construction sector.[185] One is that China simply provides much more money than Western development finance institutions for this purpose. Another explanation is tied to the fact that Chinese infrastructure development companies active in Africa are state-owned, pointing to the possible role of corruption and diplomatic wrangling. However, a likely substantial part of the explanation is simply that Chinese construction companies are very competitive due to their considerably lower labour costs. This explains why Chinese contractors increasingly win international World Bank tenders, especially for civil works projects.

181 Cheng, K-C. (2022). China Is Delivering over 30% of Africa's Big Construction Projects. Here's Why. *The Africa Report*, 16 March. https://www.theafricareport.com/183370/china-is-delivering-over-30-of-africas-big-construction-projects-heres-why/

182 Lee & Cardenas Gonzalez (2022). Stuck Near Ten Billion: Public-Private Infrastructure Finance in Sub-Saharan Africa. https://www.cgdev.org/sites/default/files/stuck-near-ten-billion-public-private-infrastructure-finance-sub-saharan-africa.pdf

183 Ibid.

184 Kenny, C. (2022). Why Is China Building So Much in Africa? *Center for Global Development*, 24 February. https://www.cgdev.org/blog/why-china-building-so-much-africa

185 Ibid.

5.2 EMPLOYMENT AND LABOUR CONDITIONS IN CHINESE CONSTRUCTION COMPANIES

Chinese construction companies are now one the major employers in Africa. When Chinese companies build on behalf of the World Bank or other multilateral lenders, they are bound by international standards. When projects are financed by Chinese lenders, China applies the "host country principle", which means there is no obligation to adhere to international standards; companies orient themselves to the host country government's demands. In numerous cases, this has led to poor labour practices in Chinese companies, which has become one of the most contentious issues in China-Africa relations. Some of the issues identified include violations of workers' rights, lack of social security coverage, limited skill transfer, ignorance of health and safety standards, barriers to unionising, and violations of national labour laws.

Many Chinese companies employ lax labour standards when it comes to hiring or firing workers. They do not sign formal employment contracts and pay workers per day or week.[186] By paying daily, companies can avoid paying minimum wage, health care, social security, and overtime pay.[187] The lack of contracts deprives workers of their right to join trade unions and denies them such benefits as protection under minimal wage standards, health care, social security, and overtime pay. Without the mediation and protection that trade unions provide, workers have no other recourse than to go on strike.

Chinese companies' poor employment practices in Africa are a reflection and externalisation of domestic labour practices.[188] Low wages and lack of worker welfare are the shadow of China's bright economic miracle and low labour-costs. In China, lower wages are often justified by the

186 Zhao, Q. (2020). How to Establish Labor Protection Standards for Kenyan Local Workers in Chinese Multinational Corporations. *Washington International Law Journal* 29(2), 455–483 (457). https://digitalcommons.law.uw.edu/cgi/viewcontent.cgi?article=1837&context=wilj

187 Ibid., 457–458.

188 Ofosu, G. & Sarpong, D. (2022). The Evolving Perspectives on the Chinese Labour Regime in Africa. *Economic and Industrial Democracy* 43(4), 1747–1766. https://doi.org/10.1177/0143831X211029382

"dormitory labour regime", namely the provision of accommodation and food at the worksite as a form of "social wage". In Africa, this practice stoked dissatisfaction, as it was perceived as an instrument of control due to nominally lower wages. Low labour costs also come at the expense of occupational health and safety, with Chinese companies not being well-versed in work safety procedures. The Chinese state forbids independent trade unions and does not provide legal or constitutional protection of the right to strike, so Chinese companies never needed to develop competencies vis-a-vis labour concerns or learn how to engage in social dialogue. These internal dynamics, which easily give rise to labour abuse, are important to understanding labour relations in Chinese companies in Africa. Nevertheless, the local labour regimes of the host countries also play a role.

According to the Building and Wood Workers' International (BWI), the global union federation grouping free and democratic unions with members in the building, building materials, wood, forestry, and allied sectors, decent work is the largest issue within Chinese companies[189] mainly due to following prevailing practices:

– **Subcontracting.** Chinese construction companies regularly hire local subcontractors for labour-intensive tasks. According to BWI, about 10 per cent of the work, primarily management, remains with the Chinese company. This way, Chinese companies are also outsourcing their responsibility for workers.

– **Short-term contacts or no contracts.** Most workers do not have permanent contracts. Although the project may be scheduled to run for three years, workers may be offered contracts for three months or even three weeks; it is also common that workers are only employed on a daily or hourly basis. Often, workers don't have contracts at all. With short-term or no contracts, Chinese companies avoid social fees and social responsibilities.

– **Payment below minimum wage.** Even in countries where a minimum wage exists, Chinese companies sometimes pay below the minimum wage.

– **Occupational safety.** According to BWI, Chinese companies often do not comply with occupational safety and health requirements. For example, they provide workers with poor quality one-size-fits-all work clothes and shoes. In Ghana, trade unions went after a Chinese employer in November 2022 for not issuing available personal protection equipment to workers. It is very difficult to hold Chinese companies accountable for occupational safety and health violations. Many countries do not have labour inspectors, or if they do, they lack the resources necessary to enforce labour standards.

189 Interview with a BWI representative.

– **Sexual harassment.** Sexual harassment is prevalent at construction sites. In 2017, 400 Ugandan workers working for China Railway Seventh Group[190] went on strike in response to sexual advances by the company managers, who withheld pay for those who did not comply.[191] In Lesotho, female workers went public with cases of sexual harassment by their Chinese supervisors at the construction company Qingjian Group[192] after local authorities refused to pursue the case.[193] However, many workers do not report sexual harassment for fear of victimisation and job loss.

– **Barriers to unionising.** There have been unfair dismissals of workers who joined unions, with complaints that disciplinary and dismissal procedures were not followed.

– **Language barrier and intercultural conflicts.** According to BWI, when approached by trade unions, Chinese managers may pretend that they don't speak English, even if workers have heard them speaking English on other issues.

Violations of local laws and regulations are not something that the Chinese government condones, per se. On the contrary, investment guidelines of the Chinese Ministry of Commerce urge companies to "abide by local laws and relevant international standards", including on labour rights protection and to "avoid bribery activities".[194] However, these guidelines are voluntary and have little effect when economic interests meet weak rule of law and legal institutions with high levels of corruption.[195] In addition, the sheer distance from Beijing means that there is little possibility for state control over Chinese companies operating abroad. Thus, the voluntary nature of policies may be related to the Chinese state's perception that it has no capacity to enforce them, as well as to an insufficient political willingness to change the status quo.[196]

190 A subsidiary of the SOE China Railway Group Ltd. (中国中铁股份有限公司) headquartered in Zhengzhou, Henan Province.

191 Ugandan Workers Strike Alleging Sexual Harassment by Chinese Builder (2017). Global Construction Review, 4 January. https://www.globalconstructionreview.com/ugandan-workers-st7rike-alleg-7ing-sex7ual/

192 Formerly known as Qingdao Construction Corporation. It was a state-owned enterprise until 2015.

193 Mokhethi, S., Kabi, P. & Ntaote, B. (2022). Chinese Company Doing Road Project in Lesotho Accused of Human Rights Violations – ACRP. *Africa China Reporting Project*, 8 March. https://africachinareporting.com/chinese-company-doing-road-project-in-lesotho-accused-of-human-rights-violations/

194 PRC Ministry of Commerce (2019). Guiding opinions by MOFCOM and 19 other departments on promoting high-quality development of overseas contracting (商务部等19部门关于促进对外承包工程高质量发展的指导意见), 29 August. http://hzs.mofcom.gov.cn/article/zcfb/a/201909/20190902900658.shtml

195 Liu, B. (2021). China's State-Centric Approach to Corporate Social Responsibility Overseas: A Case Study in Africa. *Transnational Environmental Law* 10(1), 57–84. https://doi.org/10.1017/S2047102520000229

196 Shieh, S., Chow, L., Huang, Z. & Yue, J. (2021). Understanding and Mitigating Social Risks to Sustainable Development in China's BRI: Evidence from Nepal and Zambia. *ODI Report*, April. https://odi.org/en/publications/understanding-and-mitigating-social-risks-to-sustainable-development-in-chinas-bri-evidence-from-nepal-and-zambia/

5.3 CHALLENGES TO UNIONISING IN CHINESE COMPANIES

From the 2010s on, BWI started to organise workers employed in Chinese multinational companies (MNCs) and their subcontractors.[197] The first country where a union managed to engage Chinese MNCs was Ghana. In 2011, the BWI affiliate Ghana Construction Union negotiated collective bargaining agreements (CBAs) with China Railway Wuju Corporation[198] and Sinohydro Corporation.[199]

By 2019, BWI affiliates had organised 81,000 workers in Sub-Saharan Africa, signed 62 CBAs, and organised 66 strikes.[200] At this time, 22 unions were active in 18 countries; a total of 217 companies were organised, including small and big Chinese MNCs and private Chinese companies.

Despite the successes of the BWI on this front, working with Chinese companies remains a major challenge for trade unions. Most Chinese companies active in African infrastructure development are SOEs, meaning that their operations are supported by the Chinese government and that they have direct access to local government. What plays a bigger role, though, is that Chinese companies have little experience with independent trade unionism. Typically, when working with MNCs, the BWI can draw on the support and experience of its affiliate in the home country of the MNC.[201] This is not the case with China, as there are no international framework agreements. Additionally, organising is made difficult by the fact that workers are often employed on short-term contracts, making member retention nearly impossible and making organising in Chinese MNCs a "monthly activity".[202] This makes it difficult for unions to address work deficits prevalent in Chinese MNCs.

Chinese managers who have little experience in dealing with trade unions are often surprised that workers turn to unions or go on strike over what they perceive as seemingly trivial issues, such as food.[203] Many try to avoid dealing with trade unions by not allowing employees to join unions.[204] Moreover, workers who are paid daily and don't have formal contracts cannot join trade unions, as unions do not accept casual workers as members.[205] Yet, preventing workers from unionising produces the opposite effect from what Chinese companies want to achieve: Unprotected by unions, workers resort to strikes as the only means to improve working conditions and increase wages.[206]

Trade unions do exist in China, but their function is different from most other countries. A product of Chinese Communist history, Chinese unions are formed top-to-bottom. The only legally allowed trade union organisation in China is the All-China Federation of Trade Unions (ACFTU); all unions in China are required to register with it. Following the Soviet model, the ACFTU functions as a "transmission belt" between the CCP and the workers. It would not be classified as a trade union elsewhere but is instead a part of the party bureaucracy that represents the will of the Chinese central leadership, not the workers' aspiration. It is, moreover, an instrument to curb workers' dissent. Nevertheless, after the CCP launched a trade union reform initiative[207] in 2015 to address the weak reputation of the ACFTU among Chinese workers, and local trade unions in China have made new efforts to help workers defend their individual rights. However, most unions have little understanding of collective bargaining and view serving the party as their core task.[208]

China has not ratified International Labour Organisation (ILO) conventions 87 (Freedom of Association and Protection of the Right to Organise Convention, 1948) and 98 (Right to Organise and Collective Bargaining Convention, 1949). It ratified the International Covenant on Economic, Social and Cultural Rights (ICESCR) in 1997 with reservations on the provision on freedom of association. Freedom of association is written into the Chinese Constitution, with the clause on the right to strike taken away by amendment in 1982. However, the CCP and the ACFTU have always made it clear that China will walk its own way of Socialism with Chinese characteristics and not copy "western-styled democracy and trade unionism."[209]

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197 BWI/FES TUCC (2016). *Chinese MNCs in Africa. Development Burden on Labour: Political, Socio-Economic and Cultural Perspectives*. https://tucc.fes.de/fileadmin/user_upload/documents/Chinese-MNCs-Doc-2016_V3_AUG_PARKTONIAN_ENGLISH.pdf

198 Also translated as the "China Railway No. 5 Engineering Group", this is a subsidiary of the SOE China Railway Group Ltd. (中国中铁股份有限公司) headquartered in Guiyang.

199 SOE, headquartered in Beijing.

200 Interview with a BWI representative.

201 BWI/FES TUCC (2016). *Chinese MNCs in Africa*, 14.

202 Teuteberg, S. (2019). Chinese Multinational Corporations in Africa: What's the Trade Union Response? *LRS Labour Research Service*, 7 August. https://www.lrs.org.za/2019/08/07/chinese-multinational-corporations-in-africa-whats-the-trade-union-response/

203 Wissenbach, U. & Wang, Y. (2017). African Politics Meets Chinese Engineers: The Chinese-Built Standard Gauge Railway Project in Kenya and East Africa. *SAIS-CARI Working Paper*. https://static1.squarespace.com/static/5652847de4b033f56d2bdc29/t/594d739f3e00bed37482d4fe/1498248096443/SGR+v4.pdf

204 Isaksson, A.-S. & Kotsadam, A. (2018). Racing to the Bottom? Chinese Development Projects and Trade Union Involvement in Africa. *World Development* 106, 284–98. https://doi.org/10.1016/j.worlddev.2018.02.003

205 Otieno, O.G. (2023). Assessment Of The State Of Trade Unions in Kenya. Africa Labour, Research and Education Institute, Lome. https://alrei.org/education/assessment-of-the-state-of-trade-unions-in-kenya-by-owidhi-george-otieno

206 Zhao (2020). How to Establish Labor Protection Standards for Kenyan Local Workers in Chinese MNCs.

207 The reform's objectives were to "eliminat[e] four impediments" to the ACFTU's work (regimentation, bureaucratisation, elitism, and frivolousness) and "increase[e] three positive attributes" of the organisation (political consciousness, progressiveness, and popular legitimacy).

208 Holding China's Trade Unions to Account. (2020). *China Labour Bulletin*, 17 February. https://clb.org.hk/node/15104

209 BWI/FES TUCC (2017). *Chinese MNCs in Africa*, 6. https://tucc.fes.de/fileadmin/user_upload/documents/Chinese_MNCs_Doc_2017_OCT_DURBAN_ENGLISH_FES.pdf

BWI views the labour issues in Chinese MNCs not as African issues but as global ones. In 2016, it established the Africa Network on Chinese MNCs, supported by the Friedrich Ebert Foundation Trade Union Competence Centre. For BWI, the biggest problem is that trade unions are usually excluded from bilateral negotiations.

> *When governments go to China to sign MoUs, you discover that the unions are not carried along. You don't know what they sign, you don't know what's in the agreement. Then companies move into the country and start operating.*
>
> Tony Egbule, Construction and Civil Engineering Senior Staff Association Nigeria

5.4 THE CASES OF NAMIBIA AND GHANA

ORGANISING CHINESE MNCs IN NAMIBIA – IT REQUIRES PATIENCE AND PERSISTENCE

> *We need to know what the working conditions are like in the mines because we too are dependent on critical raw materials.*
>
> European NGO representative in Namibia

The relationship between Namibia and China dates back to the Mao era, when China supported the now-ruling South West Africa People's Organisation (SWAPO) during the liberation struggle for Namibia's independence.[210] It is this history that Namibian leaders refer to when they talk of the "all-weather relationship" between Namibia and China.[211] Today, China is Namibia's second-largest trading partner on average, accounting for about one-fifth of Namibia's exports.[212] Investment from China has mostly been concentrated in the extractive and construction sectors.[213] This is reflected in Namibian exports to China, which are dominated by minerals and commodities (mainly uranium), though Namibia also exports fish.[214] More recently, Namibia has emerged as a key lithium producer for the Chinese market.[215]

Chinese investment in construction and mining creates jobs and contributes to economic growth. At the same time, Chinese employers have a very negative image in Namibia: They are perceived as racist, not abiding by Namibian labour laws, creating low-quality jobs, and taking away local jobs in the mining and construction sectors, as they sometimes bring in Chinese workers.[216] Data on the subject is scarce, but the frequent clashes between workers and Chinese managers and tensions between Chinese companies and trade unions suggest that poor labour conditions are widespread. Although Namibia has worker-friendly labour laws, labour activists complain that it is not enforced against Chinese companies.

The issue has been taken up by the All People's Party Secretary General Vinsent Kanyetu, who in, September 2021, urged the Ministry of Labour to ensure that Chinese business people abide by Namibian labour laws.[217] He alleged that Chinese companies fired workers whenever they demanded their rights and benefits, while their local subcontractors were paying their workers below the minimum wage and were not giving them proper employment contracts.

There are two umbrella unions in Namibia. The largest trade union federation, the National Union of Namibian Workers (NUNW), established in 1970, is affiliated with the ruling party SWAPO and represents 60,000–70,000 workers. The other is the Trade Union Congress of Namibia (TUCNA). It was formed in 2002 through a merger between the Namibia Federation of Trade Unions (NAFTU) and the Namibia People's Social Movement (NPSM), who rejected their ties to SWAPO. The unions that primarily represent workers in mining and construction are the Metal and Allied Namibian Workers Union (MANWU) and the Mine Workers Union of Namibia (MUN).[218] The independent Namibian Revolutionary Transport Union (NARETU) has gained increasing attention in the mining sector since 2022.

It is difficult to approach Chinese employers in Namibia, not the least due to their often-strong linkages with the government. However, strikes can lead to successful negotiations. In May 2020, MANWU negotiated an agreement with Shanxi Construction Investment regarding strict compliance with occupational health and safety standards and wage laws. The agreement was preceded by a strike organised by MANWU to protest the mistreatment of its members by the company. MANWU discovered that the company was depriving its workers of personal protective equipment (PPEs), putting them at risk of exposure to COVID-19.[219] The company was also not paying its workers based on the lawful minimum wage. The union said that the workers were paid

210 Remmert, D. & Rakkel, A. (2019). Risks and Rewards. Making Sense of Namibia-China Relations. *Institute for Public Policy Research/Hanns Seidel Foundation*, 5 October. https://ippr.org.na/wp-content/uploads/2019/10/IPPR_HSF_CHINANAM_WEB.pdf

211 Melber, H. (2018). Looking East/Going South: The Namibian-Chinese 'All-Weather Friendship'. *Vienna Journal of African Studies* 18(35), 25–50 (26). https://doi.org/10.25365/PHAIDRA.260_02

212 Interview with an NGO representative from Namibia.

213 Remmert & Rakkel (2019). Risks and Rewards. Making Sense of Namibia-China Relations, 10.

214 Namibia: Road Workers Ordered to Stop Striking. (2022). *The Namibian*, 24 May. https://allafrica.com/stories/202205240297.html. Namibia mainly imports capital, consumer, and intermediate goods, as well as clothing and textiles.

215 Xinhua (2022). Namibia Set to Export 50,000 Tonnes of Lithium Ore to China. *News Ghana*, 24 September. https://newsghana.com.gh/namibia-set-to-export-50000-tonnes-of-lithium-ore-to-china/.

216 Interviews with a European NGO representative and a Namibian unionist.

217 Muyamba, J. (2021). Chinese Must Respect Us. *New Era Live*, 13 September. https://neweralive.na/posts/app-chinese-must-respect-us

218 The Friedrich Ebert Foundation Trade Union Competence Center in Namibia cooperates with TUCNA, MANWU, and MUNW.

219 BWI (2020). Namibian Union Binds Company to Agreement on Workers' Safety and Wages. *BWI – Building & Wood Workers' International*, 21 May. https://www.bwint.org/cms/priorities-10/rights-34/youth-41/news-42/namibian-union-binds-company-to-agreement-on-workers-safety-and-wages-1849

USD 2.70 per day, which is well below the minimum daily wage of USD 7.32. There were also cases of unfair dismissals and the absence of safety representatives and officers at project sites.

When the head of the Namibian police requested regional policy commanders tighten security around Chinese nationals and their businesses in August 2021, MANWU mobilised its workers working for Chinese companies to protect themselves at their workplaces.[220] It feared that, given the high number of labour cases of violence and harassment at Chinese workplaces, the directive would be used by Chinese employers against local workers. Before mobilising workers, MANWU unsuccessfully tried to raise the issue of violence and harassment at the workplace with the Chinese Embassy.

In mining, too, workers face systematic victimisation from their employers and are usually too scared to step forward with their grievances for fear of further victimisation and even loss of employment, according to MUN.[221] In August 2022, MUN and the political movement Affirmative Repositioning (AR) accused Chinese-owned Xinfeng Investments[222] of poor labour conditions. The company allegedly did not provide adequate accommodation for workers: Some had to sleep two to a bed, others had to sleep on the floor. Female workers complained that they were made to live and sleep in close proximity to their male colleagues. The MUN and AR were not cooperating with one another. In fact, AR accused MUN of being too weak, as MUN was fighting with the mine to have the union recognised as the sole bargaining unit for the workers.[223] Similar accusations have been made by the Namibian Revolutionary Transport Union (NARETU), an independent trade union that has gained increasing attention in the mining sector since last year.

While the Chinese Embassy in Namibia did not respond to the unions' attempts to raise the issue of workplace violence and harassment, the widespread coverage of Chinese labour law violations in the Namibian media apparently prompted the Embassy to raise the issue with the Chinese community. In May 2022, the Embassy published a post on its page on the Chinese microblogging service WeChat urging Chinese citizens in Namibia "to abide by the law and to respect local customs".[224] In the post, the Embassy listed eight examples of transgressions committed by Chinese nationals in Namibia – including the use of firearms and trying to bribe the police. The post also addressed strikes, stating that "if a strike [is] carried out in accordance with the law, the company management must express the utmost goodwill, which means not to threaten or to coerce workers, and not imposing disciplinary actions against workers on legal strike".[225]

The Embassy's post was published only in Chinese and not in English and was thus clearly intended only for the Chinese community only. The wording, moreover, suggested that the Embassy's primary concern was not the violation of workers' rights; rather, it was worried about the poor publicity garnered through media reporting and the unions speaking out on clashes between Chinese managers and Namibian workers. In the words of the Embassy, these disagreements "harmed the image of the Chinese people"; hence, Chinese companies should avoid creating grounds for the Namibian public to criticise China.[226]

Unionising in Chinese companies in Namibia

"We always struggle with Chinese companies to get recognition. When we get a majority of workers in a Chinese company behind us and apply for recognition of the union as an exclusive bargaining agent, they do what they can to delay the recognition process. According to the labour provisions, the employer can take 30 days to respond to our request. In these 30 days, we may be waiting for nothing. After that, we can refer the matter to the Office of the Labour Commission. Then, it may take 3 months till we get an appointment with the Commission and 2 more months for mediation. Thus, altogether it can take a union 6 months before it can enter a Chinese company. If then the company doesn't agree to our request, we again have to refer the matter to the Office of the Labour Commission, and then it may take again up go 6 months till we receive a Certificate of Unresolved Dispute. Only then are the workers legally allowed to go on strike – and this is when the Chinese managers start to move."

Interview with a Namibian unionist

220 Union Mobilises Members to Protect Themselves at Chinese Workplaces. (2021). *The Namibian*, 1 August. https://namibian.com.na/union-mobilises-members-to-protect-themselves-at-chinese-workplaces/

221 Mine Workers Claim to Suffer Systematic Victimization. (2015) *Namibia Economist*, 26 June. https://economist.com.na/12205/headlines/mine-workers-claim-to-suffer-systematic-victimization/

222 Xinfeng Investments (Pty) Ltd is a Namibian subsidiary company of Tangshan Xinfeng Lithium Industry Co. (唐山鑫丰锂业有限公司).

223 Chinese Mine Caught Between AR and MUN. (2022) *Eagle FM*, 29 August. https://www.eaglefm.com.na/news/chinese-mine-caught-between-ar-and-mun-vice/

224 Olander, E. (2022). Don't Shoot Your Employees and Don't Pay Bribes Are Among the Chinese Embassy in Namibia's Recommendations on How Expatriates Should Behave Better. *The China Global South Project*, 5 April. https://chinaglobalsouth.com/2022/05/04/dont-shoot-your-employees-and-dont-pay-bribes-are-among-the-chinese-embassy-in-namibias-recommendations-on-how-expatriates-should-behave-better/; Chinese Embassy in Namibia (2022). Namibia: Chinese Embassy Releases Advisory Highlighting Common Consular Protection Cases with Recommendations for Chinese Companies Involved in Labour Disputes (纳米比亚：中国使馆发布常见领保案例 就劳资纠纷提出建议 呼吁当地侨胞企业遵纪守法). *Business & Human Rights Resource Centre*, 5 July. https://www.business-humanrights.org/zh-hans/最新消息/纳米比亚中国使馆发布常见领保案例-就劳资纠纷提出建议-呼吁当地侨胞企业遵纪守法.

225 Chinese Embassy in Namibia (2022). Namibia: Chinese Embassy Releases Advisory.

226 Ibid.

ENGAGING THE EMBASSY CAN WORK – THE CASE OF GHANA

Ghana is the first country where a union managed to engage with Chinese MNCs. The BWI affiliate Ghana Construction Union negotiated collective bargaining agreements (CBAs) with China Railway Wuju Corporation[227] and Sinohydro Corporation[228] regarding the violations of workers' rights. Initially, the companies refused to negotiate with the union. Looking for a solution, the union approached the Chinese embassy and the government ministry responsible for infrastructure projects with their grievances. It turned out that the Chinese embassy was not aware of the issues between the African workers and the Chinese companies and brought the companies to the negotiating table. In 2011, a CBA was signed.

Compliance issues related to the lack of a strong institutional framework for governing construction activities and the poor enforcement of health and safety policies and procedures in Ghana remain a concern.[229] Yet, according to BWI, Chinese companies have been responsive to pressure and strikes.

How is it that the Ghana Construction Union was successful in engaging the Chinese embassy? The reason is that embassies themselves are often frustrated with the conduct of Chinese companies. Theoretically, the oversight over all Chinese foreign investment, loans, and foreign aid activities lies with the Economic and Commercial Councillor's Office (ECCO), which is the representative of the Ministry of Commerce (see 3.2). Although ECCOs are part of the embassy, they are politically a separate unit, often housed in a separate building, and report to the Ministry of Commerce. ECCOs are typically understaffed and not necessarily informed about problems with Chinese companies. Sometimes, rather than acting as an oversight institution, they see themselves as the representative of Chinese economic interests. If and when they are made aware of an issue, that information is often not shared with the embassy, which, as a representative of the Ministry of Foreign Affairs, is seen as a bureaucratic competitor. In the worst of cases, the embassies may learn of clashes between Chinese companies and workers through the press.

Embassies, thus, can be unlikely allies to workers, as they are concerned with China's reputation. Soon after China's new ambassador to Uganda, Zhang Lizhong, arrived in 2021, he conducted a site inspection at the Entebbe International Airport, which was being expanded by the China Communications Construction Company (CCCC). The visit itself was an unremarkable public diplomacy event. But Zhang's subsequent tweet, in which he "encouraged CCCC to implement the project earnestly **while taking good care of the safety and health of the workers**", was noteworthy.[230]

For Chinese SOEs, it is in their interest to comply when the embassy gets involved. The SOEs are under the control of the State Assets Supervision and Administration Commission (SASAC); their CEOs are party cadres and thus subject to the control of the CCP's Central Disciplinary Commission. By causing damage to China's reputation, Chinese SOE managers subsequently cause damage to their careers and to the careers of their superiors.

5.5 SECTOR-SPECIFIC RECOMMENDATIONS

> *If you go to the construction site, you have to turn the reasoning around: you have to make it clear to the Chinese representatives that you can help them. We found out that Chinese engineers didn't speak English, they didn't like to be in Africa, they didn't live very well, they had no job at home. They thought, it's good to have trade unions because that way they could better understand what the African workers wanted – and African workers wanted different things than Chinese workers.*
> (European NGO Representative in Kenya)

- **Support and strengthen African trade unions:** To work towards the improvement of labour conditions in Chinese companies, Germany and the EU should support the work undertaken by African trade unions, in particular those under the BWI umbrella. This includes supporting the BWI's agenda of:
  - Making Chinese companies understand that **trade unions should not be seen as enemies but as partners**. Strikes affect the timeline of a project. Host country governments, on the other hand, put the blame for the delays on Chinese companies.
  - **Targeting African and Chinese workers.** The situation of Chinese workers in Chinese construction companies is not much better. The majority of construction workers are seasonal, contractual, and temporary. Many of them do not have social security, earn low wages, and are exposed to unsafe and unhealthy working conditions. This offers a potential entrance point for solidarity and collective action. Though language will be a barrier, it can be overcome.
  - **Leveraging Chinese laws and regulations.** Foreign investment and overseas contracting regulations urge Chinese companies to abide by local laws, respect the local population, and uphold so-

227 Also translated as "China Railway No. 5 Engineering Group", this is a subsidiary of the SOE China Railway Group Ltd. (中国中铁股份有限公司) headquartered in Guiyang.

228 SOE, headquartered in Beijing.

229 Osei-Asibey, D., Ayarkwa, J., Acheampong, A., Adinyira, E. & Amoah, P. (2021). Stakeholders' Compliance with Existing Construction Health and Safety Related Laws and Regulations in Ghana. *Journal of Building Construction and Planning Research* 9(2), 138–159. https://doi.org/10.4236/jbcpr.2021.92010

230 Zhang, L. (2021), Tweet by @PRC_Amb_Uganda. *Twitter,* 31 July. https://twitter.com/PRC_Amb_Uganda/status/1421466013560938499.

cial and environmental responsibility. Protest and the reputational damage that flows from it are an incentive for Chinese government stakeholders to pressure Chinese companies; hence, involving embassies can help.

  - **Leveraging China's UN commitments.** The United Nations Guiding Principles on Business and Human Rights, though not binding, can be an important tool to pressure companies to respect human rights regardless of whether national law requires them to do so. Indirect pressure may be put on Chinese MNCs through their business partners.

  - **Pressuring African policymakers to take responsibility** for protecting their workers' – and thus their own societies' – best interests. Policymakers must ensure that contracts signed with foreign investors include provisions to safeguard the environment and health of African workers.

  - **Push for a place at the negotiation table.** Unions are currently excluded from negotiations.

  - **Regularly educating employees** about their rights and obligations. These capacity-building interventions must be guided by law and be part of ongoing staff development that is not limited to the orientation of new staff members.

- **Engage Chinese industry associations.** In addition to working bilaterally with African unions, Germany and the EU should also engage with Chinese industry associations. The German Agency for International Cooperation (GIZ) has worked successfully with Chinese industry associations in other sectors, i.e. sustainability in the textile industry.[231] In this case in particular, cooperation with trade unions was desired by the Chinese partner, as it was recognised that strikes are costly for companies. China industry associations have recognised that when 'going global', Chinese companies face many issues that they do not have to face at home, such as dealing with trade unions or local civil society.

- **Build on trust from past bilateral cooperation.** Notably, Beijing has repeatedly highlighted in the past that Chinese companies overseas do not understand their host countries well enough and, therefore, should work with European partners. There exists a certain openness and trust in China towards trilateral cooperation, which stems from the long-standing history of bilateral development cooperation projects.[232]

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231 Lang, B. and Rudyak, M. (2022). Cooperation with Chinese Actors on Anti-Corruption: Environmental Governance as a Pilot Area'. *U4 Issue*, no. 1. U4 Anti-Corruption Resource Centre. Chr. Michelsen Institute. https://www.u4.no/publications/cooperation-with-chinese-actors-on-anti-corruption-environmental-governance-as-a-pilot-area#part-2-pathways-to-cooperation

232 Ibid.

6

SAFE AND SMART CITIES

6.1 CHINESE DIGITAL TECHNOLOGY COMPANIES IN AFRICA

> *Chinese firms such as Huawei Technologies, ZTE, and China Telecom have been instrumental in building and upgrading telecoms infrastructure, from internet backbone networks to last-mile solutions. Their infrastructure investments and affordable yet effective equipment and products have enabled Africa's mobile telecoms revolution.* (Motolani Agbebi, 2022)

The presence of Chinese digital technology companies on the African continent is often linked to the BRI and the Digital Silk Road (DSR). However, China's engagement predates the DSR by decades. The advance of Chinese firms began after 1999 when Huawei constructed a cellular network in Kenya. Ethiopia followed one year later. [233] This was part of China's "going global" policy, launched to access new markets and to create demand for Chinese supplies. In Africa, this push coincided with a telecommunications revolution, when many African countries began to liberalise their telecommunications sectors and upgrade their infrastructure.[234] After Xi Jinping launched the BRI, many older projects were simply rebranded to be a part of the DSR.[235] Chinese digital exports today are numerous, comprising, but not limited to: Telecom network infrastructures; surveillance; smart city infrastructures; data centres; digital partnerships with higher education institutions; R&D and innovation labs; and capacity development.

Chinese telecommunication giants Huawei and ZTE have built nearly 80 per cent of Africa's third-generation (3G) network infrastructure, while Huawei has built 70 per cent of all fourth-generation (4G) networks and is competing to build all future 5G networks in Africa.[236] Shenzhen-based mobile-phone maker Transsion Holdings controls 64 per cent of Africa's feature phone market and more than 40 per cent of its smartphone market.[237]

Huawei is the biggest Chinese player in Africa's digitalisation. It has equipped the majority of the communication infrastructure at the African Union's headquarters in Addis Ababa[238] and is advising Kenya on its information and communication technology masterplan.[239] As of 2021, it was involved in nearly half of the 266 Chinese technological initiatives across the continent[240], with 23 projects for e-government and cloud services.[241] Huawei has outpaced Western companies like AWS, Azure, and Google Cloud in the provision of data centres for African governments. Amongst other projects, it's building data centres for the governments of Senegal, Cameroon, Zimbabwe, and Malawi.[242]

6.2 CHINESE SMART CITY INITIATIVES

Smart cities are broadly understood as cities that seek to address public issues by applying solutions grounded in information and communication technology (ICT).[243] Domestically, China identified smart city development as a national pri-

233 Hillman, J. E. (2021) The Digital Silk Road: China's Quest to Wire the World and Win the Future. New York: Harper Business, 71.

234 Agbebi, M. (2022). China's Digital Silk Road and Africa's Technological Future. *Council on Foreign Relations*, 1 February, 1–2. https://www.cfr.org/sites/default/files/pdf/Chinas%20Digital%20Silk%20Road%20and%20Africas%20Technological%20Future_FINAL.pdf

235 Ghiasy, R. & Krishnamurthy, R. (2020). China's Digital Silk Road: Strategic Implications for the EU and India. *Leiden Asia Centre, Institute of Peace and Conflict Studies. Special Report*, 208. http://ipcs.org/issue_briefs/issue_brief_pdf/sr208_august2020_china%E2%80%99s%20digital%20silk%20road-strategic%20implications%20for%20the%20eu%20and%20india_final.pdf

236 Gadzala Tirziu, A. (2021). Partnering for Africa's Digital Future: Opportunities for the United States, South Korea, and India. *Issue Brief*, April, 1. https://www.atlanticcouncil.org/wp-content/uploads/2021/04/Partnering-for-Africas-Digital-Future-April-2021.pdf

237 Ibid.

238 Ibid.

239 Huawei (2019). Seeds for the Future: Kenya. https://web.archive.org/web/20191210073753/

240 Nkwanyana, K. (2021). China's AI Deployment in Africa Poses Risks to Security and Sovereignty. *ASPI. The Strategist*, 5 May. https://www.aspistrategist.org.au/chinas-ai-deployment-in-africa-poses-risks-to-security-and-sovereignty/

241 Hillman, J. E. & McCalpin, M. (2021). Huawei's Global Cloud Strategy. *Reconnecting Asia*, 17 May. https://reconasia.csis.org/huawei-global-cloud-strategy/

242 Noone, G. (2022). How Huawei Is Winning over the Global South. *Tech Monitor*, 22 December. https://techmonitor.ai/future-of-telecoms/why-huawei-is-winning-over-the-global-south; Yusuf, M. (2021). China's Reach Into Africa's Digital Sector Worries Experts. *VOA*, 22 October. https://www.voanews.com/a/china-reach-into-africa-digital-sector-worries-experts/6281543.html

243 'European Commission. (n. d.). Smart Cities. https://ec.europa.eu/info/eu-regional-and-urban-development/topics/cities-and-urban-development/city-initiatives/smart-cities_en

ority in 2012, subsequently testing them in pilot and experimental projects in Wuhan, Shenzhen, Tianjin and Xian, among others.[244] As of 2020, China has been involved in more than 900 smart city projects.[245]

Although smart city pilots include issues like pollution and waste management or smart transportation, the focus in most domestic smart city initiatives is on security, i.e., traffic accidents, firefighting, crime prevention, and the overall preservation of "social stability".[246] Its core element is an integrated system of surveillance cameras equipped with facial-recognition technology. It is for this reason that the Chinese term for smart city was initially "safe city" (平安城市).[247] While the term "smart city" (智慧城市) has become more widespread, the Chinese government's official definition is still dominated by "safety" and "security" dimensions, though often combining both terms as "safe and smart city" (平安智慧城市).

This surveillance-oriented approach to smart city development sharply contrasts with how smart city projects are understood in Europe, where the aim is to use digitalisation to make cities more sustainable, community-oriented, and liveable. Facial recognition, in particular, is highly controversial, both in terms of individual privacy and regarding the risk of extending police surveillance powers.

HUAWEI'S "SAFE CITY" INITIATIVE

With "Safe City", Huawei offers an integrated smart city solution, which the company itself promotes with the slogan "Nowhere to hide: Building safe cities with technology enablers and AI".[248] "Safe City" includes components such as command centres, CCTV cameras, intelligent video surveillance, facial and license plate recognition technology, crowd monitoring, situational awareness detection, noise monitoring or detection, abandoned object detection, and social media monitoring.[249] Huawei claims in "Safe City" promotional materials that "Safe Cities" experience a reduction in violent crime, an increase in their case clearance rate, a reduction in emergency response, and an increase in "citizen satisfaction".[250] Such claims, however, cannot be verified or even contradict the publicly available data.[251]

Technological side of Huawei's "Safe City"[252]

- Huawei's comprehensive Safe City solution consists of six subsystems and adopts the design concept of 'platform + ecosystem.'
- The unified command centre consists of a Command-and-Control Centre (CCC), a Traffic Monitoring Centre (TMC), and seven Sub-Command Centre (SCCs); Integrated Computer-Aided Dispatch (CAD), Integrated Communication Platform (ICP), and Internet Protocol Contact Centre (IPCC) solutions; supports various communication modes such as voice, video, and data; and provides the customer with 150 IP phones. The command centre displays various types of information in a visualised manner, applying unified resource scheduling and improving collaboration between departments.
- Emergency communications: 45 base stations, 4,500 mobile terminals, and 500 eLTE onboard and desktop terminals send on-site video and images to the command centre in real time, achieving visualised dispatching and timely responses.
- Intelligent Video Surveillance (IVS): 4,000 HD cameras (3,000 box cameras and 1,000 dome cameras), 2,000 sites, and video storage for 30 days. ISV applications can apply in-depth interconnection and optimisation with Huawei's video cloud platform to enable accelerated launch and zero-risk delivery.
- Intelligent road surveillance: 75 intelligent checkpoints, 300 ANPR checkpoints, and 150 traffic cameras provide functions such as traffic data collection and video recording.
- IT devices and data centres: Providing state-of-the-art cloud infrastructures, including E9000 converged architecture blade servers, OceanStor 2800 video cloud converged storage systems, and Dorado V3 all-flash storage. Compared with traditional appliance solutions, Huawei's Smart City solution saves 40 per cent of equipment room space. In addition, Huawei's Bare Metal Service (BMS) provides the customer with the ultimate physical server performance as well as the same convenient experience as Virtual Machine (VM) provisioning. In this way, services can be quickly migrated to the cloud without changes. Huawei also provides the eSight Safe City and data centre converged management solutions to simplify Safe City and data centre O&M, help O&M personnel rectify system faults, and ensure stable Safe City monitoring.

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244 Ekman, A. (2019). *China's Smart Cities: The New Geopolitical Battleground*. Institut français des relations internationals, 9. https://www.ifri.org/sites/default/files/atoms/files/ekman_smart_cities_battleground.pdf

245 Slotta, D. (2021). Smart City in China, *Statista*, 25 November. https://www.statista.com/topics/5794/smart-city-in-china/

246 Ekman (2019). *China's Smart Cities*, 9.

247 What Is the Relationship between "Smart Cities" and "Safe Cities"? ("智慧城市"与"平安城市"是何关系？) (2016). SEU Intel Syst. (东方智能), 29 December. http://dong-zhi.com/Detail.aspx?id=169

248 Cao, Z. (2016). Nowhere to hide: Building safe cities with technology enablers and AI – Huawei Publications, Huawei, July. https://www.huawei.com/us/huaweitech/publication/winwin/ai/nowhere-to-hide

249 Hillman, J.E. & McCalpin, M. (2019) Watching Huawei's "Safe Cities", *CSIS Brief*, 4 November. https://www.csis.org/analysis/watching-huaweis-safe-cities

250 Huawei. (2019). *ICT Insights 01/2019*, 24. https://www-file.huawei.com/-/media/corporate/pdf/publications/ict/ict-201901-se-en.pdf

251 Hillman, J.E. & McCalpin, M. (2019). Watching Huawei's "Safe Cities". https://www.jstor.org/stable/resrep22386.

252 Huawei. (2019). *ICT Insights* 01/2019, 28–29.

6.3 EXPORTING THE "SAFE AND SMART CITY" TO AFRICA

Exporting smart cities to Africa has been an ambition of the Chinese government for a number of years. In 2015, the Chinese government began to speak of a Digital Silk Road as an adjunct to the Belt and Road Initiative that should focus on internet connectivity, artificial intelligence, the digital economy, telecommunications, smart cities, and cloud computing.[253] Subsequently, at the FOCAC summit in Johannesburg in December 2015, China announced that it will:

> *help African countries to build "Smart Cities", and enhance the roles of information and communication technology in safeguarding social security, and fighting against terrorism and crime.*[254]

253 Eurasia Group (2020). The Digital Silk Road: Expanding China's Digital Footprint, 8 April.

254 Ministry of Foreign Affairs (2015). *The Forum on China-Africa Cooperation Johannesburg Action Plan* (2016–2018), 10 December. https://www.fmprc.gov.cn/mfa_eng/wjdt_665385/2649_665393/201512/t20151210_679430.html

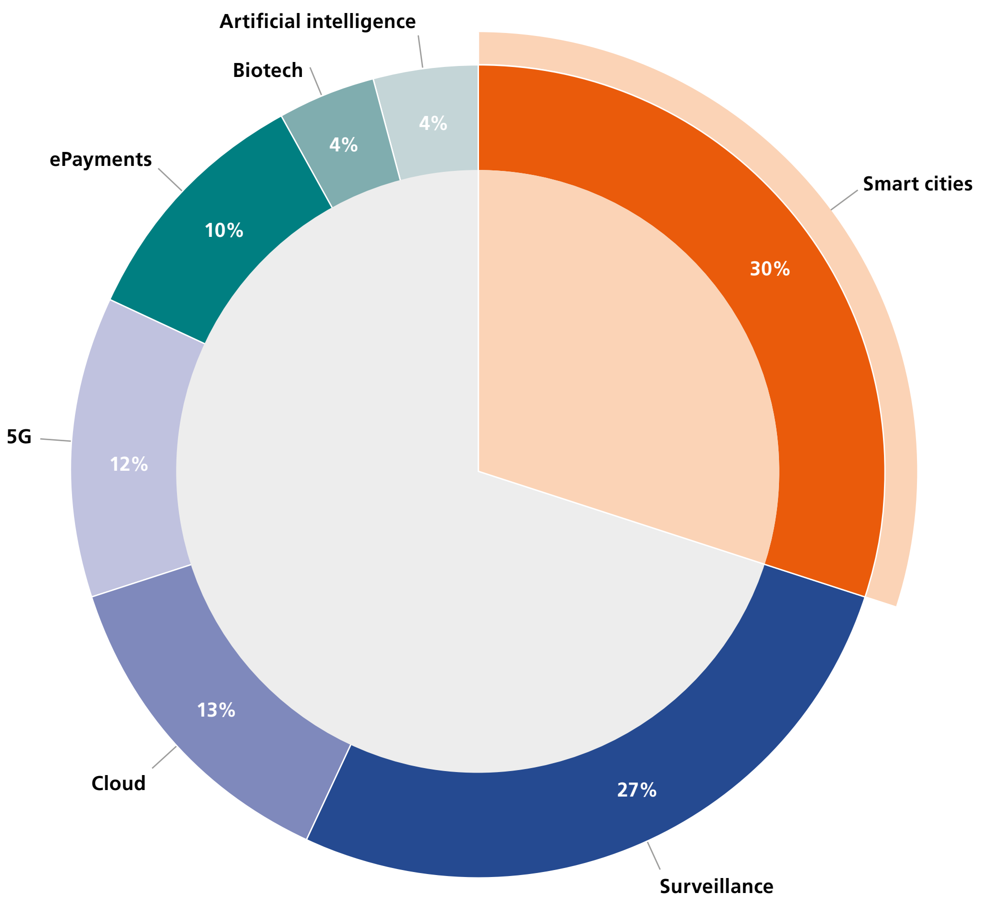
The same theme was reiterated at the 2018 FOCAC summit. During a special Coronavirus-focused China-Africa summit in June 2020, smart cities, along with clean energy, 5G, and the digital economy were mentioned as areas where cooperation should be deepened.[255] As of 2021, "smart city" and surveillance projects accounted for almost 50 per cent of Chinese tech-firm activities in Africa (Figure 5).[256]

To support the development of "Smart City" projects in Africa, Huawei was reported in 2018 to have set up a USD 1.5 billion fund to "improve urban traffic and air quality, promote energy efficiency in buildings, improve the man-

255 Arcesati, R. (2021). China's Evolving Role in Africa's Digitalisation: From Building Infrastructure to Shaping Ecosystems. Italian Institute for International Political Studies, 26 July. https://www.ispionline.it/en/publication/chinas-evolving-role-africas-digitalisation-building-infrastructure-shaping-ecosystems-31247

256 Gu, X. et al. (2022). China's Engagement in Africa: Activities, Effects and Trends'. *CGS Global Fokus*, June, 32–33. https://www.cgs-bonn.de/cms/wp-content/uploads/2022/07/CGS-China_Africa_Study-2022.pdf

Figure 5
Chinese tech activities in Africa according to sector



Source: Mayer (2022) based on Australian Strategic Policy Institute agement of other flows (including waste and water) and make healthcare and health services intelligent."[257] Most Safe City projects, however, are funded by China Exim Bank's concessional loans, which are tied to the purchase of Huawei equipment.[258]

According to its own statement, as of 2021, Huawei was involved in "Safe City" solutions in the following African countries: Algeria, Angola, Chad, Djibouti, Egypt, Ethiopia, Ghana, Kenya, Mali, Mozambique, Morocco, Niger, Nigeria, Senegal, South Africa, Tanzania, and Zambia.[259] Eight of the Safe City initiatives are in countries deemed "partly free" and "not free" by Freedom House, and just 29 per cent of all "Safe City" initiatives are in countries regarded as "free".[260]

THE CHINESE OFFER IS COMPETITIVE – AND OFTEN THE ONLY ONE ON THE TABLE

To African governments, China's deployment of digital infrastructures and solutions such as the Smart City (ZTE) and Safe City (Huawei) initiatives are attractive because they promise bundled solutions to a wide range of problems, from terrorism to crime to gaps in e-government services.[261] But more importantly, Chinese firms are attractive to African governments not only because of their competitive pricing and low production costs but because they come with their own financing sources.[262] Networking infrastructure by companies like Huawei and ZTE is financed by Chinese subsidised loans, which have a repayment period of 15–20 years. This allows African governments to initiate new projects without depleting their cash reserves – and by the time the grace period is over, the city has been transformed and the project will ideally pay for itself.[263]

China Exim Bank provides loans to mobile network operators or government agencies tied to the purchase of Chinese equipment. This, in turn, helps to further increase the dominance of Chinese technology companies in African countries and enables them to set standards and norms in numerous technology sectors.[264]

In Tanzania, for example, the national ICT broadband backbone (NICTBB), constructed by the China International Telecommunication Construction Corporation (CITCC), is compatible only with Huawei routers.[265] According to multiple firms interviewed for a report by the Center of American Progress, the loans make Huawei impossible to beat – even if its competitors can match the company's state-subsidised prices – because China's state banks offer loan packages that commercial banks generally cannot match.[266]

Yet, as Motolani Agbebi, a China-Africa scholar at Tampere University, highlights, oftentimes countries don't even have a choice between Ericsson, Nokia, Samsung, or Huawei – it's Huawei or nothing.[267] When looking for support to construct its national broadband backbone (NICTBB), Tanzania approached several donor agencies, including the World Bank; only China was willing to fund the project.[268] It is precisely this lack of support from major Western donors that opened the doors to Chinese tech companies and enabled China to take the leading role in the development of digital infrastructure on the continent. Agbebi argues that "[m]any African countries still lack basic telecommunication infrastructure or need to upgrade their infrastructure to ensure better connectivity and broadband penetration, so they welcome Chinese companies such as Huawei despite concerns about security risks, which do not resonate as strongly in Africa."[269] If the choice is between Huawei or nothing, Huawei is better than nothing at all.[270]

Chinese funding for Africa's digital infrastructure (Table 4) comes with the spread of surveillance technologies that are being used by governments to monitor and suppress dissent.[271] A widespread concern is that, along with artificial intelligence and facial recognition, China is also exporting a culture of surveillance.[272] Human rights groups in Uganda complain that Huawei has helped the Ugandan government to crack down on political opponents.[273] Similarly, in

257 Hoffman, S. (2021). Double-Edged Sword. China's Sharp Power Exploitation of Emerging Technologies. *National Endowment for Democracy*, April. https://www.ned.org/wp-content/uploads/2021/04/Double-Edged-Sword-Chinas-Sharp-Power-Exploitation-of-Emerging-Technologies-Hoffman-April-2021.pdf

258 Ibid.

259 Huawei (n.d.). Huawei Video Cloud Storage Solution. https://web.archive.org/web/20210317170258/https://actfornet.com/HUAWEI_STORAGE_DOCS/Storage_All3/Best%20Video%20Surveillance%20Cloud%20Storage%20Solution--Huawei%20Storage.pdf

260 Hilman & McCalpin (2019). Huawei's Global Cloud Strategy.

261 Agbebi (2022). China's Digital Silk Road and Africa's Technological Future, 8.

262 Yusuf (2021). China's Reach Into Africa's Digital Sector Worries Experts.

263 Hillman (2021). The Digital Silk Road, 189.

264 Agbebi (2022). China's Digital Silk Road and Africa's Technological Future, 5.

265 Ibid.

266 Hart, M. & Link, J. (2020). There Is a Solution to the Huawei Challenge. *Center for American Progress*, 14 October. https://www.americanprogress.org/article/solution-huawei-challenge/

267 Olander, E. & Von Staden, C. (2022). U.S., European Tech Competition With China in Africa. *The China in Africa Podcast,* 25 February. https://chinaafricaproject.com/podcasts/u-s-european-tech-competition-with-china-in-africa/

268 Makundi, H., Huyse, H. & Develtere, P. (2016). Cooperation Between China and Tanzania on ICT: Fish, Fishing Tackle or Fishing Skills?, *Journal of Chinese Economic and Business Studies* 14(2), 129–149. https://doi.org/10.1080/14765284.2016.1174459

269 Agbebi (2022). China's Digital Silk Road and Africa's Technological Future, 9.

270 Mackinnon, A. (2019). For Africa, Chinese-Built Internet Is Better Than No Internet at All. *Foreign Policy*, 19 March. https://foreignpolicy.com/2019/03/19/for-africa-chinese-built-internet-is-better-than-no-internet-at-all/

271 Olander, E. (2019) China, Africa, and the Future of the Internet. *The China in Africa Podcast*, 23 June. https://chinaglobalsouth.com/podcasts/podcast-china-africa-internet-iginio-gagliardone/

272 Ibid.

273 Hardesty, L. (2019). Uganda Confirms Its Use of Huawei Facial Recognition Technology. *Fierce Electronics*, 21 August. https://www.fierceelectronics.com/electronics/uganda-confirms-its-use-huawei-facial-recognition-technology

Zimbabwe, the provision of a facial recognition system raises human rights concerns, given that the African nation's security agencies have a long record of targeting activists and critics.[274]

However, without dismissing the existing concerns, research by the South African Institute of International Affairs (SAAIA) suggests that the perception of Chinese surveillance technology as particularly effective and sophisticated does not match the reality of its chaotic implementation.[275]

274 Gallagher, R. (2019) 'Export Laws: China is Selling on Surveillance Technology to the Rest of the World', *Index on Censorship* 48(3), 35–37 (36). https://doi.org/10.1177/0306422019876445.

275 Gagliardone, I. (2020). The Impact of Chinese Tech Provision on Civil Liberties in Africa. *SAIIA Policy Insights*, *99*, 2. https://saiia.org.za/research/the-impact-of-chinese-tech-provision-on-civil-liberties-in-africa/.

> *As much as promises of 'liberation technologies' to free the world from abuse and dictators have been challenged by the actual interaction of these technologies with existing networks of power and politics, so new surveillance technologies or 'technologies of unfreedom' run similar risks when inserted into contexts that are very different from those where they originated.*[276]
>
> (Igloo Gagliardone, SAAIA)

Contrary to the assumption that China is seeking to impose a blueprint based on its own model, it rather seems to have adapted to the requests advanced by its partners, leading to the emergence of relatively diverse types of projects and agreements, depending on the host country government.[277]

276 Ibid.

277 Ibid., 3.

Table 4
Safe City and Smart City projects with Chinese involvement

Country	Project name	Project details	Funding
Algeria		Vague information. Huawei France presented its Smart City Solution for Algiers at the 2018 Smart Cities Summit. The Wall Street Journal cited a classified Algerian report that referred to the system in Algeria as "Huawei's intelligent video surveillance system." Huawei has denied having sold safe city solutions in Algeria.	
Angola		Smart City presence, according to Huawei.	
Botswana	Safe City projects in Gaborone (2017) and Francistown (2019)	2017: Agreement between Huawei and Botswana Police Service for a Safe City project in the capital Gaborone. 2019: Huawei began installing a Safe City project in Francistown, planning to place more than 500 cameras with facial recognition features at 195 sites. 2020: Public Procurement and Asset Disposal Board approved the direct commission of Huawei Technologies Botswana and ICT Dynamix for additional cameras.[1]	
Burkina Faso	Smart Burkina (2021)	Collaboration agreement with Huawei and China International Telecommunication Construction Corporation (CITCC). Plan: 650 km fibre-optic network to connect all of the country's major cities to a new Huawei-powered Smart City platform; 900 surveillance cameras at 220 locations in the capital Ouagadougou and the second largest city of Bobo-Dioulasso. [2]	USD 94 million China Exim Bank concessional loan (CL); USD 85 million from Burkina Faso[3]
Cameroon	Intelligent City Project (2014)	Collaboration with Huawei since 2014. Pilot phase involved the installation of 70 CCTV cameras in six localities. 2018: First command centre installed at one of Cameroon's National Police Force facilities and connected to around 1,500 cameras. 2019: 2,000 CCTV cameras installed with plans to install an additional 7,000. Huawei-built national command centre launched in the capital Yaounde. Reportedly, infrastructure is managed by Huawei engineers who are reluctant to transfer technology to local staff, raising data privacy concerns.	

Country	Project name	Project details	Funding
Chad		Smart City presence according to Huawei	
Côte d'Ivoire	Abidjan Safe City Project (2016)	2016: Loan agreement with China Exim Bank to partially finance a commercial contract with Huawei. Project involves laying of 270 kilometres of fibre optic cable and installation of 1,000 video surveillance cameras in the capital Abidjan and seeks to connect cameras to a traffic monitoring system using license plate readers and variable message signs for the detection of red-light violations. Project commenced in 2017. As of January 2019, 91% of the cameras were installed; 95% of the operation centres were established; 75% for the management of road traffic and traffic monitoring equipment was installed; and 85% coverage for fibre optic cable was installed. According to Huawei, the system "helped police officers in Côte d'Ivoire resolve more than 10,000 cases in one year". As of July 2020: traffic management network across Abidjan in place, composed of more than 10 traffic guidance screens, 6 e-Police cameras, over 20 license plate recognition cameras and more than 10 automatic number plate recognition systems.	USD 58.53 million preferential buyer's credit (PBC)
Djibouti		Smart City presence according to Huawei	
Egypt		2019: MoU between Huawei and Talaat Mosfata Group (TMG) Holding to provide smart solutions in security and privacy field, including developing smart cities.	
Ethiopia		Smart City presence according to Huawei	
Ghana	Alpha Project (2015)	Huawei Safe City project initiated in 2015 funded in part from Huawei's USD 1.5 billion fund to support smart city development. 2015: First phase with installation of 2,000 cameras. 2018: Second phase with installation of more than 8,000 new cameras. Huawei trained 15,000 security officers for the command centre and trained a further 30 people who can continue training other personnel. They are working with security personnel from the fire department, National Disaster Management Organization, the military, the Narcotics Control Board, and immigration and border forces.	Part of Huawei's USD 1.5 billion fund
		2019: Ghana borrowed another USD 234.6 million from Huawei and China Machinery Engineering Corporation (CMEC) for the project.	USD 234.6 million Chinese loan; terms unknown
	Ghana Smart City Project (2022)	In 2022, Ghana announced that it will use a mix from US and Chinese technologies to build the USD 300 million Ghana Smart Cities Project that will provide national wireless internet coverage. Within this project, phones, workstations, and tablets will be provided by China's Haitech, a subsidiary of the electronics conglomerate Haier, while Cisco will provide routers and networking gear.[4]	
Kenya	Kenya Safe City Project (2014)	2014: MoU with Huawei to advise Kenya on its ICT Master Plan and Vision 2030 and to conduct trainings for government officials on smart city. By 2016, Huawei built a communication network that links 1,800 surveillance cameras with 195 police bureaus and 7,600 police officers. According to Huawei, the wireless infrastructure links the National Police Service Commission's command centres with over 1500 high-definition cameras in downtown Nairobi. Furthermore, it supports more than 200 cameras that are installed at city checkpoints and several wireless devices distributed to officers in the field.	
	Konza Technology City (2019)	2019: Agreement with Huawei to build a data centre, smart city and surveillance in Konza, including a National Cloud Data Centre, Smart ICT Network, Public Safe City and Smart Traffic Solution, and Government Cloud and Enterprise Services.	USD 168 million China Exim Bank CL

Country	Project name	Project details	Funding
Madagascar	Smart City Projects in Nosy Be (2015) and Antananarivo (2016)	In 2015, a Huawei Smart City project was launched in Nosy Be. In 2018, Huawei and the President of Madagascar reportedly discussed the potential for an upgraded Smart City project. 2016: Huawei Smart City project launched in the capital Antananarivo, reportedly including 69 surveillance cameras.	USD 50 million investment by Huawei planned
Mali		Safe City presence, according to Huawei.	
Mauritius	Safe Country Project[5] (2017)	2017: loan agreement between China Exim Bank and Mauritius Telecom for a Safe City project implemented by Huawei. Implementation started in 2018. Project includes a command–and–control centre and seven subcommand centres, 4,000 surveillance cameras, cloud computing services, data centres, intelligent road surveillance and emergency communications equipment and services.	USD 73.3 million China Exim Bank PB
Morocco	Marrakesh Safe City project	Safe City presence, according to Huawei.	
Mozambique		Smart City presence, according to Huawei.	
Niger		The government is working with Hikvision on the creation of an urban surveillance network.[6] In the run-up to the AU Summit in Niamey in 2022, the company installed cameras along the city's 12 main roads, equipped with license plate recognition. According to Hikvision, the system allows law enforcement and government officials to use a mobile device to livestream from all the city's cameras.	
Nigeria	Calabar Smart City (2016) Lagos Smart City Project	2016: Contract between the government of Cross River state and Huawei to make Calabar Nigeria's first smart city. 2017: The Ministry of Communications announced it would partner with Huawei in its smart cities initiative. 2019: Talks with Huawei and Ehang on Lagos Smart City Project[7]	
Rwanda	Smart Kigali Initiative (2013)	Huawei involved in Smart Kigali Initiative since its launch in 2013.	
Senegal		Smart City presence, according to Huawei. In 2021, Senegal announced plans to move all government data and digital platforms to a data centre built by Huawei and financed with a Chinese loan.[8]	
South Africa		Safe City presence, according to Huawei. Huawei's Smart City solution implemented in Rustenburg and Ekurhuleni.	
Tanzania	Safe Zanzibar Project (2015)	CCTV surveillance system in Stone Town with 300 full high-definition cameras (FHD) on main roads and command centre in Malindi with a video wall and camera control centre.	USD 3.5 million donation by ZTE
Tunisia	Digital Tunesia 2020	2017: MoU with Huawei on "Digital Tunisia 2020". 2018: Agreement with Huawei to strengthen cooperation on digital development, including in sectors focused on transportation, education, smart cities, and energy.	

Country	Project name	Project details	Funding
Uganda	Safe City Project (2019)	2014: Huawei gave the Ugandan Government 20 surveillance cameras valued at USD 750,000. 2015: Agreement for Huawei to become the Ugandan government's sole information-communications partner. 2019: Ugandan Police announced purchase at a cost of USD 126 million from Huawei, as part of a "Safe City" project. The project includes a national CCTV system with 83 monitoring centres, 522 operators, and 50 commanders. Rollout began in the Kampala metropolitan area. The second phase was initiated in 2020 and plans to cover 2,319 municipalities and major towns. In August 2019, the WSJ reported that Huawei helped Ugandan intelligence officials to spy on the opposition.[9]	USD 16.3 million paid up front by Uganda; USD 104 million Standard Chartered Bank loan
Zambia	Smart Zambia (2015)	2015: Framework agreement with China Exim Bank for Phase I of Smart Zambia National ICT Development Project. Implementation by Huawei began in 2016. Collaboration between Huawei and Zambia's Cybercrime Crack Squad, i.a., to establish a new data centre. 2016: loan agreement to for Phase III of Public Security Network Project or Safe City Project in Lusaka, implemented by ZTE. Project was originally initiated in 2014 but stalled. 2017: Loan framework agreement for Phase II of the Smart Zambia National ICT Development Project to improve communication services and network coverage. Implemented by Huawei. In August 2019, the WSJ reported that Huawei helped Zambian intelligence officials to spy on the opposition.[10]	Total project volume USD 178.5 million, USD 64.37 million China Exim Bank CL, rest unknown. USD 178.5 million CDB loan USD 280.86 million China Exim Bank CL
Zimbabwe	Smart Zimbabwe Blueprint Mutare Smart City Project	2018: Agreement with Cloudwalk to provide facial recognition for smart financial service networks and intelligent security applications at airports, railway, and bus stations. Collaboration with HikVision to in a pilot "Smart City" project in Mutare. MoU with Hikvision to advance the use of facial recognition and AI technology for border security and assisting in disaster response and traffic control. 2019: CloudWalk donated facial recognition terminals that required images to be sent from Zimbabwe to offices in China. Experts said CloudWalk used them to improve its software's ability to identify dark-skinned faces, which had been lacking. 2020: Start of a five-year, USD 100 million Smart City project with the installation of a grid of public surveillance cameras. 2021: The government announced that China will support the building of a new National Data Centre in collaboration with Inspur Group of China. China has provided Zimbabwe with nearly USD 240 million to develop NetOne, the national mobile telecommunications system, which has its own data centres.	USD 240 million to develop NetOne

1 Nkani, P. (2020). PPADB Approves Huawei's Safer City Project. *Sunday Standard*, 30 March. https://www.sundaystandard.info/ppadb-approves-huaweis-safer-city-project

2 Olander, E. (2021). Burkina Faso Launches New Huawei-Powered Smart City Initiative Using Loan From the China Exim Bank. *The China Global South Project*, 15 July. https://chinaglobalsouth.com/2021/07/15/burkina-faso-launches-new-huawei-powered-smart-city-initiative-using-loan-from-the-china-exim-bank/

3 Edjo, M. (2021). Burkinabe Govt to Build 800km of Optical Fiber and Install 900 Surveillance Cameras, *Ecofin Agency*, 13 July. https://www.ecofinagency.com/telecom/1307-42836-burkina-be-govt-to-build-800km-of-optical-fiber-and-install-900-surveillance-cameras

4 Olander, E. (2022). Ghana Approves Homegrown Smart Cities Solution That Will Use Both Chinese and U.S. Tech. *The China Global South Project*, 4 January. https://chinaglobalsouth.com/2022/01/04/ghana-approves-homegrown-smart-cities-solution-that-will-use-both-chinese-and-u-s-tech/

5 Project is also known as Mauritius Telecom Safe City Project of the Mauritius Police Force. The Chinese project title is 智能城市项目.

6 Hikvision. (2018). Hikvision: Empowering Public Safety in a Challenging Environment, 1 January. http://www.hikvision.com/en/newsroom/success-stories/safe-city/hikvision--empowering-public-safety-in-a-challenging-environment0/

7 Sherifat, L. (2019). Lagos, Chinese Firms Partner on Smart City Project. *Vanguard News*, 22 November. https://www.vanguardngr.com/2019/11/lagos-chinese-firms-partner-on-smart-city-project/.

8 ADF (2021). Chinese Smart Tech Fraught With Risk, *Africa Defense Forum*, 28 July. https://adf-magazine.com/2021/07/chinese-smart-tech-fraught-with-risk/.

9 Parkinson, J., Bariyo, N. & Chin, J. (2019). Huawei Technicians Helped African Governments Spy on Political Opponents. *The Wall Street Journal*, 15 August. https://www.wsj.com/articles/huawei-technicians-helped-african-governments-spy-on-political-opponents-11565793017.

10 Ibid.

Source: Author's own compilation. Unless indicated otherwise, information is derived from "Mapping China's Tech Giants" by the Australian Strategic Policy Institute (https://chinatechmap.aspi.org.au/#/data/), China AidData (https://china.aiddata.org), and Boston University Chinese Loans to Africa Database (https://www.bu.edu/gdp/chinese-loans-to-africa-database).

6.4 SELECTED CASES

KENYA

Kenya is the biggest economy in East Africa. Its capital, Nairobi, was ranked "the most intelligent city in Africa" in 2014 and 2015 and then again in 2019 by the Intelligent Community Forum.[278] Huawei's substantial presence in the country certainly played a role in this ranking. In 2014, Kenya's Information Communication and Technology Authority, a department under Kenya's Ministry of Information and Communication, signed a Memorandum of Understanding with Huawei to act as an ICT architect for the Kenyan government and for Huawei to advise it on Kenya's ICT Master Plan and Vision 2030,[279] and to conduct (online) trainings for civil servants on information and communication technologies, e-government, smart city, the Internet of Things, and cybersecurity.[280]

Thus, Kenya was one of the first African countries to implement Huawei's Safe City. Huawei launched a Safe City project in cooperation with the Kenyan mobile network operator Safaricom, covering the country's two most densely populated cities of Nairobi and Mombasa.[281] By 2016, Huawei had built a communication network that links 1,800 surveillance cameras with 195 police bureaus and 7,600 police officers.[282] It has provided the National Police Service Commission with a high-speed private broadband network that relies in part on Huawei's proprietary wireless eLTE solution. The infrastructure links its command centres with over 1,500 high-definition cameras in downtown Nairobi, more than 200 cameras at city checkpoints and any number of wireless devices in the hands of officers in the field. Huawei claims that Nairobi authorities now have panoramic video surveillance of Nairobi's urban centre and a highly agile command and dispatch setup running on satellite-based GPS and software-based GIS, the geographic information system designed to store and manipulate GPS data. An intelligent video analysis platform has been established to manage video resources and meet a variety of service needs, including real-time surveillance, video browsing, data sharing and evidence collection.

Huawei on the Kenya Safe City project

As part of this project, Huawei deployed 1,800 HD cameras and 200 HD traffic surveillance systems across the country's capital city, Nairobi. A national police command centre supporting over 9,000 police officers and 195 police stations was established to achieve monitoring and case-solving. The system worked during Pope Francis' visit to Kenya in 2015, where more than eight million people welcomed his arrival. With Huawei's HD video surveillance and a visualised integrated command solution, the efficiency of policing efforts, as well as detention rates, rose significantly.[283]

Huawei argues that the new system has enhanced police collaboration, coordination, decision-making, and response times. It claims that its deployment led to a 46 per cent drop in the crime rate between 2014 and 2015.[284] However, to what extent Huawei's surveillance technologies really contributed to crime reduction is disputed. A report by Kenya's National Police Serves reported a smaller decrease in crime rates in 2015 in Nairobi and a slight increase in Mombasa; moreover, in 2017, Nairobi saw an increase in reported crimes to higher than pre-installation levels.[285] The Safe City project also turned out to have a downside for China's reputation in Kenya, after Chinese nationals were reportedly caught on camera behaving negatively towards African workers on the Kenyan railway.[286]

Huawei is also involved in the construction of the Konza Technopolis. Located 60 kilometres southwest of Nairobi, Konza was planned as Kenya's first smart city in 2008 and is a key project of Kenya's Vision 2030 initiative.[287] Though planned to open in 2020, the construction was significantly delayed; by 2018, the city consisted of only one unfinished eight-story building.[288] In a step likely to advance the project, Kenya signed an agreement with Huawei in 2019 to build a data centre, smart city, and surveillance for Konza worth USD 172.9 million.[289] It includes a National Cloud Data Centre, Smart ICT Network, Public Safe City, Smart Traffic Solution, and Government Cloud and Enterprise Services, all financed by China Exim Bank concessional loans tied to the purchase of Huawei equipment.[290]

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278 Baraka, C. (2021). The Failed Promise of Kenya's Smart City. *Rest of World,* 1 June. https://restofworld.org/2021/the-failed-promise-of-kenyas-smart-city/

279 Huawei (2021). Huawei Sustainability: Kenya. https://web.archive.org/web/20211026003619/https://www.huawei.com/us/sustainability/win-win-development/social-contribution/seeds-for-the-future/kenya

280 Opali, O. (2020). Huawei Deepens Africa Push With Partnerships. *China Daily. Hong Kong*, 6 November. https://www.chinadailyhk.com/article/148576#Huawei-deepens-Africa-push-with-partnerships

281 Huawei (2017). *Safe City Extra, The Road to Collaborative Public Safety.* ICT Insights, 52–53. https://web.archive.org/web/20170716020451/https://e-file.huawei.com/-/media/EBG/Download_Files/Publications/en/Safe%20City%20Extra.pdf

282 Huawei (n.d.). Safe Cities: Using Smart Tech for Public Security. *BBC. A Better Connected World.* https://www.bbc.com/future/bespoke/specials/connected-world/government.html; Huawei Awarded for Kenyan Smart City (2016). *Hi-Tech Security Solutions*, June. http://www.securitysa.com/54735n

283 Feldstein, S. (2020) *Testimony before the U.S.-China Economic and Security Review Commission Hearing on China's Strategic Aims in Africa*, 8 May. https://www.uscc.gov/sites/default/files/Feldstein_Testimony.pdf

284 Huawei (2016). Huawei Unveils Safe City Solution Experience Center at 2016 Mobile World Congress. *Huawei,* 23 February. https://www.huawei.com/us/news/2016/2/unveils-safe-city-solution-experience-center

285 Hilman & McCalpin (2019). Watching Huawei's "Safe Cities".

286 Interview with FES Kenya representative.

287 Baraka (2021). The Failed Promise of Kenya's Smart City.

288 Moss, S. (2019). Huawei to Build Konza Data Center and Smart City in Kenya, with Chinese Concessional Loan. *DCD*, 30 April. https://www.datacenterdynamics.com/en/news/huawei-build-konza-data-center-and-smart-city-kenya-chinese-concessional-loan/

289 Ibid.

290 Ibid.

> *"Safe City" is like the "Kigali Model": It's very safe, but nobody dares to talk to the taxi driver.*
>
> A European NGO representative

The Friedrich Ebert Foundation illustrates what an alternative approach might look like in Kenya with the "Just City" approach – a pathway to a socially inclusive and just city. This idea facilitates innovative discussions among political decision-makers, civil society representatives, and others on issues such as affordable housing, fair and clean public transport, and meaningful civic engagement in urban spaces.[291]

NAMIBIA

In Namibia, a planned smart city arrangement with Huawei resulted in a public controversy. Initially, the Namibian Information Ministry signed an MoU with Huawei in October 2016 on the promotion of ICT development, which included broadband connection and usage for public sector agencies, which would allow for e-governance.[292] In 2017, the council of the Windhoek municipality adopted the Strategic Transformation Plan 2017–2022, in which Windhoek was to become a "Smart and Caring City by the year 2022".[293] In 2019, the city council of Windhoek approved plans to allow Huawei to build a 5G network with the aim of turning the city into a smart city.[294] For that, the city reportedly planned to seed a new company, which would be 51 per cent owned by the municipality. The MoU signed between Windhoek City Council and Huawei was criticised by the opposition, with one City Council member alleging later that she was offered bribes by a local politician to ensure Chinese tech giant Huawei would win an exclusive contract to build a 5G telecommunication network.[295] The deal with Huawei was also questioned by local telecommunication companies MTC and Paratus, who argued that the business agreement between the City Council and Huawei violated public procurement laws.[296] The newspaper *Windhoek Observer* questioned whether Namibia needed 5G at all, given that "[t]he majority of Windhoek citizens are living in shacks with no water and electricity", and warned that the deal could give Huawei, and by extension China, too much leverage over Namibian domestic politics.[297]

UGANDA

In August 2019, the Ugandan police announced the purchase of facial recognition cameras at a cost of USD 126 million from Huawei as part of a "Safe City" project.[298] The sum was estimated to be more than the combined 2020 budgets (USD 108 million) of the Ministries of ICT and Science and Technology.[299] The national CCTV system installed by Huawei has 83 monitoring centres, 522 operators, and 50 commanders.[300] The rollout was first started in the Kampala metropolitan area, while the second phase, which was initiated in January 2020, intends to cover 2,319 municipalities and major towns.[301] Ugandan authorities plan to integrate the facial recognition system with other government agencies, including the Uganda Revenue Authority and the Directorate of Citizenship and Immigration Control.[302]

Human rights groups complain that Huawei has helped the Ugandan government crackdown on political opponents.[303] In 2019, an investigative report by the *Wall Street Journal* alleged that the Ugandan government used Huawei's facial recognition systems to identify and arrest 836 suspected supporters of the popular musician and opposition leader Bobi Wine, who was elected to parliament in 2017 and was extremely popular with young Ugandans.[304] Both Huawei and the Ugandan police have denied the accusations.[305] The spokesperson of the Ugandan police force, Fred Engaga, insists that facial recognition and artificial intelligence have modernised policing in Uganda and have contributed to an increase in security.[306] By contrast, Dorothy Mukasa, the CEO of Unwanted Witness, a Ugandan digital rights advocacy organisation, argued prior to

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291 Friedrich-Ebert-Stiftung Kenya Office (n. d.) *Just City*. https://kenya.fes.de/programmes/just-city

292 Xinhua. (2016). Huawei Signs MoU with Namibia to Promote Broadband, TV Coverage. *Xinhuanet,* 12 October. http://www.xinhuanet.com//english/2016-10/12/c_135748748.htm

293 Office of the Chief Executive Officer. (2020). Media Release. Update on the Monetization/Commercialization of the Windhoek Municipal Optic Fibre as Phase 1 of the Implementation of the Smart City Project. City of Windhoek, 16 July. https://www.windhoekcc.org.na/documents/d4f_city_of_windhoek_media_release_-_update_on_the_commercialization_of_the_city_optic_fiber_.pdf

294 City Bosses Plot Huawei 5G Deal (2020). *The Namibian*, 30 April. https://www.namibian.com.na/city-bosses-plot-huawei-5g-deal/

295 Kleinfeld, J. & Al Jazeera Investigative Unit (2020). Corruption Allegations in Namibian 5G Deal with Huawei. *Aljazeera*, 15 July. https://www.aljazeera.com/news/2020/7/15/exclusive-corruption-allegations-in-namibian-5g-deal-with-huawei

296 NDN Staffer (2023). High-Level Corruption Uncovered in Windhoek's Huawei Smart City Deal. *Namibia Daily News*, 25 April. https://namibiadailynews.info/high-level-corruption-uncovered-in-windhoeks-huawei-smart-city-deal/; Tjitemisa, Kuzeeko. (2020). City Promises Faster, Cheaper Internet – Truth, for Its Own Sake. *New Era Live*, 17 July. https://neweralive.na/posts/city-promises-faster-cheaper-internet

297 Observer (2020). City of Windhoek or Huawei City? *Windhoek Observer*, 21 May. https://www.observer24.com.na/city-of-windhoek-or-huawei-city/

298 Biryabarema, E. (2019). Uganda's Cash-Strapped Cops Spend $126 Million on CCTV from Huawei. *Reuters*, 15 August. https://www.reuters.com/article/us-uganda-crime-idUSKCN1V50RF

299 Kafeero, S. (2020). Uganda Is Using Huawei's Facial Recognition Tech to Crack down on Dissent after Protests. *Quartz Africa*, 27 November. https://qz.com/africa/1938976/uganda-uses-chinas-huawei-facial--recognition-to-snare-protesters/

300 Ibid.

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302 Kafeero (2020). Uganda Is Using Huawei's Facial Recognition Tech.

303 Hardesty (2019). Uganda Confirms Its Use of Huawei Facial Recognition Technology.

304 Parkinson, Bariyo & Chin (2019). Huawei Technicians Helped African Governments Spy on Political Opponents.

305 Kafeero (2020). Uganda Is Using Huawei's Facial Recognition Tech.

306 Hardesty (2019). Uganda Confirms Its Use of Huawei Facial Recognition Technology.

the 2021 elections that "Huawei's Safe City initiative undoubtedly threatens human rights in Uganda, including the right to peaceful assembly and association."[307]

6.5 SECTOR-SPECIFIC RECOMMENDATIONS

Chinese investments in African smart cities and digital infrastructure are promoted by China as a solution to Africa's data needs. However, numerous critical (and ethical) questions arise about how the data is used. China's digital technology exports can be used for various purposes that benefit African economies, such as improving connectivity and enabling participation in the global digital economy, but also for purposes that undermine democracy and limit civil liberties or that purportedly benefit the local context but are implemented in unsustainable ways, such as leading to technological lock-in effects or preventing local data value creation.

– **Support the strengthening of the regulatory environment for sustainable use of data:** Chinese technology companies no longer only provide low-cost connectivity; they are beginning to shape the digital ecosystem across Africa.[308] This has many implications. For example, Huawei data centres are programmed in Chinese, thus creating dependency on the Chinese market. Moreover, data is stored on servers in China, meaning digital value creation happens in China, not locally.[309]

– **Use Global Gateway to prevent bifurcation of standards:** China's standardisation power is growing. Further penetration of Chinese standards into the African market can lead to a digital decoupling, in particular, if the conflict between the US and China escalates and African consumers are forced to move to Chinese apps. This, in turn, would also lead to African digital infrastructure being incompatible with European standards. African countries are becoming increasingly aware that incorporating Chinese technical standards comes with technological dependencies. The EU should tap into the growing unease and incorporate and incentivise the use of international standards in all the financing vehicles it is involved in, primarily in its new "Global Gateway" initiative.

– **Help build capacities to address data security issues:** While building infrastructures crucial for the continent, there is fear that China could install "backdoor mechanisms" to access massive amounts of personal, government, and financial data. In 2018, *Le Monde* reported that data from the African Union headquarters servers was secretly sent to China every night for five years.[310] The communications equipment in the building had been provided by Huawei, who won a contract in 2012. However, the African Union did not seek a non-Chinese provider in response to the *Le Monde* reporting, proceeding instead to sign a new ICT partnership agreement with Huawei.[311] Huawei commented that it never collected data illegally.[312] Zimbabwe signed an agreement with the Guangzhou-based start-up CloudWalk technology in 2018 to build a large-scale facial recognition system.[313] As part of the deal, Zimbabwe agreed to send biometric data of its citizens to China to help improve the CloudWalk system's ability to recognise faces from different racial and ethnic groups, making the company more globally competitive.[314]

– **Support digital rights groups' push for more effective policy, legal and regulatory frameworks:** African digital rights activists argue that the lack of regulatory safeguards and privacy legislation across the continent leaves too many gaps for misuse.[315] To ensure that human rights are protected, more effective policies and better legal and regulatory frameworks are needed. The African Union Convention on Cyber Security and Personal Data Protection should be such a regulatory framework. It was established in 2014 to provide a framework for cybersecurity in Africa. [316] However, to take effect, the Convention requires the ratification of 15 countries; only five countries (Namibia, Senegal, Ghana, Guinea, and Mauritius) have done so to date.[317] The absence of a clear regulatory framework leaves many African countries vulnerable to misuse of surveillance technologies.

– **Support the strengthening of the regulatory environment:** Support African stakeholders' capacity to shape norms of responsible use for surveillance technology. Share global best practices between European and African policymakers through dialogue.

– **Prioritise Africa:** Germany, the EU, and the EU member states need to increase their engagement with governmental, commercial, and civil-society stakeholders and networks to strengthen African and German/European cooperation for digital infrastructure initiatives. Develop

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307 Woodhams (2020). Huawei Says its Surveillance Tech Will Keep African Cities Safe.

308 Arcesati (2021). China's Evolving Role in Africa's Digitalisation.

309 Interview with a data expert from a European ODA-agency.

310 Kadiri, G. & Tilouine, J. (2018). A Addis-Abeba, le Siège de l'Union Africaine Espionné par Pékin [In Addis Ababa, the Headquarters of the African Union Were Spied on by Beijing]. *Le Monde,* 26 January. www.lemonde.fr/afrique/article/2018/01/26/a-addis-abeba-le-siege-de-l-union-africaine-espionne-par-les-chinois_5247521_3212.htm

311 Hillman (2021). The Digital Silk Road, 35.

312 Kynge, J. et al. (2021) Exporting Chinese Surveillance: The Security Risks of 'Smart Cities', *Financial Times*, 9 June. https://www.ft.com/content/76fdac7c-7076-47a4-bcb0-7e75af0aadab

313 Chutel, L. (2018). China Is Exporting Facial Recognition Software to Africa, Expanding Its Vast Database. *Quartz*, 25 May. https://qz.com/africa/1287675/china-is-exporting-facial-recognition-to-africa-ensuring-ai-dominance-through-diversity

314 Hoffman (2021). Double-Edged Sword.

315 Woodhams (2020). Huawei Says its Surveillance Tech Will Keep African Cities Safe.

316 African Union (n. d.). *CCDCOE.* https://ccdcoe.org/organisations/au/

317 Ibid.

policies for German industry partners to invest in African digital infrastructure through public-private partnerships. Provide targeted funding to level the commercial playing field vis–à–vis Chinese firms by establishing a digital technology infrastructure fund. Let the BMZ engage with relevant parties to bring industries together and help match German investors with African countries.

– **Implement the EU's Digital4Development policy:** The EU's 2017 Digital4Development policy has increased the prominence of digital solutions and technology in EU development policy.[318] This policy framework has helped to mainstream the inclusion of digital development cooperation in European development policy, but the EU could do more to build the digital capacity of its international partners. The EU must be more proactive in assisting African countries in establishing data protection structures, fighting cybercrime, and facilitating e-commerce. Digital development cooperation and capacity building can be effective at launching long-term relationships, as the systems and hardware that the EU provides to partners will need maintenance and updates, which will encourage further cooperation and integration in the future.

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CONCLUDING REMARKS

The changing dynamics of global politics, particularly the intensifying rivalry between the US and China, have brought Africa into the spotlight as a critical battleground for influence and partnership. As the US, EU, and Germany navigate their roles in this evolving landscape, it is essential to recognise that the focus must be on Africa itself rather than solely as a theatre for countering China. Africa deserves to be seen as a continent with unique challenges, opportunities, and aspirations that extend far beyond great power competition.

While China promotes the idea of Africa as a land of abundant opportunities, the West is perceived by Africa as still viewing the continent largely in humanitarian and security-related terms rather than as a place of strategic opportunities. Any incremental change, like Germany's investment in Namibia's hydrogen sector, is owed to the energy crisis caused by the embargo against Russia and the realisation that overdependence on China for critical resources is problematic.

Therefore, first and foremost, it is imperative for Germany and the European Union to commit to development as a shared responsibility and not just an African issue — *development is not about them, it's about all of us*. It is not enough to view Africa through the lens of strategic competition with China; instead, the primary goal should be sustainable development and the betterment of the lives of African citizens. In this context, several key overarching policy recommendations emerge:

– **Prioritise Africa:** Up to this point, Chinese officials outdo their German and European counterparts in terms of visits to Africa and hosting African officials. The latter are wary of an "us-versus-them" approach. In particular, African scholars have expressed criticism regarding the new Western initiatives such as the G7's "Build Back Better World", the EU's "Global Gateway" or the US's "Partnership for Global Infrastructure and Investment" deeming them mere "token engagements"[319] or, in reference to their abbreviations as B3W, GG and PGII, an "alphabet soup"[320], highlighting that while they claim to be more sustainable alternatives to the BRI, they are lacking concrete programs or coordinated, structural approaches.

– Accelerate the Implementation of Global Initiatives: The EU should expedite the implementation of the Global Gateway and urge the US to act swiftly on the Partnership for Global Infrastructure and Investment (PGII). The criticism regarding slow progress on these initiatives is valid, and timely action is essential to meet the pressing needs of African countries.

– **Leverage complementary strengths:** Understand that African countries perceive China and Western nations not as competitors in development but as complementary players. They see China as a provider of "hard" infrastructure and the West as having a strong track record in delivering "soft" infrastructure, including standards and governance. Germany and the EU, with their substantial on-the-ground presence, can play a pivotal role in helping African countries manage Chinese development finance more effectively. This involves capacity building, institutional strengthening, exchange of best practices, and creating platforms for trilateral cooperation.

– **Don't be afraid to engage with China where it makes sense:** Notwithstanding different priorities and diverging approaches, cooperation with China in selected areas may be in German strategic interests. In particular, there is a shared Sino-Western commitment to the UN Sustainable Development Goals (SDGs). However, cooperation with China is perceived as a risk across political spectrums, and many fear being accused of being too close to the CCP or of "whitewashing" the Chinese party authoritarian regime. Criticising China – and there is indeed much justified criticism – attracts a lot of media attention at the moment. Adopting a quieter approach, advocating pragmatism and cooperation where possible, doesn't seem to gain much traction. The truth remains, however, that China is a major glob-

319 Cheng. K.-C. (2021). Competition Between US, China Continues in Africa. *VOA*, 7 December. https://www.voanews.com/a/competition-between-us-china-continues-in-africa/6342703.html

320 Soulé, F. (2021). 'And Now I'm Getting Lost in the Alphabet Soup #BRI #B3W #GG….' (Tweet, *@folasoule*, 16 September 2021). https://twitter.com/folasoule/status/1438427316397432833

al player that has a key role in solving global challenges. Therefore, systemic rivalry with China must not lead to strategic incapability.

– **Consider trilateral cooperation:** Trilateral cooperation between Germany, the EU, and China can be a valuable entry point. Chinese actors have shown an openness to engage with international partners on sustainability and development issues. Trilateral projects can lead to mutual learning, helping each partner understand the other's approach to project planning, implementation, and management. This approach not only benefits African nations but also allows Western nations to grasp the bureaucratic logic and limitations on the Chinese side.

– **Invest in expertise:** Having a solid base of knowledge is the best foundation for an effective and resilient foreign policy. Germany and the EU must invest in expertise related to China generally, and about China's role in Africa specifically. Building a cadre of independent China experts will be critical in comprehending and countering any negative impacts of Chinese actions in Africa. Just as the US has allocated resources for Mandarin Chinese and Global China studies, European nations should follow suit, ensuring a better understanding of the complex dynamics at play in Africa.

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ABOUT THE AUTHOR

Marina Rudyak is an Assistant Professor in Chinese Studies at Heidelberg University. Her research focuses on Chinese foreign aid and international development cooperation and the foreign policy discourse of the CCP. Previously, she was a development advisor for the German Agency for International Cooperation (GIZ) in Beijing and in Bishkek. She studied Chinese Studies and Public Law in Heidelberg and Shanghai and holds an MA and Dr. phil. in Chinese Studies from Heidelberg University. She is a co-creator of the Decoding China Dictionary (www.decodingchina.eu).

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CHINA'S INTERNATIONAL DEVELOPMENT COOPERATION

History, Development Finance Apparatus, and Case Studies from Africa

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China is promoting its development and modernisation model and its approach to international relations as a "better" alternative for African Countries. Between 2007 and 2020, China lent more than twice as much to Sub-Saharan African countries as the United States (US), United Kingdom (UK), Japan, and Germany combined for infrastructure projects. The reason China's development cooperation system is opaque and difficult to decipher has less to do with deliberate secrecy and more with the highly fragmented nature of China's bureaucracy. China is not a monolith: While the Chinese government incentivises provinces, SOEs, and non-state actors to engage in international development cooperation activities, there is no coordinated approach between different stakeholders, who even sometimes end up competing against each other.

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Chinese NGOs and businesses emerged as new donors of goods and equipment prior to the COVID-19 outbreak; moreover, Chinese pharmaceutical companies instrumentalise development cooperation as an entry point to expand their footprint in Africa. China's health cooperation with Africa is becoming increasingly more commercial but is still dominated by health aid and involves primarily dispatching medical teams, building health infrastructure, donating medical supplies, and training medical personnel. China's efforts have the potential to make drugs less expensive on the African continent.

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Chinese firms are attractive to African governments not only because of their competitive pricing and low production costs but because they come with their own financing sources. And too often, they are the only offer on the table. Chinese construction companies are a major employer in Africa, but Chinese managers have little experience in dealing with trade unions. Unionising in Chinese companies is difficult, and decent work has become a major point of conflict between managers and workers. Chinese telecommunication companies are the main provider of telecommunication infrastructure in Africa. China's surveillance-oriented approach to smart city development sharply contrasts with how smart city projects are understood in Europe, where the aim is to use digitalisation to make cities more sustainable, community-oriented, and liveable.

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