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Development aid in Africa:

A comparative analysis between the European and the Chinese cases

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Despite a public image associated with hunger, poverty, disease, corruption and conflict, Africa has been one of the most attractive targets for many world powers throughout history in search of growing markets and new opportunities. As a former colonial power, the European Union has been building for decades on its historical legacy to become Africa's largest trading and development partner. However, its traditional hegemonic position in Africa has been challenged since the 2000s with the rising penetration of emerging economies, notably China whose political values, geopolitical interests and priorities appear to be directly undermining the EU interests and development policy on the continent. This thesis aims to investigate the dynamics between the European Union, China and Africa regarding development assistance in terms of stakes, challenges and opportunities by providing a comparative analysis of the European and Chinese development approaches toward African countries and exploring the prospects for EU-China-Africa relations. To that end, we follow a qualitative approach leveraging primary (OECD and Chinese macroeconomic indicators) and secondary research from academic and media publications, as well as think tanks and research institutes papers. This thesis takes a four-fold approach, with the first two parts presenting the specificities of the European and Chinese development assistance in Africa. The third part compares both development models and reflects on how they are perceived by the African opinion. The fourth and last part investigates the chances and challenges for EU-China-Africa relations and develops key recommendations. This thesis demonstrates that even though the European and Chinese aid approaches appear diametrically opposed, the gap seems to be narrowing and it is time for African actors to take the lead and advance their own development agenda.

Keywords

Development Cooperation; Development Aid; Official Development Assistance ODA; European Union; Africa; China

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List of Acronyms

ACP African, Caribbean and Pacific

AFB African Development Bank

AU African Union

BRI Belt and Road Initiative

CADF China-Africa Development Fund

CCP Chinese Communist Party

CPA Cotonou Partnership Agreement

DAC Development Assistance Committee

DCI Development Cooperation Instrument

DFA Department of Foreign Aid

DG DEVCO Directorate-General for International Cooperation and Development

DG INTPA Directorate-General for International Partnerships

EC European Commission

ECA Export Credit Agency

EDF European Development Fund

EEC European Economic Community

EIB European Investment Bank

EP European Parliament

EPA EU's Economic Partnership Agreement

EU European Union

EUCO European Council

EUI European Union Institutions

Exim Bank Export-Import Bank of China

FDI Foreign Direct Investment

FOCAC Forum on China-Africa Cooperation

GDP Gross Domestic Product

GNI Gross National Income

IMF International Monetary Fund

ISI Import Substitution Industrialization

JAES Joint Africa-EU Strategy

LDC Least Developed Country

LIC Low-Income Country

LMIC Lower Middle-Income Country

MDB Multilateral Development Bank

MDG Millenium Development Goal

MENA Middle East and North Africa

MFF Multiannual Financial Framework

MNE Multinational Enterprise

MOFA Ministry of Foreign Affairs

MOFCOM Ministry of Commerce

NDICI Neighbourhood, Development and International Cooperation Instrument

NGO Non-Governmental Organization

OCT Overseas Countries and Territories

ODA Official Development Assistance

OECD Organization for Economic Cooperation and Development

OOF Other Official Flows

OPEC Organization of the Petroleum Exporting Countries

PRC People’s Republic of China

SEZ Special Economic Zone

SME Small Medium Enterprise

SOE State-Owned Enterprise

SSA Sub-Saharan Africa

STABEX Système de Stabilisation des Recettes d'Exportation

TAZARA Tanzania Zambia Railway

UK United Kingdom

UMIC Upper Middle-Income Country

UN United Nations

USAID United States Agency for International Development

WB World Bank

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Introduction

1. Introduction of the topic

Despite a public image associated with hunger, poverty, disease, corruption and conflict, Africa has been one of the most attractive targets for many world powers throughout history in search of growing markets and new opportunities.

As a former colonial power, the European Union (EU) has been building for decades on its historical legacy to become Africa's largest trading and development partner. However, its traditional hegemonic position in Africa has been challenged since the 2000s with the rising penetration of emerging economies, notably China but also India, Brazil, Turkey, East Asian and the Middle East and North Africa (MENA) countries drawn to Africa's strong market performance (Defraigne, 2017).

In particular, the rise of China in Africa deserves more cautious attention. Because of its size and rapid economic growth in recent decades, this newcomer differentiates itself from the other emerging players and shows its ambitions to play a more prominent international role. China's attitude in Africa has been perceived with suspicion and apprehension by European actors as its political values, geopolitical interests and priorities appear to be directly undermining the EU interests and development policy on the continent (Barton & de Bellefroid, 2015).

Fuelled by EU political discourse and media, Africa is seen as a defenseless spectator in the raging battle between the EU and China on its territory (Alden & Barber, 2015). However, the rivalry between the two world powers is providing African countries increasing leverage to pursue their own development agenda (Karkare, Calabrese, Grimm & Medinilla, 2020).

With the evolution of the geopolitical environment in Africa, the EU is now compelled to reassess its relationship with the continent and China to recover its former status as an influential global player.

This thesis seeks to investigate the dynamics between the EU, China and Africa regarding development assistance in terms of stakes, challenges and opportunities. To that end, it will first provide a comparative analysis of the European and Chinese development assistance towards African countries by examining their respective specificities and pointing out the similarities and divergences. Based on this analysis, it will then explore the prospects for EU-China-Africa relations.

This thesis will address the following research questions:

- How did the Chinese and European aid approaches in Africa evolve and what explains the changes that have taken place?
- What are the specificities of the European and Chinese development cooperation approaches?
- What are the commonalities and differences between the two approaches?
- What are the stakes, challenges and opportunities for EU-China-Africa relations?

Thematically, the scope of this thesis will be delimited to a study of the development aid considered as Official Development Assistance (ODA). ODA flows are concessional flows undertaken by donor government agencies with the promotion of economic development and welfare as their main objective (Organisation for Economic Co-operation and Development [OECD], n.d-b). A more comprehensive definition will be given in chapter 2. of this introduction. In addition, in terms of geographic scope, we will mainly focus on the Sub-Saharan Africa region (SSA).

In this thesis, the terms "development aid", "development cooperation" and "development assistance" will be used synonymously.

The contribution of this paper is threefold. First, this study provides an updated analysis of the evolving triangular relationship between the EU, China and Africa. Indeed, many of the papers on this topic have been released five to ten years ago and do not take into consideration the latest developments in EU-China-Africa relations. Secondly, a rich literature focuses on the relations between Africa and one particular EU member state, but not on the EU as a collective actor, which is the topic of this thesis. Finally, the study of China's involvement with Africa provides some insights into the global ambitions of China and its relations with world powers.

Structure of the thesis

This thesis will follow a four-fold approach. Part I will introduce the European development aid toward Africa, by providing an overview of its evolution over the past seven decades to identify the rationales that have led to policy changes at various historical stages. It will then explore the main actors, sources of funding and instruments of the EU foreign policy and end by reviewing development aid quantitative data.

Part II will present the development aid provided to Africa by China, following a similar structure to Part I. It will first describe the background of China's involvement with Africa and show that the historical context has affected the direction of the Chinese development policy. It will then provide an overview of China's foreign aid approach. Finally, it will review some quantitative data on Chinese development aid.

Part III will compare both development models and reflect on the European perception of the Chinese development aid. Furthermore, it will analyze the African opinion on the two development aid approaches.

The fourth and last part of this thesis will review how the Chinese presence in Africa influences the European approach and conclude with the prospects for EU-China-Africa relations with key recommendations on how the EU approach can evolve and set up a trilateral cooperation with China and Africa.

Finally, the conclusion will present the overall findings of the study and share the prospects for further research on the topic.

Data Collection

In terms of data collection, this research thesis draws on an explorative qualitative approach based on primary and secondary sources. The primary sources consist of macroeconomic indicators collected from various official documents of the Organization for Economic Cooperation and Development (OECD) and the Chinese government. The secondary sources include academic publications in the form of books and journals, reports by think tanks and research institutes and media publications.

Limitations

Many limitations were encountered in this thesis.

Firstly, in terms of its scope, the analysis only focuses on the European and Chinese aid flows to Africa considered as ODA. This means that other forms of development assistance, such as other types of financial flows will not be considered. Consequently, this thesis does not provide a complete overview of the development cooperation in Africa.

In addition, the breadth of the study that examines the relations between three geographic entities (a country, an international organization and a continent) prevents the analysis from being more in-depth.

Thirdly, regarding the quantitative data, a comparison between the Chinese and European ODA to Africa is a difficult exercise as both actors have different systems of official aid classification. This challenge restricts the depth and certainty of the analysis hence the importance of adopting a critical view on the quantitative results. In addition, as the latest official quantitative data available on Chinese assistance covers the 2013-2018 period, we chose this time frame to study the evolution of the European assistance. Consequently, we will not cover the changes in the European and Chinese aid policies in Africa during the COVID-19 crisis.

Finally, any insights or data published in Mandarin that could have provided complementary or valuable information haven't been included in this study as the author is not proficient in Mandarin.

2. Definition of Development Aid

This chapter introduces the definition of foreign aid that will be used in this thesis.

In this thesis, we will assess development aid according to the definition of ODA given by the Development Assistance Committee (DAC) of the OECD. ODA has been reported since 1969 to measure yearly resource flows to developing countries and territories and international development institutions (OECD, n.d-b). Over the years, the DAC has refined the definition of ODA. Since 2019, the standard for reporting development assistance is the ODA grant equivalent, while the standard used before was ODA flows (OECD, n.d-b).

The ODA flows are:

> " Flows to countries and territories on the DAC List of ODA Recipients and to multilateral development institutions (...):
>
> i. provided by official agencies, including state and local governments, or by their executive agencies; and

ii. each transaction of which:

is administered with the promotion of the economic development and welfare of developing countries as its main objective; and

is concessional in character. In DAC statistics, this implies a grant element of at least (…)

- 45 per cent in the case of bilateral loans to the official sector of LDCs and other LICs (calculated at a rate of discount of 9 per cent).
- 15 per cent in the case of bilateral loans to the official sector of LMICs (calculated at a rate of discount of 7 per cent).
- 10 per cent in the case of bilateral loans to the official sector of UMICs (calculated at a rate of discount of 6 per cent).
- 10 per cent in the case of loans to multilateral institutions (…) (calculated at a rate of discount of 5 per cent for global institutions and multilateral development banks, and 6 per cent for other organisations, including sub-regional organisations) (…)"

(OECD, n.d-b, para. 4).

with LDCs: Least Developed Countries; LICs: Low-Income Countries; LMICs: Lower Middle-Income Countries and UMICs: Upper Middle-Income Countries (see Table 1).

ODA flows comprise concessional grants, loans and other flows intended for development assistance (OECD, n.d-b). They can be differentiated from non-concessional financing, referred to as Other Official Flows (OOF), which we will not examine in this thesis.

The ODA grant equivalent is computed by "multiplying the annual disbursements on the loan by the loan's grant element as calculated at the time of the commitment", with the grant element stated in the definition above (OECD, n.d-b).

Regarding the differences between LDCs, LICs, LMICs and UMICs:

Least Developed Countries	**Low Income Countries which are not LDCs** (per capita GNI <= $1 045 in 2020)	**Lower Middle Income Countries and Territories which are not LDCs** (per capita GNI $1 046-$4 095 in 2020)	**Upper Middle Income Countries and Territories which are not LDCs** (per capita GNI $4 096-$12 695 in 2020)

Table 1: Characteristics of the LDCs, LICs, LMICs and UMICs based on GNI per capita in USD (OECD, n.d-a)

A country reaches high-income status when it obtains a GNI (Gross National Income) per capita of US$12 696 or more (current USD, Atlas method) (OECD, n.d-a).

In SSA, more than two-thirds of the countries (32 countries out of 48) are part of the LDC list, nine of the LMIC list and seven of the UMIC. The countries' lists are reviewed every three years (see Appendix 1).

Part I: European Development Aid to Africa

The EU engagement in Africa rests on a past of direct bilateral relations between former colonial powers and the continent. Over the past half-century, the EU has developed an institutionalized system of development cooperation driven by political conditionalities. In the first part of this paper, we will look at the European development aid in Africa by paying attention to the historical underpinnings. We then review the principles defined by the EU to provide aid to Africa as well as the key development actors, both at the supranational and national level. Afterward, we will explore the different sources of funding and the financial instruments of the European aid. Finally, the focus will be on analyzing EU ODA flows based on OECD data.

1. EU as a historical incumbent in Africa

1.1. European Aid as a means to maintain its colonial economic legacy

The first European development cooperation programs were designed in the 1960s by economic interest, to ensure the maintenance of trade and business links between the former European colonial powers and their colonies (Belligoli & Defraigne, 2010). The desire to contribute to the development of Africa is expressed in the Schuman Declaration of May 9, 1950, where it was stated that one of the essential tasks of Europe was to work for the development of the African continent (Schuman, 1950). At that time, many European companies were operational in Africa, namely traders involved in the harvest of natural resources and the production of local commodities and market-seeking investors (Belligoli & Defraigne, 2010).

During the Treaty of Rome negotiations in 1957, European governments realized that decolonization would impact the trade of their national companies in Africa, as the colonies would become independent systems and thus leave the Common Market. As a result, trade would be impacted with the cancellation of the preferential tariffs that had been in effect until then. As Belgium and France imposed to maintain their commercial advantage for the ratification of the Treaty, the six member countries of the European Economic Community (ECC) decided to sign in 1963 the Yaoundé Convention, to set up a preferential trade regime with the former colonies (Belligoli & Defraigne, 2010; Defraigne, 2015). European powers would give free access to their domestic markets to goods from African member states, whereas the latter would be allowed to impose restrictions on the entry of ECC products into their territories (European Community Information Service, 1966). That framework would allow historical European investors and traders that had operated in the African colonies during the colonial system to maintain their access to raw materials and local markets after independence (Belligoli & Defraigne, 2010). That Convention was the first official step in the implementation of the ECC's development cooperation with Africa.

In 1958, the European Development Fund (EDF) was created to offer development assistance mainly for infrastructure projects in Africa (Nixson, 2007). Focusing on infrastructure was a way to ensure more business opportunities for the European investors operating in Africa. The EDF was funded outside the EU budget by voluntary donations from EU member states (Gavas, 2010). In the Yaoundé Convention, the ECC states pledged to allocate grants and loans totalling US$800 million, starting in 1964 and over the five following years (European Community Information Service, 1966). The greater part of those funds was distributed through the EDF (Belligoli & Defraigne, 2010).

With the inclusion of new member states in the ECC, and particularly the arrival of Great Britain in 1973 which became one of the largest European donors, European supranational funds for development assistance naturally grew (Belligoli & Defraigne, 2010). In addition, the setup of some bilateral aid programs between individual European governments and recipient African countries provided even more funds to the former colonies (Matthews, 2007). Similarly to the EDF, those programs mainly offered development assistance for infrastructure projects (Belligoli & Defraigne, 2010).

1.2. Decrease of African import dependency in the 1970s and its effects on European Aid

From the mid-1970s onwards, an improvement in the African bargaining position impacted the relations between African countries and the former European colonizers (Belligoli & Defraigne, 2010). Indeed, two major events in the 1970s contributed to a decrease in the investment flows from the Western economies. Firstly, an economic slowdown followed the 1973 oil crisis (Belligoli & Defraigne, 2010). At the same time, a monetary crisis was caused by the withdrawal of the convertibility of gold into dollars and the collapse of the Bretton Woods system (Belligoli & Defraigne, 2010). The 300% oil price increase by the Organization of the Petroleum Exporting Countries (OPEC) along with the price rise of other raw materials had a beneficial effect on exporting developing countries (Belligoli & Defraigne, 2010). Indeed, as described by the expression "commodity power", those countries began to accumulate income and challenge the European governments (Kolko, 1988).

Following that new situation, African countries sought to reduce their dependency on imported products, by replacing foreign goods with domestic production. To do so, they started to pursue Import Substitution Industrialization policies (ISI), both by protecting their infant industries and developing them (Oman, 1994).

Firstly, to protect African industries, the Lomé Convention, a unilateral preferential trade agreement, was signed in 1973 (Belligoli & Defraigne, 2010). The Convention introduced free access for all ACP (African, Caribbean and Pacific) exports to the EU market while the ACP countries could maintain strong protectionist measures, such as deterring some European MNEs (Multinational Enterprises) to invest in Africa (Belligoli & Defraigne, 2010). It also established a finance scheme financed by the EDF for the stabilization of ACP export earnings, the STABEX (Système de Stabilisation des Recettes d'Exportation), to compensate for the effects of the instability in export revenues from agricultural products (Belligoli & Defraigne, 2010).

Secondly, to develop African industries, African governments started to nationalize European MNE subsidiaries present on their territory and to buy turnkey factories and utilities built by European companies thanks to funds provided by bilateral aid programs (Dubresson & Raison, 2007; Hugon, 2008; Oman, 1994). However, at that time, most African countries had a limited pool of qualified workers while the European infrastructure was often highly capital intensive (Belligoli & Defraigne, 2010). To face that challenge, African governments asked the EU to provide some technical assistance. That assistance was tied to European bilateral aid programs and carried out by European MNEs (Belligoli & Defraigne, 2010). However, those costly infant industry projects ended up most often as "white elephants", some burdensome projects extremely expensive to run and of very little use as they were not adapted to the capacities and needs of African countries (Liberto, 2022). For instance, the Zairian Inga hydroelectric power plant constructed in the 1970s was partly financed through European aid funds and built by a consortium of European and US firms (Braeckman, 1992). The power plant was aimed at supplying electricity for the whole country but due to expensive upkeep costs and a poorly developed national grid, it could barely function at one percent of its capacity on average and resulted in significant losses (Braeckman, 1992).

1.3. Evolution of European Aid programs in the 1990s and 2000s

At the beginning of the 1980s, helping development in Africa was no longer a priority for the EU. Indeed, African countries were hit by a debt crisis induced by the sudden rise of interest rates in 1979 (Belligoli & Defraigne, 2010). To be able to pay back their debts, African governments were required by the International Monetary Fund (IMF) to follow structural adjustment policies to reduce public spendings, such as privatizing the most unprofitable ISI schemes and opening their economies to global trade and investment flows (Belligoli & Defraigne, 2010). However, African countries were not attractive to foreign investors anymore because of the political instability and lack of infrastructure. European actors therefore reduced their Foreign Direct Investment (FDI) in Africa in the 1980s and 1990s.

At the end of the Cold War, European ODA in terms of share of GDP (Gross Domestic Product) decreased in Africa as well as Europe shifted priorities to focus on other emerging economies (Belligoli & Defraigne, 2010). In that regard, EU ODA to Africa declined from a 60% share during the Cold War to 50% afterward (Hoebink & Stokke, 2005; Matthews, 2007). Indeed, the EU decided to grant development aid (not only ODA) mainly to Eastern European countries through the pre-accession programs, which provided economic assistance to countries candidates for EU membership (Belligoli & Defraigne, 2010). The underlying reason to send that European aid was to improve the regionalization of Western firms' production process across Europe, therefore funding focused on infrastructure, energy production and distribution, and telecommunications (Berend, 2009; Defraigne 2004; Dicken, 2007; Mouhoud, 2007).

Subsequently, as African economies recovered from the debt crisis, European development assistance programs on the continent shifted priorities from infrastructure and production activities to the social sector, focusing on poverty alleviation, education and access to social services. In 2005, social cooperation represented 45% of EU supranational aid, against half for the economic sector (Matthews, 2007).

In 2000, the EU decided to develop an up-to-date legal and financial framework, the Cotonou Partnership Agreement (CPA) to coordinate development assistance and trade with the ACP countries. The CPA aimed at reducing poverty and facilitating the African regional integration processes by focusing on three pillars: development cooperation, economic and trade cooperation and political dialogue (Belligoli & Defraigne, 2010; European Council, 2021).

However, the draft of that new framework was clearly driven by the EU economic interests to benefit their national firms (Belligoli & Defraigne, 2010). Regarding economic cooperation, the framework offered the opportunity to negotiate regional Economic Partnerships Agreements (EPAs), aimed at removing intraregional barriers to trade and investment and developing regional infrastructure networks (Belligoli & Defraigne, 2010). Indeed, at that time, Africa was facing major obstacles to developing its intra-regional trade, namely intraregional domestic tariffs and limited regional connection of the national infrastructure (Ténier, 2003). Those obstacles impacted the European business interests as they were preventing European companies from regionalizing their manufacturing and distribution processes across the different African economies (Belligoli & Defraigne, 2010). Concerning development assistance, the CPA included a strong emphasis on political conditionality by promoting good governance, human rights and democracy in ACP countries to access EU aid programs (Belligoli & Defraigne, 2010). The Agreement was concluded for twenty years and was initially due to come to an end in February 2020. However, its provisions were extended till the end of November 2021. The Post-Cotonou Agreement, its successor agreement, is still in the process of ratification (European Council, 2021).

1.4. The 2000s shift towards a more integrated and comprehensive European Aid approach

In the 2000s, the EU development policy in Africa underwent a substantial transformation toward a more integrated and comprehensive development approach in the face of new challenges (Jones, Keijzer, Friesen & Veron, 2020). Indeed, on one hand, Africa was facing the impact and complexification of several global challenges in the security, environmental and development landscape. On the other hand, the African continent was the location of increasing geopolitical competition with the rise of new emerging trading partners, notably China but also India, Brazil, Turkey, East Asia countries and some MENA economies (Defraigne, 2017) which challenged the EU traditional hegemonic position on the African scene.

To guide cooperation with Africa, the EU created a new comprehensive framework in 2007, the Joint Africa-EU Strategy (JAES). The JAES was signed at the second EU-Africa summit in Lisbon between the EU and the African Union (AU), a continental union made of 54 African states (Jones et al., 2020). It constituted the political framework for cooperation between the EU and Africa at the continental level by moving beyond traditional development cooperation to also involve aspects such as security, sustainable development, energy, democratic governance and migration (Jones et al., 2020). In addition, it emphasized searching for mutual benefits and building a partnership between equals that goes beyond the donor-recipient relationship in the relation between the two actors (The Portuguese Non-Governmental Development Organizations Platform, 2021).

To increase the effectiveness of the EU supranational development policy, the European Consensus on Development was introduced in 2005 and defined for the first time in fifty years of cooperation a shared vision and common agenda between the EU and its member states (Jones et al., 2020). That framework affirmed the need for the adoption of a more comprehensive EU approach to reduce poverty worldwide and to meet the 2000 UN Millennium Development Goals (MDGs), to which all UN member states had to subscribe by 2015 (EUR-Lex, 2007). Secondly, it stated the principle of ownership in the EU-African partnership, where recipient countries bear the primary responsibility for their own development. In 2011, the framework was completed by the Agenda for Change, a reform strategy aimed at increasing the impact of EU development cooperation (Jones et al., 2020). It emphasized the need for the EU to concentrate funding on countries most in need, namely the LDCs and on a limited number of sectors (Jones et al., 2020).

Due to the rise of global social, economic and environmental challenges, the EU revised the European Consensus on Development in 2017. The New European Consensus on Development provided an update of the EU joint vision for development policy to adjust and respond to crises (European Parliament, Council of the European Union & European Commission, 2017; Jones et al., 2020). It stated the need for a more integrated and comprehensive EU approach by increasing coordination between the EU and its member states, promoting synergies between sectors (peace, security, humanitarian aid, migration, climate) and combining traditional financing with private-sector and domestic resources (Jones et al., 2020).

2. Principles of European Development Aid

After summarizing the European-African development cooperation history, this chapter will focus on the key principles that rule the European development aid.

The EU follows a development policy based on development aid conditionality, which can be defined as "tying forms of support to the implementation of reform programs dictated by donors" (Schmitz, 2006).

The modalities of European aid conditionalities have evolved over time. In the 1980s, economic conditionalities were dominant, where structural adjustment programs were imposed on African countries to receive aid. Those programs were set up to face the economic and debt crises brought by the excessive granting of credit during the oil boom and to establish the creditworthiness of heavily indebted recipient countries (Schmitz, 2006). In the 1990s, those modalities were supplemented by political conditionalities. Indeed, in 1991, the European Council announced in a resolution on "Human Rights, Democracy and Development" that European development cooperation will henceforth be conditioned to the promotion of democratic principles (Commission of the European Communities, 1994). That modality was codified in the 1995 revised version of the Lomé Convention, in addition to two principles on the respect for human rights and the rule of law. In the same decade, the concept of good governance, introduced by the World Bank (WB) in the 1990s, was adopted by European actors to allocate development aid (Beck & Conzelmann, 2004). Good governance refers to "the manner in which power is exercised in the management of a country's economic and social resources for development" (Schmitz, 2006). It involves a transparent government administration, democratic and participatory development, respect for human rights and private economic competition. Since 2020, development aid is also conditioned to the cooperation of Africa with the EU on migration management (EPP Group, 2020).

Today, the EU relies on ideologies of good governance, rule of law, respect for human rights and migration cooperation to deliver its aid. However, it is not always the case in practice. Indeed, European development aid is not only allocated at the European supranational level, but also by EU member states that can differ in their assessment of the respect of those conditionalities in recipient countries. In addition, the allocation of aid is determined by national strategic interests and foreign policy considerations, which leads to an inconsistent application of those conditionalities and promotes a policy of double standards (Schmitz, 2006). For instance, the EU still provides aid to the corrupted Equatorial Guinea as European oil companies have extensive investments there (Defraigne, 2016).

3. Political Actors of European Development Aid

Let's now examine the roles and responsibilities of the European foreign aid actors.

3.1. Supranational Level: The complexity of European Institutions

The management structure of the EU development cooperation provides some complexity due to the great number of actors involved (see Figure 1) and the mutual impairment of some EU institutions' policies.

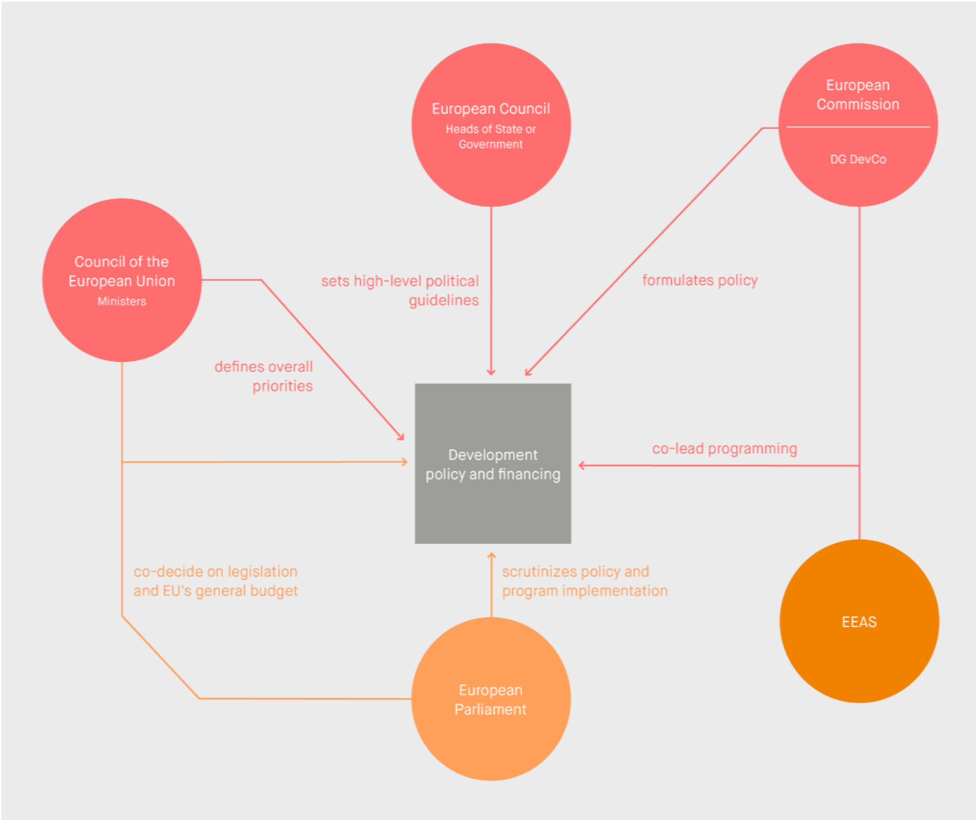

Figure 1: Diagram of the Key Political Actors of European Development Aid (Donor Tracker, 2022)

The European Commission (EC) is the most crucial decision-making actor to support European supranational development policy. It is responsible for formulating and implementing the EU development policy and managing the EU budget, regulated according to a seven-year framework called the Multiannual Financial Framework (MFF). Within the EC, the Directorate-General for International Partnerships (DG INTPA) (previously Directorate-General for International Cooperation and Development (DG DEVCO)) formulates the overall EU development policy abroad (OECD, 2022b). Beyond those roles, the EC is in charge of promoting coordination and coherence between the EU member states' national development policies (Kitt, 2010).

Secondly, the Council of the EU defines and implements the EU foreign development policy based on guidelines set by the European Council (EUCO) (European Council, 2022). In coordination with the European Parliament (EP), it sets up the EU budget based on the EC's proposal (European Commission, 2021b).

Finally, the European External Action Service (EEAS) works with the EC to program the EU budget's country and sector allocations and ensures the political coordination of the EU supranational and national development action for a more consistent European external engagement (Donor Tracker, 2022; OECD, 2022b).

Unfortunately, the complex management structure of the EU development cooperation is a source of incoherence in the EU policies (Carbone, 2008). Indeed, the EU efforts on development cooperation can be undermined by the establishment of EU policies in other areas, such as in trade and agriculture (Mackie, 2021). For instance, regarding the agricultural sector, the EU funds agriculture projects in Africa as part of its development cooperation policy but penalizes local African farmers by exporting European products that are more competitive than local production (Mackie, 2021).

3.2. National Level: The diversity of EU Member States' aid policies

The EU does not function as a unitary actor regarding its development policy (Kitt, 2010). Indeed, as development cooperation is a shared competence between EU member states and the EC, the EU is able to promote and implement a supranational EU development policy as long as it does not prevent EU member states to exercise their own competence (Padurariu, 2021). Therefore, EU member states can engage in their own bilateral cooperation with Africa that co-exist with the EU supranational policy.

In Africa, the bilateral development policies of EU member states are very heterogeneous and vary depending on historical factors and business interests (Muñoz Gálvez, 2012). The seven former European colonial powers France, Germany, Belgium, Spain, Portugal, Italy (and the United Kingdom (UK) when it was still part of the EU) attach a large importance to strengthening the bilateral partnership with their African ex-colonies but have a more flexible agenda than the EU Institutions (EUI) regarding the EU conditionalities linked to foreign aid (The Portuguese Non-Governmental Development Organizations Platform, 2021). In contrast, Nordic countries do not have strong historical relations with African countries but chose to develop their own national policy. In addition, they are more normative than the former colonial powers in their political values (Balleix, 2005; The Portuguese Non-Governmental Development Organizations Platform, 2021). Finally, the EU member states formerly under Soviet domination have weak political links with African countries and participate in EU common discussions without national agenda (Balleix, 2005).

To support the development and implementation of their bilateral aid policies, the EU member states run their own agencies, administrations and institutions (Kitt, 2010). Appendix 2 provides an overview of the 44 top-level national organizations charged with aid policy development and implementation in the EU member states. However, the number of donor agencies is even bigger than in this table, as countries that have a strong degree of decentralization, for instance Spain or Belgium, replicate national organizations at regional levels (Kitt, 2010).

Building a unified EU development policy therefore constitutes an important challenge to tackle to improve the European aid effectiveness. In that regard, to align the foreign development policies of the EU and its member states, the European Consensus on Development was signed in 2005 and renewed in 2017 to define a European shared vision and action framework for development cooperation. This framework intends to increase the integration and coordination of the development actions of the EUI and the EU member states to ensure complementarity and impact (European Commission, n.d-a).

4. Funding Sources of European Development Aid

The EU as a whole entity, including both the EUI and EU member states, is the first global development donor and provides more than half of the development aid worldwide (Muñoz Gálvez, 2012). Overall, the EU supranational ODA comes from two separate sources: the EU External Assistance and the EIB (European Investment Bank) operations (see Figure 2).

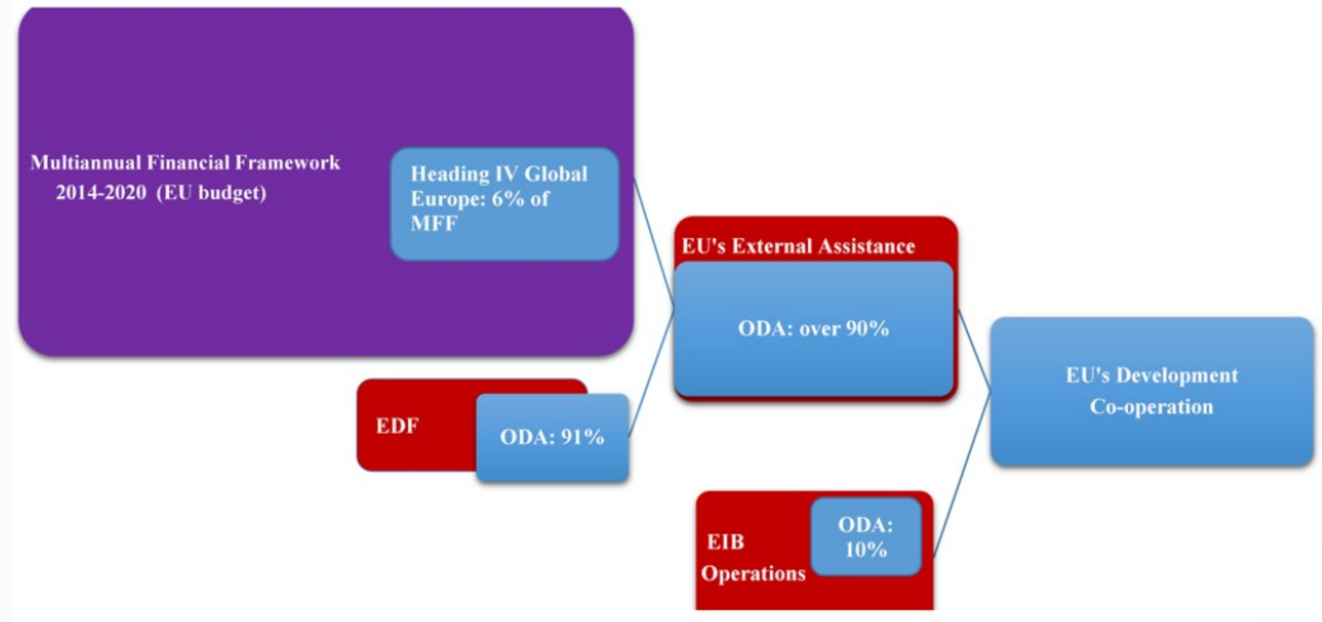

Figure 2: Diagram of the Funding Structure of the EU Development Cooperation during the MFF 2014-2020 (OECD, 2018)

4.1. EU External Assistance

Firstly, till 2021, the EU External Assistance to Africa included the EDF funds and part of the EU development budget. Since the implementation of the MFF 2021-2027, the EDF funds have been incorporated into the EU budget.

The EU budget is decided by the EP together with the EUCO. It is funded by contributions from EU member states proportionate to each country's GNI and supplemented by other sources of revenue (Kitt, 2010; OECD, 2022b). In the 2007-2013 MFF, the ODA budget represented around 6% of the EU budget (Muñoz Gálvez, 2012). Through the EU budget, the EC supports the EU supranational assistance in developing countries worldwide (Africa, Asia, Latin America and European neighborhood countries) and through specific thematic programs (e.g. food security, human and social development, environment, migration) (Kitt, 2010).

Regarding the EDF, it was the main source of funding for development aid in ACP countries till 2021 (Donor Tracker, 2022). The EDF was established in 1957 by the Treaty of Rome to offer European supranational development assistance through grants and other financial instruments to the 79 ACP countries and to the EU Overseas Countries and Territories (OCTs) (Nixson, 2007). It was funded outside the EU budget by voluntary contributions from the EU member states. The aid budget was approved by the EP and concluded for a seven-year period, which amounted to €30.5 billion for the 2014-2020 period (Parry & Segantini, 2017). The EDF was intergovernmental in nature, with a decision process at the hands of the governments of member states (Belligoli & Defraigne, 2010). Its resources were mainly managed by the EC (Parry & Segantini, 2017). Approximately 91% of the EDF expenditure was reported as ODA during the 2014-2020 MFF (OECD, 2022b).

In 2021, the EDF budget was incorporated into the EU budget for the 2021-2027 MFF as part of the newly created Neighbourhood, Development and International Cooperation Instrument (NDICI) which will be the main financial aid tool for this period (European Commission, n.d.-b). The NDICI's action covers the EU development priorities by focusing on four geographic areas, including SSA and four thematic programs (Human Rights and Democracy, Peace, Stability and Conflict Prevention, Civil Society Organisations and Global Challenges) (European Commission, n.d.-b). As part of its 2021-2027 €79.5 billion budget, the NDICI plans on allocating at least €29.18 billion to SSA (European Commission, n.d.-b).

4.2. European Investment Bank

Founded in 1958 following the signature of the Treaty of Rome, the EIB is the largest multinational financial institution in the world and provides funding to both the public and private sector through loans, guarantees and technical assistance (EIB, 2017). It supports the EU development aid both inside the EU internal market and outside, in over 150 countries including the ACP countries (Muñoz Gálvez, 2012). The EIB decision-making process is governed by its shareholders, the EU member states (Counter Balance & CEE Bankwatch Network, 2020). It is financially independent of the EU budget and operates either with its own resources funded through the issuance of bonds, or thanks to external capital, namely some EU member states' contributions taken from the EDF (European Commission, 2019a; Muñoz Gálvez, 2012; OECD, 2022b). Approximately 10% of the EIB expenditure was reported as ODA for the 2014-2020 MFF (EIB, 2017; OECD, 2022b).

4.3. Complexity of the EU Funding Structure

The funding structure of the EU has become increasingly intricate over the years as the EU development cooperation is nowadays funded by several different sources each with its own rules, both at the supranational and national level. This proliferation of aid donor channels can be damaging to the effectiveness of European development cooperation with recipient countries.

The integration of the EDF into the EU budget had therefore three advantages for the EU supranational cooperation: to improve its effectiveness by unifying budget control mechanisms, decision-making structures and procedures; to increase its transparency as a single EU budget including all foreign aid expenditures would provide a better overview of the EU supranational cooperation policy; and to gain independence from national interests and voluntary contributions from EU member states (Muñoz Gálvez, 2012).

5. Financial Instruments and Modalities of European Development Aid

In this thesis, we will focus on the types of development assistance flows that fall under the definition of ODA (see Introduction).

As a reminder, ODA consists of:

> "Flows to countries and territories on the DAC List of ODA Recipients and to multilateral development institutions (...) [that] are: (i) provided by official agencies, including state and local governments, or by their executive agencies; and (ii) Concessional (...) and administered with the promotion of the economic development and welfare of developing countries as the main objective" (ODA, 2021, para. 2; OECD, n.d-b).

It therefore does not include transactions that have a primarily commercial objective.

The EU provides mainly two types of ODA instruments, namely grants and soft loans.

Grants are financial instruments where funding is provided to recipient countries free of interest and with no provision for repayment. Before 2021, funding came from the EU budget and the EDF at the supranational level and from national development agencies at the national level (Muñoz Gálvez, 2012; Winpenny, Trémolet & Cardone, 2016). Since 2021 and the integration of the EDF, funding comes from the EU budget and from national development agencies

(OECD, 2022b). Grants are the main financial instrument used by the EU for development assistance and are offered as donations for specific projects or operations in line with the EU foreign development objectives (European Commission, n.d.-c). They cover a wide range of sectors and areas (European Commission, n.d.-c). Within the EUI' ODA in 2020, 71.3% was provided in the form of grants (OECD, 2022b). This share varies when it comes to EU member states.

Soft loans consist of loans allocated at a below-market rate which must be repaid with interest. The EU loans are medium or long-term loans destined mainly to finance private sector projects. Until 2018, loans were concessional if their grant element was at least 25% calculated using a 10% discount rate (OECD, n.d-b). Since 2019, both the grant element and discount rate vary based on the income group of the recipient country (OECD, n.d-b). Soft loans are provided by the EIB at the supranational level and by national development banks at the national level (Winpenny et al., 2016).

Those two instruments fund the EU foreign cooperation according to seven main types of aid, also called modalities: budget support (direct financial transfers to the recipient country's national treasury), sector support and project support for the most part but also humanitarian aid, technical assistance, scholarships and student costs, and debt relief (D'Alfonso, 2014).

6. EU ODA Breakdown

In this chapter, we will first present some general data about EU ODA worldwide and EU ODA to SSA in recent years. Secondly, we will assess the EUI' ODA to SSA in terms of geographic and sectoral distribution, channels of delivery and types of aid used.

To gather EU ODA flow data, we mainly used the 2020 study on the EU development cooperation with SSA during the 2013-2018 period commissioned by the Policy and Operations Evaluation Department of the Ministry of Foreign Affairs of the Netherlands (Jones et al., 2020). The information presented is based on OECD statistics and the EU Aid Explorer website.

We chose to focus on this period as it corresponds to the dates covered by the Chinese 2021 White Paper, the latest Chinese official document released on development assistance. This will make the aid flow data comparison between the EU and China in section III.1.2. more relevant.

The EU collective ODA is composed of the EU27 ODA and of the EUI' ODA. The EU27 collective ODA corresponds to the total ODA spending of the EU member states. The EUI' ODA is the ODA given by the EUI (EU External Assistance and EIB). As the withdrawal of the United Kingdom came into effect on 1 February 2020, we will consider the EU28 ODA before that date.

The EU ODA is divided into bilateral aid, in which assistance is given directly to a recipient country and multilateral aid, granted via an international body such as the UN agencies or the WB.

In the following sections, the term "aid" will be used to refer to ODA flows.

6.1. Overall EU ODA

The EU, consisting of the EU member states and EUI, is collectively the first global donor with an EU collective ODA amounting to €74.4 billion in 2018 and representing more than half of global assistance by all OECD-DAC donors (European Commission, 2019b). This represented 0.47% of EU GNI in 2018 (European Commission, 2019).

6.2. EU ODA to Sub-Saharan Africa

The EU collective ODA is Africa's primary source of development aid. Over the 2013-2018 period, the EU collective disbursed a gross total of US$92.4 billion (€76.8 billion) in ODA to SSA, with an average annual disbursement of US$15.4 billion (OECD, 2019). SSA is the main recipient of EU collective aid, as it represented on average 37% of its ODA worldwide over that period (Muñoz Gálvez, 2012).

Over the 2013-2018 period, the EUI' ODA represented around a third of the EU collective ODA (European Commission, 2022a). The EUI disbursed a total of US$28.5 billion (€23.7 billion) in gross ODA to SSA, with an average annual disbursement of US$4.77 billion (Jones et al., 2020). Their gross ODA grew by 29.3%, from US$4.1 billion in 2013 to US$5.3 billion in 2018 (OECD, 2019).

The EU28 ODA comprised the last two-thirds with a gross total ODA disbursement of US$63.9 billion (€53.1 billion) over that period (Jones et al., 2020). The top five EU member states donors were by far the UK, followed by France and Germany at a similar level, then Sweden and the Netherlands (European Commission, 2022a) (see Figure 3). Between 2013 and 2018, the French and the Dutch bilateral aid to SSA declined (Jones et al., 2020). For instance in the Netherlands, the 2018 ODA was 9% lower than the amount disbursed in 2013 (respectively US$763 million and US$837 million) (Jones et al., 2020). In contrast, both the German and UK bilateral aid to SSA increased (Jones et al., 2020; OECD, 2019).

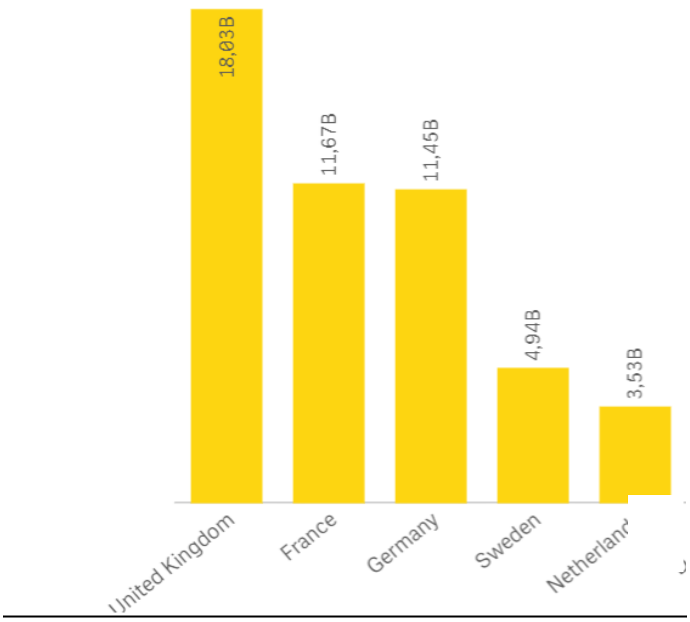

Figure 3: Top five EU Member States' gross ODA to SSA during the period 2013-2018 in € billion (European Commission, 2022a)

For the following sections, as the spending behaviors are quite different among the EU member states, we chose to only focus on the EUI' ODA.

6.2.1. Sectoral distribution of EU Institutions' ODA

The EUI allocate their ODA to SSA in a large variety of areas and sectors (see Appendix 3). Social infrastructure and services (education, health, water supply, government), also named soft sectors, represented the largest funding and one-third of the EUI' ODA between 2013 and 2018, with an annual gross disbursement of around $US1.55 billion (Jones et al., 2020) (see Figure 4). The EUI favor this sector category as they acknowledge the importance of social actors as strategic partners in political, social and economic dialogue. Soft sectors are followed by economic infrastructure and services (transport, energy), a category that accounted for the most significant increase over 2017 and 2018, and then humanitarian aid (Jones et al., 2020).

In contrast, there was a major decrease in the commodity aid and general program category (this category mainly represents general budget support).

For more information on the different sector sub-categories, see Appendix 3.

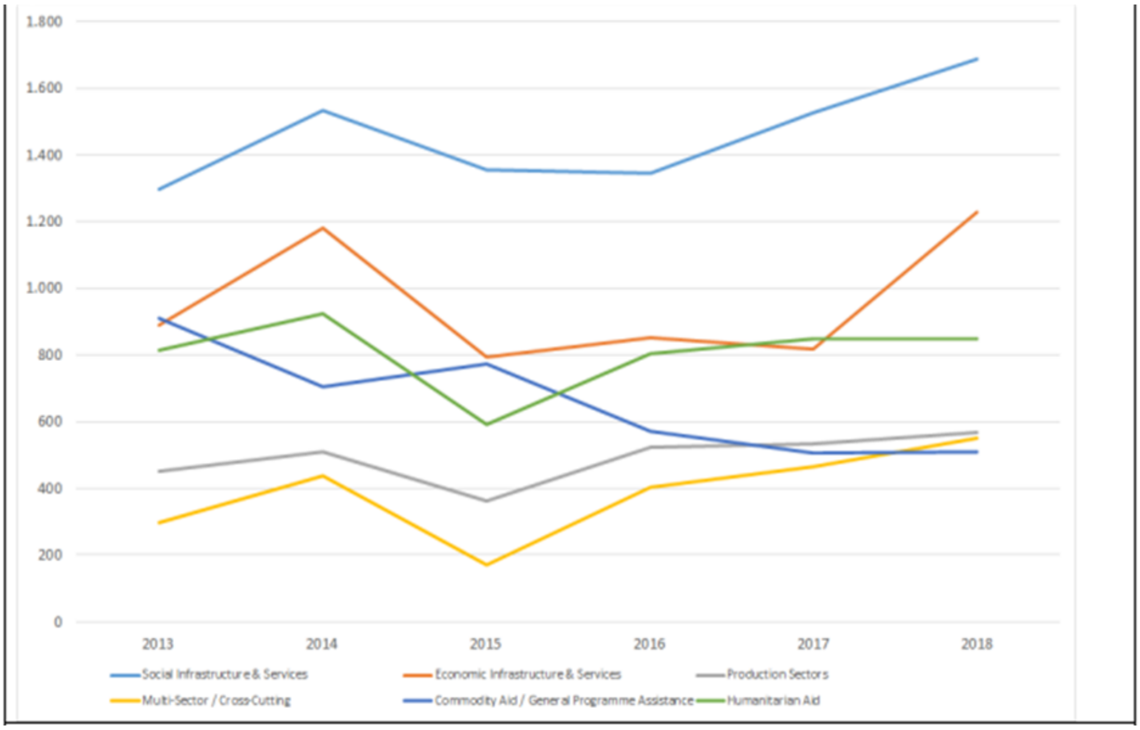

Figure 4: Sectoral Distribution of the EUI' gross ODA to SSA during the period 2013-2018 in US$ million (Jones et al., 2020; OECD, 2022c)

6.2.2. Geographic distribution of EU Institutions' ODA

As mentioned in section I.6.2, between 2013 and 2018 the EUI disbursed a total of US$28.5 billion (€23.7 billion) in gross ODA to SSA, with an average annual disbursement of US$4.77 billion (Jones et al., 2020). This represented 77% of the amount allocated to the whole African continent by the EUI (OECD, 2022c).

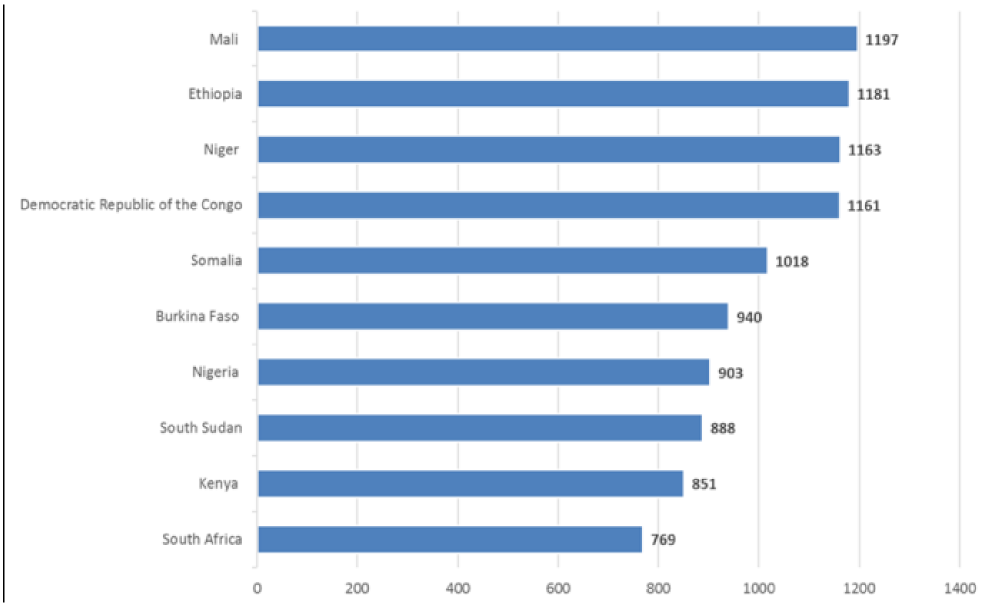

Figure 5: Top Ten SSA EUI' Aid Recipients during the period 2013-2018 with gross ODA in € million (Jones et al., 2020; European Commission, 2022a)

Overall, the top shows a strong focus on Western Africa for funding allocation (Mali, Burkina Faso, Niger, Nigeria) followed by Eastern Africa (Somalia, Ethiopia, South Sudan, Kenya) (see Figure 5) (Jones et al., 2020; European Commission, 2022a).

Regarding the top ten SSA EUI' aid recipients, the Democratic Republic of the Congo, Mali, Burkina Faso, Niger, Somalia, and Ethiopia have been every year in the top ten over the 2013-2018 period (Jones et al., 2020; European Commission, 2022a). As mentioned in the historical overview, the 2011 Agenda for Change emphasized the need for the EU to concentrate funding on countries most in need, namely the LDCs. Therefore, this strategy is reflected in the EUI' ODA allocation as all those six countries are LDCs (see Appendix 1).

For the top four SSA recipients, even if the aid disbursed over the six-year period is almost the same, there have been some substantial variations over the years in the amount allocated per country (Jones et al., 2020).

6.2.3. Aid Delivery Channels used by the EU Institutions

The EUI provide almost exclusively bilateral aid, which constituted on average four-fifths of its total ODA over the 2013-2018 period, while the last one-fifth was channelled through multilateral organizations (see Figure 6) (Jones et al., 2020; OECD, 2019).

Regarding bilateral aid, the public sector was the dominant delivery channel and accounted for half of the EUI' ODA during that period (Jones et al., 2020; OECD, 2019). In addition, its share grew while the multilateral organizations' one declined (Jones et al., 2020; OECD, 2019). However, one cannot link this evolution to a change in the EU development strategy, as the EUI do not value one delivery channel over the other.

Figure 6: Principal Aid Delivery Channels of EUI to SSA over the 2013-2018 period in % of total EUI' aid (Jones et al., 2020; OECD, 2019)

6.2.4. Modalities used by the EU Institutions

The EUI allocate their ODA to SSA according to a large variety of modalities. They provide aid through two main types: project-type interventions, which represented on average 69.25% of the aid; and budget support, which accounted on average for 22.57% over the 2013-2018 period (Jones et al., 2020; OECD, 2022c). Budget support used to be the preferred aid modality and is still promoted by the EUI as it allows recipient countries to choose independently how they allocate their development money. However, compared to the 2010-2012 period, the budget support share decreased (25.52% of aid over 2010-2012), with a shift of aid towards project-type interventions (63.14% in 2010-2012) (see Table 2) (Jones et al., 2020; OECD, 2022c). This evolution reflects the willingness of the EUI to use the entire portfolio of aid instruments so that it fits with the needs of the recipient country and increase aid effectiveness.

	Average 2010-2012	**Average 2013-2018**
Budget support	25.52%	22.57%
Core contributions and pooled programmes and funds	5.42%	4.24%
Project-type interventions	63.14%	69.25%
Experts and other technical assistance	4.84%	3.86%
Scholarships and student costs in donor countries	0.08%	0.08%
Debt relief	1.00%	n.a.

Table 2: Modalities of EUI' Aid to SSA for the 2013-2018 period in % of total EUI' gross disbursement aid (Jones et al., 2020; OECD, 2022c)

Part II: Chinese Development Aid in Africa

In the second part of this thesis, we will look at the Chinese development aid in Africa. We will first introduce the challenges of the Chinese aid reporting system, then present a historical review of Chinese foreign aid to explore the key events that have led to policy changes. Furthermore, we will examine the key principles defined by China to provide aid to Africa, as well as the diverse actors and instruments of Chinese aid. Finally, we will analyze the specificities of Chinese development aid flows.

1. Challenges of the Chinese Aid Reporting System

As China's role in development cooperation grows, there is a lot of speculation on the levels of Chinese foreign assistance but very little information is available (Shinn & Eisenman, 2012).

There are several reasons for the low level of transparency in Chinese foreign aid. Firstly, the Chinese foreign aid actors are organized according to a complex management system including a large variety of political and financial institutions, which makes it difficult to track the overall aid flows (see Chapter II.4.). Secondly, there is a strong controversy within the Chinese society over foreign aid cooperation as China is a developing country itself. The domestic opposition considers that the Chinese government should prioritize the welfare of its own people, as a large part of its population still live under the poverty line (13% of the population which equals 200 million people in 2021) instead of providing development aid (Ruwitch, 2021; Sun, 2015). Finally, China does not want to compromise its donor negotiation power as the disclosure of data could lead to pressure for money from recipient countries that compare their share of aid (Grimm, Rank, McDonald & Schickerling, 2011).

However, this lack of transparency has evolved in recent years. In 2008, during the UN High-Level Meeting on the MDGs, Premier Wen Jiabao revealed the Chinese development aid figures, in terms of total aid provided, number of grants and of zero-interest loans to Africa (Bräutigam, 2011b). In 2011, 2014 and 2021, China also published White Papers on its foreign assistance which contained systematic official data (China's State Council Information Office, 2021).

There are a few additional challenges to face regarding the data available. The first one is that the Chinese definition of aid used in official documentation such as the White Papers is not consistent with the OECD DAC definition (Belligoli & Defraigne, 2010). Indeed, most of the Chinese official development assistance figures often also include data on other economic cooperation instruments (such as non-concessional loans and export credits), which cannot be reported as ODA. This therefore makes it challenging to collect the Chinese "ODA-like" data and compare them with the European ODA data. In addition, the allocation of ODA represents only a small fraction of China's foreign aid to Africa, which means that our overview of Chinese assistance to Africa will not be exhaustive (Bräutigam, 2011b). Furthermore, the complexity of the Chinese aid system impacts the reporting of comprehensive and reliable assistance data, where some figures may have been underreported or reported several times (Defraigne, 2016).

These challenges restrict the depth and certainty of the analysis hence the importance of adopting a critical view on the quantitative results in this thesis.

2. China as a newcomer in Africa

China is an emerging donor and a newcomer to the global aid market. This chapter shows that the Chinese development assistance in Africa has undergone a large transformation in two phases, with geopolitical interests at stake at the early stage, followed by a shift of goals and drivers in the mid-1990s.

2.1. Geopolitical interests at stake till the mid-1990s

The early phase of Chinese development assistance took place from the 1960s to the middle of the 1990s and was a period of "ideology exportation" (Shinn & Eisenman, 2012). At that time, the Chinese foreign aid was a policy tool used to counter the influence of Western powers and of the Soviet Union in recipient countries (Shinn & Eisenman, 2012). Indeed, through that aid, China wanted to contribute to the economic development of Third World countries to build their national independence, which is why it was providing assistance to independence movements and revolutionary groups (Shinn & Eisenman, 2012). The main criterion for granting aid was a geopolitical imperative, whether a country recognized the People's Republic of China (PRC) instead of Taïwan (Shinn & Eisenman, 2012).

At that time, most of the Chinese assistance was directed to the African continent. In 1975 for instance, the number of Chinese development programs in Africa was greater than those of the United States (Bräutigam, 2008). The Chinese aid mainly consisted of investments in small and medium-scale projects that encouraged the self-reliance of the countries (Shinn & Eisenman, 2012). The preferred sectors for aid were infrastructure, light industry using simple technology, and food production (Bräutigam, 2008).

China recognized the need to develop political structures to support its aid system very early on. In 1960, it set up its first office for aid, the State Administration of Foreign Economic Relations (later, Ministry), to handle material aid and turnkey projects in collaboration with the Ministry of Foreign Affairs (Bräutigam, 2011b). As the aid system was suffering from understaffing, China announced in 1971 the creation of economic and technical cooperation offices in each Chinese province and major city to handle the increase in development aid (Bräutigam, 2011b). In 1982, the system underwent a major transformation. The aid offices were transformed into State-Owned Enterprises (SOEs) and encouraged to autonomously seek out profitable opportunities (Bräutigam, 2011b). At the same time, the Ministry of Foreign Economic Relations was merged with the Ministry of Trade into the Ministry of Foreign Economic Relations and Trade (which will become the Ministry of Commerce MOFCOM in 2003) (Bräutigam, 2011b). This merger showed the upcoming will of China to mix aid with other forms of economic engagement (Bräutigam, 2011b).

During that period, China elaborated its aid framework. The “Eight Principles for China's Aid to Foreign Countries” that govern China’s foreign aid were laid by Premier Zhou Enlai during a visit to Ghana in 1964. In addition, the PRC’s “Five Principles of Peaceful Coexistence” proposed by Zhou Enlai at the 1955 Bandung Conference in Indonesia initially governed China’s policy with its neighbor countries but have also been an essential part of China’s policy towards Africa. They both constitute the framework on which China's development aid is still based today (Shinn & Eisenman, 2012). These principles laid down three important pillars of Chinese aid, namely the principles of political sovereignty of the recipient states, non-interference of China in their domestic politics and economic mutual benefit in their relations. By stating a foreign policy strategy that is not based on any policy of conditionality, China was taking the opposite approach to the European one.

If aid was mainly driven by geopolitical interests during that period, some important projects emerged that also had an economic objective. For instance, China financed the Tanzania Zambia Railway (TAZARA) in the 1970s, located between Zambia, Tanzania and the Indian Ocean, which allowed the transport of natural resources extracted from the African subsoil, such as copper, to international markets (Shinn & Eisenman, 2012). This project was a way for China to expand its export markets. The construction costed about US$500 million, and as of 2012 was still considered to be China's largest-ever single-item aid project (Sued, 2012). However, the economic relationship with Africa stayed quite unimportant till the 1990s, when trade became a way more significant part of the Sino-African relationship (Shinn & Eisenman, 2012).

2.2. 1990s shift from aid donation to economic cooperation for mutual benefit

Two significant events in Africa affected the relations with China at the beginning of the last decade of the 20th century (Shinn & Eisenman, 2012). Firstly, the end of the Cold War in 1991 provided China with the opportunity to take advantage of the decreased interest in Africa by traditional Western donor countries to build stronger relationships with African countries (Shinn & Eisenman, 2012). Secondly, the Tiananmen Square crisis in 1989 resulted in China's renovated interest in Africa to promote its image and prevent international isolation (Shinn & Eisenman, 2012).

The second phase in the evolution of Chinese development assistance corresponds to the period from the mid-1990s to the present, when China aimed at combining aid, mutual cooperation and trade (Shinn & Eisenman, 2012). By the mid-1990s, China had become one of the world's largest trading nations. Its goal was now to focus on its economic interests and facilitate the long-term penetration of Chinese companies in Africa, by developing access to raw materials as well as securing the purchase of Chinese goods and services on the continent (Shinn & Eisenman, 2012). This phase was kicked off in 1995 with the launch of the "Great Economic and Trade Strategy", a top-down state-driven strategy to further Chinese competitiveness in global trade (Belligoli & Defraigne, 2010). The goal shift was translated into deep-rooted reforms such as the creation of new aid instruments, namely the concessional loans in 1994 managed by the Export-Import Bank of China (Exim Bank) (Defraigne, 2015). As a result, the Sino-African trade jumped from about US$1 billion at the beginning of the 1990s to over US$6 billion at the end of the decade (Shinn & Eisenman, 2012).

During that period, China started to more strongly emphasize the importance of mutual and economic benefits in the relations with its African partners. This shift in Sino-African relations was highlighted by the Chinese Presidents during their visits to Africa in the 1990s (Shinn & Eisenman, 2012). In 2000, in the Beijing Declaration of the Forum on China-Africa Cooperation in 2000 introducing the role of the Forum on China-Africa Cooperation (FOCAC), FOCAC was described as “a framework for collective dialogue between China and African countries on the basis of equality and mutual benefits” (Shinn & Eisenman, 2012).

The beginning of the 21st century brought a new plan of action for China’s development aid. Regarding its sectors of predilection, China announced that it will keep on focusing on agriculture and infrastructure, this time through larger-scale projects. Moreover, China would increase aid for public health, science and education (Shinn & Eisenman, 2012). Finally, it consented to cooperate with African countries on environmental protection (Shinn & Eisenman, 2012). In 2009, China added two new priorities for its assistance, the global financial crisis and climate change (Shinn & Eisenman, 2012). In addition, China released a new framework on development assistance listing five principles of cooperation, equality and mutual benefit, diversity in form and content (which refers to the diversity of aid instruments provided by China), emphasis on practical results, the pursuit of common progress and amicable settlement of differences (Shinn & Eisenman, 2012).

Chinese assistance to Africa started to grow drastically during the 2000s, with more commitment from the Chinese Presidents to the African states as shown during the FOCAC summits. In 2006, President Hu announced that China will roll out US$5 billion worth of concessionary loans to Africa (Yan, 2010). This number will be doubled during the 2009 FOCAC meeting. In addition, President Hu announced the creation of the China-Africa Development Fund (CADF) to provide US$1 billion in funding for Chinese companies for investment in Africa (Schiere, 2011), which increased to US$5 billion in 2009. Over the next meetings, China kept on announcing increasing aid packages focused on investment to build infrastructure, agriculture and manufacturing. Between 2013 and 2018, China’s foreign aid amounted to US$43 billion (China’s State Council Information Office, 2021). Today, China has funded one in five infrastructure projects and built one in three in Africa (Edinger & Labuschagne, 2019).

The Belt and Road Initiative (BRI), a global infrastructure development strategy announced by President Xi in 2013, significantly impacted China's international development cooperation through development finance. Additionally to grants, interest-free loans and concessional loans, other forms of BRI financial flows, namely export credits and non-concessional loans, could now be included in Chinese development financing (Yuan, Su & Ouyang, 2022). As a result, after the launch of the BRI, China's development finance more than doubled, from an annual average of US$35 billion between 2000 and 2012 to US$85 billion from 2013 to 2017 (Malik et al., 2021).

The FOCAC 2021 illustrated however significant changes in China's priorities and approaches compared to its previous visions for Sino-African relations (Sun, 2021). During that meeting, infrastructure was not listed as a priority for cooperation anymore, compared to the 2018 President Xi's keynote. This shift away from infrastructure development contrasts sharply with China's historical involvement in this sector and could have been accelerated by the debt sustainability issues since the COVID-19 crisis, where the lack of repayment of Chinese infrastructure loans has led to the Chinese takeover of major projects in Africa (Sun, 2021). It remains to be seen whether this shift will be a temporary adjustment or a long-term tactical strategy (Sun, 2021).

3. Principles of Chinese Development Aid

After summarizing the Sino-African development cooperation history, this chapter will focus on the key principles that rule Chinese development aid.

As explained earlier, Chinese foreign development assistance is based on a framework constituted by Zhou Enlai's "Eight Principles for China's Aid to Foreign Countries" proclaimed in 1964 and on the "Five Principles of Peaceful Coexistence" adopted at the 1955 Bandung Conference.

The 1964 "Eight Principles for China's Aid to Foreign Countries" recite as follows:

> " 1. The Chinese Government always bases itself on the principle of equality and mutual benefit in providing aid to other countries. It never regards such aid as a kind of unilateral alms but as something mutual.

2. In providing aid to other countries, the Chinese Government strictly respects the sovereignty of the recipient countries, and never attaches any conditions or asks for any privileges.

3. China provides economic aid in the form of interest-free or low-interest loans and extends the time limit for repayment when necessary so as to lighten the burden of the recipient countries as far as possible.

4. In providing aid to other countries, the purpose of the Chinese Government is not to make the recipient countries dependent on China but to help them embark step by step on the road of self-reliance and independent economic development.

5. The Chinese Government tries its best to help the recipient countries build projects which require less investment while yielding quicker results, so that the recipient governments may increase their income and accumulate capital.

6. The Chinese Government provides the best-quality equipment and material of its own manufacture at international market prices. If the equipment and material provided by the Chinese Government are not up to the agreed specifications and quality, the Chinese government undertakes to replace them.

7. In providing any technical assistance, the Chinese Government will see to it that the personnel of the recipient country fully master such technique.

8. The experts dispatched by China to help in construction in the recipient countries will have the same standard of living as the experts of the recipient country. The Chinese experts are not allowed to make any special demands or enjoy any special amenities" (History and Public Policy Program Digital Archive, 1964, para.1).

In addition, the "5 Principles of Peaceful Coexistence" from the 1955 Bandung Conference include:

"

1. Mutual respect for sovereignty and territorial integrity
2. Mutual non-aggression
3. Non-interference in each other's internal affairs

4. Equality and mutual benefit
5. Peaceful coexistence"

(Consulate General of the People's Republic of China in Karachi, 2014, para.1).

Firstly, we can see in those two texts that China's foreign policy strategy is based on the absence of political conditionality, as mentioned through the principles of respect for sovereignty and non-interference. China is taking the opposite approach to the European one, which relies on ideologies of good governance, rule of law, respect for human rights and migration cooperation to deliver its aid. The only exception to this absence of conditionality is that China only partners with countries observing the One China policy, which means that they do not have diplomatic ties with Taïwan. Otherwise, diplomatic relations and therefore economic aid are suspended by China (Bräutigam, 2011b).

Secondly, Chinese aid cooperation is based on the principles of mutual benefit and a win-win policy for both parties involved, especially since the mid-1990s. China's aid is tied to some economic conditions, namely the purchase of Chinese goods and services (Shinn & Eisenman, 2012). The companies in charge of the execution of Chinese projects in Africa must be Chinese, and raw materials must be sourced from China (Bräutigam, 2011b).

4. Political and Financial Actors of Chinese Aid

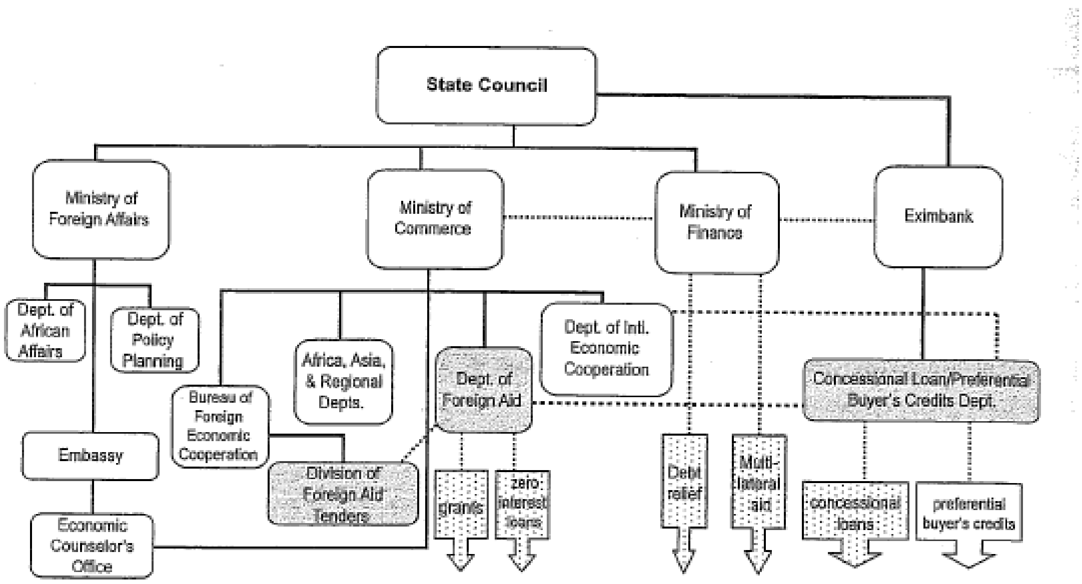

Figure 7: Diagram of the Chinese System of Development Cooperation (Bräutigam, 2011b)

Let’s now examine the roles and responsibilities of China’s foreign aid actors. They are organized according to a complex top-down management system including a large variety of political and financial institutions (see Figure 7). In this chapter, we will only focus on the actors implied in the allocation of Chinese “ODA-like flows”.

Firstly, the State Council (the chief authority of the People’s Republic of China) oversees the aid institutions. It approves the annual aid budget prepared by the Department of Foreign Aid (DFA) inside MOFCOM along with the Ministry of Foreign Affairs, as well as any grants above US$1.5 million and aid projects above US$12.5 million (Bräutigam, 2011b).

Afterward, several actors oversee the management of China’s development aid: three political institutions, the Ministry of Commerce (MOFCOM) the Ministry of Foreign Affairs, the Ministry of Finance and a financial one, the China Exim Bank.

Under MOFCOM, the DFA, which used to be the Ministry of Foreign Economic Relations till 1982, is the most important department involved in foreign aid. It is responsible for planning the overall aid policy, from drafting the aid budget and regulations to enforcing assistance and planning and monitoring their implementations (Bräutigam, 2011a; Deleanu, 2015). In addition, it manages the allocation of grants and zero-interest loans and works conjointly with China Exim Bank on concessional loans (Bräutigam, 2011a). However, this department faces two main challenges: understaffing, as it is a small department with a total of only a hundred professionals (Bräutigam, 2011b); and a lack of direct supervision of the execution of aid, as it does not have any overseas offices. It therefore must rely on other actors to fulfil its responsibilities, namely other Ministries for cooperation on specific topics, such as agriculture, health or education (Bräutigam, 2011b), and on the Economic and Commercial Counsellor’s Office of the Embassy of the PRC staff, to oversee the aid program on the ground (Bräutigam, 2011b).

Secondly, the Ministry of Foreign Affairs (MOFA) drafts the annual aid plan with the DFA (Bräutigam, 2011b). This collaboration between the two institutions tends to create a power struggle over which body control the aid program and which interests would take precedent.

Finally, the Ministry of Finance provides donations to multilateral organizations, namely grants to UN agencies or the WB (Bräutigam, 2011b). In addition, it manages the cancellation of foreign aid debt and compiles the annual aid budget (Deleanu, 2015).

The Exim Bank, established in 1994, is the largest export credit agency (ECA) in the world (Davies, 2011). It offers concessional loans as well as export credits (export seller's credit and export buyer's credit, which are not considered ODA) mainly to Chinese state-owned companies, foreign trade corporations and small and medium-sized enterprises (SMEs) investing in infrastructure, oil and gas, mining and telecommunication projects (Bräutigam, 2011b). It finances itself autonomously through the issuance of bonds (Bräutigam, 2011b).

5. Financial Instruments and Modalities of Chinese Development Aid

In this thesis, we will focus on the types of development assistance flows that fall under the definition of ODA (see introduction).

China offers mainly three types of ODA instruments, namely grants, interest-free loans and concessional loans with subsidized interest rates. Both grants and zero-interest loans are part of tied aid, which means that the recipients are required to use goods and services from China.

Grants are used to finance projects in various fields, such as social, educational, material support, and humanitarian aid. This is the only form of free financial assistance offered by China. They are issued by MOFCOM (Bräutigam, 2011b) and capitalized by the Chinese government's fiscal revenue (Chen, 2018). They represent a small part of Chinese foreign aid to Africa (Bräutigam, 2011b).

China also offers interest-free loans. This form of aid was the first one used by China and helps to finance mainly infrastructure projects. It is delivered as well by MOFCOM and capitalized by the Chinese government's fiscal revenue (Bräutigam, 2011b; Chen, 2018). Interest-free loans can be cancelled or rescheduled if need be (Bräutigam, 2011b).

Finally, the third form of economic aid is the concessional loans with subsidized interest rates, also known as low-interest or preferential loans (Shinn & Eisenman, 2012). Concessional loans have an interest rate of 2-3% below China's central bank's benchmark rate, and a period of repayment usually comprised between fifteen to twenty years, with a grace period of five to seven years (Shinn & Eisenman, 2012). Contrary to interest-free loans, concessional loans cannot be cancelled or rescheduled easily (Bräutigam, 2011b). These are intended to finance large projects, mainly in the fields of infrastructure, social and industrial sectors such as the creation of Special Economic Zones (SEZs) (Bräutigam, 2011b). Concessional foreign aid loans are offered both to creditworthy countries (Mauritius, Namibia) or to bankable projects in less creditworthy countries (Sierra Leone, Kenya) (Bräutigam, 2011a). They are managed in coordination by MOFCOM and the Exim Bank (Bräutigam, 2011b) and use mostly Exim Bank's self-raised funds (Bräutigam, 2011b; Chen, 2018). MOFCOM provides subsidies for the interest rate from the foreign aid national budget to cover the concessional component of loans (the margin between China's central bank's benchmark rate and concessional loan's interest rate) (Bräutigam, 2011b). Countries applying for Chinese concessional loans must grant preferential treatment to the final project for the loan to be accepted, such as lower income taxes on the project, lower import tariffs for the goods produced or no tax on the repatriation of the loan payment (Bräutigam, 2011b).

On Figure 8, we can see a diagram showing a typical concessional loan cycle (Bräutigam, 2011b). Concessional loans are issued either directly to the borrowing government if it is creditworthy or to a Chinese enterprise or joint venture if not (Bräutigam, 2011b). If we take the example of a loan aid project in Sierra Leone launched in 2006 by Huawei, one of China's most successful telecom companies, the cycle went as follows. First, Huawei suggested the project to Sierra Leone's government, which applied for the loan (1). China Exim Bank, the lender, conducted a preliminary appraisal of the creditworthiness (2), which led to its approval of the project. Sierra Leone's government was able to sign a framework agreement with China's Ministry of Commerce (3) as well as a project loan agreement with China Exim Bank (4). Huawei, the Chinese executing agency, took care of conducting the project and requested payment from Sierratel, the Sierra Leone executing agency (5). Sierratel signed the documents from Huawei and sent them to Sierra Leone's government (6). The borrowing government signed them as well (7) and sent them to China Exim Bank, asking it to disburse the loan to Huawei (8). Finally, Sierra Leone's government repaid the loan (9).

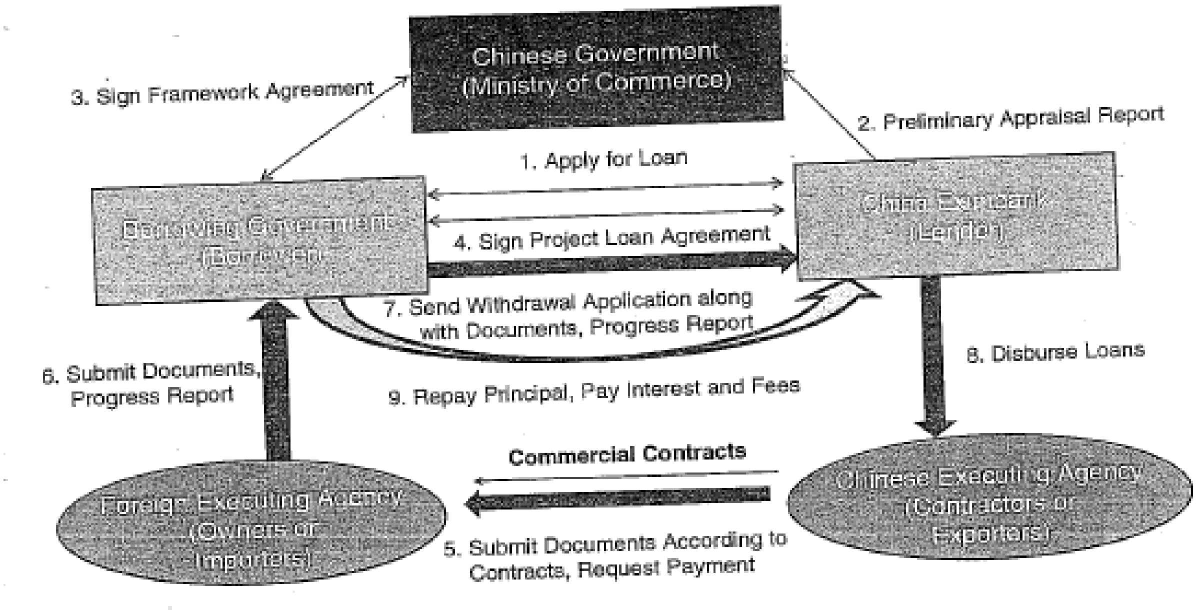

Figure 8: China Exim Bank Concessional Loan Cycle (Bräutigam, 2011b)

There are also other forms of financial incentives, such as non-concessional loans and commercial loans but we will not cover them in this thesis as they are not considered ODA.

Those three instruments fund China's foreign cooperation according to eight main modalities: complete projects, goods and materials, technical cooperation, human resource development cooperation, medical teams, emergency humanitarian aid, volunteer programs in foreign countries, and debt relief (Yuan et al., 2022) (see Table 3).

	Grants	Interest-free loans	Concessional loans
Complete projects	✓	✓	✓
Goods and materials	✓	–	✓
Technical cooperation	✓	–	–
Human resources development cooperation	✓	–	–
Medical teams	✓	–	–
Outbound volunteers	✓	–	–
Emergency humanitarian aid	✓	–	–
Debt relief	–	✓	–

Table 3: Types of Financial Flows that support different Modalities in Chinese Foreign Aid (Yuan et al., 2022)

6. Chinese Aid Breakdown

As explained in chapter II.1., there is very little information available on annual and disaggregated Chinese aid data by countries and sectors and it is very complex to assess them (Shinn & Eisenman, 2012). Consequently, the goal of this thesis is not to provide an estimation of the Chinese ODA flows to Africa but to examine the data available. We will first present the data on the geographical and sectoral distribution of China's development assistance (per the Chinese definition so including ODA as well as other aid flows). Secondly, we will share the information available on Chinese ODA flows worldwide and formulate the assumption that the trends observed are similar for ODA to Africa.

We chose to focus on the 2013-2018 period as it corresponds to the dates covered by the Chinese 2021 White Paper, the latest Chinese official document released on development assistance. We studied it to extract data on the geographical and sectoral distribution of China's development assistance (per the Chinese definition).

To estimate the Chinese ODA flows, we used the data gathered by Kitano from the JICA Ogata Sadako Research Institute, which provides the most rigorous estimate of China's ODA according to the OECD DAC definition (Kitano & Miyabayashi, 2020).

6.1. Chinese Development Assistance worldwide

Chinese aid is on the rise. According to the Chinese government's 2021 White Paper "China's International Development Cooperation in the New Era", between 2013 and 2018 China allocated an annual average spending of RMB 45.0 billion (US$7 billion) to its foreign aid worldwide (China's State Council Information Office, 2021). Compared to the period covered in the previous White Paper (2010-2012), China's annual average spending on foreign assistance has almost doubled (China's State Council Information Office, 2021). This represents an increase from a total aid of RMB 89.3 billion (US$14.2 billion) in 2010-2012 to a total aid of RMB 270.2 billion (US$42.7 billion) in 2013-2018 (China's State Council Information Office, 2021).

6.1.1. Geographic Distribution

Since the beginning of Sino-African relations, Africa has always been part of the recipients of Chinese aid. Today, Africa is the primary destination of the overall Chinese foreign assistance, representing 45% of Chinese aid flows between 2013 and 2018 followed by Asia (37%) and Latin America (7%) (China's State Council Information Office, 2021). It is important to point out that China does not differentiate between Sub-Saharan Africa and Northern Africa unlike the EU, therefore data for Africa considers the continent as a whole (Grimm et al., 2011). However, no information was given on the main recipient countries of Chinese aid in the White Paper.

6.1.2. Sectoral Distribution

China's intervention as a development actor in Africa is reflected in a variety of areas. The 2021 White Paper highlighted the sectoral priorities for the development cooperation during this period, namely infrastructure projects (both for economic and social development), agriculture, and soft sectors through education and training programs (China's State Council Information Office, 2021). However, no data was given on the respective share of aid in each sector in the White Paper. We just know that infrastructure accounts for the largest part of Chinese aid (Donor Tracker, 2022).

6.1.3. Modalities

Finally, regarding the different modalities, China's cooperation portfolio was characterized by a relatively stronger focus on project support and secondary forms of aid such as the donation of goods of materials, and technical cooperation (China's State Council Information Office, 2021). However, no data was given on the respective share of each form of aid in the White Paper.

6.2. Chinese ODA worldwide

6.2.1. Overall ODA

Regarding the Chinese net ODA flows, they began to increase fast in the 2000s, starting from around US$700 million in 2001 (Kitano & Miyabayashi, 2020). In the second part of the 2010s, they grew quite steadily, from US$5.2 billion in 2013 to US$6.8 billion in 2018 (Kitano & Miyabayashi, 2020).

In 2018, if China were an OECD DAC provider, it would be the seventh-largest donor country of ODA worldwide after Turkey (see Figure 9).

However, given that China is still an emerging donor, Chinese ODA flows only represented 0.051% of China's nominal GNI in 2018 (GNI per capita equalled US$13.395 according to the Atlas Method (current international US$) in 2018) (Kitano & Miyabayashi, 2020). This placed China significantly lower than all the DAC donors in the ranking relative to GNI (Johnson & Zühr, 2021).

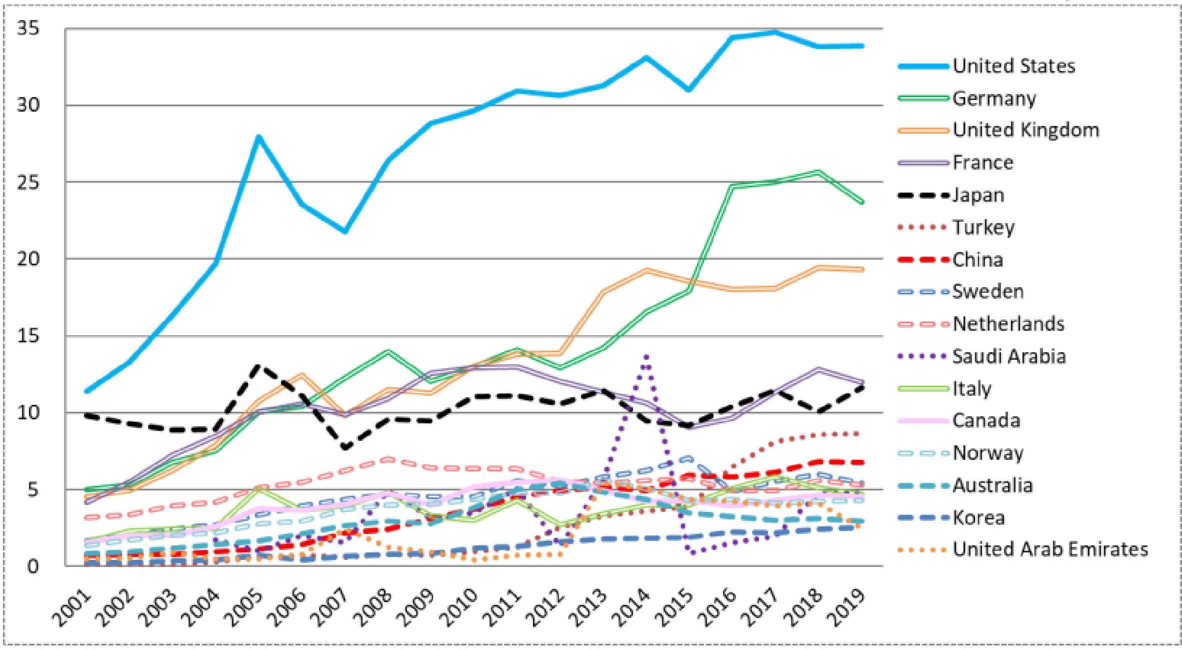

Figure 9: Net ODA Disbursement from different Countries from 2001 to 2019 in $US billion (Kitano & Miyabayashi, 2020)

6.2.2. Aid Delivery Channels

China's development portfolio relies most heavily on bilateral financing; however this share has been decreasing. In 2013, 87% of its net ODA (US$4.5 billion) was disbursed as bilateral funding to partner countries, compared to 78% (US$5.4 billion) in 2018 (Kitano & Miyabayashi, 2020). Indeed, multilateral contributions are an increasingly important component of China's development assistance due to China’s growing engagement with multilateral partners, as pledged in China’s 2021 White Paper (see Figure 10). The share of multilateral contributions grew from 13% (US$0.7 billion net) in 2013 to 22% of Chinese ODA (US$1.5 billion net) in 2018 (Kitano & Miyabayashi, 2020). China’s main multilateral partners are the UN institutions and Multilateral Development Banks (MDBs) such as the WB and the African Development Bank (AFDB).

Regarding the different ODA flows, namely grants, interest-free loans and concessional loans, in 2018 among the 78% of bilateral funding, the shares of bilateral grants and interest-free loans totalled 48% of net ODA while concessional loans amounted to 31% (Kitano & Miyabayashi, 2020). Compared to 2013, we can see that the share of grants and interest-free loans has increased, steadily after 2016 (see Figure 11). Indeed, in 2013, among the 87% of bilateral funding, the shares of bilateral grants and interest-free loans totalled 56% net while concessional loans amounted to 31% (Kitano & Miyabayashi, 2020). This increase is attributable to the accelerated implementation of projects and the use of unspent funds carried over to the following fiscal year by the Ministry of Commerce.

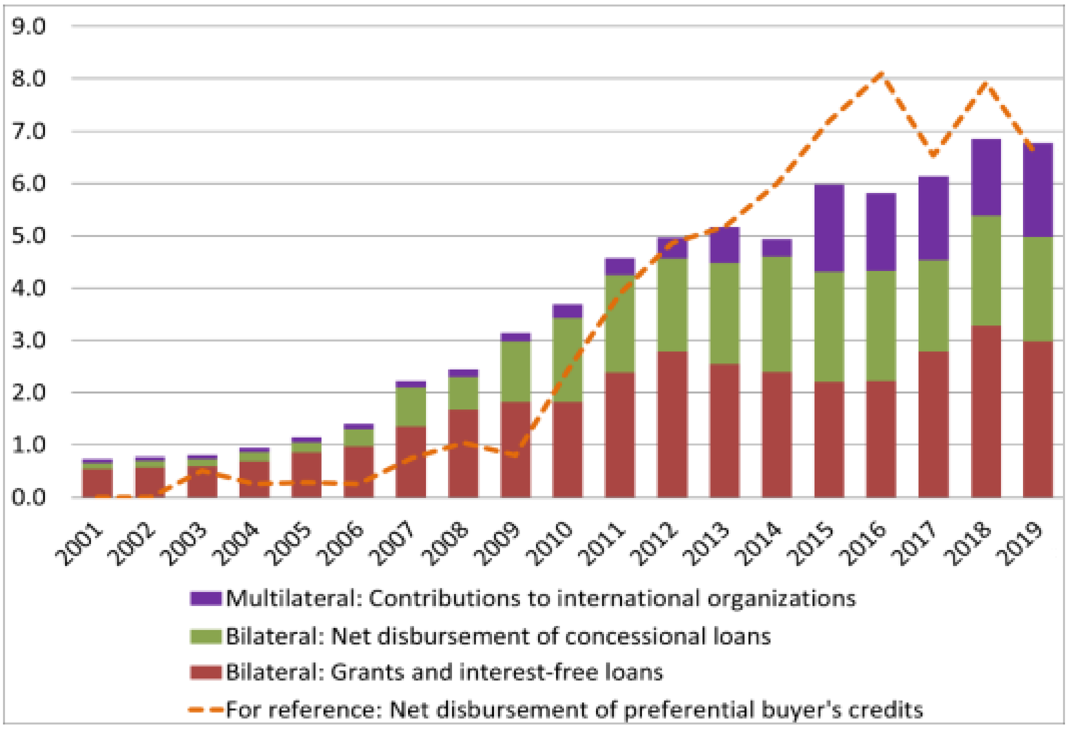

Figure 10: Net Disbursement of China’s Foreign Aid in US$ billion (Kitano & Miyabayashi, 2020)

Part III: Comparison between European and Chinese Development Assistance in Africa

In the third part of this paper, we will compare the European and Chinese development models in Africa, in terms of approaches and quantitative data collected over the 2013-2018 period. Secondly, the European opinion on Chinese development aid will be given, as well as the African perception of the two development aid models.

1. Comparison of the two Development models

1.1. Approaches

Because of their historical background, China and the EU have led different relationships with Africa which still impacts their present approach to development aid on the continent. The EU colonial legacy has laid the foundation for asymmetric relations with Africa because of the dominant donor-recipient dynamic. In contrast, China as both an aid recipient and aid donor country understands the development challenges faced by Africa and has adapted its aid policy consequently. In this section, we will cover the main commonalities and differences observed between the Chinese and European aid policies.

1.1.1. Main Commonalities

At first glance, one can find a few commonalities between the Chinese and European development assistance policies.

Firstly, a sustained economic growth, poverty reduction and the achievement of the MDGs are important shared development goals.
Secondly, they deliver foreign aid according to similar modalities, namely project support, technical assistance, debt relief, humanitarian aid, scholarships and others.
In addition, they have both set a series of principles to frame their development aid that promote African ownership and alignment with recipient country priorities: the 2005 European Consensus on Development and the 1964 “Eight Principles for China's Aid to Foreign Countries”.
Fourthly, in both cases, the Chinese and European development aid policies have been designed to serve their political and economic interests.

Finally, both powers share common economic interests in operating in stable countries with good governance and political stability.

1.1.2. Main Differences

On the other hand, the Chinese and European development assistance practices differ on several key points, namely the ideologies, political structures, priority sectors and instruments used.

Regarding the different ideologies:
As explained in chapter II.2, China's foreign policy strategy is based on the absence of political conditionality, as invoked through the principles of respect for sovereignty and non-interference. The only exception to this absence of conditionality is that China only partners with countries observing the One China policy. This contrasts with EU aid policy which relies on ideologies of good governance, rule of law, respect for human rights and migration cooperation to deliver its aid. In reaction, European donors fear that China undermines efforts to promote better governance in Africa which we will cover in section III.2.2.

Secondly, China considers its foreign aid as a form of two-way cooperation while the EU operates from the perspective of a developed donor country. Despite the partnership principle set up in the 1975 Lomé Convention to guide EU-Africa relations, the EU follows a one-way mindset. On the contrary, China puts emphasis on a "win-win" approach with mutually beneficial experiences and works together with Africa on jointly identified interests.

About the political structures:
If both political aid structures appear to be very complex, the aid policy political structure of China is top-down and led by the CCP while the EU operates in a more decentralized way. Indeed, the EU member states can design their foreign strategy autonomously from the EU even if alignment at the supranational and national levels is pushed. In addition, EU companies are free to follow their own strategic interests when they operate in Africa and can even lobby to influence the policies of the EU member states. In contrast, Chinese companies engage in development projects according to the CCP national goals.

When it comes to the differences in priority sectors:

The EU focuses mainly on soft sectors, such as education and health, while China's aid revolves around infrastructure (mainly economic one). Indeed, the EU focuses on soft sectors as it acknowledges the importance of social actors as strategic partners in political and economic dialogue. On the contrary, China chooses its aid priorities based on Africa's development needs and the potential for "win-win" cooperation.

Regarding the instruments and modalities:
The EU mostly provides project support, budget support and sector support through the allocation of grants. On the other side, China uses a large diversity of ODA instruments to support its project-focused assistance: mainly grants and concessional loans, followed by interest-free loans.

1.2. Quantitative Data

As explained in chapter II.1., the Chinese definition of aid used in official documentation such as the White Papers is not consistent with the OECD DAC definition (Belligoli & Defraigne, 2010). Indeed, most of the Chinese official development assistance figures that we included in chapter II.6. also include data on other economic cooperation instruments (such as non-concessional loans and export credits) which cannot be reported as ODA.

In addition, there is very little information available on annual and disaggregated Chinese aid data by countries and sectors which explains that we could only find an estimate of the Chinese ODA flows worldwide, so not only for Africa.

Due to the important lack of information from the Chinese side, a comprehensive comparison between the European and Chinese ODA flows to Africa is not feasible. Consequently, this section will mainly focus on analyzing qualitatively some key trends of the 2013-2018 period.

1.2.1. ODA worldwide

The EU as a whole, consisting of the EU member states and EUI, is collectively the first global donor with an overall EU collective ODA amounting to US$89.5 billion (€74.4 billion) in 2018 (European Commission, 2019b). In contrast, China is still a developing country and therefore remains a modest donor compared to the EU with an ODA of US$6.8 billion in 2018. The EU collective ODA overall represented 0.47% of the EU GNI, while Chinese ODA flows only accounted for 0.051% of the Chinese GNI in 2018.

In 2018, if China were an OECD DAC provider, it would be the seventh-largest donor country of ODA worldwide after Turkey. Germany, the UK and France precede China in the ranking and occupied respectively the 2^{nd}, 3^{rd} and 4^{th} rank in 2018 (figure 10 in paragraph II.6.2.1.).

1.2.2. Aid in Africa

In this paragraph, we will use Chinese overall assistance data, so including not only ODA but all flows as per the Chinese definition.

We have seen that Africa (SSA and Northern Africa) is the primary destination of Chinese foreign assistance (not only ODA), representing 45% of Chinese aid flows between 2013 and 2018 followed by Asia (37%) and Latin America (7%) (China's State Council Information Office, 2021). We make the assumption that the geographic shares are similar for the Chinese ODA. On the other side, for the EU as a whole, SSA represented on average 37% of its collective ODA worldwide between 2013 and 2018 (Muñoz Gálvez, 2012).

Regarding both actors' ODA flows, EU gross collective ODA in SSA grew in total by 29.3%, from US$4.1 billion in 2013 to US$5.3 billion in 2018 (Jones et al., 2020; OECD, 2019). Chinese net ODA flows worldwide grew quite steadily by 30%, with US$5.2 billion in 2013 to US$6.8 billion in 2018 (net) (Kitano & Miyabayashi, 2020). A quantitative comparison does not make sense here as the regional scope (SSA versus worldwide) and the data measured (gross versus net) is not the same, therefore we will just mention that both actors' ODA has been growing over the period checked.

As explained in section I.6.2, as the spending behaviors are quite different among the EU member states, we chose to only study the distribution of the EUI' aid. Therefore, in the next sub-paragraphs, we will compare qualitatively the approaches followed by China and the EUI over the 2013-2018 period regarding sectoral and geographic distribution, as well as delivery channels and modalities.

Sectoral distribution

As explained in chapter II.1., there is little information available on annual and disaggregated Chinese aid data by sectors. We just know from China's White Paper that the sectoral priorities for development cooperation worldwide for the 2013-2018 period were infrastructure (social and economic) and agriculture (production sectors) (China's State Council Information Office,

2021) but no data was given. In addition, government, health (social sector) and energy (economic sector) have been gaining increased attention (China's State Council Information Office, 2021). We make the assumption that the priority sectors are the same for ODA and in SSA. On the other side, the EUI allocate their ODA to SSA mainly in social sectors (education, health, government and civil society) but economic sectors (transport, energy) account for the biggest increase over the past two years (Jones et al., 2020).

Geographic distribution

As explained in section III.1.1., China does not want to compromise its negotiation power as the disclosure of data could lead to pressure from recipient countries that compare their share of aid (Grimm et al., 2011). Therefore, we do not know which countries receive the most aid from China during the 2013-2018 period. When it comes to the EU, the top ten SSA EUI' aid recipients showed a strong focus on Western Africa for funding allocation (Mali, Burkina Faso, Niger, Nigeria) followed by Eastern Africa (Somalia, Ethiopia, South Sudan, Kenya) and on LDCs countries over the 2013-2018 period (Jones et al., 2020; European Commission, 2022a).

Delivery channels

Between 2013 and 2018, the EUI provided almost exclusively bilateral aid, which constituted on average four-fifths of the total EUI' ODA (Jones et al., 2020; OECD, 2019). The last one-fifth was channelled through multilateral organizations (Jones et al., 2020; OECD, 2019). China's ODA portfolio relied most heavily on bilateral financing, for around four-fifths as well (Kitano & Miyabayashi, 2020). However, over the 2013-2018 period, this share declined while the multilateral organization channel share increased (Kitano & Miyabayashi, 2020). We can make the assumption that this is also the case in SSA. This trend went the other way for the EUI, with bilateral financing increasing (Jones et al., 2020; OECD, 2019). Despite a similar repartition between bilateral and multilateral aid initially, the EUI followed the opposite dynamic to China when it comes to delivery channels over the 2013-2018 period.

Modalities

Over the 2013-2018 period, the EUI' ODA portfolio was characterized by a strong focus on project-type interventions (two-thirds of the EUI' ODA to Africa) and budget support (22%) (Jones et al., 2020; OECD, 2022c). Compared to the 2010-2012 period, the budget support share decreased with a shift towards project-type interventions (Jones et al., 2020; OECD, 2022c). Similarly, China provided assistance mainly through project support, but no data was given on the share of this modality in the White Paper. In addition, contrary to the EUI, China does not provide budget support. Over the 2013-2018 period, the European approach has been getting more similar to the Chinese approach regarding modalities, as the EUI were shifting towards more project support but budget support is still promoted.

2. European opinion on Chinese Development Aid

As China's role in development cooperation grows, its foreign aid actions have been attracting attention and suspicion from the international community. In this chapter, we will debunk some of the dominant myths fed by European political discourse and the media surrounding China's relationship with Africa, namely the issues of resource monopolization, lack of political values and the creation of a debt crisis.

2.1. Chinese seeks to monopolize the African natural resources

The first myth is that China uses its foreign aid as an instrument to establish control over Africa's natural resources, by only providing funding to resource-rich countries.

China targets resource-rich countries, such as Angola or Nigeria, however this is not always the case. Indeed, China is active in all the African countries following the One China policy, including countries with fewer resources such as Ethiopia and Kenya. In addition, it distributes its development aid fairly across countries without consideration for wealth, which contrasts with the European approach. As explained in chapter II.5., concessional loans are both given to creditworthy and not creditworthy countries. In the first case, they will go directly to the borrowing government, whereas in the second they will be given for profitable projects (electricity, telecoms) which income will allow the borrowing countries to repay the loan (Bräutigam, 2011b).

Secondly, as we have seen in chapter II.3., the Chinese cooperation approach is based on the principle of mutual benefit and on setting up a win-win policy for both parties involved. This explains China's interest in African natural resources in exchange for providing funding to African countries. Therefore, one needs to have the big picture in mind and understand that the focus in Africa is not particularly on natural resources but overall on generating opportunities for Chinese businesses.

In addition, Chinese extracting companies operating in Africa do not have an imperative to ship the natural resources back to China. Instead, they have the freedom to operate where the selling price in the highest (Bräutigam, 2011b).

Finally, China's interest in natural resources is also shared by the EU. Indeed, in the 1980s, African governments were required by the IMF to privatize several state-owned natural resource companies to be able to repay their debts (Belligoli & Defraigne, 2010). This resulted in acquisitions made by Western MNEs at the detriment of African partners due to questionable buying processes (Belligoli & Defraigne, 2010).

2.2. China undermines the European efforts to promote better governance

The second controversy related to the Chinese lending practices is that China undermines traditional donors' efforts to promote better governance in Africa and supports human rights abuses because of the absence of conditionality attached to its aid. This would explain why China has a high penetration in Africa, by providing alternative sources of finance to authoritarian leaders that cannot access traditional aid provided with conditionality.

China has supplied financial and political support to rogue regimes, such as Ethiopia, Sudan and Zimbabwe, to gain a commercial advantage over the EU and influence on the recipient country. Indeed, the EU penetration is more limited in those corrupted countries because of geopolitical conflicts with the local governments (Bräutigam, 2011b; Defraigne, 2016). For instance in Sudan at the beginning of the 2000s, President Omar al-Bashir was in power in a country consumed by a civil war waged by rebel groups against the government. To quell the revolt, the government bombed villages and provided arms to militias. At that time, China was not directly providing development aid to the country but was purchasing Sudanese oil. In addition, China was collaborating militarily by helping Sudan build weapon factories and supplying them with small arms and aircrafts, bought with Sudanese oil income and used in the war against rebels. Finally, China was providing diplomatic support to the country, by refusing to impose economic sanctions during UN Security Council meetings (Bräutigam, 2011b).

However, China acknowledges the importance of good governance, political stability and sustained economic growth in recipient countries to provide its foreign aid as corruption and instability could place its investments at risk (Yuan, 2021).

In addition, it is worth providing an unbiased judgement on the true impact of China's absence of conditionality. In Sudan, other players were also on the field at that time and acting in the same sectors as China. Japan and India were purchasing Sudan's oil while Russia was supplying most of the weapons and arms (Bräutigam, 2011b). Therefore, the Sudanese government could have chosen to stop doing business with China and turn to other partners if China was linking development aid to political conditions.

One should also wonder if the conditionalities attached by European actors to foreign aid are truly effective in improving governance in African countries (Bräutigam, 2011b). As explained in chapter I.2., European donors rely on ideologies of good governance, rule of law, respect of human rights and migration cooperation to deliver their aid. However, there is an inconsistent application of those conditionalities in practice as the European governments do not always practice what they preach if these conditionalities enter in contradiction with their business interests. For instance, a 2008 study showed that some European donors, such as Greece, Portugal and Ireland, gave more than 80% of their aid to the most corrupt countries over the previous years (Easterly & Pfutze, 2008). In addition, the EU supranational level which is more dedicated to the respect of these conditionalities only controls a minority of aid flows (one-third) (Belligoli & Defraigne, 2010).

Finally, the EU foreign aid system itself can lead to corruption. Indeed, European donors provide their aid to countries mainly in the form of cash and not in kind directly to the borrowing governments (Bräutigam, 2011b). This practice tends to increase the level of corruption in recipient countries as it makes it impossible to track the recipient countries' spending from aid funds, which can end in the pocket of African leaders.

2.3. China loans are creating a new debt crisis

Thirdly, European donors consider that China's lending to African countries contributes to a "debt trap", as they assume that China provides finance to projects beyond the recipient country's repayment capacity. This controversy has been fuelled by the lack of transparency surrounding the real Chinese figures for development aid, with the EU fearing that the amount of debt is much larger than revealed in the media (Bräutigam, 2011b).

However, China always considers a country's ability to repay its loan when making allocations (Bräutigam, 2011b). Indeed, it generally only allocates concessional loans to countries with natural resources that can serve as collateral, such as Angola, Congo or Nigeria (Bräutigam, 2011b). For countries where this is not the case, such as Togo, Mali or Rwanda, they can either receive concessional loans if they borrow for a profitable project (electricity, telecoms) or grants and zero-interest loans if not (Bräutigam, 2011b).

It is also important to point out that China's development aid has sometimes contributed to the debt reduction of some countries. For instance in Angola, between 2002 and 2006 more than 10 infrastructure projects were undertaken par China, with investments amounting to around US$4.5 billion. At the end of the period, Angola showed improvements in its debt indicators that came down markedly and moved to below debt-distress levels (Reisen & Ndoye, 2008).

In recent years, China has adopted a more cautious approach to lending, by prioritizing countries with strong economies and few to no debt problems. Between 2000 and 2019, China canceled around US$3.4 billion of debt and restructured and refinanced around US$15 billion in Africa (Acker, Bräutigam & Huang, 2020). Since 2015, it also has reduced lending to risky recipient countries, such as Cameroon, Djibouti, Ethiopia and Mozambique. However, China prefers to resort to several debt relief options, such as rescheduling loans payment, restructuration and refinancement rather than writing off debt to solve debt problems (Sun, 2020).

3. African opinion on the two Development Aid models

Despite the increased competition between China and the EU on their territories, African countries' outward look on the matter has received little attention from the international scene. It therefore would be interesting to look at the African opinion on these two development approaches.

3.1. On the European Aid model

Despite the narrative of a "partnership between equals", the relations between the EU and Africa have been markedly asymmetric and unbalanced because of their common past, which negatively impacts the African actors' perception towards the organization.

African actors' perception of the EU is compounded by the weight of the EU colonial legacy (CrisisGroup, 2021). This creates a climate favoring perceptions of condescension and moral superiority towards African partners on the European side, while the African actors adopt postures of resentment and mistrust. This dynamic prevents the establishment of a comprehensive and objective political dialogue based on the interests of both parties. In addition, the promotion of European values through the political conditionalities ruling the allocation of European aid reinforces the perceptions of paternalism in EU-Africa relations (Bräutigam, 2011b).

Secondly, differences in levels of development and consequently of capacities and resources between the EU and Africa reinforce the donor-recipient dynamic and the negative perception from African actors. Indeed, the EU regards the African continent as a humanitarian burden which is humiliating for the African population (Hauck & Tadesse Shiferaw, 2020). In addition, the absence of a unified front from African actors due to their poor regional integration reinforces the African perception of a "one-way dialogue", with the EU taking the lead during negotiations (Amare, 2020).

To rethink the partnership with Africa, the EU must therefore first acknowledge the existing imbalances and the weight of perceptions on both sides. Africa should no longer be perceived as a recipient of aid but as an equal development partner.

However, African actors still acknowledge the importance of EU donors in providing assistance in soft sectors such as education and health that are not part of the other donors' priorities (Karkare et al., 2020).

3.2. On the Chinese Aid model

Due to the growing engagement of Africa with China, perceptions of Africans on this partnership have been the subject of scrutiny from the international community.

According to a 2020 Afrobarometer survey, a pan-African polling nonprofit, China comes first as as an answer to the question "What do you think about the economic and political influence of countries on your country?" with 59% of mostly positive views against 15% of mostly negative (see Figure 11) (Appiah & Selormey, 2020). Africans therefore see China in a much less negative light than some of the EU donors, described as a "former colonial power".

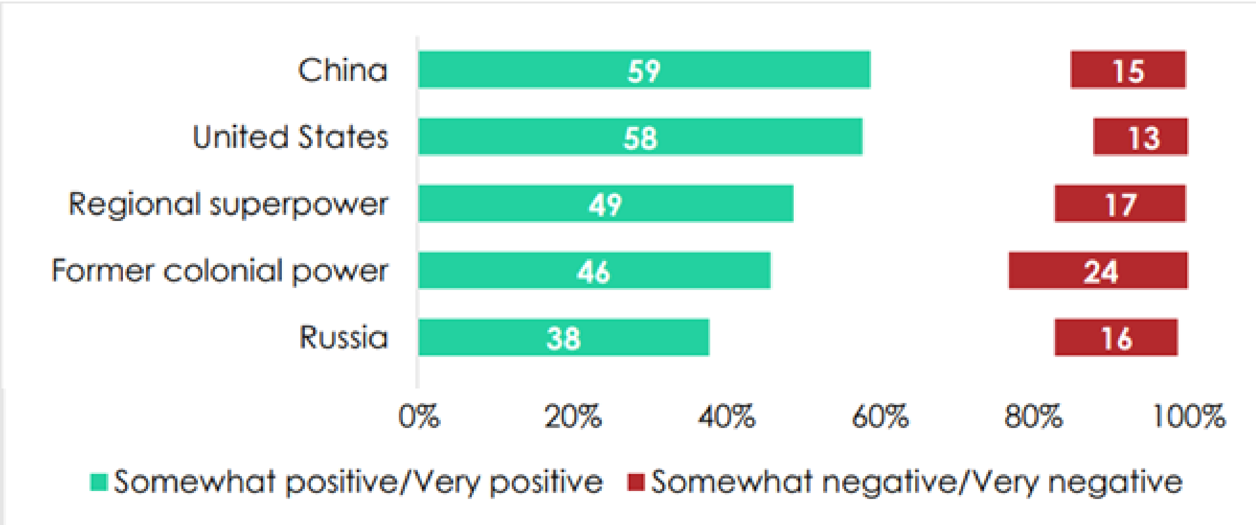

Figure 11: African views on countries' external influence on Africa (adapted from Appiah & Selormey, 2020)

China benefits from an important popularity among African actors. Firstly, China is seen as a beneficial business partner that understands Africa's development needs and priorities and contributes largely to the economic development of many African countries. Chinese loans are enjoyed by African governments because they support infrastructure and services, a sector left behind by the traditional donors and allow governments to avoid pressure from European donors to meet their political and economic standards (Shinn & Eisenman, 2012). Secondly, Africa enjoys Chinese companies' quick delivery of services to meet their people's growing demands. The favorable view of China in Africa is also explained by China's positive portrayal of the continent as an equal partner worthy of mutual respect. Finally, there is also an eager appreciation for Beijing's official policy of non-intervention in political affairs, which contrasts with the EU approach (Shinn & Eisenman, 2012).

However, Africans also hold negative views of China's assistance and influence on Africa. Firstly, China imports its own workers to carry out projects in Africa rather than employing locals due to the shortage of skills and intercultural gap, which is fiercely criticized by Africans (Bräutigam, 2011b). In addition, 58% of Africans according to the Afrobarometer survey consider that their governments have borrowed too much money from China (Appiah & Selormey, 2020). Finally, Beijing is facing some concerns over the negative perception of the social and sustainability behavior of Chinese businesses in Africa (Xinwa, Rossouw & Geerts, 2014).

Part IV: The future of EU-China-Africa relations

Since the beginning of the 21st century, the African continent has been facing increasing geopolitical competition. Its new economic dynamism has attracted new emerging trading partners, notably China but also India, Brazil, Turkey, East Asian and some MENA economies, but also renewed the EU interest for the continent due to the low economic prospects for growth in Europe (Defraigne, 2017).

To recover its traditional hegemonic position on the African scene, the EU now needs to reshape its relations with African actors and forge new alliances with international players, especially in the development cooperation area.

In the fourth part of this paper, we will see that the EU development strategy towards Africa has been evolving, as it is being challenged by China's presence. Secondly, we will reflect on what the EU can do in the future to face China's rise in Africa, such as shift its approach towards Africa and establish a trilateral form of cooperation with China and Africa.

1. China's presence challenges the EU in Africa

1.1. Competition with China repositions the EU relations with Africa

In recent years, the EU development model in Africa has come under rising pressure as African partners are exploring new partnerships with China and other major global powers.

With China's growing relationship with the continent, the EU saw a decline in its strategic influence and felt the need to reposition itself in Africa to not miss out on opportunities. Launched in 2007, the JAES constituted a renewal of the diplomatic partnership between the AU and EU leaders to strengthen long-term political dialogue and enhance cooperation (Jones et al., 2020).

Nowadays, the EU faces a sense of urgency to reinvent its international donor presence in Africa. In 2019, the Von der Leyen commission placed Africa at the forefront of the EU political agenda for the coming years to build a stronger strategic alliance (Karkare et al., 2020). In addition, the EU is trying to shift away from its patronizing development narrative by outlining the importance of the continent as a partner worthy of mutual respect and equal partnership (Karkare et al., 2020). Moreover, some EU member states are also changing the tone of their diplomatic relations with Africa. Indeed, several former imperial powers such as France and Belgium have visited their ex-colonies in the past years to express regret and distance themselves from their postcolonial influence (Karkare et al., 2020).

However, the redefinition of EU-Africa development cooperation policies has been greatly criticized due to the lack of implication of African partners. Africa is still considered a silent spectator by the EU and is barely implicated in the negotiation process which strongly contrasts with the new narrative pushed by the EU. This can be seen with the formulation of the 2020 EU-Africa strategy where African partners were not involved in any pre-discussion (The Portuguese Non-Governmental Development Organizations Platform, 2021).

In addition, the EU is following a defensive approach towards China, by reinforcing the notion of competition with the emerging power in its narrative. The EU depicts the Chinese approach in Africa as driven by economic gain and political domination, which contrasts with its efforts to promote good governance and respect for human rights on the continent. However, focusing on the incompatibility between the two aid models spills over into EU-China relations and disregards their potential for cooperation.

1.2. African perspectives on the evolving relations with their partners

While competition between two world powers is raging on their territory, African countries have shifted from spectators to actors willing to leverage the EU-China confrontation to advance their development goals. The rise of China's presence on the continent has provided opportunities for African countries to review how they engage with their development partners. Indeed, the increasing rivalry between the EU and China has provided Africa with higher bargaining power, allowing countries to start turning negotiations to their advantage and reducing their dependency on any single one donor (Karkare et al., 2020).

In addition, African actors are taking an increasingly active role to develop their own development strategies. Due to the diversity of interests between African states, the absence of regional cooperation has explained so far the poor weight of the continent in international negotiations (Vanheukelom, Bryers, Bilal & Woolfrey, 2016). However, the AU is working on a regional harmonization of national partnerships and the definition of a clear and coherent policy with their partners (Amare 2020; Karkare et al. 2020*)*.

Finally, despite a better perception of the Chinese aid model, Africans acknowledge the importance of EU donors in providing assistance in soft sectors such as education and health that are not part of the Chinese aid priorities (Karkare et al., 2020). Africa is now at the center of the stage and can tactically uses the complementary approaches between China and the EU to meet its strategic interests.

2. How can the EU react?

2.1. Shift its approach towards Africa

To improve EU-Africa relations, the EU should work on establishing a more equitable development cooperation partnership with Africa, that guarantees less asymmetry, greater inclusiveness and meet the interests and needs of both parties.

To move away from a donor-recipient dynamic, the EU must first acknowledge the existing power imbalances and advocate for a real change.

To start, both sides should focus on building a long-term joint vision, by establishing a comprehensive political dialogue on mutual strategic interests (The Portuguese Non-Governmental Development Organizations Platform, 2021). This will allow them to develop a two-way relationship with jointly defined goals where both parties share responsibilities in implementing their strategic agendas (The Portuguese Non-Governmental Development Organizations Platform, 2021).

Secondly, the EU should move away from expressing its negative narrative towards China to African partners as it is impacting its reputation in Africa. As seen lately in the 2021 European Parliament resolution on the new EU-Africa Strategy, the EU verbalized the Chinese threat by lamenting “the questionable exploitation of Africa by China” and (...) the “destructive policies used (...) that result in damage to African nations” (European Parliament, 2021). To drive its relationship with Africa, the EU should instead stress the benefits and opportunities of the

Africa-EU cooperation (The Portuguese Non-Governmental Development Organizations Platform, 2021).

Thirdly, the EU should establish joint decision-making mechanisms to promote the consultation and involvement of European and African actors. As explained in section IV.1.1., due to asymmetric relations between the two actors and a lack of internal cohesion on the African side, the EU has been taking the lead in negotiations since the beginning of its cooperation with Africa, presenting its one-sided positions as joint strategies. To build a more equitable partnership, the EU should focus on the systematic inclusion of African partners through more effective dialogue mechanisms.

Fourthly, the EU should create greater coordination in its partnership with Africa. Due to the diversity in the bilateral strategies with Africa of the EU member states, the EU follows a fragmented approach which is detrimental to the effectiveness of its aid. Indeed, EU member states have both different interests in Africa and positions on what the role of the EU should be in its relationship with Africa. The launch of the 2020 EU-Africa strategy was a first step in building a more coherent EU policy towards Africa and working on a joint mobilization of member states' resources. However, one should also acknowledge that African partners may prefer to build bilateral relations as it allows them to negotiate with European countries instead of having one interlocutor.

2.2. Establish a form of collaboration with China

The different approaches to cooperation from the EU and China have brought misunderstanding and criticism from both sides that have impeded the potential for their cooperation. However, China as a growing donor will remain a dominant partner in development assistance in Africa and keep on affecting the EU relations with Africa. Despite significant differences between the European and Chinese development cooperation approaches in Africa, a trilateral cooperation between the EU, Africa and China is possible and could be the way to address each actor's challenges.

2.2.1. Motives for the establishment of a Trilateral Cooperation

If the rise of China's presence in Africa is viewed nowadays as a threat that undermines EU status as a global player, this perception contrasts with the EU position towards China at the beginning of the century. At that time, several factors motivated the EU to forge a strategic partnership with China. Some are still relevant today and explain the ambivalence of the EU attitude towards China.

Firstly, a close relationship with China would allow to leverage the EU economic power and the one of a leading emerging country to reap bigger commercial gains in Africa (Alden & Barber, 2015). In addition, the EU believes that this relationship would enable to "mold China into its own image" and be a catalyst for social change and greater democracy in the country (Fox & Godement, 2009). Finally, the EU desire to build a partnership with China originates from the willingness to control the repartition of influence powers worldwide (Maher, 2016).

On the other side, China has also been considering involving the EU in a tripartite cooperation with Africa. Indeed, China assumed at first that its emphasis on a win-win relationship aligned with Africa's needs and the absence of political conditionalities will be sufficient to increase its power and influence on the continent. However, it has been facing some backlash from African stakeholders regarding the social and sustainability behavior of Chinese businesses in Africa, which raises questions about the durability of China's power and influence on Africa (Xinwa, Rossouw & Geerts, 2014). China therefore needs to redouble efforts not to lose business opportunities and joining forces with the EU, the leading development partner in Africa, could be the way to go.

2.2.2. The beginnings of Trilateral Cooperation

Due to convergent interests from Chinese and European actors, the China-EU Comprehensive Strategic Partnership Agreement was signed in 2003 to provide the framework for EU-China relations on economic and trade cooperation (Alden & Barber, 2015).

However, clashing political values between the two actors started to limit the scope of the partnership the same year during the crises in Zimbabwe and Sudan (Alden & Barber, 2015).

While China supported the ruling elites that maintained a state of dictatorship in these regions, the EU was promoting the principle of good governance. Friction between the two actors reached a peak in 2004 when China threatened to use its veto to block the proposal of sanctions against Sudan led by the US and UK (Alden & Barber, 2015).

Despite opposite views, China still appeared to be willing to engage in trilateral cooperation in the following years. In the 2006 FOCAC meeting where President Hu Jintao presented his strategy for Africa, he affirmed his willingness to cooperate with the continent's diverse actors (Alden & Barber, 2015). Following this event, the 9th EU-China summit organized the same year emphasized the importance of strengthening the EU-China bilateral relation to support both sides' interests and for the development of Africa (Council Of The European Union, 2006). In 2008, the EC published "The EU, Africa and China: Towards Trilateral Dialogue and Cooperation", a communication highlighting three principles of trilateral cooperation namely "pragmatic and progressive approach, shared approach, and effective aid" and four sectors of cooperation "peace and security, infrastructures, sustainable management of the environment and natural resources, as well as agriculture and food security" (Commission of the European Communities, 2008).

However, the ambivalent attitude felt by both actors towards each other came to light the same year with the Tibetan unrest, which led to a condemnation of the Chinese actions by the European community (Alden & Barber, 2015). In the following months, the rising animosity between the EU and China was triggered by the adaptation of a Resolution on China's policy and its effects on Africa by the European Parliament stating that China was exploiting African resources and providing unsustainable loans (European Parliament, 2008; Ling, 2010). Finally, diverging perspectives between the two actors were stressed when the EU Council affirmed in a statement that trilateral cooperation between the EU, China and Africa would support the promotion of political values on the continent, namely democratization, good governance and respect for human rights, which clashes with the Chinese principle of non-interference and was met by resistance from China (Council of the European Union, 2008). Since then, little progress has been made to restart discussions on the EU-China collaboration in Africa.

2.2.3. How to move forward with China

Overview of the current situation

Despite the lack of progress in that direction, the EU willingness to build a tripartite supranational cooperation with China and Africa has been expressed several times over the past years. In the 2019 "EU-China - A Strategic Outlook", the EU stated that China's widespread activities could provide opportunities for trilateral cooperation if "demand-driven and based on mutual interests and understanding" (High Representative of the Union for Foreign Affairs and Security Policy, 2019).

In parallel, at the national level, EU member states have increasingly developed bilateral frameworks with China over the past years. Since 2015, China has signed agreements mainly driven by the promotion of shared economic interests with Austria, Belgium, France, Italy, the Netherlands, Portugal, Spain and ex-EU member the UK, to enhance its partnership with European governments and companies in Africa (Alden & Barber, 2015; Bertucci & Locatelli, 2020). These bilateral agreements could represent a first step towards the establishment of a trilateral Africa-EU-China cooperation framework, by identifying shared interests and priorities (Bertucci & Locatelli, 2020).

In addition, the EU is facing increasing competition from international actors willing to join forces with China. Indeed, other countries and organizations have acknowledged the importance of collaborating with China in Africa through tripartite initiatives. For instance, the United States Agency for International Development (USAID) engages with Chinese health experts to strengthen the health system in Africa, while China collaborates with the UN to provide technical assistance for agriculture projects (Brant 2011; Bräutigam, 2009). The EU should therefore start engaging more vehemently with China if it wants to prevent an alliance between several of its competitors.

How to Cooperate

To tackle more efficiently and rapidly the African development challenges, a tripartite collaboration including the EU and China could be the way to go. In addition, this collaboration would be mutually beneficial for both actors, due to some overlaps in the European and Chinese objectives and approaches.

To start, the two actors should identify common interests and areas of convergence in their aid approaches in Africa. To do so, China and the EU could organize joint research programs to achieve a comprehensive evaluation of each other's aid policy and build up knowledge (Yuan et al., 2022). This will especially allow the EU to understand China's real impact on African countries and dissipate potential misperceptions.

Secondly, contrary to the 2008 Trilateral Dialogue communication, the EU and China should adopt an inclusive approach towards an equal partnership with Africa. To do so, both actors should systematically consult and engage African partners in the cooperation decision-making process as well as address their needs and concerns. In addition, the EU should work with China to find a common ground rather than trying to get China to adhere to the European development policies (Bartel, 2017).

Thirdly, the EU and China should explore opportunities for cooperation at a technical level, by focusing on sectors that align with Africa's development needs and in which European and Chinese companies can offer their complementary expertise, such as the renewable energy and ICT sectors (Bertucci & Locatelli, 2020). For instance, energy supply is a key priority for Africa as the continent faces insufficient power infrastructure and poor investments in energy efficiency technologies. In addition, the fight against climate change is fundamental to address as the continent faces exponential collateral damages of global warming. In that regard, the renewable energy sector provides an attractive and growing business environment for European and Chinese companies, which are already working on the African ground. It would represent an opportunity for cooperation as China could focus on building the infrastructure while the EU would specialize in power generation. In turn, greater access to electricity would facilitate regional integration and pave the way to new trilateral cooperation opportunities where the EU and China have complementary expertise, such as digital health (Bertucci & Locatelli, 2020).

To conclude, a trilateral cooperation could be the way for African actors to overcome their development challenges faster. However, one should also acknowledge that African partners may prefer to maintain a competitive state between the EU and China not to lose their leverage. From now on, the African continent needs to understand and align on what it wants to get from its development partners. Competition or cooperation? Its future now lies in its hands.

Conclusion

Africa has been one of the most attractive targets for many world powers throughout history in search of growing markets and new opportunities. As a former colonial power, the EU has been building for decades on its historical legacy to become Africa's largest trading and development partner. However, its traditional hegemonic position in Africa has been challenged since the 2000s with the rising penetration of emerging economies, notably China whose political values, geopolitical interests and priorities appear to be directly undermining the EU interests and development policy on the continent.

The purpose of this thesis was to investigate the dynamics between the EU, China and Africa regarding development assistance in terms of stakes, challenges and opportunities. To conduct the research, we decided to split our qualitative research into four parts.

In this conclusion, we will present the overall findings of the study and present the prospects for further research on the topic.

1. Summary of main findings

The first part examined the specificities of the European approach, by providing an overview of its historical evolution, exploring the main actors, sources of funding and instruments and reviewing some key data. We observed that the EU is Africa's primary source of development aid. The EU carries a considerable weight due to its colonial legacy and still needs to move away from a charity approach to the continent and adjust to the rise of emerging players. Over the past half-century, it has developed an intricate and fragmented system of development cooperation relying on dogmatic political conditionalities and driven by business interests. In addition, improving its aid effectiveness constitutes an important challenge to tackle due to the proliferation of aid donor channels and the diversity of EU member states' aid policies.

Part II presented the development aid approach provided to Africa by China, following a similar structure to Part I. It showed that China has become a growing source of development aid, challenging the power and influence of traditional donors. However, the volume of Chinese aid is difficult to quantify due to a low level of transparency, the complexity of the Chinese aid system and an assessment of development assistance that does not comply by OECD rules. China's emphasis on mutual benefit and non-interference to allocate its aid reflects its experience of foreign domination. Its aid is tied to the CCP economic interests and has a strong focus on project support, allocated through a great diversity of financial instruments.

Part III compared both development models and reflected on how they are perceived by the African opinion. It demonstrated that the EU and Chinese development approaches appear diametrically opposed at first, with clashing political values, diverging geopolitical interests and priorities. However, both aid approaches have been designed to serve the political and economic interests of the donor countries and the gap between them seems to be narrowing. In addition, differences in approach and history impact the way the two actors are perceived by African countries. Finally, China's foreign aid actions have been attracting suspicion and is the subject of myths fed by European political discourse and the media, afraid to lose their competitiveness and influence on the continent.

The fourth and last part of this thesis investigated the prospects for EU-China-Africa relations and developed key recommendations on how the EU can improve its current approach. It revealed that shifting geopolitical competition in Africa has renewed the EU interest in the continent as well as repositioned its development policy. In the future, the EU should develop a more equitable relationship with Africa by better including African partners in the dialogue and meeting their needs. Secondly, despite opposite approaches to development, areas of overlapping interests between the EU and China could lead to the establishment of a trilateral collaboration with Africa focusing on the synergies between the two donors to tackle more efficiently African development challenges. However, African countries must be willing to play an active role in the relations with their partners to advance their development goals and shape their future the way they want.

2. Further research

Within the framework of this thesis, the analysis only focused on the European and Chinese development aid in Africa considered as ODA. Therefore, we did not get the opportunity to study other types of development aid assistance, such as other types of financial flows. To go further, as China uses a large array of financial instruments to grant assistance to developing countries and ODA only represents a small fraction, it would be of interest to consider all aid financial flows.

Furthermore, as this study was quite broad due to the very large geographic scope (overview of the relations between a country, an international organization and a continent), future research could delve more deeply into specific case studies of the European and Chinese assistance in Africa, either by focusing on one EU country and studying its relations with China and Africa or by examining the aid from the EU and China to one African country.

Thirdly, as this study was only focused on the respective specificities and volume of the European and Chinese development aid, further investigation should examine the effectiveness of their ODA, by comparing both actors' impact on African recipient countries' socioeconomic welfare.

Fourthly, as the latest quantitative data available on Chinese assistance covered the 2013-2018 period, we also chose this time frame to study the evolution of European assistance. Consequently, we did not get the opportunity to observe potential changes in European and Chinese aid policies in Africa during the COVID-19 crisis. This study would be of interest to go further.

Finally, it would be worthwhile analyzing the relations with the EU and China from the perspective of the African actors. This would allow to study the convergences and discrepancies between the African agendas and the one of their development partners. Additionally, one could review to what extent Africa has taken advantage of its new bargaining power following the rising competition between the two powers.

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