

KAS-Schriftenreihe China
德国阿登纳基金会系列丛书

Chinese and European Perspectives on Development Cooperation with Africa: Values, Objectives and Modalities

Editors: Winfried Jung, Dirk Messner, Yang Guang



Konrad
Adenauer
Stiftung

德国阿登纳基金会

No. 84 (en)
Beijing 2008

Editor:

Project Office of the Konrad Adenauer Foundation in the PRC
Office C 813, Beijing Lufthansa Center
No. 50 Liangmaqiao Road, Chaoyang District, Beijing 100125

Tel: 0086-10 6462 2207 / 08

Fax: 0086-10 6462 2209

E-mail: beijing@kaschina.com

Webpage: www.kas.de/china

Responsible:

Winfried Jung

The contents and views expressed in this publication are entirely the responsibility of the author(s), and do not necessarily represent the positions of the Konrad-Adenauer-Foundation.

发行：德国阿登纳基金会中国项目执行人

地址：北京市朝阳区亮马桥路50号燕莎中心写字楼C813室

邮编：100125

电话：0086-10 6462 2207 / 08

传真：0086-10 6462 2209

E-mail: beijing@kaschina.com

主页：www.kas.de/china

主编：容敏德

文章内容仅代表笔者之观点，与阿登纳基金会立场无关。

KAS-Schriftenreihe China
德国阿登纳基金会系列丛书

Chinese and European
Perspectives on Development
Cooperation with Africa: Values,
Objectives and Modalities

Editors: Winfried Jung, Dirk Messner, Yang Guang

No. 84 (en)
Beijing 2008

Contents

Preface	1
<i>Winfried Jung, Dirk Messner, Yang Guang</i>	
German and European perspectives on global development policies	
Development policy as global structural policy - Model, experiences, and challenges, viewed from the German perspective	3
<i>Dirk Messner</i>	
Germany's and Europe's development cooperation with Africa	
The European Union's Africa policy	14
<i>Sven Grimm</i>	
Germany's development cooperation with Africa: Civil society actors in Africa and the G8 process towards Africa	23
<i>Karin Müller</i>	
China's development cooperation with Africa	
Africa's development and Chinese-African cooperation in development	29
<i>Yang Guang</i>	
China's development cooperation with Africa: European perceptions and concerns	34
<i>Thomas Fues</i>	
China-Africa security cooperation: status quo and perspective	41
<i>Zeng Qiang</i>	
China-Africa Forum on cooperation and its economic and trade impact	47
<i>Yao Guimei</i>	
The role of export credit insurance and China-Africa trade and economic cooperation	53
<i>Chen Xiaowei</i>	
On the funding of Africa's development	58
<i>Lei Xiancheng</i>	

Europe and China in Africa: Common objectives, diverging interests, ongoing cooperation

Europe and China in Africa: Common objectives, diverging perspectives, new challenges <i>Imme Scholz</i>	63
China-Europe development cooperation in Africa: Goals, values and methods <i>He Wenping</i>	73

The articles in this publication are based on speeches presented at the international conference on "Chinese and European perspectives on development cooperation with Africa: Values, objectives and modalities" held from December 3rd to 4th 2007 in Beijing, organized by Konrad Adenauer Foundation together with the Institute of West-Asian and African Studies, Chinese Academy of Social Sciences, and the German Development Institute.

Preface

Winfried Jung, Dirk Messner, Yang Guang

Being one of the global economy's new emerging powers, China is playing an increasingly important role not only in Asia, but also worldwide. This is particularly true with regards to the African continent. For some years now, China has actively developed its own strategy towards Africa. In this respect, the year 2006 marked a historical step in China-Africa relations. In January, China for the first time adopted a specific African Policy drawing up the principles and areas of future cooperation. And in November, the Third Ministerial Conference of the Forum on China-Africa Cooperation (FOCAC), witnessed the birth of a, as the official statement announced it, "new type of strategic partnership between China and Africa featuring political equality and mutual trust, economic win-win cooperation and cultural exchanges." In the action plan adopted at the meeting, China has made a number of concrete pledges, amongst others to double its 2006 assistance to Africa by 2009.

China's growing engagement in Africa - consequence to a large extent to its fast growing economy and its need for raw materials and oil - has seen mixed international reactions. For instance, some African scholars praise China's

relations with African states as being on a more equal footing and highlight the concrete outcome of the aid such as the construction of roads, buildings, etc. Other Africans however criticise the extensive use of Chinese labour force instead of local workers, claiming that this would inhibit local employment and capacity building. Western donor countries and developing organizations particularly raise concerns about China's Policy towards authoritarian regimes. While western donors increasingly link aid with conditions towards reforms and enhancing participation and democracy, the Chinese concept is of non interference. However, the Chinese recent policy shift towards Sudan is a good example that the government of the PR is willing to increasingly take over more international responsibility.

In any case, to prevent possible misunderstandings, one of the main tasks in the future will be to foster international dialogue between old and new emerging donors - among these China - about development policy in general, and particularly towards Africa. Issues related to aid effectiveness, debt sustainability and principles for responsible lending should be topics for such a dialogue. Also joint initiatives on monitoring

could be conceivable ones.

All these questions were subject of an International Conference which was jointly organized by the Institute of Westasian and African Studies at the Chinese Academy of Social Sciences, the German Development Institute and the Konrad Adenauer Foundation on December 3/4th 2007 in Beijing. Here, scholars from various universities and think tanks together with representatives from Chinese government organizations as well as companies discussed these issues from different angles and exchanged their viewpoints.

The results of these discussions are laid down in this publication. We hope that it arouse interest and that it will contribute to the outline of areas of cooperation in order to enhance the dialogue and make development cooperation towards Africa more effective. If we succeed to cooperate in Africa fruitfully, it would be an important signal that cooperation between Europe and China on other global challenge is possible as well.

Finally, the editors would like to thank the authors for their remarkable efforts in order to make this publication possible. A special thanks goes to the Beijing office of Konrad Adenauer Foundation who looked after the process of revision and publication.

Editors

Winfried Jung

Resident Representative
Konrad Adenauer Foundation, Beijing

Yang Guang

Director
Institute of West-Asian and African Studies/
Chinese Academy of Social Sciences CASS

Dirk Messner

Director
German Development Institute (DIE)

Development policy as global structural policy - Model, experiences, and challenges, viewed from the German perspective

Dirk Messner

The relations between industrialized and developing countries are in the midst of a process of marked and enduring change. For the first time since the end of the Second World War the economies of the developing countries, specifically from the 1990s on, have posted faster growth rates than those of the industrialized countries. It should be noted, however, that this catching-up process conceals a number of trends toward growing differentiation in the world's developing regions. Unlike the winners of globalization in Asia, in particular China and India, but also Vietnam and Thailand, large parts of Africa have thus far not succeeded in reducing poverty, effectively containing conflicts, and developing economic and political stability (Klingebiel 2006). When it comes to more markedly knowledge- and technology-based branches of industry, Latin America, a "middle-income region," is faced with strong competitive pressure from Asia's booming "low-income countries," which have managed to link favorable cost structures with rapidly rising labor productivity.

What this means in effect is that in the coming years the world economy is set for a process of profound change. China, India, and other parts of East Asia are poised to become important poles of the global economy; Sub-Saharan Africa would have to make major progress to catch up with dynamic segments of the world economy; and parts of Latin America could increasingly find themselves thrust to the fringes of the global division of labor.

World politics is changing as well. China, India, Brazil, South Africa, and other anchor countries are becoming important players in many global governance processes (Stamm 2004). Indeed, over the course of the next one or two decades, China and India have the potential to become central actors of world politics, challenging the leadership role the West has played for some two centuries (Kaplinsky / Messner 2008). Moreover, it will prove impossible to address many of today's world-spanning problem constellations without cooperation with the devel-

oping countries. This goes equally for climate change, stabilization of weak states and regions, efforts to overcome the Doha crisis, or attempts to reform of the United Nations. Both Germany's and Europe's relations with the developing countries will have to pay due heed to these processes of change.

International development policy has come up with some responses to these new challenges. The Millennium Declaration of 2000 names most of the relevant problems that can be solved only on the basis of joint efforts undertaken by industrialized and developing countries. The Millennium Development Goals (MDGs), which center on halving absolute poverty by 2015, have served to specify and quantify some of the central objectives of development policy. Important segments of development-minded world public opinion, but also many public and private donor organizations, have concluded from this MDG orientation that it is now necessary to concentrate investment in development chiefly, or indeed even exclusively, on the world's poorest countries and their social sectors. This view is a short-sighted one. Social policy is not the only way to combat poverty, even though investment in education, health, and housing is certainly an important precondition for overcoming underdevelopment. Without viable growth processes, there is, for the poorest countries, no way out of the poverty trap. In addition, poverty is often associated with civil war, conflict, state failure, insecurity in neighboring countries, and migration processes, and this means that efforts to contain conflicts are coming to be seen as an important approach to reaching the MDGs. This approach may also include support for the efforts of developing anchor countries to adopt

cooperative stability policies in their own regions.

Dangerous climate change, a looming threat in many regions of the world, could, in the decades to come, also become a driving force behind the degradation of agricultural land in many developing regions, exacerbating water problems, and leading to extreme weather events that cause huge economic costs, precisely in developing regions (Stern 2006; WBGU 2008). This is the reason why an effective multilateral climate policy as well as measures designed to reduce CO₂ emissions in China and India will prove to be important elements of the package of initiatives envisioned to reach the MDGs. Poverty reduction, global development, and global governance are, in other words, closely intertwined.

Since the late 1990s the German government has developed a new model for development policy that does justice to these changes in the relations between the OECD countries and the developing countries, paying due heed to the implications of globalization for late development processes as well as to the complexity of the factors that tend to lead to poverty and development blockades. Development policy has since then been regarded as a contribution to a comprehensive "global structural policy" - or as contribution to a comprehensive global governance strategy, to use the established term for policies to shape the impacts of globalization and to tackle cross border and world problems. What follows will outline this model, subjecting it to critical scrutiny. While the ambitious goals set in connection with this frame of reference have not yet been fully reached, the direction of change is the right one, and the model of devel-

opment policy as "global structural policy" must be said to have great potential - also for the international discussion on the future of development policy.

The model of German development policy

In the late 1990s, German development policy, in response to the end of the Cold War and the acceleration of globalization, was redefined as "global structural policy." This model is based on the premise that the only way to master the world problems and global interdependencies that affect all societies in our "global risk society" (Ulrich Beck) is to develop an enhanced culture of multilateral cooperation, something that has since come to be referred to as global governance. For the normative model of development policy as global structural policy, this implies (Messner / Nuscheler 2001; Messner / Scholz 2005):

1. Development policy must aim to change, at the same time, both internal and international structures. While the developing countries themselves bear the main responsibility for structural reforms conducive to development, it is above all the OECD countries, with their power and resource potentials, that must assume responsibility for reforms of the international financial and trade structures and their impacts on developing countries as well as for global climate policy.
2. The model of "global sustainable development" implies that the limited resources available to development policy must be concentrated in particular on three areas closely involved in

coming up with solutions to global problems with highly diverse risk structures: poverty reduction, containment of worldwide environmental degradation, and conflict prevention geared to securing the foundations of peace.

3. Viewed from a global perspective, it would also be imperative to invest in regenerative energy systems, resource efficiency, and environmental technology in the dynamically growing anchor countries, with their growing energy needs, including e.g. China, India, Brazil, South Africa, Malaysia, and Indonesia, i.e. in countries that, regarded purely in terms of poverty reduction, would otherwise lose a good measure of their importance as partners for development cooperation. Without the active participation of this country group, it will prove impossible to come to effective terms with - among others - global environmental problems, and in particular the problem of climate change. Another reason why cooperation with the anchor countries makes good sense is that without them there will be no effective migration regimes designed to govern international migration movements, no stable regional and global peace regimes, and no effective reform of the United Nations. However, the anchor countries will be more than unlikely to shoulder their share of this responsibility unless the role they play in the international organizations is upgraded.
4. Bi- and multilateral development cooperation should provide more support than it has until now for regional cooperation projects designed to build problem-solving capacities and to relieve the growing strain on global organizations (such as the overall UN system).

-
5. Development policy must, once again, return to the task of strengthening the action capacities of states and social actors now that the "Washington Consensus, one-sidedly rooted as it is in economic liberalism, has made its contribution to reducing the scope of a crippling state interventionism, though not without at the same time weakening their ability to deal constructively with both their own problems and the mounting pressure of globalization.
 6. Not only the fact of limited development budgets but also insights on building cooperative problem-solving capacities call for a search for new forms of public-private partnership (PPP). Many world problems are no longer accessible to solution without the financial and organizational resources of transnational corporations and without the engagement of a growing number of transnationally organized nongovernmental organizations (NGOs). Civil society engagement is not only a democratic virtue, it also serves to bring expertise and movement into politics. Global policy networks patterned on the World Commission on Dams, which has brought states, international organizations, corporations, and NGOs to the negotiating table, represent a new model for "governance beyond the nation-state."
 7. Far from moving along a one-way road from North to South, global structural policy calls for changes in the awareness and behavior of all societies. The industrialized countries must recognize that they share responsibility for problems in seemingly faraway regions that globalization has brought closer and closer to them and that they are themselves vulnerable to the impacts of such problems. The developing countries must assume responsibility of their own, for development is in essence an endogenous process, and while development policy may provide support, it cannot serve as a substitute.
 8. The hegemony of the G7/8 countries is ultimately incompatible with a new international culture of cooperation. The majority of the heterogeneous group of developing countries will only be prepared to engage in cooperative efforts to solve world problems (e.g. climate policy) if they are accorded more equality in international negotiation processes and important international organizations.
 9. Global structural policy not only calls for a reorientation of development policy, it ultimately requires that policy as a whole be geared to the challenges and risks of globalization. Development policy, foreign policy, and defense policy must be coherent and aligned with one another when the task is to stabilize weak states and to build peace; foreign policy, development policy, environmental policy, and research policy must be focused with a view to developing, together with dynamic anchor countries, a set of sustainable energy and climate policies; and as far as the developing countries are concerned, trade policy and external commercial policies should aim to strengthen the poverty reduction strategies of development policy.
 10. Ultimately, for Germany a development policy conceived in this vein can prove effective only if it is carried out together with the EU, since Germany's power and policy space are limited.

The profile of German development policy: The present state and challenges

The Washington Center for Global Development emphasizes that German's external activities are - above all when compared with the other G7 countries - on the whole "development country friendly" (Roodman 2006). Only a number of smaller industrialized countries, such as Sweden, Norway, and Denmark, rank higher than Germany on the Center's Commitment to Development Index. The following thoughts may serve to highlight the particular areas in which Germany's development policy has not succeeded comprehensively in implementing global structural policy, a model that is at once normative and adapted to the new challenges of globalization, as well as to outline some of the steps that would be needed to make further progress.

The profile of Germany's development policy as well as of its other external or externally oriented policies may be outlined as follows: As regards German cooperation with developing countries, poverty orientation, and here above all cooperation with Africa, ranks very high on the agenda. Three other elements further contribute to the particular profile of Germany's relations with developing countries:

First, German invests heavily in environmental cooperation projects and is committed in particular to the model of sustainable development. This engagement in the developing countries is supplemented by a relatively progressive German climate policy as well as by efforts designed to expand the use of regenerative energies in Germany that must be seen as significant by

international comparison. In view of the high economic and social costs that climate change is expected to cause in the developing countries (Stern 2006; WBGU 2007), it is surely not exaggerated to argue that Germany's climate and energy policy plays a role for the future development chances of poor countries that is just as important as, if not more important than, many of the classic measures used by development policy. One important reason why Germany's "environmental profile" is clearly perceived both internationally and in the developing countries is the fact that Achim Steiner, a personality with a high international profile, has taken over the reins of the UN Environment Programme (UNEP) from Klaus Töpfer, who earned the reputation as a globetrotter in matters concerned with environmental protection. In the course of Germany's "dual presidency" (of the G7 / G8 and the EU) in 2007, the German government succeeded in generating a number of effective impulses in climate policy, becoming an important actor in efforts to achieve an extensive and effective energy and climate policy. The EU has also embarked on a climate-friendly development path, adopting, in the course of 2007, a number of ambitious climate goals. These dynamics will prove instrumental in sustainably improving development chances, in particular for Africa, for unrestrained climate change would radically diminish the development chances of many developing countries.

Second, like Germany's foreign policy as a whole, German development policy supports an approach based on effective and fair multilateralism, on which precisely the weak actors of the international system are forced to rely. This is clearly in evidence in climate policy, security policy, the UN-friendly

stance of German policy, and the support Germany provides, in the framework of development cooperation, for global governance capacities in developing countries. That the light clearly visible in this field is dimmed somewhat by shadows is due largely to Germany's reduction of its contributions to UNDP and the overly one-sided focus of German policy on gaining a permanent German seat on the UN Security Council in the course of the years 2004-2006. While this may serve to correct the overall assessment of Germany's engagement for a fair multilateral system, it does nothing to diminish it (Fues 2006). If we further bear in mind in this context that multilateralism is currently faced with a number of difficult trials (e.g. the Doha negotiations, the Kyoto process, numerous disarmament rounds), and that, at the same time, there are no prospects for giving globalization a fair shape without efforts to strengthen multilateral cooperation (Haass 2005; Messner 2007), we will find that it would be difficult to exaggerate Germany's (and Europe's) real and potential contribution to stabilizing and further developing a cooperative global system.

Third, after the events of September 11, 2001, Germany stepped up its activities aimed at stabilizing weak states and preventing and moderating international conflicts (Klingebiel 2006). The interplay between foreign, security, and development policy, never a simple matter, has assumed new significance in this context. Due to Germany's long abstinence in the post-WW II era when it came to security policy, this new German engagement in the field of development and security is still in its infancy. Still, Germany is perceived as an "honest broker" in most of the world's developing regions. In view of the worldwide upswing experienced by anti-West-

ern movements in connection with the Iraq war and the "war on terror," this is a political asset that should not be underestimated.

German development policy would be able to better harness the great potential of the concept of global structural policy if it succeeded in making progress in six areas:

First, this ambitious model can be translated into effective policy only if appropriate financial resources are made available. In recent years German development policy has adapted in conceptual terms to the challenges posed by globalization, although in doing so it has constantly expanded its goals, while development-related investment has remained stagnant. Ultimately, this avenue leads to an omnipotence trap. Only if the German government in fact raises - as it has pledged to do - the level of German ODA investment to 0.7% of GDP by 2015 (and 0.51% by 2010), will it prove possible to continue to pursue the concept of global structural policy. Otherwise, it would be necessary, instead, to concentrate on a limited number of fields of action.

Second, as in other industrialized countries, cooperation between development policy and other externally oriented policies has proven to be a difficult learning process. The avenue to overcoming ministerial egoisms and the claims of individual ministries to leadership and/or exclusivity with a view to achieving a networked foreign policy geared to solving concrete problems is a thorny one. But in the end the only way to deal effectively with the complex unfinished business of international cooperation - from poverty reduction and efforts to secure world peace

to climate policy - is for ministries to learn to focus their own, limited action resources.

Third, in the future, German development policy can focus, better than it has in the past, its activities in the priority areas that go into the making of the German profile. The concept of global structural policy is a complex one, and it may for that reason lead to a constant proliferation of new initiatives. However, the only way to achieve significant contributions to implementing the model is to concentrate on advantages of specialization. Efforts to dovetail the German organizations in charge of financial cooperation and technical cooperation, which are currently under discussion in Germany, may prove just as conducive to this specialization process as effective patterns of functional specialization in development policy at the level of the European Union (Mürle 2007).

Fourth, efforts are called for to give Germany's strategic and conceptual contributions and experience in implementing development projects a more visible anchoring in the international institutions and processes involved in development policy. Current German government initiatives that point in the right direction would include ongoing efforts to further develop German strategies vis-à-vis multilateral development organizations, to network German development activities with those of the other EU actors, and to gradually increase investments in internationally visible contributions of application-oriented development research.

Fifth, German development policy could be more effective at the international level if the role played by external relations in German policy as

a whole were given a greater measure of importance (Zürn 2006). The number of German parliamentarians in possession of knowledge and experience in foreign policy and international affairs is limited. The German media's reporting on international affairs is not up to the level familiar from other, comparable industrialized nations. Compared with other industrialized countries, German investments in scholarship regarding problems of international politics, international development, and dynamics in the world's regions must be seen as inadequate. Following decades of restraint in foreign policy in the wake of the Second World War, German policy evidently needs time to expand its productive potential to provide responsible contributions to shaping the course of globalization.

Sixth, the weak economic development Germany has experienced in recent years has proven detrimental to the attractiveness and resonance of Germany's externally oriented policies (its soft power). Economic efficiency and innovativeness as well as internationally competitive investments in the German research landscape are conditions that must be met if Germany is to provide effective contributions to shaping globalization and enhancing Germany's attractiveness in the eyes of developing countries, and in particular of the anchor countries.

The world in transition: Are Germany's and Europe's relations with the developing countries sustainable?

The end of the Cold War was not the "end of history," and the globalization discussions of the 1990s came nowhere near comprehensively de-

scribing the challenges of the 21st century. At present we can make out five trends of particular importance for Germany's (and Europe's) relations with the non-OECD countries. The model of global structural policy constitutes a frame of reference well suited to understanding and dealing politically with the development dynamics resulting from this state of affairs.

The Asian drivers of global change

It would be very difficult indeed to overestimate the implications that the rise of China and India as weighty actors of world politics and the world economy has had for international politics and thus also for development policy. The rise of new powers and (relative) decline of old powers and the shifts in the structure of global power this entails represent key forks in the development path of world politics. In the coming years the quasi-unilateral, US-dominated international system will be transformed into a multipolar power constellation, with the US, China, and India among its central poles (Humphrey / Messner 2006; Dollar 2007). The EU's future will depend on the Union's capacity for joint action, because compared with the future global heavyweights, all of the European nations will remain minor players with limited power resources of their own. This transformation will also change Germany's relations to the non-OECD countries: Germany's cooperation with China and India in the fields of development, research, the environment, security, and economics will prove just as important as today's transatlantic relations; China and India will become players and competitors in international development policy in Asia, Latin America, and Africa; Germany's and Europe's cooperation with medium-sized anchor countries like Brazil, South Africa,

Indonesia, and Malaysia will grow in importance when it comes to containing possible power conflicts (over resources, energy, and influence in the fields of security and development policy) between China, India, and the US, and such conflicts could provoke instabilities in world regions; and cooperation with this country groups will prove essential in generating stability and legitimacy in the multipolar world system of the future. The transition from a world order defined and dominated, for some two centuries now, by the West to a Western-Asian era will entail a restructuring of Germany's and Europe's relations with the world's developing regions. The complex ramifications of this power shift have just begun to take on visible shape and to be perceived by scholarship and politics. Germany's and Europe's externally oriented policies would be well advised to prepare in a timely fashion for the dawn of this new era.

Renaissance of geopolitics or coordination and balance of international interests?

China's and India's soaring energy consumption and the Western industrialized countries' unabated hunger for resources and energy could serve to strengthen the resource-rich countries in political and economic terms, although it could also lead to new conflicts over resources and a renaissance of a geopolitics that was thought to have been overcome. A dynamic of this kind would threaten - not least - the standards of partnership and cooperation for international development policy set down in the Paris Agenda. Signs of this are already visible in Africa, but also in the Caucasus republics, where the US, China, India, and the EU are wrangling for access to resources. Unbridled conflicts over en-

ergy and resources could, in ways similar to the Cold War, lead to an instrumentalization of development policy. Responsible and far-sighted policies toward resource-rich countries, efforts to strengthen a culture of multilateral cooperation, and worldwide efforts to radically boost energy and resource efficiency could contribute to preventing, or at least containing, conflicts over resources and energy. Germany will be able to meet these challenges only in the framework of the EU and in cooperation with the anchor countries.

Climate change

The only approach that holds promise of limiting global warming to levels below 2 degrees centigrade, thus averting "dangerous climate change" (Schellnhuber et al. 2006; WBGU 2007), is to engage in a prudent climate policy designed to reduce worldwide CO₂ emissions by some 50% (below 1990 levels) until 2050. Anything beyond this limit would very likely lead to an extensive worldwide destabilization of economies and societies that could overstrain the international system in both political and economic terms. The developing countries in particular would suffer from the resulting distortions. Recent studies on the worldwide impacts of climate change show that an unrestrained rise in global temperatures would have implications for international relations as fundamental as those due to the global power shifts brought about by the rise of India and China (WBGU 2007). The dimensions of these problems strongly indicate that German and international development policy has thus far paid too little heed to these challenges. On the one hand, there is a need to conclude effective strategic partnerships with the anchor countries whose CO₂ emissions are on

the rise, with a view to preventing emissions of climate-damaging gases. This goes in particular for China and India, which together account for some 20% of global CO₂ emissions. On the other hand, there is a need to work out adaptation strategies for the developing regions threatened by climate change with a view to averting socio-economic crises that could overstrain the countries affected and give rise to surges in migration.

It is furthermore becoming increasingly clear that the climate policies of the industrialized countries (as well as of large anchor countries like China and India) will, in the coming decades, have far greater impacts on the development chances of developing countries than classic development policy has had. Thanks to the pioneering role it has played in climate policy and its capacity as an effective player in the EU framework, Germany will be in a good position to set significant accents in this world-political arena, which is of existential importance for many developing countries, and this in turn will enable it to play a positive part in shaping the relations between the industrialized nations and the developing countries.

Diffuse structures of violence and conflict in world politics

Transnational terrorism, and with it the complex relationship to the Islamic world, will continue to be on the agenda in the coming years (Schlumberger 2006). Cautious support for process of political and economic liberalization in the Islamic countries, initiatives designed to resolve the Middle East conflict, and efforts to help dismantle anti-Western worldviews - which have experienced a boost in connection with the "war on terror" - will prove essential as a means of

containing transnational terrorism and depriving it of support in the societies concerned.

The breakdown of state structures - a threat currently faced by some 30 societies - also remains a challenge for international security, one that accelerating climate change could well render growingly virulent (WBGU 2007). The actors involved in development policy, foreign policy, and security policy have not yet developed the concepts and structures needed to come to effective terms with the phenomenon. Germany and the EU would be well advised to launch initiatives designed to upgrade the task of stabilizing weak states to the level of a key field of European foreign, development, and security policy.

There is furthermore good reason to assume that that the global risks emanating from proliferation of weapons of mass destruction are on the rise. Together with other EU member states, Germany should develop initiatives designed to position the EU as a relevant actor in this important field. This would call, first and perhaps foremost, for cooperation with anchor countries in the field of security, development, and research. For these countries have the technological capacities to produce weapons of mass destruction - if they have not (as in the cases of India and China) already done so. Second, efforts to stabilize weak states - which often serve as gateways for the illegal worldwide arms trade - could contribute to at least obstructing the efforts of states, or even private networks, to acquire weapons of mass destruction. Third, it will be possible to contain proliferation dynamics in developing countries only if the nuclear powers embark on a credible course of disarmament and

international control of weapons of mass destruction. It is against this background that Henry Kissinger, together with a number of other former US secretaries of state, in 2007 called for a worldwide ban on nuclear weapons.

Africa - a neighboring continent prone to crisis

In the foreseeable future Africa will remain the one continent most seriously challenged by development problems. Despite some, partial political and economic progress (Asche 2006; Grimm 2007), poverty, conflict, state failure, and migration remain important challenges that can be mastered only on the basis of far-reaching reforms supported by international cooperation. The resource boom currently experienced by many African countries - and unleashed by exploding demand from China and India - could soon (and once again) turn into a resource curse. Climate research has also shown that it is mainly Africa that will be faced with the impacts of climate change. There is therefore good reason to assume that climate change could well further intensify the crisis symptoms observable in today's Africa. Even successful poverty reduction efforts undertaken in the coming years could be undone by the impacts of global warming. At the same time, it is evident that any straightforward increase, or indeed even doubling, of development investments will be unable to solve Africa's problems in the short run (due e.g. to absorption problems, transaction costs of development cooperation, declining marginal utility of development cooperation in heavily aid-dependent countries) (Nuscheler 2007; Faust / Messner 2007). Development policy thus needs to find, and to embark on, new approaches: European development policy will e.g. be con-

cerned with coming up with a better division of labor in its cooperation with Africa, the aim being to avoid situations in which development cooperation may overstrain African institutions. This would presuppose a set of new migration policies and strategies vis-à-vis Africa. Europe would do well to accompany, critically and constructively, China's engagement in Africa. In any case, though, it is becoming clear that Germany and Europe need to work out long-term forms of cooperation with its neighboring continent with a view to providing significant contributions to reducing poverty and to promoting stability and security both in Europe's neighborhood and throughout the world.

Author

Prof. Dr. **Dirk Messner**
Director
German Development Institute (DIE)

Bibliography

Dollar, David: Asian Century or Multipolar Century? Paper presented at the Global Development Network Conference, Beijing, 2007

Faust, Jörg/ Messner, Dirk: Ordnungspolitische Herausforderungen für eine wirksame Entwicklungszusammenarbeit, in: Ashoff, Guido (ed.): Wirksamkeit der Entwicklungspolitik. Eine deutsche Perspektive, Baden Baden (forthcoming), 2007

Haass: The Opportunity, New York, 2005

Humphrey, John/ Messner, Dirk: China und Indien verändern die Weltpolitik, DIE - Analysen und Stellungnahmen, No. 1/06, Bonn, 2006

Kaplinsky, Raphael/ Messner, Dirk (eds.): The Impact of Asian Drivers on the Developing World, in: World Development, Special Issue, Vol. 36, No. 2, Washington, 2008

Klingebl, Stephan: Africa Agenda for 2007. Suggestions for the German G 8 and EU Presidencies, DIE Discussion Paper 4/07, Bonn, 2006

Messner, Dirk: Global Governance im Schatten des Aufstieges von China und Indien, in: Debiel, Tobias/ Dirk Messner/ Franz Nuscheler (eds.): Globale Trends 2007, Frankfurt, 45-60, 2007

Messner, Dirk/ Nuscheler, Franz: Entwicklungspolitik und Globalisierung, in: Hauchler, Ingomar/ Dirk Messner/ Franz Nuscheler (eds.): Globale Trends 2002, Frankfurt, 401-420, 2001

Messner, Dirk/ Scholz, Imme (eds.): Zukunftsfragen der Entwicklungspolitik, Baden Baden, 2005

Mürle, Holger: Towards a Division of Labour in European Development Cooperation: Operational Options, DIE Discussion Paper, 6/2007, Bonn, 2007

Nuscheler, Franz: Die umstrittene Wirksamkeit der Entwicklungszusammenarbeit, in: Bertelsmann Stiftung (ed.): Bertelsmann Transformations-Index 2008, Berlin 2007 (forthcoming), 2007

Roodman, David: The 2006 Commitment to Development Index: Components and Results, Center for Global Development Brief, August 2006, Washington, D.C., 2006

Schellnhuber, John, et al.: Avoiding Dangerous Climate Change, Cambridge, 2006

Schlumberger, Oliver: Dancing with Wolves: Dilemmas of Democracy Promotion in Authoritarian Contexts, in: Dietrich Jung (ed.) Democratization and Development, New Political Strategies in the Middle East, New York, 33-60, 2006

Stamm, Andreas: Schwellen- und Ankerländer als Akteure einer globalen Partnerschaft, DIE Discussion Paper 1/04, Bonn, 2004

Stern, Niklas: The Economics of Climate Change, New York, 2006

WBGU/ Wissenschaftlicher Beirat der Bundesregierung globale Umweltveränderungen: Climate Change as a Security Risk, London, 2008

Zürn, Michael: Zur Politisierung der Europäischen Union, in: Vorgänge, Vol. 45, No. 2, 12-20, 2006

The European Union's Africa policy

Sven Grimm

Common European policy towards Africa - renewed impetus for partnership

The beginning of joint European activities in Africa date back to the very foundation of the then European Economic Community in 1958. Ever since, policy towards Africa was regarded as a showcase in North-South relations and a cornerstone in the claim for a European foreign policy role.

With the Lomé-Agreement of 1975 - which was legally beyond the European fundamental treaties - the principles in Europe's early Africa policy bears some resemblance to nowadays Chinese Africa policy: The Lomé-Agreement was based on the declaration of equal partnership and followed a "non-political" philosophy of market-access preferences and development aid until well into the 1980s.¹ This said-to-be model has been - and continues to be - under reform, as the big success story can not be written about Europe's earlier approach: while human devel-

opment might be a different issue, there is hardly evidence for sustainable economic success in partner countries.

In the 1990s, European interest in Africa declined, as Europe was concerned with the collapse of Central European regimes and its unification. Development assistance dipped in the 1990s and even individual embassies were closed-down. These developments were often referred to as symptoms of a loss of strategic importance of Africa after the Cold War. Since the beginning of the 21st century, however, things have changed both globally and in Africa itself.

Starting the train of thought with global changes, these are mostly well known: economic globalisation (another word for increasing interconnectedness) is ever progressing. This concerns economic ties, i.e. trade in goods and services, but also communication tools and social exchange. Europe has learned that even if Africa is not a prosperous region in many parts

1 Cf. Grilli, *The European Community and the Developing Countries*, Cambridge 1993; Holland, *The European Union and the Third World*, Houndmills 2002.

and trade relations between the EU and African states in many goods have become rather negligible, people know about opportunities in Europe and seek to grasp them. Forced migration - i.e. refugees from warfare or natural disaster - usually do not reach Europe but rather flee into neighbouring countries. Nevertheless, migration to Europe has become an issue on the agenda. And Europeans have become more aware that destabilisation in one region does affect other regions. As the former UN Secretary General, Kofi Annan, has put it in a speech at the European Development Days in Lisbon in November 2007: "There are only eight miles between Africa and Europe". Not least so with the terrorist attacks on New York and Washington on 11 September 2001 - which had a predecessor in Nairobi and Dar-es-Salaam in August 1998 - awareness has gained ground that threats to security are not exclusively an issue of conventional warfare. The paradigm of 'human security' points to the linkage between state security and the security of human beings in these states as a reciprocal relationship. Weak or failed states are a threat to their citizens, as they cannot protect them from external harm or organise prevention schemes. And this threat to their own citizens also has an external dimension, as these states might be abused as safe-havens for international criminal activities or terrorists. These are factors beyond Africa which have impacted on a re-gaining of 'strategic value'.

Geo-strategic views are important to consider when researching the overall external relations of Europe and/or EU member states. Development cooperation, however, is one facet of all external relations; it is a distinct policy area, acting according to a specific policy rationale,

which is guided by the Millennium declaration (i.e. pursuing the ultimate goal of poverty eradication) and the Paris Declaration (i.e. oriented towards aid effectiveness, not least by fostering partner country's ownership of the development agenda). Consequently, besides geo-strategic considerations, other factors have influenced an increasing attention of European actors in development cooperation to Africa.

Since the beginning of the 21st century, there are a number of new institutions and political shifts within the continent that have put Africa back on the European agenda. Far from a minor change, in 2002, the African Union (AU) was created and embraced the New Partnership for Africa's Development (NEPAD) as its socio-economic programme. Both the AU and NEPAD aspire to change the framework for development in Africa. According to Article 4h of the AU Charter, genocide, severe war crimes and severe violations of human rights can establish a cause for the AU to interfere in member states' internal affairs. The previous constituting principle of the Organisation for African Unity (OAU) of strict non-interference has thus become obsolete and has shifted towards the principle of non-indifference in cases of grave violations of international norms. This has arguably been one of the lessons from the genocide in Rwanda in the early 1990s. But also below the very extreme threshold of military interventions (as an option in very few cases), NEPAD has also created obligations for member states with regard to their internal affairs. It aims at fostering the improvement of governance in Africa and has created an African Peer Review Mechanism (APRM) since 2003. The APRM scrutinizes the governance performance of its member states and subsequently gives

policy recommendations for reforms. These recommendations can be even to the level of constitutional reforms and are thus far from petty issues.² And when comparing the political systems of African states to those before of the fall of the Berlin Wall, observers such as the United Nations Economic Commission for Africa (UNECA) state a much higher number of competitive elections in Sub-Sahara Africa.³

Furthermore, we can overall observe a steady economic growth in many African states, not least pushed by increasing demands for raw materials by China, India and other emerging countries. These emerging actors have understood the importance of Africa as being rich in resources and thus far from negligible. This renewed impact of non-European actors creates opportunities and challenges for Africa. It also creates some new opportunities and challenges for European actors, at a time, when Europe is reformulating its Africa policy within new dynamics towards a common foreign and security policy.⁴

How is EU policy towards Africa organised? - Who is doing what?

50 years of European integration have created a multi-level system which is characterised by a high number of actors with different interests. Furthermore, the legal basis for joint activities within the EU is varying between policy areas. The European Commission is not the sole external representation of the EU and often operates alongside Member States.

In development cooperation, we are having a system of 27 Member States with bilateral programmes plus a joint European effort, administered by the European Commission. This system together provides more than half of the official development assistance (ODA) reported to the OECD Development Assistance Committee (DAC). The Commission administered programmes account for 11% of the overall ODA and roughly one fifth of all European aid. Within this lump sum for international development by the European Union⁵, different regional coop-

2 Cf. Grimm / Nawrath, Der African-Peer-Review-Mechanismus - eine Abkehr vom Krähenprinzip? [in German only], GIGA Focus Afrika, 3/2007, Hamburg: German Institute of Global and Area Studies / Institut für Afrika-Studien, 2007. Also: Grimm / Mashele, The African Peer Review Mechanism (APRM) - How far so far? DIE Briefing Paper 2/2006, Bonn: DIE.

3 Opinion polls by Afrobarometer suggest that this increasing competitiveness in elections is supported by the populace of African states. Afrobarometer is based on surveys in now 20 African states and show varying degrees of support to governments legitimised by fair and free elections. A strong overall finding, however, is the rejection of previous one-party or even military regimes in these African states. Cf. www.afrobarometer.org. See also: Klingebiel / Grimm, Statehood and Governance: Challenges in Sub-Saharan Africa, DIE Briefing Paper 3/2007, Bonn: DIE, 2007

4 Cf. Fues et al., China's Africa Policy: Opportunities and Challenges for European development cooperation. DIE Briefing Paper 4/2007, Bonn: DIE, 2007.

5 Until the coming into force of the new Lisbon Treaty, expected until 2009, a legal distinction exists between the European Union and the European Community. For the sake of simplification, this distinction shall be mostly ignored in this article and only be explicitly picked up upon if and where it makes a substantial difference to competencies within the Union.

eration programmes exist for e.g. North Africa (the Neighbourhood Policy), Sub-Saharan Africa (together with the Caribbean and the Pacific states - know as the ACP - under the Cotonou Agreement) and the Republic of South Africa (with a special Trade and Development Cooperation Agreement, TDCA). With regard to political personnel, two commissioners are responsible for external assistance: the European Commissioner for Development, Louis Michel, is responsible for overall policy formulation in this area and ACP (plus South Africa), while the European Commissioner for External Relations, Benita Ferrero-Waldner, is responsible for cooperation with the rest of the world.

The EU as a whole has graduated beyond the role of an additional implementing agency in development cooperation and has over time become much more than a mere trading block, too. Joint European activities have suffered a heavy blow in political crisis that amounted to a collective stepping-down of the Commission under Jacques Santer in 1999. Since then, fundamental reforms have taken place in European development cooperation and external relations at large.⁶

Fundamentals: goals and policies

Africa accounts for more than half of the funds from EU development cooperation. In absolute numbers, this amounts to €14 billion annually to Sub-Saharan Africa. From an African perspec-

ive, too, Europe's engagement is substantial: it accounts for more than half of the overall ODA to the continent. The European Commission is represented in all African states. Despite varying historical backgrounds of EU member states, European aid has a tendency to cluster to a number of states, as shows the EU donor atlas.⁷ In these states, among which are DR Congo, Tanzania, Mozambique, Zambia, Ghana and Senegal, a relatively high number of EU Member States are active - in the case of Mozambique, for instance, at least 15 out of 27 Member States and the Commission are active in development cooperation.

The European Union will remain a multi-level system in development cooperation, as there is no consensus on centralising development cooperation with the Commission, nor is there much political appetite to strip the European Commission of its development cooperation programmes. In order to improve overall functioning of the complex system, the Union has increasingly resorted to "grand strategies" in order to improve its internal governance.

Among the strategies to be named in this context are:

- The European Security strategy (2003), identifying state collapse and poverty as factors for increased global insecurity. The EU, thus, is shifting from state security to human security as its leitmotif in security policy;

6 Cf. Grimm, EU Development Cooperation: Rebuilding a tanker at sea, Friedrich-Ebert-Stiftung, Dialogue on Globalisation, June 2006.

7 ec.europa.eu/development/body/publications/docs/eu_donor_atlas_2006.pdf

- The European Consensus on Development (2005), defining poverty eradication as the overarching goal, identifying common European values (such as reference to human rights, democracy...)⁸ and joint principles in development cooperation, namely partnership, ownership by partners, etc. And the Consensus also draws a linkage to the Paris Declaration on aid effectiveness, generally regarded as the international consensus on development cooperation;
- The EU Africa Strategy⁹ (2005), aiming at overcoming the gaps between different regional programmes, namely offering a vehicle to cooperate with the African Union and its Commission. Furthermore, the conceptual references among different policies are explored, i.e. development, security, trade, migration and others;
- And since May 2007 - under the German EU Presidency - the EU has established a Code of Conduct on the Division of Labour in development cooperation. The code identifies 11 principles on how a division of labour shall be organised. It thereby avoids the trap of circumventing country ownership and allows for assessing the situation on the ground in each partner country, while at the same time also defining broader principles.

The new thing in these strategies - to which an EU trade strategy was added in October 2007 - is that they address both the Commission and Member States' policies. They define a policy framework for the entire EU and thereby allow for the definition of a joint vision without going into micro-management of all actors in the complex system. Management on the level of partner countries is done with so-called country strategy papers (CSPs) since 2002, defining the overall policy goals at country level and giving cautious (critics would call it timid) indications on who is active in the country in which sector.¹⁰ Some attempts have been made to formulate joint EU country strategies (e.g. in Mali, South Africa, Ethiopia and Somalia). Mostly, however, the CSPs are identifying the Commission's activities. The approach has been somewhat outdated by joint assistance strategies that include other important agencies such as the World Bank and the USA in some places (e.g. Ghana, Zambia, etc.).

Effects of the revised policy formulation in the grand strategies

The policies are in an early stage of implementation. It is therefore difficult to draw a final conclusion on their impact. We can, however,

8 On values in EU foreign relations, cf. for instance: K.E Smith, *European Union Foreign Policy in a Changing World*, Cambridge 2003.

9 Council of the European Union, *The EU and Africa: Towards a Strategic Partnership*, Brussels, 19 December 2005, Document 15961/05.

10 The European Commission deplors the remaining fragmentation of European aid, as do many Member States. Cf. European Commission (2007): *Annual Report on the European Community's development policy and the implementation of external assistance in 2006*. Luxembourg: Office for Official Publications of the European Communities, p. 36. Moving towards better coordination, however, has long raised the question of who is coordinating whom. This can only be solved by decentralising the debate to country level, as attempts the Code of Conduct on a Division of Labour.

see a number of new or reformed activities of the Union which are obviously drawing impetus from or are at least referring to the strategies mentioned. As is usually the case in EU policy-making, a certain degree of incrementalism remains. New instruments and policies are created at the parallel to older tools and programmes. None of the strategy papers, for instance, has thus far made the Cotonou Agreement superfluous or legally void. None of the measures have created a single funding instrument for all of Africa; the division between neighbourhood, ACP, and South Africa remains. But bridges have been built between the programmes:

Common Foreign and Security Policy

With regard to the European Security Strategy - and thus the EU Common Foreign and Security Policy - we have recently seen a mission to Congo. EUFOR was keeping the peace during elections in Kinshasa as a support mission to the ongoing UN Mission in Congo (UNMIC). This step is an implementation of the concept of human security. Other missions, such as the previous Congo-mission in Ituri in 2003 or the current missions to Chad and the Centralafrican Republic should also be listed in this context. All these mission have been internally challenged and their respective mandates have been questioned and at time been questionable (for a brief overview on the arguments on Congo cf. Grimm 2007; on Chad/CAR cf. for instance Tull 2008). Their European mandate has, however, followed the same rationale: protection of civilians in ongoing civil wars (in the case of Chad and

Centralafrican Republic, the mandate is to protect Darfurian refugees in these countries).

More on the fence between foreign policy and development cooperation is the African Peace Facility which was created from un-used financing from the European Development Fund. By allocating the money to funding of AU peace missions, however, it became questionable whether the money could still file as ODA according to DAC standards. Even if ultimately not 'DAC-able', the €300 million between 2008 and 2010 seem to be well-invested money. This rationale has also been promoted by the Africa Strategy, which aims at capacity-building in African continental structures. The European Commission is providing funding for its African counterpart to an amount of €55 million, in order to support African continental structures for conflict prevention and peace building.

In none of the cases is the EU the sole or necessary the pre-eminent actor in Africa. Following its desire for an effective multilateralism, however, it actively aims at supporting continental structures, supporting UN missions and seeks a dialogue with other actors on African issues (e.g. as stated in the strategic partnership with China, where a paragraph in the Commission communication is dedicated to joint activities with China in international development, highlighting Africa¹¹).

Development Cooperation

Despite all emphasis on continuity in the EU-ACP relations, fundamental changes have also

11 COM (2006) 0631 final: EU-China - closer partners, growing responsibilities. http://eur-lex.europa.eu/LexUriServ/site/en/com/2006/com2006_0631en01.pdf, p. 6.

taken place with the move from the Lomé-IV-Convention to the Cotonou-Agreement.

- The political aspects of the partnership were strengthened; political dialogue and questions of common interests between Europe and the ACP have been further emphasised. This fits with considerations on aid modalities such as budget support - for which the European Commission is one of the international champions. The level of political dialogue has been raised.
- Development cooperation and trade are closely interlinked. Conceptually, Economic Partnership Agreements - based on reciprocity, in accordance with WTO rules - have been enshrined in the Cotonou Agreement. This is a considerable departure from non-reciprocal trade preferences that have had little effects on a diversification in traded goods.¹² The negotiations about EPAs are ongoing and complicated, as somewhat competing rules exist for Least Developed Countries, which - under the Everything-but-Arms Initiative¹³ - can export to the EU tariff- and quota-free. The additional benefit of an EPA as seen by the Commission (being a mutually binding agreement instead of unilaterally granted benefits and also including services) appears to be of little appeal to a number of states.¹⁴ Differ-

ences exist over the perception of gains and losses when 'locking-in' trade regulations in a reciprocal agreement among economically very unequal partners.

- Good governance, however, and security-relevant issues (such as renouncing weapons of mass destruction) are enshrined in the Cotonou Agreement, signed by both the EU and the ACP. It has particularly been emphasised once again in the EU Africa Strategy, including mention of the Extractive Industries Transparency Initiative (EITI) and the APRM. On improving governance - after all the declared goal of NEPAD - the EU has issued a governance support programme with its European Development Fund between 2008 and 2013. Overall €2,7 billion are aimed at supporting governance programmes, preferably springing from APRM reports and their programmes of action.

These and other funding changes - such as the creation of an infrastructure facility within the European Development Fund - have reacted to an African agenda. They constitute important changes and can all be related to declared policy goals in the Africa Strategy 2005 and the European Consensus on Development of the same year. The Millennium Development Goals have been re-confirmed several times and in various

12 Often, three or fewer goods amount to 70% of a country's exports, and these goods are mostly mineral or agricultural products. Cf. Grimm/ Brüntrup, EU Economic Partnership Agreements (EPAs) with ACP regions, in: Stephan Klingebiel (ed.): Africa Agenda for 2007: Suggestions for the German G8 and EU Council Presidencies, Bonn: German Development Institute (Discussion Paper 4/2007), 91-97.

13 Cf. the EU Directorate-General for trade: http://ec.europa.eu/trade/issues/global/gsp/eba/index_en.htm. Special attention will need to be given to rules of origin, as these specify which goods qualify for free market access.

14 Differing positions are also reflected in varying willingness to sign interim agreements with the EU before the WTO deadline of 31 December 2007. Some non-LDCs like Ghana and Kenya have signed, whereas a number of LDCs have not.

documents (the European Consensus on Development, the EU Africa Strategy) as the core of EU development cooperation.

EU-Africa Strategic Partnership

In December 2007, all member states of the AU (plus Morocco) and all EU member states agreed on a joint strategy, meant to be a further development from the EU Africa strategy. Both parties (representing an overall number of 80 states) agreed on shared values as well as common principles and have also signed an action plan. The matters on the agenda are picking up on much of the above and include:

- peace and security,
- governance and human rights,
- trade and regional integration
- infrastructure,
- the Millennium Development Goals,
- energy,
- climate change,
- migration, mobility and employment, as well as
- science, knowledge society and space.

Specific activities of this joint strategy remain to be seen. It was a success to have the strategy, after all, given that it was the first summit since the meeting in Cairo in 2000. Over a long time, both parties disagreed on whether Zimbabwe's President Robert Mugabe should participate. Even though the British Prime Minister Gordon Brown did not attend the summit because of Mr. Mugabe's presence, an inertia due to fixation on the issue of Mugabe's participation was avoided. Open and outspoken criticism was presented by German Chancellor Merkel on behalf of the EU while the African defence of Mr. Mugabe's politics (as opposed to his presence

at the meeting) remained somewhat half-heartedly. The very taking-place of the summit was a success in itself, despite remaining debates on trade, agricultural policies, cultural goods, or migration. The final paper, however, is a truly joint strategy and therefore defining an agenda for the coming years.

Conclusion and outlook

Africa will continue to be high on the European agenda, because of its geographical position and its vast - and long-term - development challenges. The dent in financial and political attention over the 1990s is likely to be temporary as has been reversed already: aid funds are increasing and the EU member states have pledged to reach an ODA quota of 0.7% of their GNI by 2015 at the latest. A milestone on the way to this perspective will be 2010, when at least 0.51% of GNI shall be spent on ODA in those countries that have not yet reached the 0.7%.

Likewise, we will continue to see a complex system on the European side with 27+1 actors at least. This system, however, is bound to improve its internal organisation. The EU as a whole and its member states have an ongoing commitment to the Paris Agenda and have taken steps for an improved EU division of labour. The implementation of both will be cumbersome and not without internal friction. Both agendas, however, are crucial if Europe as a whole wants to become an international actor capable of putting issues of global concern on the agenda.

Additionally, internal reform of the EU casts its shadow ahead. Ratification of the Lisbon Treaty is expected by 2009 (before European elections

and the new Commission comes into office in autumn 2009) and might facilitate the attempts to 'get Europe's act together'. Institutional reforms constitute an important window of opportunity for the Union for the next decade or two. The not-so-called European Foreign Minister (as a 'shorthand' for the official title, High Representative for Foreign and Security Policy) will have improved coherence of European actions high on his or her agenda. And a European External Action Service - to be created as support to the 'High Representative', is likely to operate like a European diplomatic service in the long run, with repercussions on development policy-making, even if the latter were not integrated in the diplomatic service. Therefore, even if the key reforms in development cooperation policy have taken place in the last decade, the environment for policy-formulation will be undergoing fundamental changes.

Author

Dr. **Sven Grimm**
Research Fellow
German Development Institute (DIE)

Bibliography

Council of the European Union, The EU and Africa: Towards a Strategic Partnership, Brussels, 19 December 2005, Document 15961/05

European Commission: Annual Report on the European Community's development policy and the implementation of external assistance in 2006. Luxembourg: Office for Official Publications of the European Communities 2007.

European Commission, EU-China - closer partners, growing responsibilities, COM (2006) 0631 final: http://eur-lex.europa.eu/LexUriServ/site/en/com/2006/com2006_0631en01.pdf

Fues, Thomas / Grimm, Sven / Laufer, Denise: China's Africa Policy: Opportunities and Challenges for European development cooperation. DIE Briefing Paper 4/2007, Bonn: DIE, 2007

Grilli, Enzo: The European Community and the Developing Countries, Cambridge 1993;

Grimm, Sven: EU Development Cooperation: Rebuilding a tanker at sea, Friedrich-Ebert-Stiftung, Dialogue on Globalisation, June 2006

Grimm, Sven / Brüntrup, Michael: EU Economic Partnership Agreements (EPAs) with ACP regions, in: Stephan Klingebiel (ed.): Africa Agenda for 2007: Suggestions for the German G8 and EU Council Presidencies, Bonn: German Development Institute (Discussion Paper 4/2007), 91-97.

Grimm, Sven / Nawrath, Kristin: Der African-Peer-Review-Mechanismus - eine Abkehr vom Krähenprinzip? [in German only], GIGA Focus Afrika, 3/2007, Hamburg: German Institute of Global and Area Studies / Institut für Afrika-Studien, 2007.

Grimm, Sven / Mashele, Prince: The African Peer Review Mechanism (APRM) - How far so far? DIE Briefing Paper 2/2006, Bonn: DIE.

Holland, Martin: The European Union and the Third World, Houndmills 2002.

Klingebiel, Stephan / Grimm, Stephan: Statehood and Governance: Challenges in Sub-Saharan Africa, DIE Briefing Paper 3/ 2007, Bonn: DIE, 2007

Smith, Karen: European Union Foreign Policy in a Changing World, Cambridge 2003.

Tull, Denis: Tschad-Krise und die Operation EUFOR Tschad/ZAR, SWP-Aktuell, Berlin, Februar 2008.

Germany's development cooperation with Africa: Civil society actors in Africa and the G8 process towards Africa

Karin Müller

The first part of my paper focuses on the role civil society plays in the development cooperation with Africa. I will start with a definition of civil society and the role it plays today in our world. Then I will focus on the work of German civil society with Africa. Finally I am going to talk about the involvement of the civil society in the G8 process towards Africa. I will conclude with a prognosis of future importance of civil society in the field of development cooperation with Africa.

What is civil society?

Civil society is currently a very popular term to be used in the field of development work. The term refers to the arena of collective action around shared interests, purposes and values. Its institutional forms are distinct from those of the state and market. Civil society commonly embraces a diversity of spaces, actors and institutional forms, varying in their degree of formality, autonomy and power. Civil societies

are often populated by organisations such as registered charities, development non-governmental organisations, community groups, women's organisations, faith-based organisations, professional associations, trade unions, self-help groups, social movements, business associations, coalitions and advocacy groups.

Depending on a country's history and political tradition and depending on the degree of political liberalisation and democratisation, very different forms of civil society organisation have evolved in various countries. While civil society movements have already been developing in Latin American countries such as Bolivia or Nicaragua for decades, countries like Ethiopia, Niger or Vietnam hardly have such a political culture at all. Germany has a very long tradition of civil society movement.

The Civil Dialogue initiated by the Commission in the 1990s was a first attempt by the EU to give the institutions of society - and not only

governments and businesses - a voice at the policy-making tables in Brussels.

Civil society movements are on the rise, not only in European countries but also in countries where democracies are still very fragile, like in some of the African countries. Often they face discrimination or harassment when the government feels threatened, sometimes they are just ignored and not heard. In countries where democracies are not strongly developed, authorities are often not fond of civil society organisation, especially if they act as watchdogs. The current threat of terrorism is a popular excuse for many African states to criminalize civil society actions.

In order to be in a better position to represent their positions on certain matters, civil society actors often join up in networks (e.g. for the Poverty Reduction Strategy process in Zambia, Uganda, Ethiopia, Mozambique). We see that there are different ways of multiplying the force of the message by joining up with other groups or actors. The last two years have seen a huge change in the approach of many organisations involved in the fight against global poverty. We have seen a massive coming together of networks, faith groups, people's movements, trade unions and charities to form the biggest-ever coalition against poverty - the Global Call to Action against Poverty (GCAP). It is made up of national coalitions in over 100 countries including Your voice against Poverty (Deine Stimme Gegen Armut) in Germany.

German civil society actors in Africa

For a couple of years cooperation with CSOs has

been playing an increasingly important role in the development policy of the German government. Reason for that might be the quality of the work. CSO often have a long history of experience working in developing countries and on certain issues related to development, peace and human rights. The advantage is that civil society organisations have no state authority and the state has no direct influence over them. This gives many CSOs a different access to people than that enjoyed by state bodies. The strengths of CSOs can be seen in their close contacts to civil society in partner countries, including countries in which government-level cooperation is difficult or impossible for political reasons.

For some years now, there has been an in-depth exchange of experience and views between the German government and CSOs. Churches, political foundations and other private development bodies are regularly involved in the elaboration of the Ministry's development-policy strategies for individual countries and regions.

In Germany alone, there are several thousand CSOs. The most important fields of work of these CSOs are poverty reduction, the promotion of opinion-building and participation processes, the establishment of social and institutional structures, food aid, emergency and refugee aid, and development-policy education.

Most CSOs are dependent on donations from the general public to allow them to implement their programmes. In 2005 the German general public donated 3,5 billion Euro for social society activities around the world. According to statistics more than 30 Million German out of a population of 80 Million donated money for the good

cause. The German government contributed 29 million euros to projects of private development cooperation providers in 2005.

The churches play an extremely important role in German development cooperation. Along with their partners in the developing countries, the churches have been working for more than 40 years within the framework of the development cooperation of the Federal Republic of Germany. In many parts of the world they have been able to ease the poverty of the people and enhance their living conditions. Churches are able to mobilise sections of civil society worldwide, and can thus exert a strategic influence on political awareness building. For instance, the churches played an important part in the adoption of the debt relief initiative HIPC II in 1999 at the Cologne economic summit.

With their own funds and donations totalling some 500 million euros per annum, the churches fund their activities largely independently.

The newly developed concept for civil conflict management and crisis prevention by the German government is partly based on the experience of church development services. Civil conflict prevention and management and the protection of human rights have for many years been a focus of church development work. The churches played a pioneering role in the establishment of the Civil Peace Service (ZFD).

The Ecumenical Network for Central Africa is - as the name already indicates - a network. The partners of this network are the major Christian based development and advocacy organisations in Germany such as Misereor, Diakonie or Pax

Christi. They all conducted a multitude of development and advocacy projects and programmes in Africa. They all have partners with whom they work very closely together. These organisations are also implementing development projects in the Great Lakes Region in Africa. They are engaged in health and educational projects, infrastructure projects, but they are also supporting human rights groups.

To have a better understanding of the activities I will have to sketch with a few lines the political situation in the Great Lakes Region. Since the genocide in Rwanda in 1994 two wars were fought in the east of the DR Congo. An armed conflict is still going on. Four million people were killed; hundred of thousands of people lost their homes. Women are mass raped and slaughtered. The east of the Congo is one of the mineral richest areas in the whole world. At the same time the DR Congo is on the bottom of the list of UN human poverty index. The armed conflict and violence has to do with ethnical differences but the main source of conflict is the richness of natural resources. Congolese, Rwandan and Ugandan authorities, armed forces and business people try to make their share in selling these minerals to the rest of the world. Nothing except hunger and war is left to the people.

So what can the civil society do? I want to select out of a pool of a variety of projects and activities just a few to give you an idea.

Heal Africa is a Congolese Christian Organisation in Goma, a small city in the east of the Congo, the middle of the conflict. The organisation runs a hospital to treat in particular women and children that have been victim to rape and

other forms of violence. They train their medical staff and offer a variety of community projects. Many are related to assist vulnerable people, for instance victims of war, handicapped children, pregnant women or people with HIV/AIDS and so forth.

Another project is called RIO (Réseau d'Innovation Organisationnelle) which is in Bukavu, another city in the conflict area, is specialised on the promotion of a culture of peace. They do research on topics of conflict, offer training and information to the population and act as mediators.

One major partner is the coalition Publish What You Pay in the DR Congo, who is doing advocacy work to make sure that the revenues for natural resources are being used for the good of the people and not disappearing into some authorities private bank account. The coalition is doing research and lobby- and advocacy work in collaboration with western civil society organisation.

A very important role is played by the churches themselves. They are represented even in the smallest of village. They provide education, information and assistance. They are also very active in reconciliation among the different ethnic groups.

How are the German civil society actors involved in the work? Through financial and technical assistance. The financial assistance I mentioned earlier. Technical assistance means that Western professionals are sent to Africa who work in a partnership approach with the partner organisations.

While supporting projects in the partner countries, lobby- and advocacy work for the conflict regions is at the same done to German and European decision makers by civil society groups to improve living conditions for the partners in Africa.

G8 process towards Africa

This leads me to the second part of my paper: Civil Society involvement and the G8 process towards Africa.

The term "civil society" first appeared in an official G8 summit document in 1995. In 2005, the "Year for Africa," the G8 assembled at the G8 Summit in Gleneagles, Scotland to discuss development on the world's poorest continent. The summit focused largely on the achievement of the United Nation's Millennium Development Goals (MDGs), a set of eight promises made by world leaders at the 2000 UN Millennium Summit. Pledges include eradicating extreme poverty and hunger, combating the spread of HIV/AIDS, Tuberculosis and Malaria, improving maternal health, reducing child mortality, achieving universal primary education, fostering gender equality, promoting environmental sustainability, and establishing global cooperation in the development process. Perhaps naturally, the G8 adopted the MDGs as the basis for its own action vis-à-vis African development. At the end of the summit, promises were made in line with the MDG goals and framework to establish trade justice, cancel the debts of Africa's poorest countries, provide more and better aid, combat HIV/AIDS and other infectious diseases, guarantee education for all, maintain security and support peace initiatives, and fight corruption.

GCS claimed a central role in 2005, with Make Poverty History and Live 8 demonstrating the power of collective action in shaping the Gleneagles agenda. In an address at King's College, Tony Blair praised GCS actions in 2005 and recognized the need for global public mobilization to end poverty. At Gleneagles, the UK government made a step towards greater civil society inclusion by allowing CSOs to participate in G8 deliberations and have access to media centers.

The African agenda at the 2006 St Petersburg Summit centred on the delivery of these pledges. During the Russian Presidency, Vladimir Putin attended part of the Civil G8 Conference to canvass the views of CSOs prior to the 2006 St Petersburg Summit.

In an effort to ensure the delivery of past promises, the German G8 Presidency restored African development as a priority issue for the 2007 Heiligendamm Summit. The German government has attempted to establish and maintain dialogue with members of African civil society.

African Civil Society Organisation's, Diaspora, and International CSO delivered a Statement at the 8th Session of the African Partnership Forum, which took place on 22 May 2007 Berlin for the preparation to the G 8 summit. The main recommendations concentrated on trade and investment, on peace and security, on good governance/APRM, on climate change, on HIV/AIDS, TB, and malaria and on gender.

During the last G8 Summit in Germany, a range of demands was also expressed in the opening demonstration. While some groups demonstrated for the collapse of the G8, others were

intent to work within the scope of G8 Summits and lobby for specific policy outcomes. Around 30 000 people participated in the demonstration.

Conceived as a discussion-based complement to the demonstrations occurring on the streets, the Alternative G8 Summit (AS) has become a key feature of counter summit activities. The 2007 AS saw delegates from around the world participate in four original film screenings, seven satellite symposiums, and over 120 workshops in venues throughout the city of Rostock, Germany. Each event was focused on one of the eight major themes of the Alternative Summit: climate, environment, and energy; labour and social issues; global justice; European Union; war and militarization; migration and racism; gender; education; and strategies and alternatives.

Global Civil society remains sceptical of the G8's treatment of African development. Though the G8 has made some progress in debt cancellation, its contributions to effective aid, education, anti-corruption measures, and the fight against infectious diseases have been minimal. In terms of trade reform, the G8's performance has been miserable.

Conclusion

The participation of civil society is a necessity for the strengthening of a democracy. It gives space for new ideas and alternative approaches of conflict resolution, democracy building and poverty reduction. Civil society actors have an understanding of people in the partner countries which a representative of a government institution can never have. Civil society actors

must therefore not only be supported in their work they do in the field but also be included in the development of country and thematic strategies.

I want to close with the words of Dr. Vandana Shiva from the Philippines, a civic society actor with a long and respected history of activism who was the key speaker at the G8 Alternative Summit in Germany that "another world is possible" through the efforts of grassroots movements and civil society.

Author

Dr. **Karin Müller**
Coordinator
Ecumenical Network Central Africa

Africa's development and Chinese-African cooperation in development

Yang Guang

In the recent decade, Africa has experienced a positive momentum in its development. Generally speaking, it has accomplished a long-term moderate economic growth amid steadily strengthened regional economic and political cooperation and reduced regional conflicts. While actively searching for new ways of political development, many countries have basically maintained relative domestic stability. It is true that national development in Africa is unbalanced, but taken as a whole, the present general trend has brought new hopes to African countries in their development.

To a large extent, such a good momentum of development is the outcome of favorable factors acting in the international environment, particularly the sustained growth of world economy, the high international price of primary products, and the increased foreign direct investment and international aid, which played an important role in bringing along the economic growth in Africa. But what deserves particular attention above all is the fact that African countries have changed their concept of development and readjusted their development strategy, a fact that played a role that is not easy to underestimate.

If one compares the African Union's (AU) programmatic document "New Partnership for Africa's Development" (NEPAD) in 2001 with the Organization of African Unity's (OAS) development programs in the 1980s and 1990s (such as the 1990 Lagos Action Plan, the 1989 Priorities in African Economic Rehabilitation and the 1989 African Program in the Planned Readjustment of Substitution Structure), we can easily find apparent changes in the understanding of development: Changes from stressing separation from the international market to prevent from being marginalized in the world economy; from overstressing the external unfavorable factors to attaching more importance to institutional readjustments; from overstressing the importance of increased foreign aid to promoting improved investment environment and alluring foreign direct investment; from stressing economic growth and income distribution to accepting sustainable development concepts; and from relatively stressing economic and social development to paying greater attention to the importance of peace and stability as well as the importance of enhancing the government administration capacity. Many African countries implemented the new development concepts into

development policies and measures according to their various national conditions. The change of development concepts has enabled them to better suit the international development environment of economic globalization and also boosted the international community's development cooperation with Africa. This is an important cause for the accomplishments in Africa's development in recent years.

Of course, the development in the past decade is far from being enough to change the generally poor and backward features of African countries. Taken as a whole, Africa remains the poorest continent in the world; it has a tremendous gap from the rest of the world in terms of development. Even the development speed is inadequate to change this widening gap to economic levels in other regions of the world. On the road of development, African countries are confronted with more difficulties and challenges than other countries. This is particularly true for the tremendous obstacles impeding its development, such as the huge absolutely impoverished population, the trade barriers in export markets, the enormous investment and technological discrepancies, the backward infrastructure, the heavy debt burdens, the rampant major contagious diseases, and the regional conflicts still going on, etc. To surmount these obstacles, it is not enough just to rely on the independent efforts of African countries; it is impossible to succeed without cooperation with the international community in the field of development.

What kind of development cooperation does Africa need?

Unfolding developmental cooperation with Af-

rica requires us to understand the concerns of the cooperation partners, especially the NEPAD, a programmatic development document posed by African countries and absolutely accepted by the international community, as well as the UN Millennium Development Goals, which serve as a referential standard and provide a definite goal for African development cooperation.

Africa needs equal cooperation

Sovereign equality among nations and non-interference in each other's internal affairs represent a fundamental principle in international law. This is a principle that African countries universally accepted and that should of course be observed in development cooperation with Africa. After its establishment, the AU continued to stress the principle of non-interference among nations. As for the so-called "principle of non-indifference," AU put forth strict restrictions: Interference in the internal affairs of an AU member state even at its critical juncture shall be subject to approval by AU assembly and shall be applicable only to war crimes, massacre and anti-human crimes. Hence, it should not be regarded as a revision of the principle of non-interference in each other's internal affairs.

As African countries disfavor aid with attached political conditions or imposed development models, we should respect their rights to choose development roads and ensure that the aided countries are entitled to decision-making power and to full policy space when cooperating with them. In this sense, international development cooperation should contribute to and supplement the independent development of African countries instead of substituting it, still less of imposing a development model on them from

outside. This will not only manifest the spirit of equality and mutual respect, but also represents an important way for them to display their creativity and potentiality. Meanwhile, it will be the best to keep diversified world cultures and pluralized development models, thus promoting the progress of human civilization with nations seeking common grounds while preserving differences, learning from each other's strong points while making up each other's deficiencies.

Africa needs cooperation in core areas

What are the core areas of development cooperation with Africa? This is an important question. With regard to this, the 2001 NEPAD and the 2000 UN Millennium Summit's Millennium Development Goals are worth special attention. While the former enumerated the fulfillment of peace, security and democracy, public finance management and regional cooperation as the three prerequisites for development in core areas as infrastructure and information telecommunications, human resource development, agricultural development, export diversity, and the export market access for developed countries, the latter defined eight goals: 1. eradication of absolute poverty, 2. secure primary education, 3. promote gender equality, 4. lower infantile mortality rate, 5. enhance health of women in child delivery, 6. prevention of AIDS, malaria and other diseases, 7. environmental protection, 8. the establishment of global development partnerships. Among these eight goals, the eighth goal includes setting up a non-discriminatory trade and financial system with developed countries exempting the least developed countries of export tariffs, no imposition of quotas, further reduction of debts owed by poor heavily-indebted countries and increased official

support. To sum up, the areas stressed by the two documents include: 1. elimination of poverty; 2. priority on the development of infrastructure, IT, agriculture and export industries; 3. improved education and health conditions; 4. enhanced women's social status; 5. establish and sustain a peaceful environment and enhance political and economic management; 6. prevention of corruption and graft politically; 7. elimination of trade discrimination and lowered trade barriers; 8. reduce debt burdens and increase official international support. These core areas stressed by AU and UN reflect the immediate requirements of Africa's development and should be made the key areas of development cooperation with Africa.

Africa needs pragmatic cooperation

What African countries need are not just commitments to cooperation, but above all the implementation of these commitments. In recent years, African countries have done a great deal of work to implement the NEPAD and have taken active measures in infrastructure construction, IT, health, education, environment, agriculture, science and technology, as well as industry examination. Through the G8-Summit, developed countries have also committed to increase aid and other mechanisms and adopted some practical measures like investment increase and debt reductions. The South-South cooperation between developing countries and Africa is also widening.

Developmental cooperation with Africa is presenting a good momentum of growth as a whole. But the fulfillment of commitments by the international community remains an outstanding issue. There is still a big gap between the de-

veloped countries' Official Development Aid (ODA) and the levels prescribed by the Millennium Goals and the Monterey Consensus. It is still quite far from the goal of using 0.7% of GNP for ODA. The implementation of the Millennium Goals lags behind the initial idea and the implementation seems to fall short of an effective assessment and supervisory mechanism. Besides, some important talks related to African countries' development are fruitless. The world multilateral talks on African countries concerns over farm product allowance cuts, enhanced market access and abolition of all forms of export grants have failed to make any substantial progress. On all such major questions related to African development, there is immense space for pragmatic cooperation. Of course, African countries also should further promote their own national development strategy and win support and contributions from the international community in their independent development.

China's development cooperation with Africa

Set up a forum mechanism and achieve rapid development in cooperation

China has adopted many forms of developing cooperation with African countries. Since the establishment of the Forum on China-Africa Cooperation (FOCAC) in 2000, the Chinese government has adopted many forms of aid to Africa including exempting the least developed and heavily-indebted countries of their debts to China, exempting some African countries of export tariffs, providing project and material supply aids, inviting African national and regional organizations personnel to China for training,

providing African students in China with Chinese governmental scholarships and sending medical teams and pharmaceutical supply to African countries. Meanwhile, China has actively expanded trade with African countries and encouraged Chinese companies to invest in building plants in Africa, requiring them to meet their social responsibility so that China's soaring volume of trade and investment in African countries contributed to boosting African economic growth, African trade, investment, employment and social welfare.

Support independent development and care for African needs

China fully respects the sovereignty of African countries while cooperating with them. It never attaches any political condition to them and never imposes on them its own will and development model. Instead, China regards its aid as a support and contribution to Africa's independent development. The areas of Chinese aid and cooperation are basically identical with the priority areas specified in the NEPAD and those defined in the Millennium Goals. The Chinese leadership emphasized that China aims to help Africa to implement the two programmatic documents and support African governments and peoples in realizing an independent development.

Chinese-African partnership as part of South-South cooperation is supplementary to international cooperation

Although China has entered the front ranks of the world economy in terms of GDP, it remains a developing country of low and intermediate incomes with its annual per capita GDP just reach-

ing US\$2000. In China, there are still over 20 million impoverished people in the countryside and over 22 million city residents below subsistence level. Every year we have to settle the employment of 24 million jobless people. We still have a long way to go in modernizing China.

Hence, China is only of very limited capacity to unfold development cooperation with Africa. Chinese-African cooperation is within the framework of South-South cooperation. I agree with UN ex-secretary-general Kofi Annan when he defined South-South cooperation as supplementary to international cooperation. China is willing to unfold development cooperation with Africa, but no requests identical with those addressed to the developed countries should be made to China.

Push forward strategic cooperation and seek common development

China has always regarded development cooperation with Africa as mutual support in order to realize mutual benefit and a win-win situation instead of giving unilateral alms. China and African countries share strong complementary features in resources, markets and technologies and can achieve common progress through cooperation.

Over long years, African countries have extended support to China in protecting national sovereignty and territorial integrity. In international affairs, China and African countries both stand up for defending the aims and principles of the UN Charter, respect the diversity of the world, initiate international security cooperation of mutual trust and mutual benefit, and care for each other's concerns. At the Beijing Summit

FOCAC in 2006, the leaders of China and African countries proclaimed a new-type strategic partnership.

Conclusion

Africa is a region where the most underdeveloped countries of the world are concentrated. The development of Africa is vital for world peace and development in general. In recent years, Africa has seen a better development environment and African countries have seen positive changes in both development concepts and practice.

But Africa will find it difficult to surmount its tremendous obstacles by relying on its own strength alone. Different members of the international community should reinforce the good momentum of African development and make contributions according to their respective capabilities. Given a road map and timetable, they should particularly speed up the implementation of their commitments to development cooperation and provide practical and effective assistance to Africa's development to fulfill common progress with African countries.

Author

Prof. **Yang Guang**
Director
Institute of West-Asian and African Studies/CASS

China's development cooperation with Africa: European perceptions and concerns

Thomas Fues

Let me emphasize at the beginning that the focus of my paper will be exclusively on perceptions and concerns in Europe about the growing presence of China in Africa. I will not collect or analyze empirical facts on the ground but rather attempt to describe discourses of European policy makers and the general public. I start with one basic assumption: There is an enormous lack of knowledge in Europe on Chinese foreign policies, past and present. This gap is often exploited by interested media, business representatives, unions and politicians to stoke fears about China's rise and its ultimate intentions ("China-bashing"). As the center of gravity of the global economy moves East, many speak of the coming "Asian century" as a threat to Western prosperity and security (Steingart 2006). Only slowly, Europeans begin to realize that globalization will not automatically and not always promote their interests. It has become a two-way street which also brings benefits to emerging powers, especially the "Asian drivers of global change" (Kaplinsky/Messner 2008), and may entail certain disadvantages for industrialized

countries. This comes as a shock to many observes and feeds further political suspicions.

The relative decline of Europe in economic and political terms is also reflected in African developments. Europeans tend to view the continent as their backyard where former colonial links still play a formative role. After the demise of the Soviet Union at the beginning of the 1990s, the bi-polar global system collapsed and Africa could not, any more, play off the two superpowers and their respective allies against each other. Unfortunately, Europe did not respond adequately to the new constellation by strengthening its ties to Africa and supporting the continent in its quest for democracy, poverty alleviation and social progress. The acrimonious conflicts over the new economic partnership agreements (EPAs) with Africa and other low-income countries promoted by the trade section of the European Commission demonstrate the extent to which Europe is oblivious of Africa's interests and needs (Nicolaidis/Collier 2008).

Let me also point out that European anxieties about Chinese activities in Africa often disregard the dark side of Europe's engagement with the continent. Awareness of the painful history of colonialism and of present-day exploitation should deter Europeans from claiming moral high ground. Many of the accusations leveled at China rather seem to be a projection of guilt unconsciously felt in the Western world due to past and present complicity in inflicting harm on Africa. In assessing China's role Europeans should self-critically reflect on their true motives and interests in Africa and avoid any kind of double standards (Engel/Kappel 2002).

China's perceived impact on political systems and economic development in Africa

Europeans, and other Western nations, are particularly concerned about China's explicit policy of non-intervention in the internal affairs of partner countries and the corresponding rejection of conditionality in economic relations and in development cooperation ("five principles of peaceful co-existence"; Fues et al. 2006). They see this approach as a serious threat to the norms of democracy, human rights and good governance which Europe propagates in its relations with developing countries. The finger is often pointed at Chinese engagement in Sudan or Zimbabwe which is interpreted as critical source of support for authoritarian regimes with a poor human rights record. Yet, there are indications that China is progressively questioning the principle of non-interference, for example by more assertively leaning on the Sudanese government to force a solution in Darfur (Davies 2008, p. 61). It is also feared by some that China

will have a negative impact on the African Peer Review Mechanism, a home-grown effort for democracy and rule of law. Certain African elites may feel encouraged by China's disinterest in the values of (Western) liberal democracy and become more determined in fighting off the demand for popular participation and public accountability.

So far, China has pretty much relied on bilateral relations in building up its presence in Africa and has largely ignored the emerging regional and subregional structures like the African Union (AU), the Economic Community of West African States (ECOWAS) and the Southern African Development Community (SADC). Chinese policies, however, reveal some contradiction in this regard. At the level of political dialogue, the government has set up the Forum on China-Africa Cooperation (FOCAC) as a regional framework. But when it comes to economic interaction and development cooperation, most emphasis is put on country-to-country contacts. This overall orientation may work to the detriment of regional integration on the continent, thus impeding African efforts for unity and collective interest representation in the international arena. However, one must not forget that China has taken an active interest in the African Development Bank and recently sponsored its board meeting in Shanghai.

Besides the controversies on political issues, Europe is also alarmed at the economic implications of China's expanding presence in Africa. Part is due to the fact, that there are numerous areas where European actors see their interests at stake, e.g. with regard to supplies of energy and other natural resources from Africa or in

infrastructure. However, legitimate development concerns must not be disregarded and are often articulated by state and non-state actors in Africa themselves. Looking at the material substance of trade flows between China and Africa a structural asymmetry can easily be identified (Gu et al. 2007). While Africa mostly exports raw materials, its imports from the middle kingdom consist of manufactures. At the Beijing Africa Summit in November 2006, China promised to further open up its market for least developed countries in Africa by increasing from 190 to over 440 the number of items receiving zero tariff treatment (Berger/Wissenbach 2007, p. 12). It still remains to be seen how this policy will affect the export performance of low-income countries. European experiences with the "Everything but arms" initiative for the same target group are anything but impressive.

Development economists are also worried about possible crowding out effects of Chinese exports on domestic industries in Africa. Due to the lack of an own manufacturing base this phenomenon is relevant only to a small number of African nations. Bilateral negotiations over textile imports into South Africa seem to indicate that Chinese authorities are alerted to the danger of backlash and follow a path of self-restraint by applying trade quotas for sensitive export products. Another contentious issue refers to aid tying in Chinese development programs for Africa with regard to procurement of goods and use of Chinese labor in construction projects, mines or manufacturing plants (Schüller/Asche 2007). While this practice may increase costs, the final price tag may still be below the level Africans would normally have to pay for similar products or services from industrialized countries.

Financial institutions in the West criticize the remarkable growth of Chinese credits to developing countries. It is feared that debt relief initiated by the G8 and the Bretton Woods Institutions (International Monetary Fund and World Bank) may be undercut and countries will slide back into the well-known trap of excessive foreign borrowing. A further criticism with strong resonance in the European public highlights the negative environmental impact of Chinese activities in Africa, e.g. on primary forests. The differential application of sustainability standards by Chinese actors, depending on the markets in which they move, can be demonstrated in the area of wood products. The rules of the internationally recognized labeling initiative Forest Stewardship Council (FSC) are quickly gaining acceptance among Chinese producers which aim for Western markets. In logging African forests, however, Chinese companies have not committed themselves to international norms of sustainable development. Instead, they emphasize compliance with the domestic law in the host country, however inadequate and ineffective this may be in many cases.

A final concern of Europeans relates to the lack of transparency in Chinese cooperation programs with other developing countries. Even state authorities and think tanks in the middle kingdom seem to lack comprehensive statistics on economic links to Africa. It is, however, not just bureaucratic shortcoming which is the reason for deficiencies in data compilation and dissemination but rather the fact the government shies away from public accountability. One example of the politically motivated information logjam can be traced to official announcements at the Beijing summit of 2006. The most impressive

pronouncement of President Hu at that event stated the intent of doubling 2006 assistance to Africa by 2009. Since the baseline is unknown to the public, the absolute volume of such generosity remains in the dark. Things, however, may be improving gradually; close observers are encouraged by steps within the Chinese administration to prepare for more transparency in the future (Davies 2008).

While different frameworks and objectives of China and Europe in shaping their respective relations with Africa have to be taken seriously as potential source of tensions, it is only fair to recognize that the principle of non-interference represents a cherished value everywhere in the global South, ever since the Bandung principles were adopted in the year 1955 at the Asian-African summit. On this issue, China cannot be singled out as the only country following a different philosophy in external relations. Europe cannot expect nor less demand that South-South cooperation be guided by norms that originate from the West or from international organizations dominated by industrialized countries such as the Organization for Economic Cooperation and Development (OECD) and its Development Assistance Committee (DAC). If Europe wants to include China and other emerging powers into a global development framework it must provide and support fora of dialogue and mutual learning where governments can meet as equals. In such a context, room must be given for Western nations to learn from experiences and best practices of the emerging powers. In particular, credit must be given to China for being the global champion in poverty reduction.

China's perceived participation in international efforts for African development

Up to now, China appears reluctant to engage in multilateral efforts for African development. The nation still sees itself as a developing country which should not be required to provide the same kind of support as industrialized countries do due to limited capabilities. China is particularly hesitant to become party to multi-stakeholder initiatives that promote African development, such as the Extractive Industries Transparency Initiative (EITI) which monitors payments of foreign corporations for natural resources from Africa. Since these approaches have been conceived and till today are strongly promoted by Western countries, Chinese actors might see them as instruments of outside meddling and domination rather than genuine drivers of development. This is not the case, in most instances at least. Taking the British inspired by completely independent EITI as example, the participation of numerous African countries is evidence to the broad support. Interestingly, recent signals seem to indicate that China may be changing its negative attitude towards EITI (Wissenbach 2007). Politically more sensitive may be the call on China to sign the OECD's anti-corruption convention, since this would be interpreted as giving legitimacy to norms adopted by the "rich men's club".

Other areas where China could demonstrate its willingness to participate in the processes of global norm-creation for the benefit of developing countries are, as mentioned, the standards of the Forest Stewardship Council (FSC) and the corporate sustainability system supplied by the

Global Reporting Initiative (GRI). One encouraging fact here is that China is already involved in the design of the new ISO standard 26.000 which looks at corporate social responsibility (CSR). No doubt, Chinese engagement in CSR is progressing as this report from GRI (2008) indicates: "China's State-owned Asset Supervision and Administration Commission (SASAC) has issued a directive urging State-Owned Enterprises (SOE) to embed corporate social responsibility into their practices and establish a CSR reporting system. The directive did not state how many of the companies would begin reporting this year, nor the frequency of the publication of reports but nonetheless this is a promising signal from the Chinese authorities." If such approaches would also be systematically applied to all cross-border activities of Chinese corporations, the positive impact on African development would be substantially enhanced and legitimate concerns could be calmed.

In the field of development cooperation, China is also gradually moving towards constructive engagement in multilateral fora and policy dialogue with Western countries. The OECD's Development Assistance Committee has long been shunned by Chinese authorities which did not want to become part of a structure clearly dominated by industrialized countries. Except for participating as observer in the recent British peer review, the Chinese were not active participants at DAC events. This may be changing now, as the new DAC Chair, Eckhard Deutscher, will establish dialogue at a high level. It remains to be seen if the rapprochement will lead to a more active role for China in the multilateral process around the Paris Declaration on aid effectiveness which was set up with strong sup-

port from the OECD. China signed the Declaration but there are no indications so far that the country is inclined to integrate the Paris principles into its policies and programs as a "donor".

Another promising forum for interaction between China and other emerging powers on the one side and industrialized countries on the other was launched at the G8 Summit 2007 in Germany (Fues/Leininger 2008). Trying to strike a balance between those calling for formal expansion of the G8 and those in favor of the status quo, Chancellor Angela Merkel used her G8 presidency for an innovative outreach effort. The so-called Heiligendamm Process will engage Brazil, China, India, Mexico and South Africa in an institutionalized, "structured" dialogue which focuses on four critical issue areas for the duration of two years: a) cross-border investment; b) research and innovation; c) energy efficiency; and d) development, particularly in Africa. It is still too early to tell if the new modalities of cooperation between old and emerging powers in the development field will generate value-added and new momentum for joint efforts in Africa.

Probably, the most suitable framework for policy dialogue and harmonization including old and new donors as well as beneficiary countries can be found under the umbrella of the United Nations. China has recently intensified its efforts within the UN system (Cooper/Fues 2008). One significant step this the nomination of former Geneva ambassador, Sha Zukang, as Under-Secretary General for economic and social affairs. He could become an important factor in nudging China into a leadership role for the UN development sector.

As part of the Outcome Document which was passed unanimously at the Millennium Review Summit of 2005, member states established the Development Cooperation Forum (DCF) under the UN's Economic and Social Council (ECOSOC). The biennial DCF is meant to function as a universal forum on development cooperation. Since the G77 and China traditionally entertain political suspicion towards the OECD and other clubs under the control of industrialized countries, the United Nations may be the appropriate framework for agreements on general principles for aid effectiveness such as elaborated in the Paris Declaration. The UN Department for Economic and Social Affairs (UNDESA) could become the administrative arm for collecting, analyzing and disseminating comprehensive global data on development projects and programs.

Initial statements articulated by the G77 and China at the DCF launch 2007 in Geneva have raised hopes that the new body might indeed be propelled forward by the commitment of emerging powers. European and other multilaterally inclined industrialized countries will then find it advantageous to join in. The first regular DCF session to be held in July 2008 as part of ECOSOC's high-level segment will be decisive in generating the necessary momentum for success.

Practical steps forward

As previous sections have shown, many of the anxieties articulated in Europe on Chinese engagement with Africa are ill-founded and can be mainly ascribed to a considerable lack of knowledge within the European public. At the same time, there are serious legitimate concerns

which are also widely voiced in Africa. These must be addressed and managed in order to prevent a dangerous confrontation between China and the West reminiscent of the cold war between the U.S. and the former Soviet Union (Hirn 2008). What are the most promising avenues of trust-building and bridging the divisions without negating diverging interests and competing approaches (Washington versus Beijing consensus; Ramo 2004)? The most important principle to be followed is African leadership in negotiating and defining trilateral relationships. Europe and China can only arrive at a fair balancing of interests and joint action if they are guided by African priorities and needs. Clearly, this cannot take place at the level of individual nation-states since most African countries lack the necessary capacities. Triangular dialogue and cooperation must be firmly embedded in a regional or subregional context where African participants can pool resources and experiences in drawing up effective strategies for interaction with outside players.

At this point, however, it is unclear if Africa really wants to become involved in a concerted effort with Europe and China. Informal reports, e.g. in regard to the infrastructure initiative of the European Union, seem to indicate that the African Union wants to keep its key partners apart, most likely with the intent to optimize benefits by fanning competition and rivalry between them. While this strategy may pay off in the short term it is hard to see how traditional Cold War practices could be in the best interest of African development in the long term. Africa should, instead, encourage all genuine efforts among its external partners for dialogue and cooperation and assume the leadership role in

the process. A promising route to be taken could be joint development activities on the ground in non-politicized fields, such as infrastructure, health and education. Europe and China could use such efforts to gain better knowledge of their respective strengths and optimize development outcomes for Africa.

On the ground cooperation should and must be accompanied by political dialogue in a multilateral framework, such as the above mentioned Heiligendamm process (in close consultation with the African Union) and the Development Cooperation Forum where Africa can bring in its full voting strength within the UN system. At the same time, China should increase its involvement with global multi-stakeholder initiatives which support sustainable development in Africa. Joining the EITI would be seen as a significant signal of Chinese intentions to integrate into a fair system of multilateral rules and standards.

Author

Dr. Thomas Fues
Research Fellow
German Development Institute

Bibliography

Berger, Bernt / Wissenbach, Uwe: EU-China-Africa trilateral development cooperation: Common challenges and new directions, Discussion Paper 21/2007, Bonn: German Development Institute, 2007

Cooper, Andrew F. / Fues, Thomas: Do the Asian Drivers Pull their Diplomatic Weight? China, India, and the United Nations, in: World Development, Vol. 36 (2), pp. 293-307, 2008

Davies, Martyn: How China delivers development assistance to Africa, University of Stellenbosch, Centre for Chinese Studies, 2008

Engel, Ulf / Kappel, Robert (eds.): Germany's Africa Policy Revisited - Interests, images, and incrementalism, Münster: LIT, 2002

Fues, Thomas / Grimm, Sven / Laufer, Denise: China's Africa Policy: Opportunity and Challenge for European Development Cooperation, Briefing Paper 4/2006, Bonn: German Development Institute, 2006

Fues, Thomas / Leininger, Julia: Germany and the Heiligendamm Process, in: Cooper, Andrew F. (ed.): Reaching out to BRICSAM. The Heiligendamm Process and Beyond, Waterloo: The Centre for International Governance Innovation, forthcoming, 2008

Global Reporting Initiative (GRI): Latest News, 25 January <<http://www.globalreporting.org/NewsEventsPress/LatestNews/2008/NewsJan08Chinese.htm>>, 2008

Gu, Jing / Humphrey, John / Messner, Dirk: Global Governance and Developing Countries: The Implications of the Rise of China, Discussion Paper 18/2007, Bonn: German Development Institute, 2007

Hirn, Wolfgang: Angriff aus Asien: Wie uns die neuen Wirtschaftsmächte überholen, Frankfurt: Fischer, 2008

Kaplinsky, Raphael / Messner, Dirk: The Impact of Asian Drivers on the Developing World, in: World Development Vol. 36 (2), pp. 197-209, 2008

Nicolaïdis, Kalypso / Collier, Paul: Europe, Africa and EPAs: Opportunity or car-crash?, opendemocracy, 7-01-2008 <http://www.openDemocracy.net/article/future_europe/europe_africa_EPA>, 2008

Ramo, Joshua C.: The Beijing Consensus, London: Foreign Policy Centre, 2004

Schüller, Margot / Asche, Helmut: China as the New Colonial Power in Africa? Disputed Strategies of Securing Resources, in: China aktuell - Journal of Current Chinese Affairs, 2/2007, pp. 67-78, 2007

Steingart, Gabor: Weltkrieg um Wohlstand: Wie Macht und Reichtum neu verteilt werden, München, Zürich: Piper, 2006

Wissenbach, Uwe: Partners in competition? The EU, Africa and China, Conference summary, Brussels, 28 June 2007

China-Africa security cooperation: status quo and perspective

Zeng Qiang

Since the founding of CAFC (China-Africa Forum on cooperation) in 2000, Chinese-African relationship has entered a new stage of diversified and overall development. One important component of these relations is the China-Africa security cooperation which is drawing increasing attention from the international community.

China concerned with peace and security in Africa

Since the beginning of the 21st century, African security-policy has taken a new look. Particularly the African Union (AU) has played a vital role in promoting and safeguarding peace and security in Africa. As the most reliable and "all-weather" friend of African countries, China has always been concerned with peace and development in Africa, has valued cooperation with African countries in the security field and has made world striking contributions at multilateral and bilateral levels.

China has stood firmly behind Africa in all its efforts for peace and security

After the end of the Cold War, internal chaos

became the main factor affecting African stability and curbing African development, triggering great attention of the international community. China has always paid close attention to African security. It supported relevant African continental organizations and countries in their independent efforts to address regional conflicts peacefully and endorsed strengthening cooperation between the United Nations (UN) and African regional organizations within the framework of the UN Charter. As a permanent member of the UN Security Council, China actively has urged the Security Council to do more in deliberating on and settling African problems to ensure peace and stability in the African region. It also called upon the UN and capable countries to offer more aid to African national and regional organizations in order to enhance the capacity of Africa in preventing and addressing conflicts. China hopes that the UN will provide guidance and coordination for the aid activities to Africa carried out by countries or organizations in other regions. At bilateral level, Chinese-African security cooperation has gained initial success and was highly acknowledged by African countries. The CAFC- Addis Abeba Action Program (2004 - 2006), adopted on December 26, 2003, fully

confirmed Chinese-African security cooperation, stating that African countries "note with satisfaction that the bilateral cooperation is deepening while addressing African conflicts and other issues." It further says that African countries "appreciate China's participation in peacekeeping operations in Africa and hope that China will consider to take a greater part in peacekeeping in order to bring the efforts to an early end," adding that China "should consider giving Africa logistic support to enhance the peacekeeping capacities of African countries."

China stated that it is "determined to strengthen cooperation and to exert common efforts to play a greater role in supporting UN, AU, and sub-regional organizations in preventing, mediating and settling African conflicts. It will continue to show concern for the problems of African refugees and homeless and is eager to take an active part in African peacekeeping and mine exploitation process. Within its capability, China will continue to provide funds, material aid as well as related training services to the AU Peace and Security Council as well as to experts in order to have more logistic cooperation with African countries and subregional organizations."

In the field of security and anti-terror policy, both sides "are determined to increase dialogue, to probe for coordination in dealing with many new-type non-traditional security problems and to take common actions." Both parties "regard terrorism as a threat to peace and security for all countries; hence, the necessity to counter it through close and effective cooperation." Both sides "endorse strengthening anti-terrorist cooperation at the UN and on other international levels."

In China's "Africa Policy Document" issued in early 2006, the Chinese government further refined the strengthening of security cooperation with African countries:

1. In military cooperation, "to intensify the bilateral high-level military contacts and to carry out an active military professional technical exchange and cooperation program. China will continue to help African countries in training military personnel, support African countries in strengthening national defense and army building for self-security purposes."
2. In terms of tackling conflicts and peacekeeping operations, "support the AU, other regional organizations and related countries in their positive efforts to tackle regional conflicts and provide aid within its capability. Energetically get the UN Security Council to follow closely and to help settling African regional conflicts and to continue supporting and participating in US peacekeeping operations in Africa."
3. In judicial and police cooperation, "promote bilateral exchange and cooperation between judicial and law enforcement departments and learning from each other in legal institutional building and judicial reform. Make joint efforts to enhance the capacity of defense, detection and combat against crimes, to cooperate in fighting transnational organized crime and corruption, to strengthen bilateral cooperation in judicial assistance, extradition and dispatch of criminal suspects, to establish a closer exchange and cooperation with the emigration authorities of African countries in punishing illegal emigrants, to facilitate the communication of information on emigrant management

and to set up efficient and smooth communication channels for intelligence and information.

4. In non-traditional security area, "do more to exchange intelligence and probe for effective channels and modes in deepening cooperation in battling non-traditional crimes, such as terrorism, small weapon smuggling, drug trafficking and transnational economic crimes and jointly enhance the capacity to cope with non-traditional security threats."

At the Beijing Summit/CAFC held in early November 2006, the Chinese government continued to "call on the international community to encourage and support Africa in its effort for peace and development, and to provide greater help in settling conflicts among African countries peacefully and in post-war reconstruction" through the Beijing Summit/CAFC Declaration. China "highly evaluated the positive role and achievements made by the AU and African sub-regional organizations and financial institutions in promoting African alliance for greater strength, defending regional peace and pushing forward regional cooperation and economic development" in the BAP/CAFC (2007 - 2009). At the same time, the Chinese government promised to continue to strengthen cooperation with the AU and African subregional organizations. Furthermore it ensured to support the AU in playing a leading role in tackling African problems and in actively participating in UN peacekeeping operations in Africa."

China has taken an active part in UN peacekeeping operations in Africa and made significant contributions to peace and stability in Africa

China's contribution to the defense of world peace is becoming more and more apparent as a great responsible country is rising peacefully. China officially joined the UN Peacekeeping Commission in 1988. It sent military observers to the Middle East region for the first time in 1990. It officially sent the first "blue helmet" troops in April 1992 to operate in Cambodia.

It took part in the UN Peacekeeping Mechanism Awaiting Orders in 2001. It dispatched peacekeeping troops by organic unit for the first time to Congo for UN peacekeeping operations in December 2002. China has sent 3,000 peacekeepers to Africa since 1990 and participated in 12 UN peacekeeping operations in Africa. Presently, there are around 850 Chinese peacekeepers operating in eight African peacekeeping areas. Moreover, China has sent a concurrent ambassador to the AU and has carried out good cooperation with the AU in defending regional peace and stability and curbing regional riots. For example, it provided financial aid to the AU in two consecutive years to support it in settling the Darfur issue prudently. In his October 2006 visit to the AU headquarters, the Chinese Vice Foreign Minister Zhai Jun donated another US\$ 1 million in support of the AU peacekeeping efforts in the Darfur region.

Since its participation in UN peacekeeping operations in Africa, China has reached a very high standard in the quality of its personnel, in equipment as well as in work efficiency and received unanimous good comments from the interna-

tional community. One example is the Chinese peacekeeping operation in Liberia. According to the data provided by the peacekeeping office of China's Ministry of National Defense, the engineering squad of the Chinese peacekeeping troops year prospected 1300 km of roads had within one year, restored 1200 km of roads, built four camps for local armed personnel, repaired and built two helicopter tarmacs, installed and repaired 21 bridges, built two water treatment facilities and leveled over 70,000 square meters of land since they started the peacekeeping operation in December 2003.

The Chinese medical team had given treatment to more than 2300 patients, hospitalized over 250 patients, and performed fifty-odd surgical operations. The transport squad had trekked over 1.1 million km, delivered 70000-plus personnel of all kinds, and 30000-plus tons of logistical material. Besides, on May 27, 2006 the first batch of Chinese peacekeeping troops in the Sudan reached the operation area for a 6-year mission, which is the longest UN peacekeeping operation China was ever involved in. On November 27th in the same year, the first batch of 435 Chinese peacekeeping officers and men were all awarded with UN Peace Medals of Honor.

Some thoughts on the promotion of Chinese-African security cooperation

Security cooperation with Africa from a strategic perspective

Peace and development being the two major themes of the world today, China as a permanent UN Security Council member should naturally be willing to make positive contributions to

the promotion and defense of world peace. At present, peace and security remain a very serious problem in Africa. It is a focal point attracting high attention from the international community. Following the peace and development in Africa closely and actively participating in peacekeeping operations in Africa is of great strategic significance to demonstrate China's best wishes for world peace, to expand its international influence, to put up its image as a responsible great country, and to strive for the realization of its goal to build a harmonious world. In this connection, China should be highly attentive to global strategy perspectives.

At the multilateral level continue to actively push the international community to give more attention to tackling African security issues

Addressing African security has become a common desire for African countries and the international community since the start of the 21st century and has also been one of the main issues of the UN Security Council. Presently, eight out of 15 UN worldwide peacekeeping operations are in Africa, more than half of the total. As one of the UN Security Council permanent members, China should fully demonstrate its independent foreign policy of peace on the multilateral diplomatic arena, push ahead the settlement of African security issues and give them greater concern. Additionally, China should take an active part in UN peacekeeping operations in Africa and increase discourse in settling African security and development problems in a bid to build China's international image as a great country of peace and forge a better international environment for its peaceful rise.

Give more support and help to building African security mechanism

At present, the building of AU's "collective security" mechanisms is at an important stage of constant improvements. It is in bad need of urgent support and help from the international community. China should grasp this favorable opportunity to strengthen overall cooperation with the AU, try to send an observer to the AU "Peace and Security Council", wherever conditions permit, in order to have better communication. It should continue to give financial support and material assistance to the AU in peacekeeping operations and its effort to "promote peace." As for building up conventional African troops, China should also set a good example and give assistance within its capability in terms of personnel training, weaponry equipment and logistic guarantees. China could even consider formally incorporating the training of African peacekeepers into bilateral military exchange programs.

Conscientiously implement the spirit of China's "Africa Policy Document" and unfold security cooperation with Africa comprehensively

The document mentioned above further enriched Chinese-African security cooperation. It not only fully confirms the traditional military cooperation, but also gives prominence to bilateral cooperation in addressing conflicts, peacekeeping, judicial, police and other new areas of non-traditional security. Along with the deepening of friendly cooperation and the increased frequency of bilateral exchanges, a new type of cooperation in security is bound to occupy an increasingly important position, and become the main content in Chinese-African security cooperation.

Take judicial and political cooperation alone as an example. Along with the deepening of trade and economic cooperation with African countries and the mounting number of bilateral visitors, economic and criminal crimes, organized crimes, drug trafficking, illegal border crossings among others have cropped up so that judicial and policing cooperation between China and Africa is inevitable.

Do more to help African countries enhance their capacity of coping with non-traditional security challenges

So far, although non-traditional security challenges do not constitute the main security threats to Africa, these challenges (especially grain security and spread of contagious diseases) seriously restrain the social and economic development of Africa and affect African stability to a considerable extent. Therefore, China should further refine the non-traditional security cooperation with African countries and turn assisting African countries in enhancing abilities to maintain grain safety as well as to prevent and cure contagious diseases into one of our central Africa policies for a period to come so as to accentuate the special features of our work in Africa.

At the Beijing Summit/CAFC held in November 2006, President Hu Jintao outlined in his eight-point aid Africa proposition to provide 300 million RMB in aid without remuneration to Africa to help prevent and cure malaria, to provide Artemisin medicine, and set up 30 anti-malaria centers. This is a very good beginning and very popular among African countries. We should gradually expand it to the prevention and cure of other diseases. In grain safety, China should

select some African countries with better comprehensive conditions as sites for grain production bases, to help countries concerned in settling grain safety on the one hand and set up grain aid and reserve bases on the other so as to give emergency food rescue to countries short of grain.

Author

Mr. Zeng Qiang

Senior Research Fellow

China Institutes for Contemporary International Relations (CICIR)

China-Africa Forum on cooperation and its economic and trade impact

Yao Guimei

To keep up with the times, the China-Africa Forum on Cooperation (CAFC) established in October 2006 ushered in a new era of Chinese-African relations. The establishment of the forum spurs a fast development of Chinese-African Trade and Economic Cooperation (CATEC), which is an important part of CAFC.

Fruitful trade and economic results achieved by the two ministerial meetings prior to CAFC

Ever improving bilateral trade and economic cooperation mechanism

By the end of 2006, China had set up association committees with 36 African countries, had been implementing trade agreements with 41 African countries, signed agreements on avoidance of dual taxation with eight African countries, and inked investment protection agreements with 28 African countries while 18 countries recognized China's market economy status.

With record-breaking trade growth, China became Africa's third largest trade partner

Surpassing the mark of US\$10 billion in 2000, Chinese-African trade hit US\$39.75 billion in 2005 and quadrupled in five years, hitting US\$55.5 billion in 2006, up by 40% year on year. Export hit US\$26.7 billion and import US\$28.8 billion, up by 43% and 37% year on year respectively. China's unfavorable balance in trade amounted to US\$2.08 billion.

Expanding economic cooperation, widening areas and diversified forms

China's direct investment in Africa soared from US\$75 million in 2003 to US\$520 million in 2006, an annual growth of 90.7%. By the end of 2006, its direct investment in Africa totaled US\$2.56 billion. The contract volume of Chinese businesses in Africa hit US\$70.33 billion, of which US\$38.59 billion had been fulfilled in business operations. The contracted labor personnel in Africa totaled 95,000 at the end of the year. Africa became China's second largest overseas contract market.

Significant success in aiding Africa

Since the founding of CAFC, China has continued to provide African countries with all kinds of aid within its capability. It has actively searched for and improved the new mode and new route of training, debt exemption and emergency rescue efforts while intensifying aid to Africa. By the end of 2006, China had developed over 800 aid and cooperation projects in Africa.

These included the construction of over 2000 km of railways, over 3000 km of highways, 30 gymnasiums, 20 schools, and 43 hospitals. The world-famous Tanzania-Zambia railway line, the Mauritania port of friendship, the Ethiopian round-the-city highway, and the Mali stadium have become hallmarks of Chinese-African friendship. In the meantime China offered more human emergency aid to Africa. For instance, at the end of 2004, immediately after the Indian Ocean tsunami inflicted heavy losses on East Africa, China rushed financial and material aid to Kenya, Somalia and Seychelles.

According to the commitments it made at the first ministerial meeting of CAFC, China signed debt exemption agreements with 31 African countries, exempting them of 158 debts totaling about 10.9 billion RMB, winning widespread acclaims from African countries as well as the international community.

Smooth implementation of tariff exemption from Africa

At the 2nd ministerial meeting in 2003, Premier Wen Jiabao declared on behalf of the Chinese government that the least developed African countries having diplomatic ties with China were entitled to tariff-free treatment for certain ex-

ports to China. By the end of 2006, 28 countries had been given tariff-free treatment for goods under 194 tax items. According to China Customs House statistics, China's beneficiary imports from Africa hit US\$380 million in 2005, 87.8% more than in 2004, and 56 percentage points higher than the margin of increase in imports from Africa during the same period.

Further training for African personnel

To foster the development of African human resources, the Ministry of Commerce took the lead in setting up an inter-ministerial coordination mechanism for cooperation in developing foreign human resources so as to integrate training resources and expand training effectiveness. In the 1998-2003 period, China trained 2000 personnel for Africa, and the figure grew to 11,000 in the 2004-2006 period. Thus, the goal announced by Premier Wen Jiabao to train 10,000 people within three years had been fulfilled.

In short, CAFC had proven that it is not a club of empty talks on African development, but a practical, vital platform and an effective mechanism for China and African countries to carry out common dialogues, exchange experience in governance and administration, promote mutual trust and pragmatic cooperation.

Impact of Beijing Summit/ CAFC

The gigantic Beijing Summit of the CAFC and the concurrently 3rd ministerial meeting took place in Beijing successfully from November 3rd to 5th, 2006. The Beijing Summit of the CAFC and the Beijing Action Program (BAP) adopted by the summit turned out to be the action guide to the new

type of the Chinese-African strategic partnership, which was set up in the new century based on equality and mutual trust, cooperation and an economic win-win situation as well as a cultural exchange. At the summit, President Hu Jintao declared China's eight important measures to support Africa in its development, namely,

1. Scale up the aid to Africa so that China's aid to African countries will double that of 2006 by 2009.
2. Provide US\$3 billion in preferential loans to African countries and US\$3 billion in preferential buyer's credit loans in exports in the 2007 - 2009 period.
3. Set up a China-Africa Development Fund (CADF) amounting to US\$ 5 billion to encourage and support Chinese businesses to invest in Africa.
4. Assist in building an African Union (AU) Convention Center to support African countries in their cooperation and integration process for their self-enforcement.
5. Exempt all heavily-indebted African countries that have diplomatic ties with China and the least developed ones of their interest-free government loans, which become due at the end of 2005.
6. Further open the market to Africa and increase the number of zero-tariff preferential commodities for exports to China from 190 tax items to over 440 from the least developed African countries that have diplomatic ties with China.
7. Set up three to five overseas trade and economic cooperation zones in African countries within three years from now.
8. Between 2007 and 2009, train 15000 personnel of various kinds for Africa; send 100 high-level agricultural technical experts to Africa; set

up ten special agricultural technical demonstration centers in Africa; offer aid to 30 African hospitals; provide 300 million RMB worth of fund aid without remuneration to Africa for prevention and cure of malaria to provide Artemisin and set up 30 anti-malaria centers; send 300 young volunteers to Africa; build 100 rural schools for Africa; and before 2009, increase the number of Chinese government scholarships to African students in China from the present 2000 up to 4000 per year.

After the Beijing Summit, there were strong repercussions from all circles home and abroad. The Summit was generally regarded as a milestone in the history of development in Chinese-African ties, bringing unprecedented development opportunities to CATEC.

Beijing Summit created a favorable environment for trade and economic cooperation

In recent years, President Hu Jintao, NPC Chairman Wu Bangguo, Premier Wen Jiabao, Vice President Zeng Qinghong, Vice Premier Huang Ju, and Comrades Wu Guanzheng and Li Changchun visited Africa one after another, so frequently and intensively as never before. Trade and economic cooperation was an important component in high-level visits and many major projects and problems were settled in the course of high-level visits.

The development of Chinese-African ties hit an all time high at the Beijing Summit, and the vast continent placed high hopes on deepening cooperation of mutual benefit with China. The consolidation and development of Chinese-African relations provided the best external environment for CATEC.

Beijing Summit made long-term plan for trade and economic cooperation

An important result of the Beijing Summit was the establishment of a new-type Chinese-African strategic partnership, the most important component of which was trade and economic cooperation of mutual benefit. The adopted Declaration of the Beijing Summit/CAFC and BAP/CAFC (2007 - 2009) drew up a plan of Chinese-African cooperation of mutual benefit for and beyond the next three years. The Declaration, enshrined in clear principles, featuring definite goals, concrete contents and being highly operable, has become a framework of in-depth development for CATEC.

Beijing Summit injected new pushing force into trade and economic cooperation

The Beijing Summit achieved great successes in CATEC. The eight major measures of cooperation with Africa as announced by President Hu Jintao at the summit were rich in content, highly impressive and astounding. They featured wide-ranging areas and unprecedented vigor, involving such forms as trade, investment, economic cooperation, and covering all areas of economic and social development such as education, science, culture and people's livelihood. They gave prominence to the principles of equality and mutual benefit and common development, demonstrating China's sincerity to give more and take less so as to really help African countries in their development.

Beijing Summit provided a sound mechanism for trade and economic cooperation

CAFC is in itself an effective platform for deepening Chinese-African exchange and cooperation in all areas. Within its framework, China has set up an foreign minister political consultation mechanism with some African countries and convened trade and economic mixture committee meetings with other African countries. Certain special trade and economic cooperation mechanisms are being set up and made sound as a supplement to, and improvement and enhancement of the existing mixture committees and other trade and economic cooperation mechanisms.

The Chinese-African dialogue between leaders and industrial and commercial representatives held on the sidelines of Beijing Summit was a new try. Attended by Premier Wen Jiabao and many African leaders, it was crowned with full success. The 2nd China-Africa Entrepreneurs Rally marked the further improvement of the entrepreneur cooperation mechanism. The creation of the China-Africa Federation of Industrialists and Businessmen created new channels of exchange and communication for bilateral trade and economic cooperation.

International impact of Beijing Summit: Challenges and opportunities co-exist at the same time

The success of the Beijing Summit/CAFC turned the history of Chinese-African cooperation over to a new page, and brought the Chinese-African ties to the limelight of the world. European powers and the USA felt the pressure from China. Some of them went in for unscrupulously exag-

generating the problems in CATEC and even dished up with the allegation of "China penetrating 'neo-colonialism' in Africa" in a vain attempt to undermine the marvelous Chinese-African friendship situation by sowing seeds of dissension.

To scramble with China, Western powers are now showing friendly gestures to African countries, and also intensifying their aid and investment efforts. In this connection, African countries are doubtlessly the beneficiaries while Chinese businesses are confronted with ever more intensified and complicated international competitions. Meanwhile, some countries, realizing the numerous international commercial opportunities impregnated in the extensive perspective of CATEC, came into contact with the Chinese government and businesses to seek cooperation opportunities with China in Africa and boost common development.

Periodic results achieved in the eight measures of aid to Africa

After the Beijing Summit, the Chinese government paid great attention to follow-up actions in the implementation of the eight measures of aid to Africa. In February 2007 President Hu Jintao visited eight African countries and outlined the policy propositions of enriching cooperation modes, complementing each other's superiorities, boosting common development and bringing happiness to the peoples of both parties. He stressed that the Chinese side would dedicate its energy to optimize the trade structure, expand investments in Africa, intensify technical training and help African countries in enhancing independent development capacity, thus

winning general acclaim from African countries. President Hu's eight-country visit implemented the decisions of Beijing Summit in many areas, pushing forward the pragmatic Chinese-African cooperation of mutual benefit. Presently the endeavors to implement the eight measures are going on in proper order and are being rewarded with periodic results.

At the end of 2006, the Chinese Ministry of Commerce (MOC) sent five work groups to Africa to do coordination work. With regard to debt exemptions, China will exempt all poor African countries in heavy debts and friendly to China as well as the least developed countries of their government debts to China due for repayment by the end of 2005, involving 168 debts owed by 33 African countries in interest-free debts due for repayment. By November 2007 China had signed accords of debt exemptions with 28 least developed African countries. With regard to zero tariffs, starting July 1, 2007, China offered zero tariff treatment to 454 commodity items of 26 least developed African countries.

China's ministries of agriculture and commerce sent five joint work groups to African countries in May and June 2007 for field study of 46 sites for selection and preliminarily defined 14 African countries including Mozambique, Uganda and Benin as sites for setting up agricultural demonstration centers, and over-fulfilled the task of only ten such centers. Presently the Chinese side has worked out the implementation scheme of the 14 projects and will send groups for specialized investigations on the various projects separately in the near future and will start the construction work next year and will have completed them all before the end of 2009.

In financing area, with regard to preferential loans and preferential buyer's credit loans in exports, the Chinese government preliminarily selected 30 items of 20 countries as targets of preferential loan investment in 2007 according to the practical needs of African national economic development. Presently, China has signed preferential loan framework agreements with ten countries including Chad, Cameroon, Mozambique and Senegal, and provided preferential buyer's credit loans in exports to some other countries including Namibia.

In investment area, with regard to CADF, the formal launch of CADF in June 2007 - in order to support and encourage more powerful, creditous and competitive Chinese businesses to invest in Africa - concentrated on the development of "blood-cell generating" agriculture, manufacturing, infrastructure and basic industries. The first CADF installment of US\$1 billion was already made available; the second one was to increase to US\$3 billion and the total will run up to US\$5 billion.

Concerning helping build an AU Convention Center, after repeated appraisals by competent authorities of China and Africa, the design of Tongji University Architectural Design and Research Institute was selected out of 33 options. On "Africa Day" May 25, 2007, the cornerstone laying ceremony was held and the whole project is expected to start in 2008 and to be completed in 2011.

Concerning the measure to train 15000 personnel of various kinds for Africa within three years, in 2007 the Chinese side ran 197 training and research classes, training 4964 personnel of all types for 49 countries. Another 5,500 personnel were to

be trained within the year. As for the measure to aid 30 hospitals in Africa China exchanged documents with 12 African countries and completed investigations in two countries and will have sent 11 study groups before the end of the year.

All projects are to be kicked off in 2008. In connection with the measure to help building up 100 rural schools, the Chinese side has set up the file and exchanged documents with 26 countries on building 56 rural schools. The construction of 100 schools will be done in two batches, to be completed in 2008 and 2009 respectively.

Besides, China has selected 60 anti-malaria experts and the first batch of high-level agricultural technical experts and set up the first anti-malaria center in Liberia and sent gifts of Artemisin medicine to 18 countries, sent 75 young volunteers to three countries and provided 2700 government scholarships to 50 countries.

In short, the Chinese government shows to Africa and the international community with practical action that China keeps its promise and takes practical actions in its cooperation with Africa, and that China is sincere, pragmatic and efficient, pursuing equality with Africa. We believe that with the gradual implementation of these measures, Chinese-African trade and economic cooperation will present a new and booming feature.

Author

Prof. **Yao Guimei**
Research fellow
Institute of West-Asian and African Studies/CASS

The role of export credit insurance and China-Africa trade and economic cooperation

Chen Xiaowei

This article is about the way CECI fully reflects the role of export credit insurance in order to guarantee and boost China-Africa trade and economic cooperation and to spur the development of the new-type China-Africa strategic partnership.

CECI business operation

Export credit insurance (ECI) is an international practice whereby governments bolster up exports and prevent foreign currency revenue risks. It is also a trade-boosting measure permitted under WTO rule. So far, 12% to 15% of world trade volume is fulfilled under ECI support. At the end of 2001, CECI was officially inaugurated with the approval of the State Council. The establishment of CECI was a government's policy measure in order to establish and improve China's ECI, thus marking the entrance of China's ECI into a new phase of development.

The main task of CECI is to bolster up the export of commodities, technologies and services, especially hi-tech, machinery and electric prod-

ucts with high added values and other capital-related goods through providing risk guarantee services. It is an attempt to actively open up overseas markets and boost national economic development in coordination with the state's diplomatic, foreign trade, industrial, financial and banking policies by providing enterprises with insurances against foreign currency revenue risks.

By product categorization, CECI provides products like short-term ECI's, intermediate and long-term ECI's, investment insurance, guarantees, and domestic credit insurance. Among them, the short-term ECI is designed for the export of ordinary commodities, while the intermediate and long term ECI bolster up the export of capital-related goods. Besides, CECI provides export financing, commercial account recovery, business grading, project and risk management consultation services. CECI mainly insures against the state and buyer's risks in foreign currency revenues. While the former mainly includes insurance against war risks in the purchaser-country; government control of foreign curren-

cies, government requisition and nationalization, the latter mainly includes insurance against buyer's credit risks and buyer's bank risks.

CECI has developed by leaps and bounds since its inauguration. In 2002, the export volume under its support was merely US\$ 2.7 billion, 2% of the general exports the same year. From 2003 to 2005, CECI business volume doubled year after year. In 2006, CECI already insured against US\$29.6 billion, 7% of the general exports. In the five years since its establishment, CECI has bolstered up the export and investment volume totaling US\$72.54 billion, providing risk insurance for the internationalized management of several thousand enterprises.

As an internationalized insurance operator, CECI has developed wide-ranging international cooperation: Firstly, co-insurance cooperation and exchange of skills and experience with international ECI agencies including German EH, Belgian ONDD, Austrian OeKB; secondly, coinsurance cooperation with famous international reinsurance companies including Munich Reinsurance Co and Hanover Reinsurance Co; thirdly, financing cooperation with scores of world famous banks including the Dutch Bank, Citibank, the Paris Bank of France and Standard Charter Bank; fourthly, information exchange with international and regional financial institutions such as OECD, MIGA, ADB, and EBRD.

African business development

CECI closely follows China's trade and economic relations with Africa, regarding them as a key area for support. It applies ECI's as a new type of financial tool to provide Chinese businesses

with comprehensive modern financial insurance services in their export and investment in Africa such as risk management, loss compensation, trade financing and credit assessment. By the end of 2006, CECI had provided Chinese businesses risk support for US\$1.9 billion worth of commodity exports to 49 African countries under short-term insurance items; for US\$3.5 billion worth of capital-related exports to 13 African countries under intermediate and long term insurance items, covering over 70 projects; and for US\$630 million worth of energy and mineral exploration and investment to seven African countries under overseas investment insurance items. In 2006, CECI rate of support for African business accounted for 7.6% of China's commodity export to the region, or 0.6 percentage point higher than the average level. Data showed that CECI injected more resources into the African market, giving it more support.

CECI support for equipment exports and investment involves Algeria, Angola, Benin, Egypt, Ghana, Gabon, the Democratic Republic of Congo, Guinea, Madagascar, Nigeria, the Sudan, and Zambia, covering telecommunications, electricity, transformers, water conservancy, railways, engineering machinery and mining. For instance, our company provided a total worth of over US\$400 million to the Sudanese Covey (X) Dam Transformer Line Project, insured against over US\$100 million worth to the Nigerian 335MW gas turbine power station project, against nearly US\$100 million worth to an Angolan railway overhauling project and against US\$80 million worth to a Ghanaian telecommunications project.

To strengthen insurance of Chinese businesses

against risks in exports to and investment in Africa, CECI accessed the African market on their initiative. Apart from actively investigating national and project risks, it participated in the coordination mechanism of multilateral Africa development organs of People's Bank of China, intensified exchanges with the African Development Bank, West Africa Development Bank as well as the East and South Africa Trade and Development Bank. It concluded a memorandum of cooperation and understanding with China-Africa Entrepreneurs Forum as well as ATI Annual Convention and set up ties of cooperation. In 2007 on behalf of PBOC, it organized the Chinese-African Entrepreneurs Forum, the Africa Development Bank Annual Convention, and together with Charter Bank co-organized a seminar on African trade financing in South Africa.

We can claim that CECI has extended great support to Chinese businesses over the past five years in exporting capital-related goods to African countries and in undertaking foreign project contracts and investments, and energetically cooperated with the state in implementing its Africa diplomatic and foreign trade strategy, playing an irreplaceable important role in consolidating China-Africa traditional friendship and boosting their trade and economic ties.

ECI's role in boosting China-Africa ties of trade and economic cooperation

There are 53 countries with 900 million people in Africa as well as rich natural resources and huge market potentials. But Chinese businesses are confronted with rather great difficulties in

opening up the African market, because it generally involves fairly high political and commercial risks due to some reason or another.

Featuring the combination of insurance, trade and financing, ECI is a component of state foreign trade and economic cooperation directly involved in the operation of certain major cooperation projects. Valuing its own unique role, CECI takes an active part in China-Africa political and economic cooperation and intensifies its insurance on cooperation projects, thus increasing the Chinese ties of friendly cooperation with African countries. CECI can play the following role in China-Africa trade and economic cooperation:

1. The ECI risk security function will bring more funds to China and Africa in their trade and economic cooperation. Financing is a bottleneck restraining China-Africa trade and investment. While Chinese exporters and project contractors are in bad need of financing, banks tend to be overcautious in granting loans in this area out of considerations of self-control of risks. However, overall perfect supplementary services are a must for businesses if they operate in Africa. Along with its expanded scale of business operations, and the expansion of its own practical strength, CECI has produced an ECI product with foreign-funded banks as the insured, a product which not only opened up the middle and long term ECI channels, but also helped enhancing the comprehensive advantages of domestic businesses in their participation in international competition. Presently, CECI has set up ties of cooperation with 12 world famous banks such as the Dutch Bank, Citibank, Paris Bank of

France, Leon Credit Bank (Oriental Remittance Bank), Standard Charter Bank, and French Industrial Bank, as well as four Chinese-funded commercial banks, and two policy-related banks. In 2006, the insurance volume involved in bank insurance cooperation came close to US\$5 billion.

2. ECI arrangements will reduce the pressure of fund repayment. Most infrastructure construction projects feature long durations and uncertainties. CECI not only secures business interests, but also turns overdue payment into reality via the provision of risks, thus reducing the pressure of the project government in repayment, enhancing the sustainability of debts and making it possible to use the limited funds for the intended projects themselves. In contrast with Western countries, CECI can usually accept repayment in eight years or - with regard to certain major projects - even in ten or more years.
3. CECI support will lower the cost of financing. With its interest rates equivalent to the sovereignty interest rate of the Chinese government, CECI enhances the credit of the respective government by supporting a specific project, thus lowering the financing costs of the project and the burden of debt to the sovereign country. Besides, the overall CECI premium rate is lower than in OECD countries and about half what it is in high-risk countries. Viewed from another angle, this implies reduced financing cost for the project country.
4. CECI support covers more high-risk African countries. In coordination with the implementation of China's strategy of going global, CECI

accepts the credit risks of the overwhelming majority of African countries. CECI is involved in as many as 49 African countries while many OECD members often refuse to accept the credit risks of certain high-risk African countries.

5. CECI values the projects' economic as well as social benefits. By supporting infrastructure construction projects, it helps in boosting the local economies and improving people's quality of living. For example, after the end of the Angolan civil war in 2002, the infrastructure in the capital of Luanda was left seriously damaged with an acute shortage of power supply. With CECI insurance support of over US\$15 million, a Chinese company undertook and carried out smoothly the restoration, transformation and expansion of Luanda's power grid, bringing illumination to the city in dark nights. CECI support for the Sudanese water-supplying project also vigorously pushed forward the settlement of the drinking water problem for an impoverished area in that country.

Besides, CECI is particularly concerned about the possible impact on the eco-environment and on the relics of historical and cultural heritage. It strives to prevent and avoid possible social and environmental problems in the process of project implementation and operation. It also works hard to make sure that the project insured will help promote sustainable economic and social development for the host African countries, and will help to enhance their own development capacity thus culminating in a win-win situation.

6. Through investment insurance services, CECI helps Chinese businesses in participating in the

development of mineral resources, enhancing the local economic construction levels and increasing the economic incomes of the locals. Exploring mineral resources is an important channel for many African countries in their pursuit of national economic rejuvenation. Based on the principles of equality and justice, Chinese businesses make investments in African countries, make adequate funds and techniques available there and thus create job opportunities. Based on these considerations, CECI actively provides investment insurance support. For example, the first mineral resource investment project insured by CECI was a copper project in the Democratic Republic of Congo with a total investment of US\$17.36 million. With the Chinese and Congolese sides cooperating in copper and cobalt exploration and processing, the project helped in rejuvenating the copper exploration industry in that country, in increasing local job opportunities, and in spurring local social and economic development. It turned out to be a model of bilateral win-win and mutual benefit cooperation.

By displaying its ECI policy-related role, CECI actively supports China in implementing its foreign policy, foreign trade and economic strategy, not only pushing forward the expansion and deepening of China-Africa foreign trade and economic cooperation, but also making contributions to the economic and social development of many African countries.

Author

Mr. **Chen Xiaowei**
China Export & Credit Insurance Co. (CECI)

On the funding of Africa's development

Lei Xiancheng

Sustainable funding is an objective requirement for accelerated African development

Africa is a vast continent with rich resources and great potential for development. But due to various reasons, it has been developing very sluggishly. With a population accounting for about 14% of the world's total, it contributes to only 3% of its total GDP, 2% to its trade volume and owes a debt as high as US\$300 billion. To speed up Africa's development, it is a must to turn its resource advantages and development potential into development advantage and reality. To do so, many difficulties and problems have to be tackled. Among them, the shortage of capital is a very serious problem. Poor, backward, and under colonial rule over a long period of time, Africa was deprived of all opportunities to accumulate capital. The obtainment of national independence in Africa was followed by uninterrupted wars and sluggish economic development. Hence, it has had no capacity to accumulate capital and left opportunities unused in the transnational flow of capital arising from a new round of economic globalization, resulting in an acute shortage of capital needed for

its accelerated development. Presently, African countries are restrained by capital shortage for exploring resources, boosting basic industries, and improving development-curbing infrastructure, for promoting education and culture and strengthening sustainable development. To speed up Africa's development, it is necessary to tackle capital shortage. An adequate funding support is indispensable.

Modern economic development is sustainable development. It follows that the funding of Africa's development should also be sustainable. Over the years, the international community has been trying to help the continent to tackle the shortage of capital by means of aid without remuneration, reduction of debts and provision of aid loans for development, while many African countries in turn have allured international capital by adopting an active opening-up policy and providing an attractive investment environment. To some extent this has alleviated the shortage of capital needed for Africa's development. But due to various reasons, it is still impossible to effectively tackle the sustainable funding needed for its development. When cooperating with Africa, some countries are in-

clined to concentrate on short-term effects. Superficially, they seem to provide funding to the continent while actually maximizing their unilateral interests by utilizing unfair trade opportunities and irrational market prices.

For example, Western corporations are monopolizing the lion share of some African countries' yield from petroleum and resources. Some credit countries and Official Development Assistance (ODA) donators are imposing democracy, human rights, and political reform on them as attached conditions in disregard of their local features, cultural traditions and developmental concepts. The ultimate goal of some projects is to expand the export market of the donator-countries instead of promoting African economic growth. To realize sustainable and rapid development in Africa, this state of affairs must be changed and sustainable funding must be provided through many channels.

Sustainable funding for Africa requires concerted efforts of the international community

Africa is poor and backward. It is impossible for the continent to acquire the sustainable funding as required for its development by itself alone. Besides, Africa does not belong to Africans alone; it belongs to the whole world. A sluggishly developing Africa is bound to seriously impede the peaceful development of the world. Therefore, the international community should understand and tackle Africa's development from the strategic view of common progress for the human race. Be it for the need to defend its own interests or for the sake of maintaining the balanced and orderly development of the world, the in-

ternational community has the responsibility and duty to help Africa in obtaining sustainable funding necessary for its accelerated development.

We are glad to note that the international community has redoubled its efforts in recent years in this regard. For example, bilateral and multi-lateral agreements have been reached on debt reduction actions. Many developed countries have pledged to increase development aid to Africa. But to really meet the sustainable funding need for Africa's development, the international community has to exert further efforts. In my view, they must step up efforts in the following three aspects:

Further debt reductions and exemptions

Debt burdens are one of the important causes for Africa's capital shortage. Out of the 38 countries in heavily debts in the world, 32 are in Africa. In 2005, Africa owed a total foreign debt of US\$285.8 billion, and had to pay US\$31.8 billion interest alone. The direct impact of debt burdens on Africa's capital usage and accumulation has become an obstacle and hidden danger for Africa's development. Once broken out, a debt crisis will not only bring disaster to African countries, but will threaten the stability of the creditors and even the global financial market. To help African countries acquire sustainable funding, the first and foremost thing is to tackle the heavy debt problem.

Therefore, the international community, especially the developed countries, should step up efforts to reduce or exempt the African countries of their debts, carry through debt reduction actions and plans and help them optimize

capital formation and application. As a developing country, China actively supports debt reduction actions. Apart from participating in the implementation of multilateral debt reduction plans, it has exempted the least developed 36 African countries of 172 debts owed to China via bilateral channels.

With regard to the poor African heavy-indebted countries, the Chinese side has fulfilled its promise of reducing debts ahead of schedule, reducing and exempting 31 least developed African countries of 156 debts due to China totaling 10.9 billion yuan RMB, and decided to exempt all African poor countries in heavy debts that had diplomatic ties with China of their interest-free government loan debts due to China by the end of 2005. These debt reduction measures played an important role in the application and accumulation of capital by African countries and in making up with their capital shortages.

Further expansion of aid loan dimensions

Sustainable funding for Africa requires not only debt reductions and exemptions. It requires above all the injection of capital. As stressed at the 2002 Monterey Development Financing Conference, debt reductions and exemptions cannot substitute other governmental development aid forms. Presently, an important problem with government development aid is the high proportion of debt reduction and exemption to the total aid granted. A survey of the NGO "Charity" showed that the aid extended to Africa in 2005 seemed to have increased by US\$21 billion, but over 80% of the so-called aid increment consisted in debt reduction and exemption. The aid to Africa upped by a meager US\$5 billion in

2005 as compared with the previous year when debt reduction and exemption were deducted. The amount provided by the Official Development Aid of Development Assistance Committee (DAC) member countries upped by US\$27 billion, out of which US\$21 billion were debt reduction and exemption. Hence, the international community and especially the developed countries should expand official development aid dimensions to Africa and increase capital sources for Africa's development. While implementing debt reduction and exemption, China has paid greater attention to the role of aid loans. In recent years, it has further scaled up preferential loans to Africa and promised to expand them to US\$15 billion within two or three years. These preferential loans will inevitably become a new booster to sustainable funding for African countries. Quite a number of Western countries are highly attentive to China's cooperation with Angola. Since the realization of comprehensive peace in Angola in 2002, China has provided it with large amounts of official development aid, actively participated in its post-war rehabilitation, providing it with powerful assistance for its economic rehabilitation and development, so that it has achieved rapid economic development, and its national risk has dropped from the high grade of D when China entered the scene to the medium grade of C by Economist Intelligence Unit (EIU) standards. At present, Germany, Portugal, Japan and other developed countries are contending with each other in entering Angola. Based on equality and mutual benefit, Sino-Angolan cooperation is transparent and non-exclusive. It is confirmed by the Angolan government and people.

Further increase of direct investment in Africa

Direct business investment and operation in African countries can directly increase their capital sources and will play an important role in providing them with sustainable funding and strengthening their self-development capability. The international community should take measures to support enterprises in investing in building plants in Africa, developing business operations to help African countries with international capital support and promote their gradual integration with economic globalization process and achieve rapid development from it.

In recent years, China has actively prompted businesses to develop investment and operation in African countries. In 2006 China's direct investment in Africa was over 14 times higher than in 1999, accounting for 9% of its total volume of foreign investment, playing an important role in alleviating African countries' lack of capital and increasing their own development capacity.

China Import and Export Bank will provide Africa with funding as ever before

The China Import and Export Bank (CIEB) is an international economic cooperation bank of the Chinese government providing mainly financial services in import and export financing as well as preferential aid loans to foreign countries and foreign investment loans.

Over the years it has provided African countries with large amounts of development aid without attaching any political conditions, mainly in the form of low-interest preferential loans in close

combination with the national government's diplomatic strategy and international economic cooperation strategy. Given effectively controlled risks, it has formed a systematized and pluralized pattern of financing in Africa with preferential loans taking the lead, and with overseas investment loans and foreign contract project loans and export credit loans as the key points, combining corporate financing and project financing. This plays an important part in alleviating African countries' capital shortages for development and helping them gradually obtain sustainable funding.

By the end of 2006, CIEB had approved loans and concluded contracts with the African region worth 92.484 billion RMB with a remaining sum of 36.293 billion yuan RMB. The CIEB has a wide-ranging area of aids and loans to Africa, supporting 280 projects in 37 African countries involving such fields as infrastructure construction, resource cooperation, agricultural cooperation, project contracts, production and manufacturing, as well as social welfare.

These projects have brought practical benefits to the local people, promoted local employment, boosted local economic development and social progress, and strengthened African countries' sustainable development capacity. They received high acclaims from those countries and gained wide popularity among the African peoples.

In future, we will continue to display our advantages as the main policy-related financing channel, give financial support to Africa's development and Sino-African cooperation and make still greater contributions to the sustainable funding for Africa.

We will continue to uphold African business as a strategic key point, promote its development and innovation, comprehensively implement China's Africa policy and aid plan, and provide Africa's development with direct funding support. We will actively take part in the construction of basic industries and infrastructure projects that are vital to Africa's long-term development and bring comprehensive innovation to economic cooperation with Africa and the financing model based on resources, funds and projects full-package cooperation.

Author

Mr. Lei Xiancheng
Director
China Import and Export Bank

We will redouble efforts to implement the popular projects for improving working and living conditions and tackle the difficult projects. We will help Africa in setting up a free trade zone and export processing area to enhance African countries' self development capacity, promote their integration with the process of economic globalization as soon as possible and enable them to obtain benefit from that process. In the meantime, we will strengthen exchanges and cooperation with African financial institutions and introduce to them China's experience in its development especially in utilizing international capital, making up the shortages of development capital and enhancing the efficiency of capital operation so as to help Africa with sustainable funding support in diversified aspects.

Speeding up Africa's development concerns the common interests of mankind. We should try our best to help African countries in acquiring sustainable funding, enhancing their self-development capacity and make due contributions to building a harmonious world of lasting peace and common prosperity.

Europe and China in Africa: Common objectives, diverging perspectives, new challenges

Imme Scholz

In the first section of my paper, I will present some thoughts on Chinese and German approaches in development cooperation which rose in my mind on the basis of the discussions we had during the first day of our conference. In the second section, I will focus on the challenges posed to development cooperation in Africa by climate change.

Common objectives, diverging perspectives and common questions

One common objective of both Chinese and European activities in Africa is the promotion of economic growth in order to reduce poverty. In Europe it is common to relate this objective to the achievement of the Millennium Development Goals formulated in 2000 by the United Nations General Assembly.

Box 1: The Millennium Development Goals

1. eradicate extreme poverty and hunger: reduce by half the proportion of people living on less than a dollar a day; reduce by half the proportion of people who suffer from hunger
2. achieve universal primary education: ensure that all boys and girls complete a full course of primary schooling
3. promote gender equality and empower women: eliminate gender disparity in primary and secondary education preferably by 2005, and at all levels by 2015
4. reduce child mortality: reduce by two thirds the mortality rate among children under five
5. improve maternal health: reduce by three quarters the maternal mortality ratio
6. combat HIV/AIDS, malaria and other diseases: halt and begin to reverse the spread of HIV/AIDS; halt and begin to reverse the incidence of malaria and other major diseases
7. ensure environmental sustainability: integrate the principles of sustainable development into country policies and programmes; reverse loss of environmental resources; reduce by half the proportion of people without sustainable access to safe drinking water; achieve significant improvement in lives of at least 100 million slum dwellers by 2020

8. develop a global partnership for development: develop further an open trading and financial system that is rule-based, predictable and non-discriminatory, includes a commitment to good governance, development and poverty reduction- nationally and internationally; address the least developed countries' special needs. This includes tariff- and quota-free access for their exports; enhanced debt relief for heavily indebted poor countries; cancellation of official bilateral debt; and more generous official development assistance for countries committed to poverty reduction; address the special needs of landlocked and small island developing States; deal comprehensively with developing countries' debt problems through national and international measures to make debt sustainable in the long term; in cooperation with the developing countries, develop decent and productive work for youth; in cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries; in cooperation with the private sector, make available the benefits of new technologies - especially information and communications technologies.

Source: www.un.org

bates was the optimism prevailing among my Chinese colleagues when talking about the prospects of economic development in Africa and the opportunities for African cooperation. It reminded me of the optimism which characterised West German development cooperation when it started 40 years ago in the early 1960s. Our situation as a country was then characterized by the successful economic and political reconstruction process after Second World War, which included an enormous increase and redistribution of income as well as the introduction of a generous and widespread system of social security. The general understanding of development cooperation at those times was that our German experience could be replicated in "the South". The generous financial assistance granted to West Germany by the US American government through the Marshall Plan was seen as main requirement for this process, and development cooperation was to fulfil this requirement in the developing world. One additional reason for optimism in the 1960s might also have been that in those times, the development gap

between "the North" and "the South" was by far not as large as it is today.

As we all know, development cooperation also fulfilled a role in the competition or confrontation between the Soviet Union and the West. In West German terms, this means that development assistance was also a bargaining chip for securing the exclusive diplomatic recognition of the Federal Republic of Germany by the emerging nations in Africa and Asia.

Today, German development cooperation carries the heavy coat of 40 years of difficult experiences, of failed investment, and of increasing poverty and economic marginalisation in many countries all over the world, but especially in Africa. These difficult experiences are due to manifold factors, including the application of principles of economic policy as if they were a blueprint for successful development, although they ignored specific national conditions and had no local ownership. Another problem was the lack of coherence between development policy

and measures in other policy areas, namely trade and foreign relations, which means that development goals were subordinated to other stronger interests. And an ongoing problem are the innate interests of the development bureaucracy and its organisations which not always coincide with the interests of our partners in developing countries.

After two decades of economic reform and a decade of extremely dynamic economic growth and structural change, China emerges as a strong and dynamic actor in Africa, as a new expert on reducing poverty under conditions of economic globalization. This offers new opportunities for common learning among China and Europe/Germany, around the following questions:

- What is the impact of the Chinese integrated approach to economic cooperation with Africa on poverty reduction?
- What is the relevance of OECD cooperation policies with Africa (e.g. the textile triangle between China, Africa and the US)?
- What unintended impacts do arise?
- What can we learn for coordinated approaches to the promotion of sustained growth (promotion of agriculture and agrarian-based processing industry)?
- Which procedural best practices can we identify (e.g. the selection of cooperation issues, supply-oriented approach vs. demand-oriented approach)?
- How can we make German/European and Chinese strategies complementary (instead of competitive)?
- How can we maintain/improve policy coherence in modern, complex societies?

If we learn to share our experiences and to evaluate them in an agreed systematic way, we might identify possibilities for improving development cooperation and reach out beyond the Agenda formulated for policy reform in the Paris Declaration on Aid Effectiveness.

New challenges: how to address climate change in development cooperation?

The publication of the Fourth Assessment Report of the IPCC (Intergovernmental Panel on Climate Change) in 2007 has made clear that the impacts of climate change are a new factor which will have a deep influence on economic development, and in many cases in a negative way (IPCC 2007). Only for Africa the IPCC predicts that with an increase of global average surface temperature by 2°C, an additional 350 to 600 million persons will suffer under water scarcity, rain-fed agriculture will experience a yield reduction of up to 50%, the loss of arable land in arid and semi-arid areas will continue, and fish stocks in the Great Lakes will be reduced.

This means that the impacts of climate change have the potential to undermine economic development through new risks for infrastructure investment (roads, bridges, cities) due to extreme weather events (storms, floodings), and because famine, water scarcity, and ensuing migration flows may create political unrest and instability (WBGU 2007).

Preventive adaptation to climate change becomes thus a paramount task for governments all over the world, be they in China, Europe or

Africa. This means that climate change foresight has to be integrated into development planning, and that the reduction of socio-economic and political vulnerability for the impacts of climate change has to turn into an important objective of development strategies. The promotion of economic growth cannot remain as the sole top objective on the development agenda.

Adverse effects of climate change on poverty in Sub-Sahara Africa ¹

The further development of sub-Saharan Africa - and thus all external efforts to promote or at least stabilize its development - must be viewed with the increasingly clear signs of climate change in mind. Most developing countries are located in the hot and often dry regions of the earth, where global climate change will raise average temperatures even higher. This will accelerate the water cycle, which will in turn lead to changing precipitation patterns. The variability of precipitation will increase, and extreme weather events (floods, storms) will become more frequent. The vulnerability of people in general and agricultural production risks in particular will grow sharply as a result. Hardest hit will be rain-fed farming, the dominant form of agriculture in Africa.

As the economies and exports of the poorest developing countries are heavily dependent on agriculture, climate change is likely severely to reduce their prospects of achieving economic growth and reducing poverty. Thus global warming is also a potential driving force of migration. Even outside government departments well in-

formed on the environment there is likely to be no denying that migration may increase the pressure that already affects developing countries with weak governance structures.

The consequences that climate change will in all probability have will thus be particularly relevant to the African continent. They will affect not only the political and socio-economic development of Africa and its societies but also the virulent nexus of development and security that already exists in many African countries (see Grimm and Klingebiel 2007). According to the increasingly robust and precise predictions emerging from the climate sciences, there are many indications that the climatic trends concerned have already begun and that the expected consequences will be serious even if it proves possible to stabilize average warming in the coming decades at between one and two degrees Celsius.

On the whole, then, there is serious cause for concern that the no more than modest successes which still seem possible in Africa today as regards the Millennium Development Goals (MDGs) will be overtaken tomorrow by the effects of climate change and delayed until some even later date.

This is revealed with particular clarity by the example of measures to combat malaria (MDG 6). Owing to climate change, it must be expected that the areas affected by malaria will become larger and that outbreaks of the disease will tend to be more serious and so to cause more

1 The following text relies heavily on an article co-written with Steffen Bauer, see Scholz / Bauer (2007).

fatalities. For Africa as a whole climate change is expected to increase the malaria-exposed population by about 18%, the main additions being regions currently on the edges of the temperature zone within which the malarial parasite is able to develop and to be spread by the anopheles mosquito. In Africa this might have a particular impact on various highland regions which have hitherto been protected against malaria by lower average temperatures. Initial studies already indicate an increase in what is known as highland malaria (Sauerborn 2006).

Closely, though not entirely causally, linked to climate change is the phenomenon of desertification, by which Africa has again been hit harder than any other region of the world. Three quarters of its arid areas are already degraded, very largely by excessive anthropogenic use. The loss of vegetation that accompanies desertification then increases global warming: on the one hand, because the carbon bound in vegetation and soil escapes into the atmosphere and, on the other hand, because a substantial portion of the heat is reflected by the now bare soil. Desertification and climate change are thus mutually reinforcing.

The Working Group II of the Intergovernmental Panel on Climate Change (IPCC) summarizes the consequences of climate change for Africa essentially as follows (IPCC 2007):

- Changes in a variety of Africa's ecosystems are already being detected, particularly in southern African ecosystems, at a faster rate than anticipated. Forest ecosystems are threatened by the interaction between climate change and human driving forces such as deforestation and

forest fires. By the 2080s, arid and semi-arid lands will increase by 5-8%. All changes together will have a negative effect on tourism as between 25 and 40% of mammal species in national parks will become endangered.

- Climate change will aggravate the water stress currently faced by some countries, while some countries that currently do not experience water stress will become at risk of water stress. Africa has the highest number of countries affected by acute water scarcity. Even without the feared effects of climate change, it must be assumed that water scarcity will increase the latest by 2025. About 25% of Africa's population currently experience high water stress. The population at risk of increased water stress in Africa is projected to be between 75-250 million and 350-600 million people by the 2020s and 2050s, respectively. Reasons are rising demand with growing population pressure, the degradation of water catchment areas, primarily by agriculture, and the siltation of river basins. This trend will be further exacerbated by changed precipitation patterns due to climate change and may ultimately result in the collapse of various sectors of the economy that depend on water. Nor will irrigation, which can today help to consolidate water supplies, then be possible without restriction. Furthermore, falling water levels and growing water pollution will make it difficult to solve the socio-economic and governance problems that obtain in many parts of the continent regarding the general availability and sustained use of drinking water.
- In most sub-Saharan African countries the agricultural sector accounts for 20 to 40% of

gross domestic product (GDP) and for over 50% of exports. Rain-dependent subsistence agriculture feeds 70% of the population, who will therefore be particularly hard hit by the consequences of climate change. Increasingly frequent drought and flooding will restrict food security as a whole and cause high economic costs through the loss of export earnings. Projected reductions in yield in some countries could be as much as 50% by 2020, and crop net revenues could fall by as much as 90% by 2100, with small-scale farmers being the most affected. One of the few opportunities possibly emerging from climate change for subtropical Africa may be the growing of fruit and vegetables in the highlands.

- Not the least important factor is that the rise in sea levels expected even in the case of moderate global warming will have catastrophic consequences for many ports, especially in West and Central Africa. Senegal, the Gambia, Sierra Leone, Nigeria, Cameroon, Gabon and Angola, for example, have low coastlines featuring lagoons, which will be flooded and consequently erode and become too saline. A large part of the Nile Delta and, with it, a great deal of arable land and urban residential areas are also in danger of being lost when the sea levels rise. The frequency and intensity of violent storms in coastal regions are also likely to increase.

Economically and socially, reference can be made to four likely consequences of the change to natural areas due to the climate, stemming from a pronounced susceptibility to global warming and from poor adaptability in sub-Saharan Africa: 1. a decline in the willingness of economic actors to

invest in Africa; 2. an increase in flight from the land to the already overextended towns and cities ("urbanization of poverty"); 3. an increase in competition for the use of scarce natural resources (land, water), resulting in growing internal migration and in violent internal and possibly international conflicts; and 4. an increase in humanitarian emergencies due to greater susceptibility to conflict and natural disasters caused by the climate (drought, flooding) (see WBGU 2007).

Challenges ahead

If the industrialized countries do not invest immediately in additional measures to limit greenhouse gas emissions and to improve adaptability in Africa, the political and economic consequences of climate change in Africa will become uncontrollable. In the long term the conditions for forward-looking development cooperation in Africa will not be satisfied.

This concerns not only climate change but above all measures to combat desertification. For Africa this has had a high priority since the impetus was given at the Rio summit for the United Nations Convention to Combat Desertification in Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa (UNCCD), which was adopted in 1994. The rider "Particularly in Africa," unusual for a convention of this kind, is itself a reference to the urgency with which the African governments view the issue. The convention process and the necessary implementing measures at national and local level have, however, come to a standstill in the last few years. This is due not only to the familiar capacity and governance shortcomings in the countries concerned but also to the fact that the donor countries do not give the Convention a

high priority. The definition of desertification given in Article 1 of the Convention, and thus enshrined in international law, emphasizes the connection with climate change and so implicitly the industrialized countries' shared responsibility for desertification.

In the meantime, however, climate policy itself has found its way on to the agendas of the African governments. This was encouraged in particular by the preparations for the 12th Conference of the Parties of the Framework Convention on Climate Change held in Nairobi in the autumn of 2006.

Given the close correlation between climate change, desertification and the threat to biodiversity, integrated approaches to the implementation of the three international conventions that concern these problems are urgently needed. As many of the measures in these fields are of direct relevance to poverty, they can also be regarded as "no-regret measures" from the poverty reduction angle. Regardless of this, however, separate measures to combat urban poverty and to promote sustainable economic growth and efficient governance structures are needed to cushion adverse consequences that can no longer be avoided.

The most important challenges at national and local level in Africa include: 1. strengthening meteorological services and climate research in Africa so that robust climate models may be developed and the ability to forecast improved; 2. continuing the training of the relevant government departments so that they are better

able to record the consequences of climate change and its correlations with desertification and the protection of biodiversity and to launch appropriate programmes and measures; 3. strengthening agricultural research and gearing it to the development of sustainable growing systems appropriate to drought and flooding; 4. identifying economic alternatives to agriculture in countries where natural conditions are being substantially altered by climate change and desertification; 5. developing disaster risk management systems with which precautionary and reactive capacities at local level can be strengthened; 6. developing scenarios for the consequences of the rise in sea levels and appropriate resettlement strategies.²

At global level, the constructive resumption of the Doha Round and the further development of the climate regime will be decisive if the medium- and long-term trends in climate change, desertification and the accompanying changes in the water balance in Africa are to be influenced. In the context of the liberalization of agricultural trade that is being sought very careful account must, however, be taken of the associated risks of accelerated land degradation and desertification, so that they may be prevented from the outset. In practical terms, then, it is to be feared that the rural poor, who typically depend on small-scale subsistence farming, will derive little benefit from the export earnings which it is hoped the liberalization of agricultural trade will bring. The expansion of arable land and its capital- and technology-intensive farming by large, multinational agricultural enterprises may indeed even exacerbate pov-

2 See the UNFCCC's African regional report on adaptation, Accra, Ghana, 21-23 September 2006.

erty and environmental degradation in arid rural areas (see Dionne / Mayrand / Paquin 2005).

The development of a global migration regime is also important. Climate change and desertification will greatly increase the pressure of migration on African societies. However, the danger lies less in the frequently invoked "African invasion" of Europe than in a further destabilization of already overextended African countries due to increased internal migration in the regions of Africa particularly affected by climate change.

Conclusion: Opportunities for Sino-German cooperation

Effective measures to limit climate change are essential if the industrialized countries and other large emitters are to remain credible in Africa. Even though the decisions taken under climate policies today will not prevent the global warming predicted for the next two to three decades, they may be able to reduce and so effectively decelerate it. This will ease the direct pressure on the weak economies and fragile political systems of Africa to adjust and make urgently needed time for the unavoidable structural change in North and South.

The report by the World Bank's former chief economist Nicholas Stern on the economic cost of climate change is unambiguous and unequivocal: by 2050 the continuation of current policy (business-as-usual scenario) will result in costs that will reduce average per capita consumption by 20% compared to its present level. In contrast, effective measures to contain climate change would cost 1% of present global

gross domestic product (Stern 2006).

This means in practical terms that in any discussion of Africa and climate change, two focal issues which are usually considered separately, the correlations described in this essay should always be borne in mind. In particular, it should be remembered that the consequences of climate change may in the medium and long term thwart the Millennium Development Goals, which are to be achieved by 2015. In relation to Africa, but not only Africa, this will affect above all else the goals of combating poverty (MDG 1), combating malaria (MDG 6) and ensuring environmental sustainability (MDG 7). In discussions on an increase in Official Development Assistance (ODA) or on further debt relief great care should therefore be taken to ensure that appropriate consideration is given not only to the MDG agenda but especially to the areas of action arising from the need to adapt to climate change. The additional risks that climate change and desertification pose for poverty reduction and security and stability issues in the region should therefore be referred to clearly in the various policy processes and in terms of their importance to all government departments. Future commitments by the donor countries in relation to poverty reduction will in any case be obsolete unless the commitments entered into in the context of international climate policy to reduce greenhouse gas emissions are also honoured and expanded significantly.

As Africa will be seriously affected by the consequences of climate change and as sub-Saharan Africa accounts for only 2.3% of global CO₂ emissions (see <http://cait.wri.org>), demands by African countries for compensation from the in-

dustrialized world are more than justified. The funds made available by the donor countries for adjustment measures must be increased significantly, and the transfer of suitable technologies must be simplified and promoted. At the same time, those in government in Africa must ensure that any resources and technologies provided are used effectively for climate protection purposes. In the medium and long term the same maxim as that proclaimed by the Stern report as regards the containment of climate change will at least apply to a global adjustment policy: the cost of immediate appropriate action will be many times lower than the cost of doing nothing. African societies would be the first, but not the only ones, to feel the consequences of inaction.

Regarding conceptual work, it becomes clear that we urgently need to develop a strategy for mainstreaming adaptation to climate change into development cooperation. DIE is working on such a strategic approach together with the Stockholm Environment Institute, and it would be very interesting to exchange views on this topic with Chinese colleagues.

Another area of activity is a new research project on adaptation to climate change in Sub-Saharan Africa which is being established at DIE. It will cover the following questions: 1. scope and speed of climate change in Sub-Saharan Africa, 2. will a strategy of radical or incremental change be adequate for adapting to the consequences of climate change and 3. the priorities of action regarding governance arrangements and natural resource management. Cooperation with Chinese colleagues in these areas would also be very welcome.

Author

Dr. Imme Scholz

Head of Department

German Development Institute (DIE)

Bibliography

AMCEN (African Ministerial Conference on the Environment) / UNEP (United Nations Environment Programme): Africa Environment Outlook 2: our environment, our wealth, Nairobi: UNEP, 2006

Dionne, Stéphanie / Karel Mayrand / Marc Paquin: From boom to dust? Agricultural trade liberalization, poverty, and desertification in rural drylands, Montréal: Unisféra International Centre, 2005

IPCC (Intergovernmental Panel on Climate Change): Fourth Assessment Report, <http://www.ipcc.org>, 2007

Johnson, Pierre Marc / Karel Mayran / Marc Paquin (eds): Governing global desertification: linking environmental degradation, poverty, and participation, Aldershot: Ashgate, 2006

Grimm, Sven / Stephan Klingebiel: Governance Challenges in Sub-Saharan Africa, in: Stephan Klingebiel (ed.): Africa Agenda for 2007: Suggestions for the German G8 and EU Council Presidencies, Bonn: DIE (Discussion Paper 4/2007), pp. 41-44, 2007

Millennium Ecosystem Assessment: Ecosystems and human well-being: synthesis report, Washington, DC: Island Press, 2005

Sauerborn, Rainer: Klimawandel und globale Gesundheitsrisiken, in: Tobias Debiel / Dirk Messner / Franz Nuscheler (eds), Globale Trends 2007, Frankfurt a.M.: Fischer, pp. 349-351, 2006

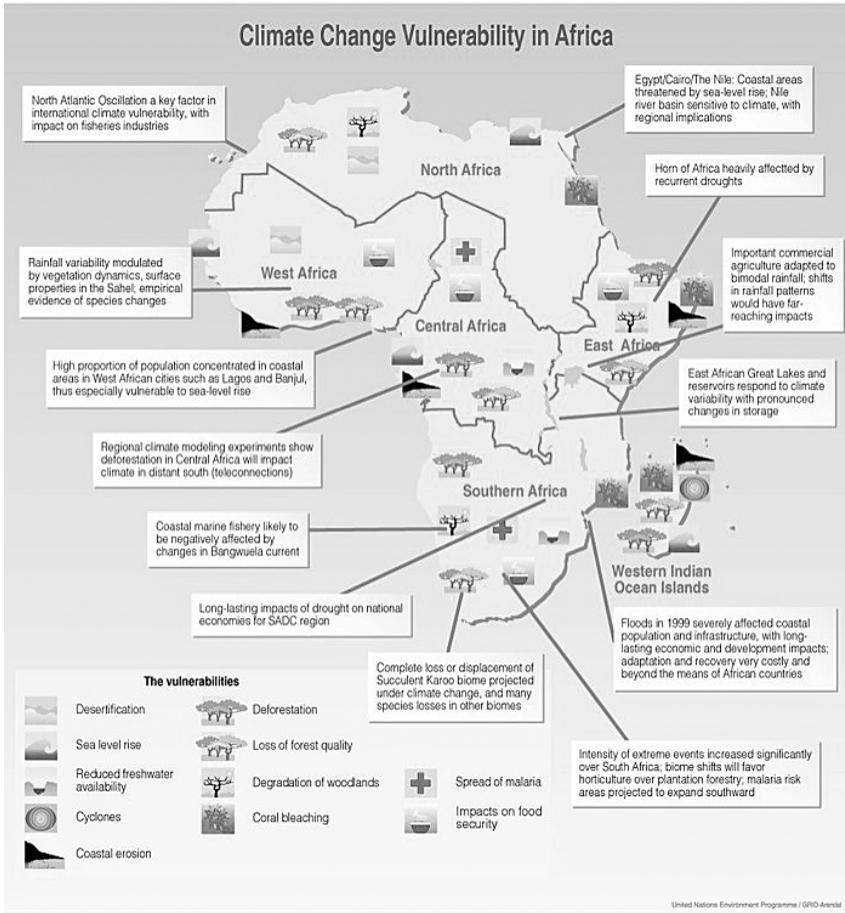
Scholz, Imme / Steffen Bauer: Climate change and desertification, in: Stephan Klingebiel (ed.): Africa Agenda for 2007: Suggestions for the German G8 and EU Council Presidencies, Bonn: DIE (Discussion Paper 4/2007), pp. 61-67, 2007

Stern, Nicholas: Stern Review: the economics of climate change, independent review of HM Treasury, Cambridge: Cambridge University Press, 2006

WBGU (Wissenschaftlicher Beirat Globale Umweltveränderungen): World in Transition - Fighting Poverty through Environmental Policy, London: Earthscan, 2004

WBGU (Wissenschaftlicher Beirat Globale Umweltveränderungen) (2007): World in Transition - Climate Change as a Security Risk, London: Earthscan

World Bank: Managing climate risk: integrating adaptation into World Bank Group operations, Washington, DC, 2006



Sources: Anna Balzano, 2002

China-Europe development cooperation in Africa: Goals, values and methods

He Wenping

Along with the rapid development of Chinese-African political, economic and trade cooperation in recent years, the coverage and discussions of Chinese-African relations in Western think-tanks and academic circles as well as the international media has increased significantly. Chinese-African ties appeared all of a sudden as an explicit topic in academic studies. Regarding the interpretation of Chinese-African relations, there is quite a big gap between China and the world (mainly the Western media and think-tanks). According to Chinese scholars, the development of Chinese-African ties in recent years is the natural development and extension of the over-all Chinese-African relations and friendly cooperation over the past five years as they feature mutual respect, sincere friendship, and mutual benefit in essence and basic characteristics. But in the view of most Western media, China attaches importance to developing its ties with Africa out of considerations related to commercial exploitation of petroleum and other strategic resources. They even regard the rise of Chinese political and economic influence in Africa as a manifestation of "neo-colonialism," and allege that this will impede the Western efforts on democracy and human rights in Africa.

As Africa is historically and geographically more closely related to Europe, the term "neo-colonialism" is originated in Europe. As claimed by the former British foreign minister Jack Straw in his February 2007 visit to Nigeria: "What China is doing in Africa today is mostly what we [referring to the old British and French colonialists] were doing 150 years ago." The academic circles and foundations of Britain, Germany and other European countries are holding all kinds of seminars and conferences on Chinese-African relations, one after another.

Generally speaking, there are two different viewpoints prevalent between the European political circles and think tanks regarding China's influence in Africa. The first view assumes that just as China and Europe were ideological opponents during the Cold War period, the irresistible "rise" of China and its expanding influence in Africa will inevitably turn China into an economic competitor of Europe in the post-Cold War period, especially in the areas involving energy and other important strategic resources. The second view argues that it is wrong and shortsighted to see China as a competitor of Europe in Africa in an oversimplified manner, as the two can become

cooperation partners in Africa's development. The latter is a more positive, but not a mainstream view.

Chinese-European cooperation in Africa development: Common goals

We should say that China and Europe share a common goal in promoting the African development, that is, both sides hope that Africa will emerge from the shadow of poverty and underdevelopment by benefiting more from economic globalization and achieving the millennium development goals formulated by the UN. The common features of the strategic goals shared by both parties find a clear expression in their respective Africa policy documents.

As far back as November 2005, the EU adopted an ambitious "Africa-Europe Partnership Strategy" pledging substantial reduction and exemption of African debts and increased aid to Africa. The strategy stressed the importance of African peace and security, trade and the process of African regional integration, improvements of regional infrastructure, assistance to Africa in AIDS prevention and treatment, as well as increased investment in health and education while stressing the importance of African self-governance at the same time.

On December 8 to 9, 2007, the Second EU-Africa Summit took place in the Portuguese capital of Lisbon, seven years after the first, which was held in Egypt in 2000. The "EU-Africa Joint Strategy and Action Program" adopted by the Summit explicitly defines that both parties shall set up partnerships - during the next three years

- in the eight areas of peace and security; benevolent governance and human rights; trade and regional integration; millennium development goals; energy, climate change and migration; employment; sciences and information society; and aerospace technology. In addition, the EU promised substantial reduction and exemption of African debts and increased aid to Africa, to set up strategic partnerships in the next decade, and to help Africa finally accomplish the UN Millennium Goals.

For the first time the Chinese government issued a document on China's Africa Policy on January 12, 2006 concerning China's African diplomacy. In this document, China set forth the idea of setting up a new-type strategic partnership between China and Africa featuring political equality and mutual trust, economic cooperation and a win-win situation, cultural exchanges and the strengthening of exchange and security policy consultations as well as intensified cooperation in international affairs. To promote the development of a new strategic partnership, and promote cooperation in a larger framework, in wider areas and at higher levels, the China-Africa Summit and concurrently the 3rd Forum on China-Africa Cooperation (FOCAC) took place in Bei-jing in early November the same year. On behalf of the Chinese government, President Hu Jintao declared the eight major measures to be taken in the next three years, including 1. increasing aid to Africa; 2. provision of preferential loans and preferential export buyer's credit loans to African countries; 3. setting up a China-Africa Development Foundation; 4. setting up overseas economic and trade cooperation zones in Africa to encourage and support Chinese enterprises to invest in

Africa; 5. assisting in building an AU center; 6. exempting all poor African countries with diplomatic ties to China from heavy debts and the least developed countries of their debts to China by the end of 2005; 7. further opening of the Chinese market to African products; 8. strengthening cooperation in agriculture, medical service and health, as well as African human resource development. On the day of the closing ceremony, the forum adopted the Declaration of the Beijing Summit of the FOCAC as well as the Beijing Action Program 2007 - 2009, steering the future orientation of China-African relations.

From the above mentioned Chinese and European Africa policy documents we can easily see that China and Europe share common goals of promoting Africa's development: assisting Africa in achieving peace and security, reducing poverty and boosting economic development and in finally fulfilling the UN Millennium Development Goals.

Chinese-European development cooperation in Africa

Despite unanimous and common general development goals, there are natural differences between Chinese and European development concepts and values due to their different historical development and different cultural and political institutions. As an extension, there is also a dissent on the ways and means, channels and methods of fulfilling these goals.

In terms of values and development concepts, Europe generated political democracy, liberty and the adoration and even blind worship of human rights from its history and own development

experience. Regarding the lack of superstructural institutions and concepts as the root cause underlying Africa's underdevelopment, Europe concentrated on enhancing political governance capacity in African countries and the promotion of democratization and human rights in its development cooperation in Africa. On the other hand, China has gained experience from its own history, culture and economic development: Transitional countries (especially those developing from backward agricultural to industrial, from closed to opening up, and from planned economies to market economies). Therefore, on the basis of improving its own comprehensive national strength, China pays special attention to strengthen Africa's capacity of "hardware" construction (such as infrastructure, agriculture, health and education) in terms of fortifying Africa's economic basis while adhering to the principle of non-interference from the beginning to the end in terms of political development model orientation, respecting the African countries' independent choice of political development suitable to their national conditions.

Due to the different values and methods mentioned above, plus the fanfare of exaggerated propaganda by some media, Europe generally regards China's "rise" in Africa as a challenge at least in three aspects: First, China is protecting Sudan and Zimbabwe, both regarded as "rogue countries" amid serious human rights violations. They regard China's behavior in Africa as non-political and utterly commercialistic; second, China's principles of "non-interference" and "no attached conditions" constitute a reverse pressure on the traditional Western influence in Africa. When the Western countries stopped aid or investments in them to improve the human

rights goal of a certain African country, China would follow up with an offer without conditions attached. This would leave the Western countries efforts fruitless. Third, while pursuing profits, China's commercial behavior serves national interests (enjoying national preferential loan support), which will reduce Western companies to the plight of unequal competition. Along with the predictable increase of aid to Africa and of bidding contracts in the future, this contradiction will sharpen.

These three challenges, though putting the divergence in the ideological area, the outlook on values and development aid modes are essential challenges in the latter area. That is to say, Western companies are inferior due to the bondage of prerequisite ideological demands such as subordination of energy bidding and trade to the Western governments' "human rights" and "liberty" demands. For this reason some pessimistic and radical-minded people think that China should make policy readjustments on the first two items; otherwise the daily intensified interest conflict between China and Europe will not only be inevitable, but also will constitute a negative impact on the overall Chinese-European ties.

China-Europe cooperation in Africa: Possibilities, areas and channels

As a matter of fact, divergence and difference may not necessarily result in an antagonism in the globalised world. To achieve the common goals of promoting African development and Chinese-European cooperation, China and Europe should first of all break away from the traditional thinking patterns of Cold War zero-sum

games. Different understandings and interest judgments as well as different modes of development aid should not become obstacles to the Chinese-European cooperation in Africa, which is a cooperation of fundamental interest to both China and Europe. In terms of cognition, both parties should probe more from historical angles for mutual understanding on each other's presence in Africa. China should respect the historical status and legal interest of Europe in Africa while Europe should also make fairer and more reasonable interpretations of the Chinese-African cooperation mode, proceeding from historical development and practical effect judgments. At the recently held 2nd EU-Africa Summit, we were glad to note that the EU also flies the flags of "equality" and "respect," pledged to abandon the traditional relationship and set up a genuine Europe-Africa partnership based on equality and pursuance of common goals. But Africa has remained doubtful of the European commitments despite the noisy propaganda and high-sounding words. If the EU is to implement the banners and slogans, it must first of all drop zero-sum thinking patterns. Instead of regarding Africa as its "enclave," the EU should work together with China and other countries in concerted and dedicated effort to disburden Africa of poverty and enable it to get better developed. Only in this way can we expect that the serial fruits of the Europe-Africa Summit will become a blessing for the African peoples and play the role of pushing forward the Chinese-African ties and Chinese-European ties.

Secondly, both China and Europe should define their respective comparative edges in promoting African development and define on that basis certain priority areas of mutual cooperation.

Balancing historical experience and technical levels, Europe is beyond doubt superior in terms of institutional and organizational building as well as climate change while China has accumulated valuable experience in infrastructure construction, agriculture, and medical cooperation. Initial cooperation can start from education, human resource training and medical cooperation where there are fewer political and value outlook differences. As a matter of fact, judging from the angle of promoting the common development of mankind and pushing the development of a lasting world peace and harmony, China and Europe have a very wide area of cooperation in Africa.

Combining the focal points of Chinese and European interests and considering the technical and operable factors, China and Europe can coordinate their cooperation in Africa in the following areas:

1. Security: Further participation in peacekeeping efforts in Africa while fostering and strengthening an independent African peacekeeping capacity. First of all, there should be an increased exchange of information and experience in traditional and non-traditional security areas. Besides, China and Europe should work hand in hand in helping Africa to build up powerful peacekeeping forces according to their respective comparative edges in funds and training (Europe) and equipment (China). China has already participated in the UN multinational peacekeeping efforts and Europe should also become more active in committing peacekeeping forces. The presence of Chinese and European peacekeeping forces in Africa will not only be conducive to African security, but also will be an encouraging sign to the defense of world peace.
2. Political development: The achievements and rich experience gained by Western countries in building political democracy are beyond doubt a valuable asset for the political development of all countries in the world, while tyranny and autocracy are spurned by the peoples of the world, and are completely deprived of legality in political power. Nevertheless, national conditions vary immensely and some countries are one century or more behind - politically, economically and socially. Therefore the initial cooperation in this area should concentrate on information communication, common discussions on development experience and lessons and standards of judgment for political development. At the same time, bilateral and multilateral dialogues can be carried out on concrete anti-corruption experience and lessons, election modes and experience and lessons (China has carried out many years of grassroots elections), ruling party's governance capacity building, legal system formulation and improvements, and many other practical fields.
3. Infrastructure construction: China has a long history and many projects of aid to Africa in infrastructure construction, which are low-priced and of high quality; hence, enjoying very good comments and international reputation. From its own reform and development experience, China deeply realizes, "To become rich, we must first pave roads". On the other hand, Europe has a competitive edge in fund and project management. Therefore, China and Europe can work together to push African development through coordinating infrastructure construction investments.

4. Trade and investment: Further expand commercial and investment opportunities to African cooperation partners. This includes opening the market wider to African products, increasing investments in Africa, especially strengthening cooperation and coordination between the "EU-Africa Joint Strategy and Action Program" on the one hand and the FOCAC Action Program on the other. Besides, Europe should also step up efforts to cancel farm product allowances and push forward the Doha Talks.
5. Education and public hygiene: This area is comparatively less tinged with political hues and poses lower technical thresholds; hence, the easiest and quickest way to push cooperation. Human resource development has become an important content of the FOCAC. In recent years, the Chinese government has greatly increased fund inputs in this area (mainly training personnel of all kinds from Africa), while different types of European charity institutions, churches and social organizations have for a long period of time been involved in popularizing and pushing elementary education and public hygiene at the grassroots levels in many African countries.

China and Europe can cooperate in providing teaching equipment, teaching staff and teaching network construction in primary, secondary and tertiary education and can also cooperate in building schools especially rural primary schools in Africa. As for health, both China and Europe feature their respective proficiencies above all. The medical cooperation between China and Africa has a long history with significant results. China has developed highly effi-

cient traditional Chinese medicine in resisting malaria while Europe is taking the lead in the world in AIDS testing, prevention and cure. Therefore, there is no harm in striking the idea of a model under which Europe invests in building a hospital while China sends medical personnel and employs nursing staff in Africa in a concerted effort to fight diseases.

In conclusion, closer and more substantial cooperation of China and Europe in African development projects will not only be conducive to the healthy development of China-Europe ties, but will also bring blessings to the African peoples. Only by bilateral cooperation will it be possible to assure the advantages of an African development and to dispose the bondage of negative and zero-sum thinking mode, and thus to realize a win-win situation for China and Africa regarding the African development and a multi-win situation for China, Europe and Africa.

Author

Prof. He Wenping

Research fellow and leader of African Section
Institute of West-Asian and African Studies/CASS

