THE NEW SCRAMBLE FOR AFRICA:

Western and Chinese Development Aid Programs in Africa.

LA NOUVELLE RUÉE VERS L'AFRIQUE:

Programmes D'aide au Développement Occidentaux et Chinois en Afrique.

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by

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For My Wife

I dedicate this project to my wife Jillian for her unwavering, support, patience, and most importantly her love. I will never be able to thank her enough for the sacrifices she made throughout this process. Jillian, your encouragement and support are what made this thesis possible. Thank you.

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Abstract

The contemporary development of Africa is at the center of an ongoing struggle; one that is primarily economic, but also political, and potentially kinetic. At stake in this conflict is garnering the influence and power of 54 African states. The West, led primarily by the United States, has used development assistance as a means to influence African nations for decades, and was the dominant actor in the field of Official Development Assistance (ODA). That is until 2000 when the People's Republic of China (PRC/China) entered the aid field, primarily through their Belt and Road Initiative. Over the last half century Western aid has been focussed primarily on the basic needs of developing nations, such as the health and education sectors. Western aid programs have also focussed on transforming the structural economic, political, and social institutions of recipient nations in pursuit of greater aid effectiveness. Conversely, the PRC has centered their development assistance on the notion of political non-interference and has largely targeted specific sectors, such as critical infrastructure that Western aid programs have largely abandoned. What has been the effect of China's substantial entry into the aid game in Africa? Has an alternative source of development assistance produced better development results for recipient nations? Have the PRC aid programs led to changes in Western aid programs and strategies? This thesis seeks to answer these questions by assessing the competing development strategies of the West and the PRC in Ghana, Ethiopia, and the DRC over the period of 1990 to 2018 through the use of the United Nations' Human Development Index and the African Development Bank Group's Country Policy and Institutional Assessment models. The result of the aid competition between these two actors in these three developing nations has resulted in minor shifts in policy and strategies from both the PRC and the West. This study indicates that both the PRC and the West have started to adjust the ways they execute their development assistance insofar as the 'where' they direct their aid and 'how' such aid is dispersed. Western development assistance still adheres to the Development Assistance Committee (DAC) guidelines on development assistance, namely ensuring aid is predominantly dispersed in the form of ODA rather than through other official flows (OOF) which the PRC relies on. Both the West and the PRC have their reasons for vying for influence in the region. The West seeks to expand and maintain its economic and political international order through effective development whereas the PRC seeks to reestablish an old form of international order where spheres of influence are the primary driver in international relations. The PRC aims to achieve this through their political outreach and by tying their development aid to developing nations in an exploitative manner; seeking to entrap developing nations either through Chinese debt or by coalescing China's economy with the economies of developing nations. In the end both the West and PRC are playing at a dangerous game as the development and future of these 54 African states are in the hands of two sides who do not place the needs of Africans before their own.

Résumé

Le développement contemporain de l'Afrique est au centre d'une lutte continue ; une lutte qui est principalement économique, mais aussi politique et potentiellement cinétique. L'enjeu de ce conflit est d'obtenir l'influence et le pouvoir de 54 États africains. L'Occident, dirigé principalement par les États-Unis, a utilisé l'aide au développement comme un moyen d'influencer les nations africaines pendant des décennies, et était l'acteur dominant dans le domaine de l'aide publique au développement (APD). Cela s'est produit jusqu'en 2000, lorsque la République populaire de Chine (RPC/Chine) est entrée dans le domaine de l'aide, principalement par le biais de son initiative La Route de la Ceinture. Au cours du dernier demi-siècle, l'aide occidentale a été principalement axée sur les besoins fondamentaux des pays en développement, tels que le secteur de la santé et de l'éducation. Les programmes d'aide occidentaux se sont également concentrés sur la transformation des institutions structurelles économiques, politiques et sociales des nations bénéficiaires dans le but d'accroître l'efficacité de l'aide. Inversement, la RPC a centré son aide au développement sur la notion de non-ingérence politique et a largement ciblé des secteurs spécifiques, tels que les infrastructures critiques que les programmes d'aide occidentaux ont en grande partie abandonnés. Quel a été l'effet de l'entrée substantielle de la Chine dans le jeu de l'aide en Afrique ? Une source alternative d'aide au développement a-t-elle produit de meilleurs résultats en matière de développement pour les nations bénéficiaires? Les programmes d'aide de la RPC ont-ils entraîné des changements dans les programmes et stratégies d'aide occidentaux ? Cette thèse cherche à répondre à ces questions en évaluant les stratégies de développement concurrentes de l'Ouest et de la RPC au Ghana, Éthiopie, et la RDC sur la période 1990-2018 grâce à l'utilisation de l'indice de développement humain des Nations unies et des modèles d'évaluation politique et institutionnelle du Groupe de la Banque africaine de développement. Le résultat de la concurrence en matière d'aide entre ces deux acteurs dans ces trois pays en développement a entraîné des changements mineurs dans les politiques et stratégies de la RPC et de l'Occident. Cette étude indique que la RPC et l'Occident ont commencé à ajuster leurs modes d'exécution de l'aide au développement dans la mesure où ils déterminent où leur aide est dirigée et comment elle est distribuée. L'aide au développement occidentale respecte toujours les lignes directrices du Comité d'aide au développement (CAD) en matière d'aide au développement, à savoir veiller à ce que l'aide soit principalement distribuée sous forme d'APD plutôt que par le biais d'autres flux officiels (OOF) sur lesquels la RPC s'appuie. Tant l'Occident que la RPC ont leurs raisons de rivaliser pour obtenir de l'influence dans la région. L'Occident cherche à étendre et à maintenir son ordre économique et politique international par un développement efficace, tandis que la RPC cherche à rétablir une ancienne forme d'ordre international où les sphères d'influence sont le principal moteur des relations internationales. La RPC vise à atteindre cet objectif par son engagement politique et en liant son aide au développement aux pays en développement de manière exploiteuse ; cherchant à piéger les nations en développement soit par la dette chinoise, soit en fusionnant l'économie de la Chine avec celles des pays en développement. En fin de compte, l'Occident et la RPC jouent à un jeu dangereux car le développement et l'avenir de ces 54 États africains sont entre les mains de deux parties qui ne placent pas les besoins des Africains avant les leurs.

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List of Abbreviations and Acronyms

AfDB	African Development Bank
BRI	Belt and Road Initiative
CPIA	Country Policy and Institutional Assessment
DAC	Development Assistance Committee
DAH	Development Assistance for Health
DRC	Democratic Republic of the Congo
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GNI	Gross National Income
HDI	Human Development Index
HIPC	Heavily Indebted Poor Countries
HLF	High Level Forum
HLM	High Level Meeting
IDA	International Development Assistance
IMF	International Monetary Fund
IPE	International Political Economy

MDG	Millennium Development Goals
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
OOF	Other Official Flows
PRC	People's Republic of China
SAP(s)	Structural Adjustment Program(s)
SDG	Sustainable Development Goals
SSC	South-South Cooperation
SWAp	Sector Wide Approach
UN	United Nations
UNDP	United Nations Development Programme
UNSC	United Nations Security Council
USAID	United States Agency for International Development
US	United States (of America)
USD	United States Dollar
USSR	Union of Soviet Socialist Republics
WB	World Bank

Chapter One: Introduction

The economic and social development of Africa is once again a center of global contestation. At stake in this conflict is the objective of garnering the influence and power that comes with Africa's 54 states. This ongoing clash is not the first time the region of Africa has endured such a power struggle. In the late 19th century European imperial states divided the continent and its peoples into various spheres of influence to exploit Africa's copious natural resources.[1] In the 20th century the United States and the Soviet Union competed for the loyalty of newly decolonized states for similar economic and political reasons. Today, the struggle for Africa is more economic than kinetic, with the struggle for power being principally between the West and the People's Republic of China (PRC/China).[2] Why the renewed interest in Africa? For one, by 2050 the projected population of the continent will double and by 2100 it will represent 33 percent of the global population.[3] Moreover, Africa has an abundance of valuable minerals and resources such as petroleum, uranium, chromium, platinum, and cobalt - which play vital roles in the modern digital economy and in the 'global' transition towards clean energy.[4] There is also the direct international political influential factor that is exacerbating the struggle for Africa. Of the 193 states within the UN General Assembly African states hold a 28 percent share of the vote. As in the late 19th century, global powers view Africa as the epicenter of economic and political development in the 21st century and beyond.

As a result, Africa is increasingly becoming the center of a new great power competition. One critical area of this competition is international development assistance (IDA). Prior to the 2000s the aid field in Africa was primarily dominated by Western governments, institutions, and peoples. However, since the early 2000s the PRC has become a leading contender of

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[1] Amin George Forji, *International Law and the History of Resource Extraction in Africa: Capital Accumulation and Underdevelopment, 1450-1918*. First edition. (Abingdon, Oxon: Routledge 2024).

[2] The word 'West' in this paper refers to a collection of states and organizations which are governed by liberal democratic principles and are Development Assistance Committee (DAC) members or officially recognized observers of the DAC. This list of nations and organisations can be found on the Organisation for Economic Co-operation and Development (OECD) webpage. See, "Development Assistance Committee (DAC), *The Organisation for Economic Co-operation and Development*, accessed March 2025, https://www.oecd.org/en/about/committees/development-assistance-committee.html

[3] "Africa's population will double by 2050" *The Economist*, 26 March 2020, accessed February 2025, https://www.economist.com/special-report/2020/03/26/africas-population-will-double-by-2050; Edward Paice, "By 2050, a quarter of the world's people will be African – this will shape our future," *The Guardian*, 20 January 2022, accessed 15 February 2025, https://www.theguardian.com/global-development/2022/jan/20/by-2050-a-quarter-of-the-worlds-people-will-be-african-this-will-shape-our-future; Gabrielle Sierra, "The Future Is Africa," filmed December 2020 for, *Council on Foreign Relations*, accessed February 2025, https://www.cfr.org/podcasts/future-african; Ibrahim B. Anoba "How a Population of 4.2 Billion Could Impact Africa by 2100: The Possible Economic, Demographic, and Geopolitical Outcomes," *The SAIS Review of International Affairs at John Hopkins* 24 September 2019, accessed 15 February 2025, https://saisreview.sais.jhu.edu/how-a-population-of-4-2-billion-could-impact-africa-by-2100-the-possible-economic-demographic-and-geopolitical-outcomes/#:~:text=By%202050%2C%20Africa's%20population%20will,trailing%20only%20Asia's%204.8%20billion ; and Dakar and Kano, "The world's peak population may be smaller than expected," *The Economist*, last updated 05 April 2023, accessed 15 February 2025, https://www.economist.com/middle-east-and-africa/2023/04/05/the-worlds-peak-population-may-be-smaller-than-expected.

[4] Colin Sandell-Hay, "The Future for Palladium and Platinum: Is Clean Energy a Double-Edged Sword?," *The Assay,* last updated on 13 July 2021, accessed 15 February 2025, https://www.theassay.com/articles/feature-story/the-future-for-palladium-and-platinum-is-clean-energy-a-double-edged-sword/; "Nuclear Power in a Clean Energy System," *International Energy Agency*, May 2019, accessed 15 February 2025, https://www.iea.org/reports/nuclear-power-in-a-clean-energy-system

developmental assistance across Africa due in large part to its Belt-Road Initiative.[5] This trend follows the PRC's expansionist behaviour both politically and economically since the 1990s as they have since become an economic and political challenger to the West across the globe. Like the West, the PRC now employs a range of development strategies from direct investment to concessionary loans, to civil society focussed non-governmental organisation programs. Since the early 2000s Western states and economic institutions such as the World Bank and the Organisation for Economic Co-operation and Development (OECD) have faced increased Chinese competition in delivering and determining the social, political, and economic futures of African peoples.

Although foreign economic and political assistance has long been a feature of African history, it has become in the twenty-first century a key strategy in expanding global markets, combating poverty, improving human rights, maintaining international security, and providing sustainable human development. During the colonial period of African history European imperial powers employed the concept of development to justify their control over African peoples. During Africa's decolonization, development assistance was central to Cold War struggles with each side promoting their own forms of economic development. Even so, most official development assistance (ODA) delivered in Africa remained in the hands of Western powers over this period. However, as China has risen to global economic prominence over the past 35 years the facilitators of developmental assistance to Africa has changed from being predominantly Western to a near even split between China and the West in some African nations. China's growing power and influence among developing nations has led to growing concerns by Western states.[6] China's actions in the developmental aid sphere continues to be scrutinised by

[5] A basic explanation of the Chinese Belt Road Initiative comes from Ricardo C. S. Siu. He states that the Belt Road Initiative "is an unprecedented endeavor to develop a social and economic nexus that connects China and more than sixty countries across the Asian, European, and African continents." See, Ricardo C. S. Siu, "China's Belt and Road Initiative: Reducing or Increasing the World Uncertainties?" *Journal of Economic Issues* 53 no. 2 (2019): 572. Additionally, The Belt and Road Initiative is "Chinese President Xi Jinping's signature foreign policy undertaking and the world's largest infrastructure program" while also posing a "significant challenge to U.S. economic, political, climate change, security, and global health interests" by having "financed and built everything from power plants, railways, highways, and ports to telecommunications infrastructure, fiber-optic cables, and smart cities around the world." See, Jennifer Hillman and David Sacks, "China's Belt and Road: Implications for the United States," *Council on Foreign Relations: Policy File, Independent Task Force Report* No. 79. (2015), accessed February 2025, https://www.cfr.org/task-force-report/chinas-belt-and-road-implications-for-the-united-states/introduction; and for more information regarding the BRI see Canadian Security Intelligence Service "Expanding regional ambitions: The Belt and Road Initiative" for the Canadian Government, last modified May 2018, accessed March 2025 https://www.canada.ca/en/security-intelligence-service/corporate/publications/china-and-the-age-of-strategic-rivalry/expanding-regional-ambitions-the-belt-and-road-initiative.html; and James McBride, Noah Berman, and Andrew Chatzky "China's Massive Belt and Road Initiative," *Council on Foreign Relations*, February 2023, accessed March 2025, https://www.cfr.org/backgrounder/chinas-massive-belt-and-road-initiative

[6] Daniel F. Runde, Austin Hardman, and Clara Bonin, "Responding to China's Growing Influence in Ports of the Global South," *Center for Strategic and International Studies*, 30 October, 2024, accessed February 2025 https://www.csis.org/analysis/responding-chinas-growing-influence-ports-global-south; Alex Wooley "Banking on Beijing: The Aims and Impacts of China's Overseas Development Program," *Aid-Data*, May 5, 2022, accessed February 2025, https://www.aiddata.org/blog/banking-on-beijing-the-aims-and-impacts-of-chinas-overseas-development-program; "China's Approach to Global Governance," *Council on Foreign Relations*, accessed March 2025 https://www.cfr.org/china-global-governance/; and Daniel F. Runde and Austin Hardman "Great Power Competition in the Multilateral," *Center for Strategic and International Studies*, 24 October, 2024, accessed 15 February 2025, https://www.csis.org/analysis/great-power-competition-multilateral-system

Western states and organisations with a recent example being Canada's withdrawal of participation from, and support to, China's Asian Infrastructure Investment Bank.[7]

Notwithstanding this push by the PRC into the third sector, states have always used foreign development assistance as an economic and political tool to boost their power abroad, often to the detriment of recipient states (e.g. dependency theory). Although couched in the discourse of apolitical benevolence, states employ development assistance programs to advance their national interests. This continues to be true even in the age of United Nations Millennium Development Goals and the OECD's Paris Declaration of aid effectiveness that were supposed to put the interests of developing states first. Indeed, much of the aid effectiveness agenda of Western donors is based on ideas of conditionality that have their origins in the late 1980s in what became known as the "Washington Consensus," whereby governments of developing nations were forced to undertake numerous economic, political, and administrative reforms in return for development assistance.[8] Many of these reforms, particularly conditions attached to trade and financial liberalisation (free markets), good governance (democracy, tight fiscal policy, anti-corruption) and human rights led many in the developing world to decry them as forms of neo-colonialism.[9] However, for most of the immediate post-Cold War period underdeveloped states had little choice but to accept these conditions for much needed economic assistance.

China's rise to economic prominence after 1980 has changed the landscape of international relations. Beginning in the 1990s the PRC initiated what Ngaire Woods called a "silent revolution" in international development assistance.[10] Unlike Western donors – both national and multilateral institutions such as the Development Assistance Committee (DAC) of the OECD – China has utilised a 'without strings' approach that purportedly does not require African recipient states to undertake economic and political reforms in return for development assistance. Increasingly, Chinese leaders such as President Xi Jinping have stressed that "the world's richer countries have a responsibility to fulfil their commitments to developing nations without demanding political concessions."[11] Official Chinese development policies have tended to rely on five main pillars: political equality and mutual trust; win-win economic cooperation; mutually enriching cultural exchanges; mutual assistance in security; and solidarity and coordination in international affairs.[12] This has led many African leaders to view Chinese development assistance as preferable to Western options.[13] Nonetheless, many scholars have also

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[7] Joe McDonald, "Canada Suspends Work with Chinese-founded Development Bank While It Investigates Complaints," *Associated Press*, last updated on 14 June 2023, accessed January 2024, https://apnews.com/article/china-asian-investment-bank-canadian-resigns-ad390655ab33bf6df5b98a3886b67bb7

[8] Ben Fine, Costas Lapavitsas, and Jonathan Pincus, *Development policy in the twenty-first century: beyond the post-Washington consensus*, 1st ed. (Routledge, 2001), 3.

[9] For more information on the topic of the Global South labeling development assistance as neo-colonialism, see: Godfrey N. Uzoigwe, "Neocolonialism Is Dead: Long Live Neocolonialism," *Journal of Global South Studies* 36 no. 1 (2019): 59–87; Mark Langan, *Neo-Colonialism and the Poverty of "development" in Africa*, (Cham, Switzerland: Palgrave Macmillan 2018); and Imrana Alhaji Buba, "Aid, Intervention, and Neocolonial 'Development' in Africa," *Journal of Intervention and Statebuilding* 13 no. 1 (2018): 131-138.

[10] Ngaire Woods, "Whose Aid? Whose Influence? China, Emerging Donors and the Silent Revolution in Development Assistance," *International Affairs* 84 no. 6 (London 2008): 1205-1221.

[11] Salvador Santino F. Regilme Jr. and Henrik S. Hartmann, "Mutual Delegitimization: American and Chinese," *The SAIS Review of International Affairs*, 30 March 2018, accessed January 2025, https://saisreview.sais.jhu.edu/china-america-development-assistance/

[12] Ibid

[13] For more information on African states preferring PRC development assistance see Chapter Two and Six of this thesis and see the following: Shaquille Ifedayo Gilpin, "China, Africa and the International Aid System: A Challenge to (the Norms Underpinning) the Neoliberal World Order?" *Journal of Asian and African Studies* 58 no. 3 (Leiden 2023): 277-297; and Salvador Santino Regilme Jr, and Obert Hodzi, "Comparing US and Chinese Foreign Aid in the Era of Rising Powers," *The International Spectator* 56 no. 2 (2021): 114-131.

noted that the PRC's 'South-South Cooperation' and 'hands off' approach to development assistance is also based in self-interest - seeking both economic partners as well as political partners who are similarly interested in undermining the Western economic and political hegemony for a more decentralised global order.[14] For these reasons, many in the West have characterised the PRC's development assistance programs as "rogue aid" for their implicit if not explicit rejection of rule of law, democratic governance, and human rights. On the other hand, the PRC characterises Western development assistance as "rogue" for its violations of self determination.[15]

This competition over development assistance in Africa is part of a larger political, economic, and ideological struggle between the PRC and the United States led Western powers that is in many ways reflective of the Cold War period. Through international development assistance the US, and fellow Western liberal democratic states of the DAC, seek to advance the current liberal international rule-based order founded on the principles of democratic governance, open markets, and open societies. China on the other hand seeks to legitimize a different route to development that gives greater preponderance to state authority - if not authoritarianism - and state-managed capitalist economy.[16] Much like the Soviet Union during the Cold War, China, which was once itself a former underdeveloped nation, offers African states an alternative path to economic prosperity and social development.

1.1 Research Questions

This thesis explores the various development aid strategies employed by the West and the PRC in their attempts to vie for the political, social, economic, and cultural influence in Africa. The goal of this thesis is two-fold. First, this thesis seeks to determine whether the entry of the PRC into the aid system in Africa is affecting the aid strategies of Western donors. By no longer being the dominant provisioners of developmental assistance on the continent, how is increased competition from Chinese aid sources affecting the amount of aid, the types of aid, and the channels through which aid from the West is delivered? In short, has the increasing presence of China in the development assistance field in Africa altered Western aid strategies?

Second, this thesis seeks to understand the impacts of the increased competition in the delivery of development aid on a select set of African nations, Ghana, Ethiopia, and the Democratic Republic of the Congo (DRC). Has increased aid competition affected the economic and social development of African nations for the better? In addition, how has the increased presence of Chinese aid affected the governance and human rights records of African states? To measure these effects this thesis uses the United Nations' (UN) Human Development Index (HDI) and the Country Policy and Institutional Assessment (CPIA) of the African Development Bank (AfDB). These tools (explained in greater detail within the methodology section) will enable the thesis to answer the question, in addition to those listed above, of whether the presence of Chinese aid is providing an alternative path to development and/or enabling African states to avoid the conditionality of Western aid programs.

[14] Axel Dreher, and Andreas Fuchs, "Rogue Aid? An Empirical Analysis of China's Aid Allocation," *The Canadian Journal of Economics* 48 no. 3 (2015): 988–1023; and Tarek M. Harchaoui, Robbert K J Maseland, and Julian A Watkinson, "Carving Out an Empire? How China Strategically Uses Aid to Facilitate Chinese Business Expansion in Africa," *Journal of African Economies* 30 no. 2 (2021): 183–205.
[15] Moisés Naím, Rogue Aid. In *Foreign policy*, Vol. 159, Number 159, (March 2007), 95-96; and Axel Dreher, and Andreas Fuchs, "Rogue Aid? An Empirical Analysis of China's Aid Allocation," *The Canadian Journal of Economics* 48 no. 3 (2015): 988–1023.
[16] David A. Lake, "Economic Openness and Great Power Competition: Lessons for China and the United States," *The Chinese Journal of International Politics* 11 no. 3 (2018): 237-270.

From the basis of these two research questions this thesis has three core arguments. First, this thesis argues that the rise of PRC development assistance has led Western donors and programs to shift the focus of development assistance towards economic development and infrastructure support, but not decisively so. The small shifts in Western policy assessed are based on data regarding Ghana, Ethiopia, and the Democratic Republic of the Congo (DRC) spanning from 1990 through to 2018. Based on the period of study, the vast majority of Western development assistance remained centered on the sector wide approach (SWAp) directed largely towards the social sector (e.g. health, education, governance, and gender and equity). In each of the three case studies there has been some degree of Western aid that has increased within the infrastructure and economic development sectors, but OECD member countries still appeared wary of devoting aid to those sectors – in part to do with financial and governance capacities of developing nations but also because Western international development assistance (IDA), and its guidelines, remained focussed on capacity building.

Second, this thesis demonstrates that the results of increased PRC aid and greater aid competition from 1990 to 2018 has corresponded with measured economic development in all three African nations under review. All countries under examination have made significant strides in both overall HDI as well as in the more fundamental conditions for development measure by the CPIA. However, the relative impact remains under question. Of the three nations under examination only Ghana has passed from the category of a poor to middle human developed nation under UN HDI indices. While both the DRC and Ethiopia have made gains – sometimes great strides – both remain in the bottom 20 of 192 nations.

Third, this thesis contends that the availability of "rogue" or "unencumbered" aid from the PRC has not led African states to avoid the conditionality of Western aid – particularly in areas of governance, fiscal policy, and human rights. Data between 1990 and 2018 highlights that Ghana, Ethiopia, and the DRC continue to largely adhere to Western conditions and that all three nations have made strides according to their respective CPIA scores. Nonetheless certain issues remain – some of them long standing. One concerns debt and debt trapping. After years of being forced by the International Monetary Fund and World Bank policies to rein in spending and to be more fiscally prudent, the presence of PRC aid has led all three nations, but particularly Ghana and the DRC to once again flirt with fiscal insolvency potentially requiring further economic bailouts from international monetary institutions. Some of the literature suggests that the PRC is purposefully debt trapping nations to which it gives aid, to gain access to critical strategic resources and to delink these economies from the global economy or to at least weaken linkage to the West. This thesis does not answer whether Chinese aid is debt trapping nations, rather this thesis echoes concerns raised within the literature as the data collected and assessed raise concerns of debt in the three developing African nations assessed; thus, posing very difficult questions for OECD nations and their aid and development programs. Secondly, issues of governance – particularly transparency and accountability – which have been hallmarks of Western aid conditionality – remain problematic in all three nations under study. CPIA scores for these nations remain either flat or in some cases have declined – although not appreciably so. Still the presence of PRC aid, which is not subject to the same degree of monitoring or conditionality, maybe leading these African nations to drag their feet.

Map 1: Continent of Africa[17]

[17] "Africa Map and Satellite Image," *Geology.com*, accessed March 2025, https://geology.com/world/africa-satellite-image.shtml

Chapter Two: Literature Review & Methodology

2.1 Literature review

This section of the thesis delves into the history and contemporary research on specific topics which relate directly to the subject matter at hand. By the end of this chapter, one will understand the history and evolution of developmental aid, both in general terms and specifically the development assistance policies set by the West and the PRC. Lastly the final section of this chapter delves into the methodology of this thesis along with the theoretical lenses that set the foundation for this work.

2.1.1 What is development

The definition of development is a contested topic. In its simplest form, development is a multidimensional process to change the economic, social and political conditions of a society or nation to provide a higher quality of life for its members.[18] Three leading scholars within development studies, Gilbert Rist, Corinna Unger, and Amartya Sen define development effectively as it is put forth in this thesis. For much of the last century in which the concept of development has been employed the key focus has been on economic progress; typically assessed through a state's gross domestic product (GDP) and the earning power of its citizens (measured through real income).[19] Development came to be associated with economic modernization of the kind experienced by Northern and Western states and societies after the advent of the Industrial Revolution.[20] States and societies with diverse industrial economies were considered developed, while those that remained primarily focussed on agriculture and resource extraction were often defined as "underdeveloped."[21] During the first Decade of Development in the 1960s this economistic definition held sway. However, beginning in the 1970s definitions of development broadened to include broader social and political goals. The idea is that development should see an increase in the opportunities and freedoms of individuals. Typically, an increase in economic success allows for such outcomes but as noted by Amartya Sen, in his book *Development as Freedom*, development in governance, gender equality, infrastructure, poverty, among several other sectors, allows for individuals greater opportunities for personal development and autonomy.[22]

For the state, development has been a tool that "further[s] their strategic and ideological goals."[23] During the Cold War Western states viewed development as a "way of accelerating economic growth and [keep] the political radicalism of the left at bay."[24] Following the collapse of the Soviet Union, Western states viewed development as a promise to those that they deemed underdeveloped of a better future which would result in the underdeveloped state's liberation.[25]

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[18] Corinna R. Unger, *International Development: A Postwar History* (London: Bloomsbury Publishing 2018), 16-17.
[19] Gilbert Rist, *The History of Development: From Western Origins to Global Faith*, 3rd ed, (London 2008), 18-19, 73, 83-88, and 145
[20] Kenneth Pomeranz, *The Great Divergence: China, Europe, and the Making of the Modern World Economy*, (Princeton, N.J: Princeton University Press 2000), 3-13.
[21] Corinna R. Unger, *International Development: A Postwar History*, (London: Bloomsbury Publishing 2018), 16.
[22] Amartya Sen, *Development as freedom*, 1st ed. (Alfred A. Knopf, 1999), 3-12. https://kuangaliablog.wordpress.com/wp-content/uploads/2017/07/amartya_kumar_sen_development_as_freedombookfi.pdf
[23] Corinna R. Unger, *International Development: A Postwar History*, (London: Bloomsbury Publishing 2018), 8-9.
[24] Ibid., 9.
[25] Ibid., 9-10.

Other states, such as authoritarian regimes, view development as a means to their political agenda. This can be understood through the PRC's use of development aid to combat the current liberal international order by trying to diminish the West's dominance over development assistance and to apply its own autocratic ideology on 'underdeveloped states.'[26] Despite such nuances, all states view development as a form of social and/or economic improvements in order to create an ideal society. The differences and divergences among nations is what comprises this 'ideal society.' For the West it is the realization of *liberté, égalité, fraternité* and for the PRC it is an organised and guided form of society with absolute sovereignty – a pure form of self-determination uninfluenced by external actors.

African states have a unique position on development as they are largely post-colonial states. This type of history had led to two major outlooks on development. The first is that some African states view development as an implicit right; a form of reparations for the political, economic, and social impacts of colonialism of the 18th and 19th century.[27] In contrast, the second point of view is that African states often perceive development assistance as a continuation of colonialism through dependency.[28] The history of the African continent is what, in part, influences African states' current outlook of development. During the colonial era it was clear that development for them was not to improve their standards of living, but rather to increase their economic productivity for the benefit of the imperial societies.[29] Nevertheless the stance of developing nations from Africa reside on one of two sides: development assistance as a form of reparations or development assistance as an imperialistic endeavor hiding behind the guise of altruism.

2.1.2 The History of Developmental Assistance to the 1990s

The concept of development is commonly used in modern politics, both domestically and internationally. The term development was initially derived from the term progress in relation to a nation's economy. Western Europe was the first to utilize the term economic development which only described a state's desire to advance their economic position, largely through industrialization.[30] China was the first non-European state to introduce the idea of economic development with Sun Yat-sen's book *The International Development of China*, written in English in 1918 and published in 1922.[31] Although development as a concept has primarily concerned economic growth, it also came to refer to the development of civilization. As the Industrial Revolution took off in Europe development as a term came to encourage a belief in hierarchy of civilizations. Those who had not industrialized were encouraged to undergo some

[26] Ibid., 10
[27] George Ulrich, and Louise Krabbe Boserup, eds, *Human Rights in Development. Volume 7, Yearbook 2001*, First edition, (The Hague, The Netherlands: Kluwer Law International 2003), 50-52; and Amara Enyia, "Global Reparations Agenda for Afrodescendants: An Overview of Recent Developments and the Way Forward," *Development and Change* 55 no. 4 (2024): 618-624; and Stefan Richards, "Can Reparations Buy Growth? The Impact of Reparations Payments for Slavery on Growth and Sustainable Development," *Social and Economic Studies* 68 (2019): 185-262.
[28] This idea of dependency is something that is discussed below in this chapter as it relates to dependency theory; and Corinna R. Unger, *International Development: A Postwar History*, (London: Bloomsbury Publishing 2018), 10.
[29] Rajen Harshé, *Africa in World Affairs: Politics of Imperialism, the Cold War and Globalisation*, 1st ed. (New York, NY: Routledge 2019), 1-8.
[30] George Stathakis, and Gianni Vaggi, "Introduction: Economic development and social change: the classical view and the moderns," in *Economic development and social change: historical roots and modern perspectives*, eds. George Stathakis, and Gianni Vaggi (Routledge, 2006), 8.
[31] Sara Lorenzini, *Global Development: A Cold War History*, (Princeton: Princeton University Press, 2019), 9.

form of ‘development’ to earn their place within the ranks of the civilized world.[32] This concept mainly targeted peoples and societies outside of Europe but was particularly directed towards Africa.[33] These beliefs justified policies of imperialism as a civilizing mission. Despite the fall of empires during the First World War, development through civilization strengthened rather than dwindled. For instance the League of Nations, through articles 22 and 23, established a Mandate system by which the French and British empires would guide and care for underdeveloped states until they were deemed capable of entering the world of civilized states.[34] French and British colonial powers more than ever viewed development as a justification for colonialism as they publicly argued that only under their guidance could underdeveloped colonies be transformed into productive and independent colonies.[35] Scholars like Sara Lorenzini have linked post World War II development programs and approaches to colonial policies developed under the League and its Mandates during the Interwar period by noting that those who worked with League of Nations social and economic organizations - such as Julian Huxley and John Boyd Orr - went on to lead United Nations development organizations after 1945.[36]

Western imperial states and institutions were not the only states to promote ideas of development during the interwar period. During the 1930s, authoritarian leaders such as Benito Mussolini, Adolf Hitler and Joseph Stalin emphasized authoritarian forms of economic modernity through economic autarky and collectivization.[37] While state dominated forms of social engineering remained in the postwar period, autarky did not. The new international liberal world order, established through the creation of the United Nations in 1945 and the Bretton Woods economic system, stressed the interconnectedness of global political, social and economic systems.[38] Of course over the next five decades the Soviet Union and China challenged the capitalist nature of the new global order.

Thus, international development as we now understand the term began during the Second World War when British colonial secretary Malcolm MacDonald foresaw the impending security risks linked to Britain’s colonial states. MacDonald recognized that a majority of Britain’s colonial states were incapable of sourcing sufficient resources to support their infrastructure on their own amidst a global war. As a result MacDonald helped create the Colonial Development and Welfare Act which sought to pursue “security through development, allocating funds to create new jobs for natives and settlers and expand the construction of a welfare state in the colonies.”[39] The Colonial Development and Welfare Act would become one of the last colonial development assistance policies as the Second World War exhausted the colonial powers and

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[32] Corinna R. Unger, *International Development: A Postwar History*, (London: Bloomsbury Publishing 2018), 5. For more information on the industrial revolution leading to a push in international development see, “Development in History: “Everyman’s Road to Utopia?” in Corinna R. Unger, *International Development: A Postwar History*, (London: Bloomsbury Publishing 2018).
[33] Sara Lorenzini, *Global Development: A Cold War History*, (Princeton: Princeton University Press, 2019), 10.
[34] Sara Lorenzini, *Global Development: A Cold War History*, (Princeton: Princeton University Press, 2019), 11-12; Gilbert Rist, *The History of Development: From Western Origins to Global Faith*. 3rd ed, (London 2008), 59; and League of Nations, Articles 22 and 23 of the *Covenant of the League of Nations*, 28 April 1919, https://libraryresources.unog.ch/ld.php?content_id=32971179
[35] For a comprehensive breakdown on France’s and Britain’s views on development of Africa, see Rajen Harshé, *Africa in World Affairs: Politics of Imperialism, the Cold War and Globalisation*, 1st ed. (New York, NY: Routledge 2019), 9-36
[36] Sara Lorenzini, *Global Development: A Cold War History*, (Princeton: Princeton University Press, 2019), 13.
[37] Ibid., 15.
[38] The Bretton Woods system is best understood as “a global system of fixed but adjustable dollar exchange-rate parities.” For more information on the Bretton Woods system see, Maurice Obstfeld, “Economic Multilateralism 80 Years after Bretton Woods,” *Oxford Review of Economic Policy* 40 no. 2 (2024): 307-311.
[39] Sara Lorenzini, *Global Development: A Cold War History*, (Princeton: Princeton University Press, 2019), 17.

thus rendered their empires too costly to continue. Over the next two decades, European colonial powers slowly relinquished control over territories in Africa, and Southeast Asia.[40] However, even in the midst of decolonization Britain and France believed that these newly independent states still needed direction, guidance, and expertise to make the jump from colony to nation.

The crumbling of European empires during the Second World War forced the United States, and to a much lesser extent the Soviet Union, to pick up the torch of development in the postwar period. In the West Harry Truman ushered in the new era of development assistance on 20 January 1949 when he gave his inaugural speech to Congress outlining his government's domestic and foreign policy. Truman without reservation announced to the American people and to the rest of the world that "[America] must embark on a bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas" and that "for the first time in history, humanity possesses the knowledge and skill to relieve suffering of these people."[41] Known as "Point Four," Truman's speech outlined the framework of modern development assistance policies and specifically laid out the 'why' for this new era of development to be impartial, non-imperialistic and democratic in nature; pooling the available resources from developed states and putting them towards the goal of enriching all peaceful peoples on this earth.[42]

Notwithstanding these promises, much aid to the developing world in the early 1960s was driven by Cold War security concerns. Despite the promise of "technical assistance" much of the technology shared in this period was for military not peaceful purposes. The Soviet "economic offensive" under new Soviet premier Nikita Khruschev forced the United States and its allies to rethink their assistance policies towards Third World nations seeking political and economic independence.[43] The 1960s saw a major revision for the US regarding their international aid effort. In 1961 John F. Kennedy signed into law the Foreign Assistance Act (FAA) which established the United States Agency for International Development (USAID) and made the necessary and clear distinction between military and non-military aid.[44] In 1961, the new the FAA stated that no aid will be given to any country that:

> engages in a consistent pattern of gross violations of internationally recognized human rights, including torture or cruel, inhuman, or degrading treatment or punishment, prolonged detention without charges, causing the disappearance of persons by the abduction and clandestine detention of those persons, or other flagrant denial of the right to life, liberty, and the security of person, unless such assistance will directly benefit the needy people in such country.[45]

The FAA sought to use USAID as a soft power tool while also having conditions in place that conformed to the interest of the US and the rest of the West. USAID was the first step for the

[40] Ibid., 18-19.
[41] Harry Truman, "Inaugural Address," *National Archives Harry S. Truman Library & Museum*, 20 January 1949, https://www.trumanlibrary.gov/library/public-papers/19/inaugural-address
[42] Ibid.
[43] Burton I. Kaufman, "The United States Response to the Soviet Economic Offensive of the 1950s," *Diplomatic History*, Volume 2, Issue 2, April 1978, Pages 153–165.
[44] Foreign Assistance Act of 1961, Public Law 87–195; Approved September 4, 1961, As Amended Through P.L. 118–159, Enacted December 23, 2024, *United States Congress,* Washington, D.C. https://www.govinfo.gov/content/pkg/COMPS-1071/pdf/COMPS-1071.pdf
[45] Cornell Law School, "22 U.S. Code § 2304 - Human rights and security assistance," *Legal Information Institute,* https://www.law.cornell.edu/uscode/text/22/2304

US, embarking on their, and the World's, 'decade of development'.[46] Moreover, the 1960s saw the US attempt to give greater direction over Western development assistance efforts through the formation of the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD). Throughout the Cold War the US pushed development aid as a tool of soft power across the globe with the intent to curb communism by building stronger relations with the Global South.[47]

Western focus on development beginning in the 1960s was to transfer capital and technology to developing nations largely on a nation-to-nation basis. Development as it was understood for the next three decades could generally be understood as global Keynesianism.[48] To achieve annual economic growth rates of 5% Western (and Soviet) economic aid encouraged states to maximize domestic economic resources, develop plans for both social and economic development, to focus science and technology on "national priorities," improve government administration capacity, and to increase export earnings through both natural resource development and semi-manufactured goods.[49] Despite achieving in many cases the 5% growth goal, many decried the failures of the First Development Decade for its inability to tackle poverty and inequality both between and within societies. As a result, development policies shifted in the 1970s towards a "basic needs" approach. President of the World Bank Robert McNamara highlighted the notion that basic needs was a necessity in aid if development, particularly economic development, was truly the objective.[50] Other changes came along in the 1970's regarding development aid such as the rise in attention towards the issues of women, gender, and the environment.[51] For instance, the 1970s saw several research papers released demonstrating that "women's exclusion from economic development programs had been a significant factor in the rapid growth of population, illiteracy, malnutrition, poor health, and poverty—all key obstacles to development."[52] It was then the international community began to prioritize women in development both economically and socially no matter the state or society.

The late 1970s and the 1980s is largely viewed as a transformation in Western development policies. Both the United Kingdom (UK) and the US led an effort to change Western development assistance away from its statist Keynesian moorings towards one more market oriented. Both President Ronald Reagan and Prime Minister Margaret Thatcher's governments were relentless in government intervention in their own economies and societies.[53]

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[46] President John F. Kennedy, "Address Before the 18th General Assembly of the United Nations," 20 September 1963, *JFK Library,* New York. https://www.jfklibrary.org/archives/other-resources/john-f-kennedy-speeches/united-nations-19630920
[47] Joseph S. Nye, "Public Diplomacy and Soft Power," *The Annals of the American Academy of Political and Social Science* 616 no. 1 (2008): 94-95; and Laura Roselle, Alister Miskimmon, and Ben O'Loughlin, "Strategic Narrative: A New Means to Understand Soft Power," *Media, War & Conflict* 7 no. 1 (2014): 80.
[48] Global Keynesianism can be understood through the Brandt Report which was "a kind of Marshall Plan for the Third World." see, Gernot Kohler, "Global Keynesianism and Beyond," *Journal of World-Systems Research* 5 no. 2 (2015): 253-255. For a more nuanced outline of Keynesianism see, Sarwat Jahan, Ahmed Saber Mahmud, and Chris Papageorgiou, "What Is Keynesian Economics?" *Back to the Basics - IMF Finance & Development*, Vol. 51, No. 3 (2014): 53-54,
https://www.imf.org/external/pubs/ft/fandd/2014/09/basics.htm#:~:text=Keynesians%20believe%20that%2C%20because%20prices,constant%2C%20then%20output%20will%20increase.
[49] Gabriele Koehler, "Seven Decades of 'Development', and Now What?" *Journal of International Development* 27 no. 6 (2015): 737-740.
[50] Gilbert Rist, *The History of Development: from Western Origins to Global Faith*, Fifth edition (2019), 163.
[51] Corinna R. Unger, *International Development: A Postwar History*, (London: Bloomsbury Publishing 2018), 134-140.
[52] Ibid., 134.
[53] Robert Ledger, "The Road to Pergau Dam: Aid Policy, Ideology, and the Thatcher Government," *Diplomacy and Statecraft* 30 no. 1 (2019): 51.

Both extended those policies overseas, believing as Thatcher claimed that "what the developing countries needed more than aid was trade,"[54] Similarly, Reagan viewed "openness, competition, export growth, balanced budgets, [and] macroeconomic stability" as the keys to the success of economic development.[55] Thatcher's and Reagan's attitudes towards economic development found their way into the international monetary fund (IMF) and World Bank (WB) policies resulting in the structural adjustment lending programs of the late 1980s and 1990s. From this period onwards Western development assistance was increasingly tied to "economic liberalisation measures intended to stimulate private enterprise and trade-led growth."[56] This transformation of development assistance, supported by some and decried by others, has become what is known today as the Washington consensus.[57]

The 1990s saw the collapse of the Soviet Union which left the US as the sole hegemonic power internationally. As a result, the West, led primarily by the US, became the dominant force in international development assistance. The 1990s was a period of development experimentation as the West's efforts were unfettered and unopposed. This was when the DAC, IMF and WB were able to push structural adjustment programs (SAP) on to developing nations without opposition.[58] Nonetheless, the dissolution of the Soviet Union and the Cold War, created a more, not less, unstable geopolitical order. The dissolution of Yugoslavia, civil wars in Somalia, and the Rwandan genocide raised the importance of using economic aid, both humanitarian and developmental, to combat instability between and within states which ultimately led to conflict. The result of such instability was a refocus of efforts by the West towards a human security agenda and democracy promotion.[59] Indeed, in 1994 the United Nations Development Programme raised the issue of human security to the same level of state security; eventually linking human security to human development and then to human rights.[60] By the early 2000s, and through the creation of the Millennium Development Goals, economic growth was just one among a long list of development goals that now included peace, security, human rights, sustainable environmental practice, democracy and good government.[61] With a relatively free hand in this period, Western nations attempted to use IDA to help societies and nations successfully transition towards liberal economies and governance. However, the 1990s also witnessed the rise of a former underdeveloped nation that was neither liberal in governance nor economics, despite adopting market based economic policies. The rise of the PRC represented a new challenge to the Washington consensus that dominated international development efforts in the immediate post Cold War period.

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[54] Ibid., 58.
[55] Sebastian Edwards, "Economic Development and the Effectiveness of Foreign Aid: A Historical Perspective," *Kyklos* 68 no. 3 (2015): 289; and Michael F. Hopkins, "Margaret Thatcher," in *A Companion to Ronald Reagan*, ed. Andrew L. Johns, First edition (Newark: Wiley, 2015), 569.
[56] Robert Ledger, "The Road to Pergau Dam: Aid Policy, Ideology, and the Thatcher Government," *Diplomacy and Statecraft* 30 no. 1 (2019): 65.
[57] Corinna R. Unger, *International Development: A Postwar History*, (London: Bloomsbury Publishing 2018), 150-151.
[58] Constantine Michalopoulos, *Ending Global Poverty: Four Women's Noble Conspiracy*, (Oxford: Oxford University Press 2020), 10-11; and Getachew Fentahun, "Foreign Aid in the Post-Colonial Africa: Means for Building Democracy or Ensuring Western Domination?" *Cogent Social Sciences* 9 no. 1 (2023): 8.
[59] Constantine Michalopoulos, *Ending Global Poverty: Four Women's Noble Conspiracy*, (Oxford: Oxford University Press 2020), 12
[60] Bjorn Hettne, "Development and Security: Origins and Future," *Security Dialogue* 41 no. 1 (2010): 34.
[61] Corinna R. Unger, *International Development: A Postwar History*, (London: Bloomsbury Publishing 2018), 149.

2.1.2.1 History of Development Assistance Policies of the PRC

Mao Zedong's declaration of the creation of the People's Republic of China (PRC) in 1949 was a monumental moment for the 'Global South,' Within a decade of its formation Mao's China asserted itself as the exemplar of decolonization and anti-imperialism in global politics. Unlike the Soviet Union, which was tainted by its history as a Northern and Western empire, China's own fractured history of foreign interference by Western powers demonstrated that only it understood the struggles of decolonizing peoples around the globe. Since its inception the PRC has framed its foreign and development policies as a form of solidarity – a "shared future" – citing a shared experience of colonialism and underdevelopment.[62] Julia C. Strauss makes this argument as she contends that the PRC formulated and pushes "the perception that China is uniquely suited to assist Africa from a position of analogous but separate history of anti-colonial struggle, underdevelopment and representing 'old splendid civilizations.'"[63] As such the PRC based its foreign policy on the concept of the *Five Principles of Peaceful Co-Existence* (5PPCE). The first openly cited reference to the 5PPCE was in the 1954 Sino-Indian agreement in which both parties agreed to:

1. Mutual respect for each other's territorial integrity and sovereignty;
2. Mutual non-aggression;
3. Mutual non-interference in each other's internal affairs;
4. Equality and mutual benefit, and;
5. Peaceful co-existence.[64]

These principles set the basis for the PRC's historical and contemporary foreign policy, particularly their development assistance efforts across the globe.

Moreover, the PRC places a high value on the 5PPCE, so much so they explicitly put the five principles in the preamble section of their constitution along with a basic outline of their development and foreign policy where they state:

> China's achievements in revolution and construction are inseparable from the support of the people of the world. The future of China is closely linked to the future of the world. China consistently carries out an independent foreign policy and adheres to the five principles of mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence in developing diplomatic relations and economic and cultural exchanges with other countries. China consistently opposes imperialism, hegemonism and colonialism, works to strengthen unity with the people of other countries, supports the oppressed nations and the developing countries in their just struggle to win and preserve national independence and develop their national economies, and strives to safeguard world peace and promote the cause of human progress.[65]

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[62] Julia C. Strauss, "The past in the present: historical and rhetorical lineages in China's relations with Africa," *The China Quarterly* 199 (2009): 781-783; and Jianan, Li, Xiaoning Long, and Qi Jiang, "Aid and conflict: Evidence from Chinese aid," *China Economic Quarterly International*, *2* no. 2 (2022), 114.

[63] Julia C. Strauss, "The past in the present: historical and rhetorical lineages in China's relations with Africa," *The China Quarterly* 199 (2009): 779-780.

[64] Agreement Between the Republic of India and the People's Republic of China on Trade and Intercourse Between Tibet Region of China and India, 29 April 1954, http://www.commonlii.org/in/other/treaties/INTSer/1954/5.html

[65] Constitution of The People's Republic of China (Adopted at the Fifth Session of the Fifth National People's Congress and promulgated for implementation by the Proclamation of the National People's Congress on December 4,

As such the PRC has long distinguished itself from the West by its principled stance on strict non-interference in domestic affairs.[66] This influenced Chinese aid policy even in its rudimentary stages.[67]

2.1.2.1.1 Evolution of PRC Development Assistance Policy from Mao to Xi Jinping

The PRC under Mao Zedong's leadership began its international development effort in the mid-1950s. Despite China's fledgling economy they sought to aid other states in their pursuit of international recognition. The history of China's involvement in the international aid landscape can be best understood through Axel Dreher and Andreas Fuchs article "Rogue Aid: An empirical analysis of China's aid allocation" and Pippa Morgan and Yu Zheng article "Old bottle new wine? The evolution of China's aid in Africa 1956–2014." Both articles offer their own timeline of the evolution of China's development assistance strategy since 1956. Dreher and Fuchs article contextualizes PRC means and methods to achieve their strategic objectives in Africa and their broader implications, while Morgan and Zheng outline the evolution of the PRC's strategic objectives of their official development assistance (ODA) programs.

Dreher and Fuchs argue that the first phase of China's aid policy occurred between 1956 to 1969. During this first phase, China's aid was limited in scope to Africa, the Arabian Peninsula and China's immediate neighborhood.[68] In this first phase the PRC development assistance took the form of grants and interest-free loans.[69] Both Dreher and Fuchs and Morgan and Zheng concur that during this first phase Chinese aid was predicated on political and ideological solidarity with the recipient state's "resistance against colonial powers."[70] More importantly, however, the PRC sought to build "solidarity across the Third World in the aftermath of the Bandung conference" to exert its leadership role among Third World states.[71] In doing so the PRC was seeking support for its recognition as the legitimate representative of the Chinese state at the United Nations; this has been borne out in the literature.[72] This plan eventually came to fruition in 1971 when the UN General Assembly passed United Nations General Assembly resolution 2758 making the PRC the *de facto* representation of China rather than Taiwan.[73]

1982). https://english.www.gov.cn/archive/lawsregulations/201911/20/content_WS5ed8856ec6d0b3f0e9499913.html and https://www.elegislation.gov.hk/hk/A1%21en.assist.pdf

[66] Julia C. Strauss, "The past in the present: historical and rhetorical lineages in China's relations with Africa," *The China Quarterly* 199 (2009): 779-780.

[67] Ibid., 779-780.

[68] Axel Dreher and Andreas Fuchs, "Rogue Aid? An Empirical Analysis of China's Aid Allocation," *The Canadian Journal of Economics* 48 no. 3 (2015): 990.

[69] Ibid., 990.

[70] Axel Dreher and Andreas Fuchs, "Rogue Aid? An Empirical Analysis of China's Aid Allocation," *The Canadian Journal of Economics* 48 no. 3 (2015): 990; and Pippa Morgan, and Yu Zheng, "Old Bottle New Wine? The Evolution of China's Aid in Africa 1956-2014," *Third World Quarterly* 40 no. 7 (2019): 1283–1303.

[71] The Bandung conference is best described as "representatives from twenty-nine governments of Asian and African nations gathered in Bandung, Indonesia to discuss peace and the role of the Third World in the Cold War, economic development, and decolonization," see US government, "Bandung Conference (Asian-African Conference), 1955," *Office of the Historian*, accessed March 2025; and Pippa Morgan, and Yu Zheng, "Old Bottle New Wine? The Evolution of China's Aid in Africa 1956-2014," *Third World Quarterly* 40 no. 7 (2019): 1289.

[72] Giles Mohan, and Marcus Power, "New African Choices? The Politics of Chinese Engagement," *Review of African Political Economy* 35 no 115 (2008): 28-32; Robert A. Portada, Steve B Lem, and Uttam Paudel, "The Final Frontier: China, Taiwan, and the United States in Strategic Competition for Central America," *Chinese Journal of Political Science* 25 no.4 (2020): 554-558; and Anke Hoeffler, and Olivier Sterck, "Is Chinese Aid Different?" *World Development* 156 (2022): 2-3.

[73] Secretary-General Antonio Guterres, "Remarks on the 50th anniversary of General Assembly resolution 2758," UN General Assembly, 24 October 2021, accessed March 2025,

Dreher and Fuchs demonstrate that the PRC rewarded states that voted against Taiwan through increased development assistance.[74]

During this first period of Chinese development assistance the PRC provided a limited variety of assistance such as "medical teams, agricultural technical stations, and 'turnkey' manufacturing and infrastructure projects such as railways, roads, textile mills, and hydropower stations."[75] Projects were generally led by Chinese managers and workers for a predetermined set number of years, as negotiated by the recipient country.[76] This was important for both the PRC and the recipient state as it allowed for state relations to grow and allow for Chinese expertise to be shared with recipient states so they did not have to become reliant on foreign experts or technology to maintain the new infrastructure. Following the 9th National Congress in 1969 Dreher and Fuchs argue that Chinese ODA policies entered its second phase which lasted until 1978. Notably, it was during the second phase when China expanded its development assistance to other regions of the world such as Latin America while expanding its aid to more regions of Africa.[77] The PRC started to exert pressure on aid recipients via *quid pro quo* while maintaining their traditional aid measures of interest free loans and grants.[78] Morgan and Zheng argue that China relied on providing technical assistance not for economic gain but rather political gain as the PRC directed aid toward ideologically similar states.[79] It was the success of this use of technical assistance for political gain when the PRC crafted its development assistance policy on soft power as noted in the literature.[80] Morgan and Zhang also argue that the mid 1970s saw the PRC's development assistance transition away from being predominantly rural and agricultural and more towards, their traditionally under-supported efforts in, health and education which was in line with Western states; demonstrating some form of commonality among development aid internationally in the 1970s.[81]

Following the death of Mao Zedong in 1976, the ODA aspects of the PRC's development assistance shifted both politically and economically. The end of the Mao era for the PRC saw the eventual rise in power of Deng Xiaoping in 1978 who advocated major market reforms for China.[82] During this period, PRC aid strategy stagnated given the focus on domestic market

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https://www.un.org/sg/en/content/sg/statement/2021-10-24/remarks-the-50th-anniversary-of-general-assembly-resolution-2758

[74] Axel Dreher and Andreas Fuchs, "Rogue Aid? An Empirical Analysis of China's Aid Allocation," *The Canadian Journal of Economics* 48 no. 3 (2015): 996 and 1011.

[75] Pippa Morgan, and Yu Zheng, "Tracing the Legacy: China's Historical Aid and Contemporary Investment in Africa," *International Studies Quarterly* 63 no. 3 (2019): 560.

[76] Ibid. 560.

[77] Axel Dreher and Andreas Fuchs, "Rogue Aid? An Empirical Analysis of China's Aid Allocation," *The Canadian Journal of Economics* 48 no. 3 (2015): 991.

[78] Ibid., 992.

[79] Pippa Morgan, and Yu Zheng, "Old Bottle New Wine? The Evolution of China's Aid in Africa 1956-2014," *Third World Quarterly* 40 no. 7 (2019): 1289.

[80] Salvador Santino Regilme Jr and Obert Hodzi, "Comparing US and Chinese Foreign Aid in the Era of Rising Powers," *The International Spectator* 56 no. 2 (2021): 116-117; Pippa Morgan, "Can China's Economic Statecraft Win Soft Power in Africa? Unpacking Trade, Investment and Aid," *Chinese Journal of Political Science* 24 no. 3 (2019): 390-391; Robert A. Blair, Robert Marty, and Philip Roessler, "Foreign Aid and Soft Power: Great Power Competition in Africa in the Early Twenty-First Century," *British Journal of Political Science* 52 no. 3 (2022): 1360-1362; Min Ye, "The Dragon's Gift: An Empirical Analysis of China's Foreign Aid in the New Century," *International Trade, Politics and Development* 6 no. 2 (2022): 77-78; Keshab Chandra Ratha, "Soft Power and Hard State: China on the Global Stage," *ICFAI Journal of International Relations* 13 no. 4 (2019): 62.

[81] Pippa Morgan, and Yu Zheng, "Old Bottle New Wine? The Evolution of China's Aid in Africa 1956-2014," *Third World Quarterly* 40 no. 7 (2019): 1289.

[82] Axel Dreher and Andreas Fuchs, "Rogue Aid? An Empirical Analysis of China's Aid Allocation," *The Canadian Journal of Economics* 48 no. 3 (2015): 991.

reforms. Nevertheless, Chinese development assistance remained committed to providing non-conditional grants which often comprised 60 percent to 75 percent of PRC aid between 1980 and 1985.[83] In addition, the PRC continued to offer recipient states long term interest free loans. This third phase came to an end in 1989 following the Tiananmen Square protests and massacre.[84]

The Tiananmen Square incident launched the PRC into both an internal and external political crisis. China aimed to secure diplomatic support via 'chequebook diplomacy' through ODA as "a quick and comparatively cheap way by which Beijing could reward those countries that had stood by China during the 1989 crisis as well as cementing relations for the future."[85] Moreover, China reinforced its 'chequebook diplomacy' in response to Taiwan's democratic transition in the late 1980s.[86] The fourth phase, and the era of gradual reform, also saw innovative development efforts for the PRC as they expanded into other sectors such as "business services, environmental protection, and trade and tourism."[87] This was the same time when the PRC also sought out market-oriented means of financing development assistance through joint ventures and the use of official foreign direct investment (FDI).[88] Tiananmen Square revealed that one of the PRC's greatest weaknesses was the lack of committed alliances they had, thus resulting in their fourth phase being dedicated to cementing current foreign relations and securing future ones with their increased FDI and expansion into joint ventures.[89] This was what sparked the PRC's renewed efforts towards Africa as both a viable economic and political partner.

The fifth phase of PRC development assistance is marked by an increase in the interlinking of aid, trade, and investment with a concerted effort by the PRC in market-oriented economic policies. As noted by Dreher and Fuchs the hallmark of the fifth phase was the aim "to multiply the ways in which foreign financing is supplied to developing countries."[90] This led to the introduction of interest-subsidized preferential loans and increased interest in joint ventures along with the PRC's expansion into Eastern Europe - following the collapse of the Soviet Union - and Central Asian countries.[91] Morgan and Zheng's third era of PRC development assistance, as they refer to as the 'Chinese model' from 1994 to 2014, is when the PRC established critical institutions that continue to play a role to this day. Of course, this is in reference to the establishment of two policy banks with a key role in foreign official financing to developing nations in 1994: the Export Import Bank of China (China EXIM bank) and China Development

[83] Axel Dreher and Andreas Fuchs, "Rogue Aid? An Empirical Analysis of China's Aid Allocation," *The Canadian Journal of Economics* 48 no. 3 (2015): 992. Morgan and Zheng claim that PRC aid remained at previous levels and expanded from 40 to 50 of 53 African States. See, Pippa Morgan, and Yu Zheng, "Old Bottle New Wine? The Evolution of China's Aid in Africa 1956-2014," *Third World Quarterly* 40 no. 7 (2019): 1292.
[84] The Tiananmen square protest and massacre incident was a student-led protest against the PRC's government which quickly devolved into a massacre by the PRC' military of these protesters. For more information and details on the Tiananmen square protest and massacre see, Jeremy Brown, *June Fourth: The Tiananmen Protests and Beijing Massacre of 1989*, (Cambridge: Cambridge University Press 2021), 37-152.
[85] Axel Dreher and Andreas Fuchs, "Rogue Aid? An Empirical Analysis of China's Aid Allocation," *The Canadian Journal of Economics* 48 no. 3 (2015): 992.
[86] Ibid., 992-993.
[87] Pippa Morgan, and Yu Zheng, "Old Bottle New Wine? The Evolution of China's Aid in Africa 1956-2014," *Third World Quarterly* 40 no. 7 (2019): 1292.
[88] Pippa Morgan, and Yu Zheng, "Old Bottle New Wine? The Evolution of China's Aid in Africa 1956-2014," *Third World Quarterly* 40 no. 7 (2019): 1292.
[89] Denis M. Tull, "China's Engagement in Africa: Scope, Significance and Consequences," *The Journal of Modern African Studies* 44 no. 3 (2006): 462; and Chris den, and Cristina Alves, "History & Identity in the Construction of China's Africa Policy," *Review of African Political Economy* 35 no. 115 (2008): 53-54.
[90] Axel Dreher and Andreas Fuchs, "Rogue Aid? An Empirical Analysis of China's Aid Allocation," *The Canadian Journal of Economics* 48 no. 3 (2015): 993.
[91] Ibid., 993.

Bank (CDB).[92] It was at this point when the PRC started to increase the issuance of market-rate development loans. The fifth phase of PRC development aid saw a doubling in effort by Chinese leadership in 2006 when China declared a 'new strategic partnership' following the Beijing Summit of the Forum on China–Africa Cooperation.[93] This announcement included a plan by the PRC to double its then current, 2006, level of aid to Africa by the end of 2009 in order to "reach the target of mutual benefit and win-win situation between China and African countries."[94] It was this era of the Chinese development assistance model when the PRC started to increase the amount of non-ODA as a response to the global partnership pursuit by the DAC at Accra and Busan high-level fora.[95] China took on the unique position of mixing "traditional forms of aid with market-based financing mechanisms to fund infrastructure, industry and other business-oriented projects."[96] Prior to the end of the Cold War, both the PRC and the DAC tended to provide aid for infrastructure, agricultural and natural resource development, usually through grants not loans.[97] This trend did not last, however, as the PRC has since increased its use of loans to developing nations whereas the West has continued to rely on concessional aid. This fifth phase and third era came to an end following the launch of China's strategic development strategy, the multi-continental 'Belt Road Initiative' (BRI) under the leadership of President Xi Jinping.[98] It is the BRI which has ushered in the contemporary era of Chinese development assistance throughout Asia, Africa, Europe, and Latin America.

What are the general characteristics of PRC development assistance? First, the PRC combines "ODA-like finance with other commercially-oriented capital, and links developmental benefits for recipient countries with tangible economic benefits for Chinese official and commercial actors."[99] Second, Chinese aid emphasizes resource extraction, infrastructure, and other productive sectors. As a result, the focus by the PRC in directing their development assistance to the economic and infrastructure sectors in developing nations has become both a defining aspect of their international development assistance strategy and the main point of divergence from the West, particularly following the 2008 high-level forum on aid effectiveness in Accra, Ghana.

Some scholars have noted that Beijing's approach to development in Africa and beyond represents a counter-consensus to the West. As early as 2004, Joshua Cooper Ramo noted that the PRC's emergence in the assistance field was a powerful contender to US hegemony.[100] Ramo went on to explain that the means in which the PRC sought to accomplish this goal was through

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[92] Pippa Morgan, and Yu Zheng, "Old Bottle New Wine? The Evolution of China's Aid in Africa 1956-2014," *Third World Quarterly* 40 no. 7 (2019): 1292.

[93] Naidu, Sanusha, "The Forum on China-Africa Cooperation (FOCAC): What Does the Future Hold?" *China Report (New Delhi)* 43 no. 3 (2007): 284; and "China and Africa in the New Era: A Partnership of Equals," *The State Council Information Office of the People's Republic of China*, November 2021, accessed March 2025, https://www.mfa.gov.cn/eng/zy/gb/202405/t20240531_11367447.html

[94] Axel Dreher and Andreas Fuchs, "Rogue Aid? An Empirical Analysis of China's Aid Allocation," *The Canadian Journal of Economics* 48 no. 3 (2015): 993.

[95] Anke Hoeffler, and Olivier Sterck, "Is Chinese Aid Different?" *World Development* 156 (2022): 3; and "China's overseas development finance: review of flows and definitions, and potential support for SDG attainment in partner countries," *UNDP* (2021), 9. https://www.undp.org/china/publications/chinas-overseas-development-finance-review-flows-and-definitions-and-potential-support-sdg-attainment-partner-countries

[96] Pippa Morgan, and Yu Zheng, "Old Bottle New Wine? The Evolution of China's Aid in Africa 1956-2014," *Third World Quarterly* 40 no. 7 (2019): 1292-1293.

[97] Ibid., 1294.

[98] Ibid., 1294-1295. See footnote 11 for more details pertaining to the BRI.

[99] Ibid., 1285.

[100] Joshua Cooper Ramo, "The Beijing Consensus," *The Foreign Policy Centre*, (London, UK May 2004), 3. https://fpc.org.uk/wp-content/uploads/2006/09/244.pdf

what he coined ‘the Beijing Consensus.’[101] As depicted by Ramo, this idea can be best understood as:

> China is marking a path for other nations around the world who are trying to figure out not simply how to develop their countries, but also how to fit into the international order in a way that allows them to be truly independent, to protect their way of life and political choices in a world with a single massively powerful centre of gravity.[102]

The main features of this “Beijing Consensus” and its relationship to the “Washington Consensus” of the West, is outlined in the chart below (Figure 1). It is important to note that the Beijing consensus is not merely an international economic policy, rather its a policy directed towards both the social and economic sectors of development with the issues of international relations intertwined.[103] It is the strategic framework of Chinese willingness to innovate and experiment through non-intervention principles towards national borders and interests by its use of “asymmetric power projection.”[104]

Washington consensus versus	**Beijing consensus**
In economic terms	
1. Free markets and an important role for the private sector	1. Important role for the government in the economy
2. Loans, but under strict conditions	2. No conditions for soft loans
3. Projects: use local companies to create employment	3. Use Chinese companies, employment and technology
4. Transfer of technology, knowledge and experience (capacity building)	4. No transfer of knowledge and experience
In political terms	
1. Democracy	1. No recognition of Taiwan
2. Liberalization	2. Political support for China in the United Nations and other fora
3. Limited time for political functions (2 times 5 years for example)	3. Stability is important

Figure 1: Washington Consensus Versus the Beijing Consensus[105]

[101] Ibid.
[102] Ibid.
[103] Ibid., 5.
[104] Joshua Cooper Ramo, “The Beijing Consensus,” *The Foreign Policy Centre*, (London, UK May 2004), 4. https://fpc.org.uk/wp-content/uploads/2006/09/244.pdf; and Meine Pieter van Dijk, and European Association of Development Research and Training Institutes, *The New Presence of China in Africa*. 1st ed. (Amsterdam: Amsterdam University Press, 2009), 189.
[105] Meine Pieter van Dijk, and European Association of Development Research and Training Institutes, *The New Presence of China in Africa*. 1st ed. (Amsterdam: Amsterdam University Press, 2009), 22.

While the PRC's entry into the development aid field appears sudden, Beijing has been waiting to enter the development aid sphere as a lead donor since the late 1970s. China's desire can be traced back to Deng when he proclaimed that once China achieved a set economic status, "a per capita income level of $1000", it would be ready to vie for the mantle of responsibility of the Global South.[106] The PRC soon established eight strategic objective for their role in Africa:

1. Assure the supply of raw materials for China, including agricultural products
2. Create a market for Chinese products and services
3. Obtain land for agricultural purposes
4. Channel migration of Chinese people to Africa
5. Gain diplomatic support from African countries
6. Present an alternative to the Western development model
7. Provide an alternative to Western development cooperation
8. Emphasize China 's status as a superpower[107]

These eight objectives are outlined in detail within the case studies with each playing a prominent role in relation to this thesis. From these eight objectives, number seven stands out as it outlines the wedge the PRC drives between them and the West in Africa. Specifically, as noted by Dijk et al., China holds stability of the developing nation above all else; most notably above good governance, the West *raison d'etre* of their development assistance.[108] This is important as it links back to the PRC's first objective - the guiding principle to all of China's development assistance endeavours, particularly in Africa.

Lastly, the PRC' development assistance strategy prides itself on its lasting commitment to the recipient state. This framing by the PRC is important as it pushes against the fact that Western aid, particularly to African states, has been conditional and lacks consistency.[109] The PRC's framing of themselves within this global aid competition, especially in Africa, is seemingly non-linear and at times contradicting. However as Strauss notes, when everything mention up to this point is taken as an aggregate "this is a heady and convincing package, one that resonates with much older Chinese notions of statecraft as didactic morality and softens contemporary anxieties about place in the world, thus allowing China to claim to be both old and new, separate and better, national and international."[110]

2.1.3 Defining Development Assistance

If development is a contested term, then so too is what constitutes development assistance. This is particularly true when it comes to analyzing Western versus PRC assistance programs, since foreign aid in general can cover a myriad of activities from military aid to humanitarian aid, to assistance for long term development goals. Efforts to more strictly define what constitutes Official Development Assistance (ODA) goes back to the creation of the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD) in 1960. The DAC established the mechanisms by which member nations

[106] Joshua Cooper Ramo, "The Beijing Consensus," *The Foreign Policy Centre*, (London, UK May 2004), 60. https://fpc.org.uk/wp-content/uploads/2006/09/244.pdf
[107]Meine Pieter van Dijk, and European Association of Development Research and Training Institutes, *The New Presence of China in Africa*. 1st ed. (Amsterdam: Amsterdam University Press, 2009), 11-12.
[108] Ibid., 13.
[109] Julia C. Strauss, "The past in the present: historical and rhetorical lineages in China's relations with Africa," *The China Quarterly* 199 (2009): 778
[110] Ibid., 779-780.

defined developmental aid (as opposed to humanitarian or military aid) to ensure greater policy coherence among DAC member states. In addition to establishing coherence among DAC donor states, the committee also sought to establish themself as the premiere aid entity internationally. To this end the DAC created the concept of ODA in 1969 to draw a distinction between aid funds from other official flows (OOF).[111] In 1972, the DAC agreed to firm up its definition of ODA as the prior three years highlighted some shortcomings with the 1969 definition. The definition of ODA used up to 2018 is as follows:

1. Provided by official agencies, including state and local governments, or by their executive agencies; and
2. Each transaction of which:
    a. is administered with the promotion of the economic development and welfare of developing countries as its main objective; and
    b. is concessional in character and conveys a grant element of at least 25 per cent (calculated at a rate of discount of 10 per cent).[112]

The key aspects of ODA that makes it distinct to OOF is its concessional nature. This is important because ODA improves bilateralism between the donor and the recipient state and encourages the increasing of effective aid rather than OOF. The OECD defines OOF as aid that flows to the DAC list of ODA Recipients which is not directed towards development and welfare efforts and/or has a grant element of less than 25%.[113]

Another condition on aid for it to be considered ODA is that the aid must go to a state on the *DAC List of ODA Recipients*.[114] Following the end of the Cold War, it became increasingly clear that the economic makeup of the world was shifting dramatically. The DAC reacted to this shift by establishing a new two-part list of aid recipients. The first part was devised for 'traditional' developing countries; whereas part two of the list was for assistance to 'more advanced' developing and eastern European countries.[115] The modern DAC list of ODA receipts is designed to:

> measure and classify aid and other resource flows originating in donor countries. It is not designed as guidance for aid or other preferential treatment. It includes all low- and middle-income countries (as defined by the World Bank, based on gross national income [GNI] per capita), except for those that are members of the G8 or the European Union

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[111] Simon Scott, "The accidental birth of 'official development assistance,'" *OECD Development Cooperation Working Paper* 24 (September 2015): 12-13. https://www.oecd.org/en/publications/the-accidental-birth-of-official-development-assistance_5jrs552w8736-en.html

[112] "Official Development Assistance – Definition and Coverage," *Organisation for Economic Co-operation and Development*, accessed March 2025. https://www.oecd.org/en/topics/sub-issues/oda-eligibility-and-conditions/official-development-assistance--definition-and-coverage.html

[113] A grant element of 25% is the general express of the concessional element of ODA. There is in fact a kind of scale that is used when applying the grant element to aid from donors when considering it to be ODA or not. Additionally, there are four major factors of the grant element that are taking into consideration when evaluating ODA, see the following for definitions and further explanation of the grant/concessional element of ODA at "DAC Glossary of Key Terms and Concepts," *Organisation for Economic Co-operation and Development*, accessed March 2025. https://www.oecd.org/dac/dac-glossary.htm#Grant_Element

[114] "History of DAC Lists of Aid Recipient," *Organisation for Economic Co-operation and Development*, accessed March 2025. Countries https://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/historyofdaclistsofaidrecipientcountries.htm#:~:text=It%20was%20divided%20into%20two,separately%20as%20%22official%20aid%22.

[115] Ibid.

> (including countries with a firm accession date for EU membership). In addition, the list separately includes all Least Developed Countries (LDCs) as defined by the UN.[116]

The conditions set around ODA has been a matter of some contention with arguments being made that ODA limits the potential for innovative and perhaps more effective aid.[117] This argument leads to the underlying divide and conflict between the PRC and the West as both parties support alternative means of aid. Some argue that the underlying mechanism of ODA - the concession terms and economic and welfare centric aspects - are not entirely as sound as portrayed by the West.[118]

Often development assistance is mistaken for humanitarian aid; thus, prompting the necessity to highlight the difference between humanitarian aid and development assistance. Since its origins in the late 18th century, humanitarianism has often been the heart of the liberal international order and post Westphalian concepts of sovereignty.[119] Whereas before security was often narrowly defined as military threats to state sovereignty. The post Cold War period increasingly viewed threats to human security, such as famine, disease, crime and human rights violations as the principal drivers of conflict.[120] It became necessary based on humanitarian principles that state sovereignty be "based on the notion of responsibility – the idea that sovereigns enjoy the right to non-interference only insofar as they protect the fundamental rights of their citizens."[121] The PRC does not share this belief hence its support for the old Westphalian sovereignty. The shift into a post-Westphalian international order resulted in a dramatic increase in both governmental and non-governmental humanitarian aid. The importance of all this being is that the rise in humanitarian aid led to confusion regarding the differences between development and humanitarian assistance. Humanitarian aid is designed to be temporary short-term aid whereas development aid is designed to assist recipient states to become stable and self-sustaining and therefore no longer in need of external assistance. In essence, humanitarian aid is the short-term aid to address immediate disaster issues, such as famine, flooding, or other forms of environmental degradation and human conflict. It is the effort to ensure basic human necessities are being met so long as the state is either unwilling or incapable to provide such necessities. Development aid is the long-term action towards ensuring the developing state is capable of governing itself while being able to maintain basic necessities for its citizens. The end goal of development aid is to achieve all that in addition to the state being able to grow and

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116 Ibid.
117 Zehlia Babaci-Wilhite, Macleans A. Geo-JaJa, and Shizhou Lou, "China's Aid to Africa: Competitor or Alternative to the OECD Aid Architecture?" *International Journal of Social Economics* 40 no. 8 (2013): 730-734; Ifeoma Ifeyinwa Momah, "Official Development Assistance and the Factors Impeding Its Effectiveness in Africa," *Africa Review* 10 no. 2 (New Delhi 2018): 131-132 and 135-137; Fahimul Quadir, "Rising Donors and the New Narrative of 'South-South' Cooperation: What Prospects for Changing the Landscape of Development Assistance Programmes?" *Third World Quarterly* 34 no. 2 (2013): 333-335; and see the following article for a comprehensive overview of the concerns regarding ODA, Patrick Kilby, "DAC Is Dead? Implications for Teaching Development Studies," *Asia Pacific Viewpoint* 59 no. 2 (2018): 226–234.
118 Ibid.
119 Gabriel Mares, "Recovering African Contestation and Innovation in Global Politics: Francis Deng and Sovereignty-as-Responsibility," *International Theory* 16 no. 3 (2024): 357–561; Roberto Belloni, "The Trouble with Humanitarianism," *Review of International Studies* 33 no. 3 (2007): 453-454; and Adom Getachew, "The Limits of Sovereignty as Responsibility," *Constellations* 26 no. 2 (Oxford, England 2019): 225–240.
120 Michael Barnett, *Empire of Humanity: A History of Humanitarianism*, (Ithaca; London: Cornell University Press, 2011), 162-163.
121 Alex J. Bellamy, and Paul D. Williams, *Understanding Peacekeeping*. 2nd ed. (Cambridge: Polity Press, 2010), 13; and Michael Barnett, *Empire of Humanity: A History of Humanitarianism*, (Ithaca; London: Cornell University Press, 2011), 221.

further its own progress on the international stage without requiring external foreign aid. Simply put, humanitarian aid addresses the symptoms whereas the development assistance solves the underlying problem.

Despite the progress made by the West in defining development assistance, the 1990s demonstrated to the West that development aid was still insufficient in implementing IDA programs. The international community started the second millennium refocused on development assistance through aid effectiveness by way of the Millennium Development Goals (MDG) in conjunction with the four high-level fora on aid effectiveness. The international community came together in 2000 to draft, and eventually publish, the MDGs. These goals were drafted and agreed to by all 191 nations of the UN in 2000 among several international organizations both non-and-inter-governmental organizations.[122] The essence of the MDGs can be outlined into eight core goals. (1) eradicate extreme poverty and hunger, (2) achieve universal primary education, (3) promote gender equality and empower women, (4) reduce child mortality, (5) improve maternal health, (6) combat HIV/AIDS, malaria and other diseases, (7) ensure environmental sustainability, and (8) establish global partnership for development.[123] The MDGs took inspiration from the DAC as they were considered the contemporary leadership in aid and development as they set the 'gold standard.'[124]

Following the MDGs resolution in 2000, nations immediately started to work towards the eight MDGs. To ensure that these goals were met, a number of high-level fora regarding aid effectiveness were proposed to assess and track progress. The first high-level forum in Rome in 2003 sought greater "harmoni[zation] of the operational policies, procedures, and practices of our institutions with those of partner country systems to improve the effectiveness of development assistance, and thereby contribute to meeting the Millennium Development Goals (MDGs)."[125] One of the main takeaways from this first high-level forum (HLF) in Rome was the "country-based approach that emphasizes country ownership and government leadership, includes capacity building, recognises diverse aid modalities (projects, sector approaches, and budget or balance of payments support), and engages civil society including the private sector."[126] The Rome Declaration set a clear direction for ODA and development in the 21st century.

The second HLF on aid effectiveness held in Paris in 2005 led to the creation of, and commitment to achieve, over two dozen objectives which were categorized accordingly within five central pillars of aid effectiveness: Ownership, Alignment, Harmonisation, Managing for

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122 United Nations General Assembly Resolution 55/2 "United Nations Millennium Declaration," (18 September 2000) UN Doc (A/55/L.2), https://documents-dds-ny.un.org/doc/UNDOC/GEN/N00/559/51/PDF/N0055951.pdf?OpenElement

123 United Nations, Dag Hammarskjöld Library, accessed March 2025, https://research.un.org/en/docs/dev/2000-2015; and United Nations General Assembly Resolution 55/2 "United Nations Millennium Declaration," (18 September 2000) UN Doc (A/55/L.2), https://documents-dds-ny.un.org/doc/UNDOC/GEN/N00/559/51/PDF/N0055951.pdf?OpenElement

124 "Development co-operation," *The Organisation for Economic Co-operation and Development*, accessed March 2025, https://www.oecd.org/en/topics/development-co-operation.html; and "Official development assistance (ODA)," *The Organisation for Economic Co-operation and Development*, accessed March 2025, https://www.oecd.org/en/topics/policy-issues/official-development-assistance-oda.html

125 "Rome Declaration on Harmonisation," *The Organisation for Economic Co-operation and Development Archive*, (Rome, February 2003), 10, https://web-archive.oecd.org/2014-08-25/157680-31451637.pdf; and Jessica Martini, Roch Mongo, Hyppolite Kalambay, Anne Fromont, Nathalie Ribesse, Bruno Dujardin, "Aid effectiveness from Rome to Busan: some progress but lacking bottom-up approaches or behaviour changes," *Tropical Medicine & International Health*, *17* no. 7 (2012): 931.

126 "Rome Declaration on Harmonisation," *The Organisation for Economic Co-operation and Development Archive*, (Rome, February 2003), 10, https://web-archive.oecd.org/2014-08-25/157680-31451637.pdf

Results, and Mutual Accountability (see Figure 2).[127] The Paris Declaration was a significant moment for development assistance and aid effectiveness as the signatories made crucial headway in key aspects of aid such as monitoring, accountability, establishing donor and recipient state responsibilities, and outlined clear objectives with desired targets. To ensure that aid was meeting the needs and priorities of recipient states, the signatories of the Paris Declaration decided to host the next HLF in a developing country – Accra, Ghana in September 2008.[128]

PARIS DECLARATION INDICATORS

OWNERSHIP

1. Countries put in place national development strategies with clear strategic priorities.

ALIGNMENT

2. Countries develop reliable national fiduciary systems or reform programmes to achieve them.
3. Donors align their aid with national priorities and provide the information needed for it to be included in national budgets.
4. Co-ordinated programmes aligned with national development strategies provide support for capacity development.

5a. As their first option, donors use fiduciary systems that already exist in recipient countries.

5b. As their first option, donors use procurement systems that already exist in recipient countries.

6. Country structures are used to implement aid programmes rather than parallel structures created by donors.
7. Aid is released according to agreed schedules.
8. Bilateral aid is not tied to services supplied by the donor.

HARMONISATION

9. Aid is provided through harmonised programmes co-ordinated among donors.

10a. Donors conduct their field missions together with recipient countries.

10b. Donors conduct their country analytical work together with recipient countries

MANAGING FOR RESULTS

11. Countries have transparent, measurable assessment frameworks to measure progress and assess results.

MUTUAL ACCOUNTABILITY

12. Regular reviews assess progress in implementing aid commitments.

Figure 2: The 2005 Paris Declaration Outline[129]

[127] Organisation for Economic Co-operation and Development and United Nations Development Programme, "High Level Forum: Paris Declaration on Aid Effectiveness, Ownership, Harmonisation, Alignment, Results and Mutual Accountability," (Paris 2005), 1. https://www.undp.org/sites/g/files/zskgke326/files/publications/ParisDeclaration.pdf; and
https://www.undp.org/publications/paris-declaration-aid-effectiveness

[128] Organisation for Economic Co-operation and Development and United Nations Development Programme, High Level Forum: Paris Declaration on Aid Effectiveness, Ownership, Harmonisation, Alignment, Results and Mutual Accountability," (Paris 2005), 3. https://www.undp.org/sites/g/files/zskgke326/files/publications/ParisDeclaration.pdf; and
https://www.undp.org/publications/paris-declaration-aid-effectiveness

[129] Organisation for Economic Co-operation and Development, "The Paris Declaration on Aid Effectiveness: Five Principles for Smart Aid," (2007), 2.

The other notable result of the Paris declaration that ought to be highlighted, particularly since it affects the way we understand both Western and PRC development assistance in the 21st century, is the establishment of donor and recipient responsibilities. With respect to donor states, their core responsibilities were outlined as aligning their support and aid to the strategies formulated by the recipient state while using their local governance structures.[130] Moreover, the expectation was made that "donor countries and organisations coordinate their actions, simplify procedures and share information to avoid duplication" in an effort to limit wasteful expenditure and reduce the chance for ill-intent actors using the fund for personal gain.[131] Despite the Paris Declaration taking place in 2005, the responsibilities assigned to donor states remain as relevant and important today. Recipient states were given the distinct responsibility of establishing their own development strategies.[132] This was an important step for developing countries to sign onto as it gave them the power in guiding their development, distinct from the colonial history of development. In Spite of these efforts of dividing labour and the setting of development targets in 2005, the following HLF in Accra would demonstrate the shortcomings of the international community.

The 2008 HLF in Ghana saw major Global South nations including China and India in attendance for the first time as donors not recipients. In conjunction with the PRC's rise within the aid landscape, the DAC and other key stakeholders noticed that the 2010 goals set in Paris would be missed by a significant margin. As a result the HLF in Accra, also referred to as the Accra Agenda for Action (AAA), called for three main areas of progress to be made by all actors within the international aid landscape.[133] These three areas were: country ownership, building more effective and inclusive partnerships, and achieving development results—and openly accounting for them.[134] These three commitments focussed primarily on strengthening the institutional capacities of developing countries to manage development assistance, reducing the fragmentation of aid, and being more accountable and transparent to the public for results. As noted in the following pages of this thesis the PRC and Western DAC nations both believe their own forms of development assistance conform to these goals, while they have criticized the other for contravening them.

These differences in development assistance strategies came to the forefront at future high-level fora. For example, the fourth HLF held in 2011 in Busan, South Korea focused on other forms of non-ODA as development, specifically to encourage the PRC to enter the Global Partnership for Effective Development Co-operation (GPEDC). The desire to include the PRC

https://web.archive.org/web/20240621095838/https://www.oecd.org/dac/effectiveness/45827300.pdf; https://www.oecd.org/dac/effectiveness/45827300.pdf; and https://www.oecd.org/en/topics/development-co-operation-evaluation-and-effectiveness.html.

[130] Organisation for Economic Co-operation and Development, "The Paris Declaration on Aid Effectiveness: Five Principles for Smart Aid," (2007), 2.
https://web.archive.org/web/20240621095838/https://www.oecd.org/dac/effectiveness/45827300.pdf

[131] Ibid.

[132] Ibid.

[133] Organisation for Economic Co-operation and Development, "The Paris Declaration on Aid Effectiveness and the Accra Agenda for Action," (2005/2008),
https://web.archive.org/web/20230210025633/https://www.oecd.org/dac/effectiveness/34428351.pdf;
https://www.oecd.org/dac/effectiveness/34428351.pdf
African Development Bank, "Third High Level Forum on Aid Effectiveness: Accra Agenda for Action," *AfDB* (September 2008).
https://www.afdb.org/fileadmin/uploads/afdb/Documents/AccraAgendaAaction-4sept2008-FINAL-ENG_16h00.pdf

[134] African Development Bank, "Third High Level Forum on Aid Effectiveness: Accra Agenda for Action," *AfDB* (September 2008), 1-2.
https://www.afdb.org/fileadmin/uploads/afdb/Documents/AccraAgendaAaction-4sept2008-FINAL-ENG_16h00.pdf

was seen as diminishing Paris and Accra agreements as the belief was that as more diverse states signed on their respective domestic situations would extend into the aid effectiveness agenda, resulting in global aid effectiveness to become less absolute and binding.[135] Moreover, the Busan Partnership for Effective Development Co-operation (BPEDC), legitimized the PRC's development assistance efforts and gave credence to the aid struggle that was feared to come.

The end of the MDGs came in 2015 with the establishment of the sustainable development goals (SDG) which was unanimously adopted in a UN general assembly resolution commonly referred to as the *2030 agenda*.[136] The 2030 agenda acknowledged that donors had "provided an important framework for development and significant progress [was] made in a number of areas. But the progress [had] been uneven, particularly in Africa, least developed countries, landlocked developing countries and small island developing States."[137] Moreover the international community acknowledged its failure to achieve any, but one, of the 13 targets set within the Paris Declaration but remained optimistic as notable progress was made on most targets (see Figure 3).[138] The 2030 Agenda and the 17 SDGs was a moment to re-energize the international development aid landscape.

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[135] Rachel Hayman, "The Busan Partnership: Implications for Civil Society," Intrac Policy Briefing Paper 29, (February 2012): 10–11. https://www.intrac.org/app/uploads/2016/09/Briefing-Paper-29-The-Busan-Partnership.pdf

[136] United Nations, "Unanimously Adopting Historic Sustainable Development Goals, General Assembly Shapes Global Outlook for Prosperity, Peace," *United Nations General Assembly Seventieth Session* (GA/11688 September 2015), https://press.un.org/en/2015/ga11688.doc.htm; and United Nations General Assembly Resolution 70/1, "Transforming our world: the 2030 Agenda for Sustainable Development," (25 September 2015) UN Doc (A/70/L.1), https://www.un.org/en/development/desa/population/migration/generalassembly/docs/globalcompact/A_RES_70_1_E.pdf

[137] United Nations General Assembly Resolution 70/1, "Transforming our world: the 2030 Agenda for Sustainable Development," (25 September 2015) UN Doc (A/70/L.1), 5. https://www.un.org/en/development/desa/population/migration/generalassembly/docs/globalcompact/A_RES_70_1_E.pdf

[138] Marjolaine Nicod and Robin Ogilvy, Robin Ogilvy, and OECD. *Aid Effectiveness 2011: Progress in Implementing the Paris Declaration,* Better Aid, (OECD Publishing 2012): 20, https://read.oecd-ilibrary.org/development/aid-effectiveness-2011_9789264125780-en#page22

	Paris Declaration Indicator	2010 Actual	2010 Target[d]	Status
1	Operational Development Strategies % of countries having a national development strategy rated "A" or "B" on a five-point scale[a]	37% (of 76)	75%	Not met
2a	Reliable public financial management (PFM) systems % of countries moving up at least one measure on the PFM/CPIA scale since 2005[a]	38% (of 52)	50%	Not met
2b	Reliable procurement systems % of countries moving up at least one measure on the four-point scale since 2005	--	No Target[c]	--
3	Aid flows are aligned on national priorities % of aid for the government sector reported on the government's budget[a]	41%	85%	Not met
4	Strengthen capacity by co-ordinated support % of technical co-operation implemented through co-ordinated programmes consistent with national development strategies[a]	**57%**	**50%**	**Met**
5a	Use of country PFM systems % of aid for the government sector using partner countries' PFM systems[b]	48%	55%	Not met
5b	Use of country procurement systems % of aid for the government sector using partner countries' procurement systems	44%	No Target[c]	--
6	Strengthen capacity by avoiding parallel PIUs Total number of parallel project implementation units (PIUs)[b]	1 158	565	Not met
7	Aid is more predictable % of aid for the government sector disbursed within the fiscal year for which it was scheduled and recorded in government accounting systems[b]	43%	71%	Not met
8	Aid is untied % of aid that is fully untied[a]	86%	More than 89%	Not met
9	Use of common arrangements or procedures % of aid provided in the context of programme-based approaches[a]	45%	66%	Not met
10a	Joint missions % of donor missions to the field undertaken jointly[a]	19%	40%	Not met
10b	Joint country analytic work % of country analytic work undertaken jointly[a]	43%	66%	Not met
11	Results-oriented frameworks % of countries with transparent and monitorable performance assessment frameworks[a]	20% (of 44)	36%	Not met
12	Mutual accountability % of countries with mutual assessment reviews in place[a]	38%	100%	Not met

Figure 3: Results of the 2005 Paris Declaration Goals[139]

After much back and forth, China and India offered that the "principles, commitments and actions agreed in the outcome document [BPEDC] shall be 'the reference for South-South partners on a voluntary basis.'"[140] This was not positively received by many DAC nations as they argued there is no global partnership when there are exceptions to principles that are meant to be shared among all nations. Nevertheless, the proposal by China and India was accepted on the

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[139] Ibid.

[140] Talaat Abdel-Malek, "The Global Partnership for Effective Development Cooperation: Origins, Actions and Future Prospects," *German Development Institute*, (2015), 184. https://www.idos-research.de/uploads/media/Studies_88.pdf

condition that China and India would publicly endorse the BPEDC.[141] They agreed.[142] The result was the following declaration in the BPEDC:

> Both in nature and modalities and the responsibility that apply to North-South Cooperation differ from those that apply to South-South Cooperation. At the same time, we recognize that we are all part of a development agenda in which we participate on the basis of common goals and shared principles. In this context we encourage increased efforts to support effective cooperation based on our specific country situations. The principles, commitments and actions agreed in the outcome document in Busan shall/must be the reference for South-South partners on a voluntary basis.[143]

Following this agreement China took a more active role in the high-level fora. However, subsequent high-level meetings in Mexico City and Nairobi have been marked by increasing divisions rather than cooperation. The high-level meeting (HLM) in Mexico 2014 was considered an overall failure as it could not maintain a semblance of global partnership. China and India were notably absent from the GPEDC's first HLM; the same two nations who jeopardized the HLF in Busan in 2011.[144] The lack of participation from China and India in Nairobi was linked to the notion that the GPEDC is not a proper forum for global development despite 161 countries and 56 organizations in attendance.[145] Perhaps China and India share the same belief that organizations from the South believe, such as the network of Global South think tanks which argue that "global partnership reflects an outdated world order that cannot fully capture the complexity of South-South Cooperation (SSC) in today's development discourse."[146] The PRC has never truly opted into the Western model of development assistance, rather their initial participation in the HLFs and in GPEDC was done in large part to ensure they had a seat at the table, there was no real interest in partnership with the Global North. As such the donor states of the Global South took a principled stance - holding a fundamental difference in belief on the way forward in developmental aid - whereas the Global South developing states were arguing for an international political system beyond the current makeup of the international community, in essence acknowledging the distinct history and works of the Global South; thus binding the interest between the donors and developing nations of the Global South.[147]

The actions of the PRC as described above are best understood when one understands nonconformity of the PRC towards DAC standards. Specifically, the use of ODA and OOF by the PRC. Tarek Harchaoui, Robbert Maseland, and Julian Watkinson conducted a study to

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[141] Ibid., 185.
[142] China and India agreed but then made one last demand that their amendment be moved up to the start of the document as the second point to ensure that their context was set for the rest of the BPEDC. See Talaat Abdel-Malek, "The Global Partnership for Effective Development Cooperation: Origins, Actions and Future Prospects," *German Development Institute*, (2015), 185 https://www.idos-research.de/uploads/media/Studies_88.pdf
[143] Ibid., 185.
[144] Ibid., 298.
[145] Farida T. Bena, "The outcome of the 2nd High Level Meeting of the Global Partnership for Effective Development Co-operation and why it matters," *Aid Watch Canada* (January 2017), 5. https://aidwatchcanada.ca/wp-content/uploads/2017/02/Final-GPEDC-HLM2-paper-Farida-T-Bena-with-Brian-Tomlinson-3Feb2017.pdf
[146] Ibid.
[147] Siba Grovogu "A Revolution Nonetheless: The Global South in International Relations," *The Global South* Vol. 5, No. 1, Special Issue: The Global South and World Dis/Order (Spring 2011): 175-190; and Lina Benabdallah, Carlos Murillo-Zamora, and Victor Adetula, "Global South Perspectives on International Relations Theory," *E-Internaitonal Relations*, 19 Nov 2017. https://www.e-ir.info/2017/11/19/global-south-perspectives-on-international-relations-theory/#:~:text=Global%20South%20perspectives%20not%20only,all%20concerned%20and%20challenge%20international

understand how the PRC uses different types of aid. They conclude that the PRC's development assistance policy is principally based on self-interest where the PRC directs ODA towards projects which improve bilateral relations and trade flows between developing nations and the PRC, and OOF towards development projects which secure natural resources through long term commitments placed into large loans.[148] While the DAC and other Western donors have placed several guardrails for international development since the 1970s, resulting in a preference of ODA and other preferred development policies such debt relief, official export credits, and governance-based conditions to name a few. The PRC seemingly, as it bears out in the literature, strategically allocates aid flows to a specific sector and/or projects depending on what the end goal is for the PRC such as access to a certain market, expanding trade imports, strengthening relations, or for other geopolitical reasons.[149] The lack of conformity by the PRC towards the DAC's development guidelines is what seems to have given the PRC a context dependent advantage over the West in development assistance. It is through impelling developing nations towards dependency which the PRC has gained this advantage.[150] But at what cost? This thesis seeks to find the answer.

Moreover, The PRC's use of aid is distinct from the West, particularly in how they categorize their aid internationally. The PRC relies on non-ODA aid such as foreign investment, military assistance and scholarships to international students which are discouraged by the OECD.[151] The literature has found that "Chinese aid is mostly commercial in nature (OOF-type aid), made up of near- or at-market rate loans and export credits used to foster Chinese investment" resulting in "China [providing] far less ODA and far more OOF than its Western counterparts."[152] China leverages their aid as a "counterpoint" to DAC ODA, specifically in regards to the infrastructure and economic productive sectors of development that have been recently neglected by the West.[153] The literature has demonstrated that the PRC's use of aid towards infrastructure is central to their development strategy and makes Chinese aid a proxy to Western ODA.[154] The main distinction one ought to take from the literature is that the PRC uses

[148] Tarek M. Harchaoui, Robbert K J Maseland, and Julian A Watkinson, "Carving Out an Empire? How China Strategically Uses Aid to Facilitate Chinese Business Expansion in Africa," *Journal of African Economies* 30 no. 2 (2021): 197.

[149] See the following sources, Deborah Bräutigam, "Aid 'With Chinese Characteristics': Chinese Foreign Aid and Development Finance Meet the OECD-DAC Aid Regime," *Journal of International Development* 23 no. 5 (2011): 752-764; Naohiro Kitano, and Yumiko Miyabayashi, "China's Foreign Aid as a Proxy of ODA: Preliminary Estimate 2001-2022," *Journal of Contemporary East Asia Studies* 12 no. 1 (2023): 264-293; and Tarek M. Harchaoui, Robbert K J Maseland, and Julian A Watkinson, "Carving Out an Empire? How China Strategically Uses Aid to Facilitate Chinese Business Expansion in Africa," *Journal of African Economies* 30 no. 2 (2021): 183-205.

[150] Tarek M. Harchaoui, Robbert K J Maseland, and Julian A Watkinson, "Carving Out an Empire? How China Strategically Uses Aid to Facilitate Chinese Business Expansion in Africa," *Journal of African Economies* 30 no. 2 (2021): 199.

[151] Santino F. Salvador Regilme, Jr and Obert Hodzi, "Comparing US and Chinese Foreign Aid in the Era of Rising Powers," *The International Spectator*, 56 no. 2 (2021): 117.

[152] Damian Raess, Wanlin Ren, and Patrick Wagner, "Hidden Strings Attached? Chinese (Commercially Oriented) Foreign Aid and International Political Alignment," *Foreign Policy Analysis* 18 no. 3 (2022): 3; and Axel Dreher, Andreas Fuchs, Brad Parks, Austin M Strange, and Michael J Tierney, "Apples and Dragon Fruits: The Determinants of Aid and Other Forms of State Financing from China to Africa," *International Studies Quarterly* 62 no. 1 (2018): 183.

[153] Deborah Bräutigam, "Aid 'With Chinese Characteristics': Chinese Foreign Aid and Development Finance Meet the OECD-DAC Aid Regime," *Journal of International Development* 23 no. 5 (2011): 753.

[154] Naohiro Kitano, and Yumiko Miyabayashi, "China's Foreign Aid as a Proxy of ODA: Preliminary Estimate 2001-2022," *Journal of Contemporary East Asia Studies* 12 no. 1 (2023): 266; and Deborah Bräutigam, "Aid 'With Chinese Characteristics': Chinese Foreign Aid and Development Finance Meet the OECD-DAC Aid Regime," *Journal of International Development* 23 no. 5 (2011): 762.

ODA as a political tool over economic considerations of a developing nation; that "China employs ODA to facilitate Chinese monopolisation of exports in resource rich countries and OOF to secure privileged Chinese market access in countries with strong market potential."[155] It is this divergence in development policy which makes the Beijing consensus unique to that of the West's Washington consensus and a viable rival. This is possible due to the lack of interest by the PRC on "good and accountable governance" conditions within developing nations as China's chief concern is, rather, their access to valuable resources and economic ties to Africa through stability.[156] So in fact the PRC has never truly had an interest in aligning itself with the West. The PRC, instead, opts for being a passive observer at the table; one with a say and a vote. Yet, it was at GPEDC and BPEDC when the PRC had enough of the West trying to exert influence on China and the rest of the Global South. As such, the PRC asserted its influence and ultimately left the table, not that they were truly a part of any cohesive global development assistance effort.

All this raises the question if Chinese development aid is truly a method of development within the field of study international development assistance. Moreover, if one were to grant the former question, is Chinese aid comparable to that of the West's development assistance. First, regarding whether Chinese aid can be categorized as development aid, the answer to this is yes. This thesis advances the argument that that Chinese aid directed to developing African nations ought to be considered as development assistance based on three arguments. First, as noted in detail above, Chinese aid is in fact interested in pursuing actual development within the recipient nations of its aid. This is because the PRC seeks international partners that share similar political sentiment (e.g. the *one China* policy) while also seeking to achieve its own interest.[157] This is why the PRC focuses on the mutual benefit aspect of international cooperation. Second, Chinese aid still adheres to some Western aspects of development assistance. For instance, while it is true that most of the PRC's international aid is in the form of OOF and not ODA, it is also true that the interest rates of Chinese OOF loans is often below market rates.[158] Third, evidence presented below suggests that Chinese aid, whether it be bilateral, multilateral, grants, loans, and/or investments through the BRI, has benefited recipient states and has led to overall development. This is clear both in the literature cited above and in this thesis (see Chapters Three through Five).

With regards to the contention of whether Chinese development aid and Western development aid can be compared with one another, the answer is yes, they can be compared. One ought to be careful however to not presume that because they are comparable it means they are equivalent. This thesis takes the position that said comparison of development aid between the PRC and the West is best understood as a comparison between apples and oranges. Both Western and PRC development aid qualify as 'development cooperation'.[159] Moreover, one ought to view PRC and Western development aid on a single spectrum, both residing on the spectrum just at opposite ends.

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155 Tarek M. Harchaoui, Robbert K J Maseland, and Julian A Watkinson, "Carving Out an Empire? How China Strategically Uses Aid to Facilitate Chinese Business Expansion in Africa," *Journal of African Economies* 30 no. 2 (2021): 185

156 Ibid., 199.

157 Anke Hoeffler, and Olivier Sterck, "Is Chinese Aid Different?" *World Development* 156 (2022): 13-15.

158 Zhicheng Xu, and Zhang Yu, "Lightening up Africa: The effects of Chinese aid on the economic development in Africa," *China Economic Quarterly International*, *2* no. 3 (2022): 187-188; and Anke Hoeffler, and Olivier Sterck, "Is Chinese Aid Different?" *World Development* 156 (2022): 13-15.

159 Jonathan Glennie and José Antonio Alonso, "What is Development Cooperation? Four Criteria to Help Define It," *Global Policy Journal*, https://www.globalpolicyjournal.com/blog/01/06/2015/what-development-cooperation-four-criteria-help-define-it

2.2 Methodology

This thesis seeks to address current gaps in the study of Chinese development assistance in Africa by two main ways. First, while there is emerging literature on China's development assistance policies and approaches, (outlined above) most of literature prior to 2013 has been largely inconclusive concerning the effects PRC's aid has had on the social and economic development of African states.[160] This inconclusiveness changed, however, in 2014 following the PRC's launch of the BRI which brought about a renewed effort in the study of the PRC's IDA, particularly in Africa. Since then, the literature has narrowed to key issues regarding PRC's IDA such as the problems of governance and corruption, debt sustainability, and aid effectiveness.[161] This thesis seeks to expand the relevant literature on the issues relating to debt sustainability, and governance. Second, this thesis seeks to fill gaps in the current literature on how China's entry into the aid sphere in Africa is affecting Western development assistance strategies.

In assessing the impact of Chinese aid to Africa this thesis is guided by two interrelated research questions (outlined in the introduction). The first focuses on the quantity and types of development assistance delivered to African states by Western and Chinese sources. More specifically, how the increased presence of China in the development assistance field in Africa has altered Western aid strategies. The thesis charts such assistance since 1990 looking for how those patterns have developed over time up to 2018, looking for significant changes to either the amounts, types, or delivery of Western development assistance. To chart this, the thesis uses two main sources of information.

First the thesis employs aggregate aid data from both Western and Chinese sources. Data on aid from Western nations and institutions is available through several online open sources. For instance, Aid Data is a premiere institute which is dedicated to gathering, researching, and analyzing data that pertains to aid assistance in less developed and poor countries.[162] Additionally, data from the Organization for Economic Cooperative and Development, (OECD) particularly the Development Assistance Committee (DAC) will be used as there is a wealth of

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160 Ashley Jackson, "The Impact of the Cold War and New Scrambles for Africa," *Journal of Southern African Studies* 36 no. 1 (2010): 229–239; Mario Biggeri, and Marco Sanfilippo, "Understanding China's Move into Africa: An Empirical Analysis," *Journal of Chinese Economic and Business Studies* 7 no. 1 (2009): 31–54; Giles Mohan, and Marcus Power, "New African Choices? The Politics of Chinese Engagement," *Review of African Political Economy* 35 no. 115 (2008): 23–42; Denis M. Tull, "China's Engagement in Africa: Scope, Significance and Consequences," *The Journal of Modern African Studies* 44 no. 3 (2006): 459-479; Dorothy McCormick, "China & India as Africa's New Donors: The Impact of Aid on Development," *Review of African Political Economy* 35 no. 115 (2008): 73–92; and May Tan-Mullins, Giles Mohan, and Marcus Power, "Redefining 'Aid' in the China-Africa Context," *Development and Change* 41 no. 5 (2010): 857-881.

161 Deborah Bräutigam, "China, Africa and the International Aid Architecture," *African Development Bank Group Working Paper* (April 2010), 25. https://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/WORKING%20107%20%20PDF%20E33.pdf; Sujin Cha, "Chinese Aid and Corruption in African Local Governments," *Journal of International Development* 36 no. 1 (2024): 587–605; Ann-Sofie Isaksson, and Andreas Kotsadam, "Chinese Aid and Local Corruption," *Journal of Public Economics* 159 (2018): 146–159; Evelyn Wamboye, and Esubalew Alehegn Tiruneh, eds. *Foreign Capital Flows and Economic Development in Africa: The Impact of BRICS versus OECD*. First edition (New York: Palgrave Macmillan US 2017); Chuku Chuku, Lin Lang, and King Yoong Lim, "Public Debt, Chinese Loans and Optimal Exploration–Extraction in Africa," *Energy Economics* 118 (2023): 1-13; and Mandy Dagold, and Mitchel Stimers, "The Sustainability of Developmental Programs by the U.S. and China in Sub-Saharan Africa: A Comparison of Effectiveness," *SN Social Sciences* 4 no. 4(2024): 1-32.

162 "About AidData," *Research Lab at William & Mary* (Williamsburg, VA: AidData at William & Mary), https://www.aiddata.org/

data.[163] Other international organizations such as the World Bank and the International Monetary Fund have a wealth of data. Such data from the IMF and WB are provided by states themselves then verified which results in important data being available for use in this thesis.[164] Though not as open and transparent as Western institutions, reliable data on PRC development aid has become increasingly available through similar open-source databases including Aid Data. The data garnered from these sources will enable the thesis to address issues concerning the volume of aid, the types of aid, and the delivery mechanisms of both Western institutions and those of the PRC.

A few points of inflection by the PRC when compared to the DAC in the international aid landscape is the manner in which data is collected, the rate of increase in aid levels, and the PRC's relations with African states. First, the PRC reports, almost exclusively, disaggregated - individual project-level - data and white papers on their ODA and OOF such as capital through JVs and their FDI levels. Unlike the DAC, the PRC does not aggregate their aid data.[165] This has led the academic community needing to rely on other non-governmental sources of data collection such as AidData's *Tracking Chinese Development Finance*. However, the data from AidData largely dates back to the 2000s. Any data that is not provided from China itself is sparing with Dreher and Fuchs being one of the few sources plentiful with data along with Naohiro Kitano and Yumiko Miyabayashi recent 2023 study.[166] There is also Wolfgang Bartke who has composed a list of PRC aid projects between 1950s to 1987 which are sourced from media sources.[167] Secondly, it is important to note that Chinese investment in Africa was relatively low regarding actual dollars spent until its fifth phase in 1995. For instance, as noted by Morgan and Zheng, PRC "FDI flows to Africa increased from $75 million US dollars in 2000 to $2.9 billion in 2015" marking a dramatic increase in capital investment in line with their global strategy.[168] All this to say that the PRC's development assistance is largely shrouded and kept as a form of state secret. This is one of the leading causes of concern towards the PRC development assistance in Africa as there is no means of oversight. Thus, prompting the important question. Why evade transparency if one thinks their efforts are moral and above board? The implication of the question of course is that the PRC is purposeful in its avoidance of transparency. Thus, prompting the outlook of this thesis. Lastly, the lack of transparency on the part of the PRC has caused issues for researchers in the past; but as noted above, sources of information are

[163] Organisation for Economic Co-operation and Development, "Data," *OECD*, accessed March 2025, https://data.oecd.org/
[164] World Bank Group Data, https://data.worldbank.org/, and International Monetary Fund Data and Publications https://www.imf.org/en/Home; https://www.imf.org/en/Publications; and https://www.imf.org/en/Data
[165] Kenichi Doi, Ami Ikeda, Yuki Murakami, and Kazuo Kuroda, "Towards complete development finance data: Quantifying China's international education co-operation and presence in the Global South," *Development Policy Review*, *42* no.4 (2024): 2-4; and Ma Xinyue and Zhou Rong, Zheng Yuan Shi Rong, and Chen Lixian, "China's Overseas Development Finance: Review of Flows and Definitions, and Potential Support for SDG Attainment in Particular Countries," *United Nations Development Programme China*, (January 2021), 3, 32, and 55.
[166] Pippa Morgan, and Yu Zheng, "Old Bottle New Wine? The Evolution of China's Aid in Africa 1956-2014," *Third World Quarterly* 40 no. 7 (2019): 1285; Naohiro Kitano, and Yumiko Miyabayashi, "China's Foreign Aid as a Proxy of ODA: Preliminary Estimate 2001-2022," *Journal of Contemporary East Asia Studies* 12 no. 1 (2023): 264-293; and Axel Dreher, and Andreas Fuchs, "Rogue Aid? An Empirical Analysis of China's Aid Allocation," *The Canadian Journal of Economics* 48 no. 3 (2023): 988-1023.
[167] Wolfgang Bartke, *The Economic Aid of the PR China to Developing and Socialist Countries*, Second edition. (Hamburg: Institute of Asian Affairs, 1989).
[168] Pippa Morgan, and Yu Zheng, "Tracing the Legacy: China's Historical Aid and Contemporary Investment in Africa," *International Studies Quarterly* 63 no. 3 (2019): 560.

continuing to come to light; even the PRC seems to have started to move towards greater transparency regarding their development assistance.[169]

Moreover, it ought to be noted that PRC development assistance in Africa does not conform to Western OECD definitions of ODA. As detailed above, the PRC's use of aid does not follow the good development practices of ODA, rather they rely on OOF for much of their development strategy in Africa. The PRC relies on the use of "tied aid, loans, export credits and tied export credits, and military aid which are [all] specifically excluded from the Organization of Economic Co-operation and Development's (OECD) definition of ODA."[170] Moreover, the PRC aid to Africa typically comes in one of eight forms: "completed projects, goods and materials, technical cooperation, human resource development cooperation, medical teams sent abroad, emergency humanitarian aid, volunteer programs in foreign countries and debt relief."[171] This use of aid by the PRC makes comparing its development assistance to the West ODA difficult. However, AidData has made efforts in assessing Chinese development assistance internationally by categorizing Chinese aid into three main categories, ODA, OOF, and vague aid. The use of *Aid-Data* will serve to benefit this thesis insofar as allowing more comparative analysis to be conducted. Despite such efforts by organizations like Aid Data, the comparison between the West and the PRC cannot be considered a Formal Equivalence. Rather, as argued above, must be viewed as comparing apples to oranges - both within the same category but are ultimately not the same entity. Lastly, Kitano and Miyabayashi's 2023 study provides a sufficient breakdown of PRC development aid operations (see Appendix B for a detailed overview of China's internal development apparatus).

The second subset of information to determine the amounts and types of aid delivered to African states are reports from various government and intergovernmental organizations to assess Western and PRC developmental aid strategies. For instance, this thesis will analyse and assess the foreign policies and strategic plans of Western nations, the PRC, and the three developing nations being studied, all to understand the mindset of the actions from those distributing development aid and from those receiving said aid. An example of this is the United States' (US) 2022 US Strategy Toward Sub-Saharan Africa report which outlines the US' objective in Sub-Saharan Africa as being linked to advancing their 'global priorities'.[172] Additional sources of information beyond the state are vital to this thesis such as from organizations like the UN, the OECD, the World Bank, the International Monetary Fund, the African Development Bank (AfDB) and non-governmental organizations. Each of these organizations have data and information they publish regularly such as the continuous IMF and UN reports on developmental aid and assistance programs in Africa. Establishing the type of aid both the West and the PRC

[169] "China Says New Agency will Improve Foreign Aid Coordination," *Reuters*, 13 March 2018, accessed March 2025, https://www.reuters.com/article/us-china-parliament-aid/china-says-new-agency-will-improve-foreign-aid-coordination-idUSKCN1GP02J/; and Samantha Custer, "China's financial statecraft: Winning Africa one Yuan at a time?" *AidData*, 22 March 2018, accessed March 2025, https://www.aiddata.org/blog/chinas-financial-statecraft-winning-africa-one-yuan-at-a-time#:~:text=China's%20overseas%20investments%20and%20engagements%20are%20on,one%20of%20the%20world's%20most%20non%2Dtransparent%20donors.&text=Beyond%20money%2C%20public%20diplomacy%20tools%20can%20work,assistance%20to%20amplify%20influence%20with%20African%20leaders.

[170] Salvador Santino F. Regilme, Jr & Obert Hodzi, "Comparing US and Chinese Foreign Aid in the Era of Rising Powers," *The International Spectator*, 56 no. 2 (2021): 117.

[171] Ibid.

[172] President Biden Administration, *U.S. Strategy Toward Sub-Saharan Africa*, The White House (August 2022), 4. https://bidenwhitehouse.archives.gov/wp-content/uploads/2022/08/U.S.-Strategy-Toward-Sub-Saharan-Africa-FINAL.pdf

provide, and their differences, is vital towards understanding why developing nations may choose to take on PRC development assistance over Western aid and vice versa.

An important trend to assess when answering the aforementioned first research question is how the increasing presence of Chinese development assistance is affecting Western development assistance strategies and programs. The manner in which this trend will be assessed is through a comparative analysis of Western development assistance strategies and how they have changed since the rise of the PRC's presence in the region. This measure of assessment is helpful in two distinct ways. First, by assessing the evolution of Western development assistance strategies, one can place on a timeline when changes were made and then extrapolate corresponding Chinese actions to determine both the ideological and practical implications of the change in foreign development assistance on the developing states' human development index (HDI) and country policy and institutional assessment (CPIA) scores. Second, by assessing the donor state's explicit development assistance strategies one can understand the foundation and underlying implication of their aid. For instance, Western development assistance is typically an overt attempt at placing Western conditions on to the recipient state whether it be ideological, economic, or social. Recently Western aid places conditions on receipt states such as requirements to which sectors of development certain aid goes towards.

There are some foreseeable issues within this study and how the data can be measured. The first is, what if the data does not show the pattern of increased Chinese development assistance and a Western adaptation to it? And the second is, suppose there is a Western adaptation that follows any increase in PRC aid; how might we know that the Chinese increase caused the Western adaptation or be sure that this is not a fluke? In response to both concerns, there are three outcomes. A) Chinese aid does not increase; therefore, if the West does or does not adapt their development assistance strategy, that is due to internal influences and can be assessed from such a basis. B) Chinese aid increases and Western aid does not adapt. This would suggest either three things: the West does not view Chinese aid as a threat or a competition that needs an adjustment in strategy; The West's aid is working as is - which could be linked to the prior point; and/or that the West views any modernization of their development assistance strategy towards Chinese aid as an ideological concession which they determine is not in their interest. C) Chinese aid increases and Western development assistance does adapt. This could insinuate three things, Western aid adapts due to Chinese aid increase, Western aid shifts due to external factors separate from the increase in PRC aid, or Western development assistance shifts due to influences exerted by recipient states. The only way to navigate these three options is to view how and what in the Western development assistance policies changed and then ask the following questions, who does these shifts in Western aid benefit the most, when did these Western aid shifts occur, where did these Western aid shifts occur, and what has been publicly stated regarding the Western aid shifts that occurred. The last point will be a determining factor; however, if there is no public reasoning behind the shift then a preponderance of evidence model will be used to determine if the increase of Chinese aid influenced Western development assistance strategies.

The second research question concerns how the delivery of Chinese assistance to Africa is having an impact on the social and economic development of African states. Long dominated by Western development programs, has the increased presence of Chinese aid since the turn of the 21st century had a positive impact on the social and economic development of individual African states? In order to make an assessment one must employ a model, a specific system that is used to collect and track pertinent data to describe and explain the phenomena at hand. To this effect, this thesis employs an existing means of assessment, the United Nations Development Program Human Development Index (HDI), which "emphasize[s] that people and their capabilities should be the ultimate criteria for assessing the development of a country."[173] Released annually, the HDI assesses four factors in determining the impact of human development. These factors are life expectancy, mean years of schooling, expected years of schooling, and gross national income per capita. The HDI is used to provide a baseline in state progress regarding their development. And as the UNDP states, "The HDI can be used to question national policy choices, asking how two countries with the same level of GNI per capita can end up with different human development outcomes."[174] Such questions are important to this thesis investigation. In terms of level of assessment, the HDI is best used to measure the macro-level of analysis.

A foreseeable complication regarding the HDI is, how can we know an HDI increase is from a particular source of development assistance? What if they get aid from multiple sources, as many states do? To this end, this is where case study selection becomes important in order to limit foreseeable complications. However, this does not mitigate the shortcomings of the HDI. This is why this thesis uses two methods of measurement, the HDI and the CPIA. Moreover, assessing which factors within the HDI formulation that have increased and/or decreased can point towards which donor states had a greater impact. Since Chinese aid focuses on economic and infrastructure development and Western aid focuses on social sectors such as education and health one can, within reason, assess which, if not both, donor states impact the recipient state's HDI score.

The UN HDI is one of the more tested and trusted indexes within the field to date. In addition, because both China and Western nations belong to the United Nations, using a UN made model is less prone to political bias than measurements produced by organizations such as the OECD, the World Bank, or the IMF which have long been Western and Northern in their political, social and economic orientation. That said, the HDI measurements are not without their shortcomings. For one, HDI and other statistical indices of social and economic development can be influenced by other forms of economic activity, such as direct foreign investment. Nonetheless, many studies have linked aid effectiveness to increased HDI scores.[175] One other criticism of the HDI, comes from states with poor HDI scores. A common complaint is that countries could receive the same HDI score but with a different combination of life expectancy and GNI per capita; implying an economic value on a person's life expectancy.[176] Despite these limitations and criticisms, the HDI remains a commonly accepted measurement of a states' human development. The following (Figure 4) is a diagram the UNDP created to simply express what the HDI is and what it assesses:

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173 United Nations, "Human Development Index (HDI)," *United Nations Development Programme Human Development Reports*, accessed March 2025, https://hdr.undp.org/data-center/human-development-index#/indicies/HDI

174 Ibid.

175 Iana Paliova, Robert McNown, and Grant Nülle, *Multiple Dimensions of Human Development Index and Public Social Spending for Sustainable Development*, International Monetary Fund (2019); Marius Kounou, "Impact of Foreign Direct Investment on Human Development Index in South Africa," *International Finance and Banking*, 7 no.1 (2020); and Korhan K. Gökmenoğlu, Martins Olugbenga Apinran, and Nigar Taşpınar. "Impact of Foreign Direct Investment on Human Development Index in Nigeria," *Business and Economics Research Journal* 9, no. 1 (2018): 1-13.

176 Noorbakhsh Farhad, "The Human Development Index: Some Technical Issues and Alternative Indices," *Journal of International Development* 10 no. 5 (1998): 589–605.

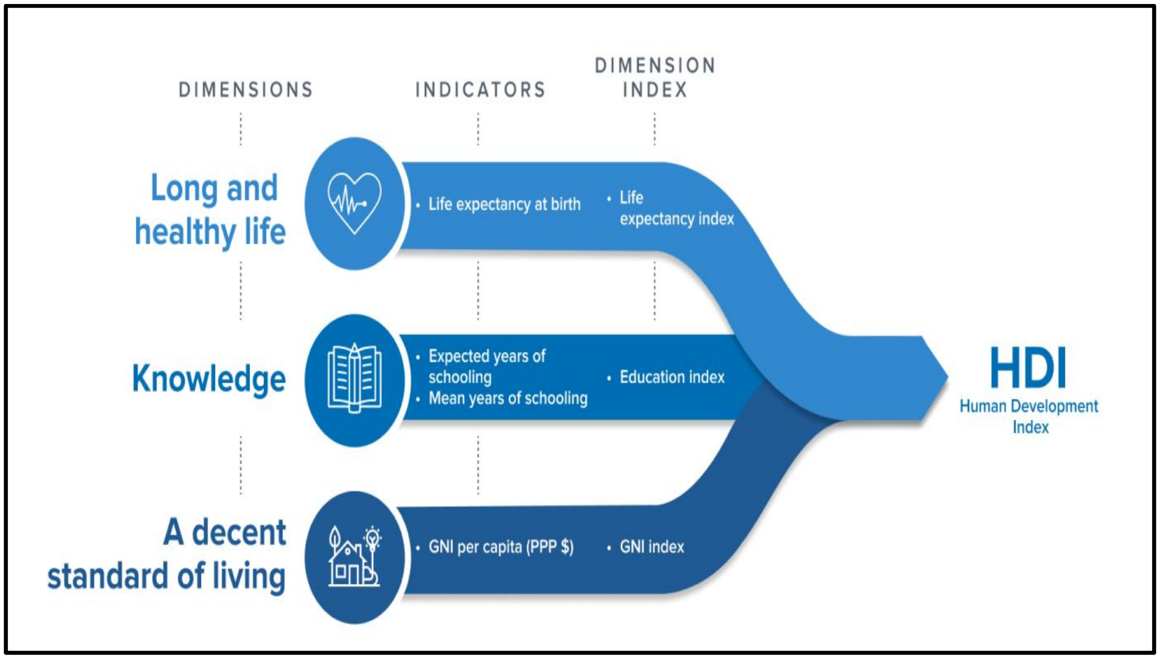

Figure 4 United Nations Development Programme HDI Framework[177]

While the HDI is an appropriate measurement of a state's human development, it cannot alone answer one of the key research questions of this thesis: are African states using Chinese aid to skirt the conditionality of Western aid policies? If African states are scoring higher on the HDI index, are they able to do so without openness, transparency, environmental and human rights protections. In short, is the increased presence of Chinese aid without conditions affecting the attention African states pay to these kinds of issues, and how might this affect Western aid programs and policies. Moreover, another factor of the HDI to keep in mind is the relative HDI score. For instance, it may be the case that all states have increased HDI scores yet the relative ranking of, for example, the DRC may be the same between 2010 and 2019 signifying a lack of overall progress. Moreover, it is more indicative if a state moves from a low HDI score to a medium HDI score and/or if a state remains in a low HDI score throughout the timeline of assessment. To address these issues, this thesis uses a second model, the Country Policy and Institutional Assessment (CPIA) of the African Development Bank (AfDB).

According to the AfDB website the CPIA is "a diagnostic tool that assesses every two years the quality of policies and the performance of institutional frameworks in the 54 African countries. It measures the capacity of a country to support sustainable growth, poverty reduction, and the effective use of development assistance with a particular focus on the assessment of key elements that are within the country's control, rather than on outcomes (such as national incomes and growth rates)."[178] The tool is based on 18 criteria grouped in five clusters; economic management (fiscal policy); coherence of its structural policies (trade policy, business

177 United Nations, "Human Development Index (HDI)," *United Nations Development Programme Human Development Reports*, accessed March 2025, https://hdr.undp.org/data-center/human-development-index#/indicies/HDI

178 African Development Bank, "Country Policy and Institutional Assessment Methodology," accessed March 2025, https://cpia.afdb.org/?page=methodology

regulation); state promotion of equity and social inclusion (human rights, social policy); governance and public sector management (transparency, accountability); and infrastructure development and regional integration.[179] The inclusion of the CPIA will enable the thesis to answer the question of whether African states are employing PRC aid to skirt Western development assistance conditions, particularly those that focus on state level transparency and accountability. Additionally, the use of the CPIA model will also aid in the analysis section of this thesis as it will offer plausible reasonings as to why Western and/or PRC aid has a greater impact and desire to be selected. For instance, it may be the case that the state institutional policies and shortcomings may push an African state towards selecting aid from the PRC where it may have alternatively adopted Western aid if not for the governing institutional policies. Moreover, the CPIA can overcome the HDI's aforementioned shortcomings as it could demonstrate, for instance, that Ghana has, in theory, poor infrastructure and regional integration which leads to a lower education index, resulting in a possible discrepancy in the HDI score for Ghana. In essence the CPIA is a complementary model to the HDI and serves as a meso-level of analysis. The following (Figure 5) is a diagram the CPIA created to simply express what factors comprise the CPIA:

[179] Ibid.

Figure 5: African Development Bank CPIA Framework[180]

Originally an annual exercise, the CPIA has become biennial since 2016 to better track the effects of changes to domestic policies. Additionally, the check and balances for the CPIA is vast to ensure the accuracy of the assessment. The assessment is done in four phases. The first is with the country's economist drafting the first version of the assessment for the CPIA. The second phase is a peer review of the first draft which ensures the accuracy of the data provided by the state. The third phase is where the country's economists review the feedback from the peer review and make all the necessary corrections, amendments, and fill in any missing data. The fourth and final phase is a collaborative final draft of the country's assessment report between the country's economist and the coordinators of the exercise, management of the bank's regional

[180] Ibid.

departments. Upon completion of phase four, the country's assessment is considered completed and is then published to the public as a form of open-source data.[181]

Lastly, this thesis will assess the two research questions against three developing nations in Africa all three of which include significant Western and PRC development assistance programs. The three developing nations selected are Ghana, Ethiopia, and Democratic Republic of the Congo (DRC). First, the number of African states available for study in the thesis was limited by the availability of consistent data. Of the 54 African states only 37 nations participated in the AfDB CPIA between 2004 and 2018.[182] The lack of available data ruled out other African nations with significant development assistance relationships with both the PRC and the West such as Algeria, Angola, and South Africa. The choice of the three states from the remaining thirty-seven is as follows: Ghana is the second-most populous country in West Africa. Ghana's location is of geographic significance to the West and the PRC due its shipping lanes and natural resources. Moreover, Ghana is one of the top recipients of Chinese aid in Sub-Saharan Africa which is interesting given its history within the non-aligned movement as Kwame Nkrumah sought to chart a uniquely African approach to development.[183] As the first nation to achieve peaceful independence from the United Kingdom Ghana has a wealth of historical ties to both the West and the PRC. Ethiopia represents Eastern Africa and also has an extensive history with communist states such as the Soviet Union. Ethiopia also has had a vast history of developmental aid that has been studied and investigated therefore allowing this thesis to gather and synthesize said research to be reflected against the two aforementioned methodological tools this thesis employs. Ethiopia has been a key partner to both Western and communist nations (Soviet Union and now PRC) due to its strategic location along the Horn of Africa, resulting in an increased amount of assistance. Lastly, the selection of the DRC was made as it is located in sub-Saharan Africa and has a unique history as a Belgian colony under King Leopold, whose brutal control over the region's rubber plantations became a cause celebre of early humanitarian movements; a seemingly reoccurring issue for the DRC.[184] Moreover the decolonization of the DRC in the early 1960s also became a site of Cold War struggle in Africa leading to several UN peacekeeping interventions which is somewhat unique compared to other two African states. The DRC is Africa's second largest nation geographically and its fourth largest nation in terms of population. Despite it being one of the poorest nations in Africa the DRC has valuable natural resources that are in high demand by the global economy. Overall, all three of these African states receive significant amounts of development aid both from the West and the PRC thus granting the ability to analyze and determine the trajectory of both the West and PRC developmental aid policies.

Finally, while recognizing the shortcomings of a case study approach, namely generalizability of findings beyond the specific examples, the limits of the thesis size also drove the decision to study only three African nations. There is also the potential issue of researcher bias when choosing which cases to study. This thesis is testing data collected against two distinct models supported by a range of sources within the field of study and selected a diverse set of case studies with out prior prejudice; all in an effort to limit the issue of subjectivity and researcher bias. On the whole this thesis employs the case study approach to test existing theories and narratives about how PRC aid is changing the nature of development assistance in Africa

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181 African Development Bank, "Country Policy and Institutional Assessment Methodology," accessed March 2025, https://cpia.afdb.org/?page=methodology

182 African Development Bank Group, *Country Policy and Institutional Assessment: Overall CPIA – Tabular View,* accessed on May 2025, https://cpia.afdb.org/?page=data&subpage=database

183 Lorenz M. Lüthi, "The Non-Aligned Movement and the Cold War, 1961–1973," *Journal of Cold War Studies* 18 no. 04 (2016): 110.

184 Adam Hothschild, *King Leopold's Ghost* (New York: Harcourt Mifflin, 1999).

between 1990 and 2018, rather than to make generalizable conclusions as to the impact of PRC to the entire African continent.

The last key aspect of the methodology of this work, with the exception of the theoretical lens, that needs to be elaborated on is the decision to limit the period of the study to a timeframe of 1990 to 2018. The choice of this timeframe was influenced by many factors. The decision to start the period of assessment in 1990 was twofold. First, the UN's HDI scoring starts in 1990. Second, in conjunction with the UN's HDI, the end of the Cold War is a good point in time to start the period of assessment as from 1990 onwards the West's development aid in Africa was seemingly no longer challenged by other international powers, at least nowhere near the scale that it was with the USSR. Therefore, starting the period of analysis when the West's development aid was unfettered and unchallenged allows one to see what contemporary Western development assistance is capable of and its impact. Additionally, starting in 1990 meant that working one's way through to the early 2000s allowed for the study to assess the impact of the PRC's global rise in power and the impact that the PRC's entry into the development aid landscape in Africa had on Western development assistance policy. With regards to the cutoff point of the period of assessment, the choice of 2018 was twofold. First there is the issue of data availability. This thesis was commenced in 2022 and international data on development aid often takes years to collect, analyse, verify, and disseminate. However, this first issue was confounded further by the second point, Covid-19. The global pandemic of Covid-19, which spread worldwide in early 2020, led to several delays and complications in the gathering of development aid data. This then led to additional complications into the research of development aid throughout Covid-19 as the international community shifted all its priorities towards combating the global pandemic. As such, including the years 2020 through to 2023 posed significant challenges, if not insurmountable complications at the time of commencing this work, which would have hindered this study. Lastly with respect of the years 2018 and 2019, at the time of writing this thesis, studies and analysis started to show that the United State was undergoing a systemic shift in its foreign relations under President Donald Trump, during his first administration. However, in 2021 when President Joseph Biden came into office the US' foreign policy largely reverted to what it was prior to 2016, before the start of President Trump's first term. While this is of clear interest to this thesis, the intricacies and impact of this back and forth in Western development assistance strategies globally were inconclusive at the time of commencing this work. Therefore, this thesis opted to choose 2018 as the end of the period of analysis. This is not to suggest that the shifts experienced in Western development assistance strategies starting in and around 2018 are not important. Said shifts are in fact so important and clearly distinct from the influence of the PRC that it warrants its own study as from 1990 to 2018 there is a clear period of study of Western development assistance and its evolution whereas in and around 2018 there is a clear seismic shift that occurs which, if included in this study, derails this work from its objective and minimizes the shifts occurring between 2018 and 2025.

2.2.1 Theoretical Lens

The lenses one ought to use in order to fully grasp the argument being made in this thesis lies between the duality of hard and soft power. Both the West and PRC utilize both extremes of power. However, the way in which they employ hard and soft power is what creates an interesting distinction which can be extrapolated onto the greater analysis of this thesis. The concept of hard and soft power has existed in practice for hundreds of years but has not been popularized as a term nor formally conceptualized until the late 19th century. A prominent American political scientist, Joseph Nye, has been credited with the popularization and rise in prominence of the idea of soft power. Nye first brought relevance to the idea of soft power in his 1990 work *Bound to Lead: The Changing Nature of American Power*.[185] Soon after Nye published one of his most renowned works, *Soft Power: The Means to Success in World Politics*.[186]

Soft power in its simplest form is when an actor, typically a state, uses its resources in a non-coercive manner to shape another actor towards a desired outcome. An example of this would be the exporting of Western ideals across the world whether it is through culture, education, tourism, or any other non-coercive manner.[187] In essence soft power seeks to co-opt rather than coerce. The concept of hard power is the antithesis of soft power and as such it is inherently found within coercive actions, which are typically avoided by states as the current world order favors soft power over hard power due to the interconnectedness of the international community particularly the economy.[188] Hard power tends to be linked to military force and economic pressures which fall outside the 'normal' expectation of the current global status quo.[189] While it is true that military action and economic pressures are a form of hard power, it is not absolute.[190] Soft power has been the more prevalent of the two sides as the current world order is based largely on Western liberal ideals which are founded on the notions of freedom, democracy, cooperation and mutual gain. The actions and policies that lie in between these two extremes is what is commonly referred to as smart power.[191] The use of smart power by state actors is vast and not as rigid as hard and soft power. The use of smart power means an actor is using both soft power and hard power to achieve their desired goals.[192] This is where conditional and unconditional aid comes in. Both forms of aid consist of a combination of hard and soft power characteristics, but the latter lends itself more towards hard power whereas the former seems to favor soft power. There tends to be confusion surrounding hard and soft power as all state foreign policy is based on some form, whether small or large, of coercion. The West's use of coercion can be considered to fall within the 'norm' of international relations whereas the PRC when using coercion tends to fall outside of the 'norm.' Thus, it may be the case that Western development assistance is more conditional and therefore more coercive; however, such conditionality is considered by the West as normal practice. Chinese development assistance tends to be less interventionist thus granting them the moral and practical comparative advantage yet is deemed by the West as being coercive and thus a form of hard power. One could argue that this perspective from the West highlights an overall misperception of China's development assistance strategy, namely its BRI. This Chinese initiative is one of high risk for the PRC, but such risk is taken on as the PRC believes its state capital and political leverage is sufficient to mitigate the increased risk within the economic and infrastructure sectors of developing nations. This risk, however, is not one sided; and while the PRC may have the resources to overcome said risks, developing nations lack such resources. Moreover, developing nations participation in the BRI is strictly voluntary and thus – as argued by the PRC – noncoercive.

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[185] Joseph S. Nye, *Bound to Lead: The Changing Nature of American Power*, (New York: Basic Books 1990).
[186] Joseph S. Nye, *Soft Power: The Means to Success in World Politics*, First edition. (New York: Public Affairs 2004).
[187] Donna A. Cristo, "Soft Power: The Means to Success in World Politics," *American Economist* 49 no. 02 (2005): 99.
[188] Donna A. Cristo, "Soft Power: The Means to Success in World Politics," *American Economist* 49 no. 02 (2005): 99; and Joseph S. Nye, *Soft Power: The Means to Success in World Politics*, First edition. (New York: Public Affairs 2004).
[189] Joseph S. Nye, "Soft Power: The Evolution of a Concept," *Journal of Political Power* 14 no. 1 (2021): 200-201.
[190] Ibid., 201.
[191] Joseph S. Nye, *The Future of Power*, First edition. (New York: PublicAffairs 2011), 207-234; and Joseph S. Nye, "Soft Power: The Evolution of a Concept," *Journal of Political Power* 14 no. 1 (2021): 205.
[192] Ernest J. Wilson, "Hard Power, Soft Power, Smart Power," *The Annals of the American Academy of Political and Social Science* 616 no. 01 (2008): 111-112.

The second important lens used in this study is liberalism. Within the field of international relations Liberalism is broadly linked to three main principles. The first is that liberalism rejects realisms view of the world as inherently anarchic and unstable and which can only be balanced by state power.[193] Rather than focussing on state power, liberals focus on state interests and believe that international relations is also dictated by mutual benefit and cooperation between states.[194] The last principle is the notion that states are embedded in wider networks of civil society who shape and constrain what states do at the international level.[195] With respect to this thesis and the use of liberalism as a lens to view this thesis, the second and third principles play a crucial role. Western development assistance, particularly its use of ODA, is founded on the concept of mutual gain, and cooperation.[196] ODA is typically distributed by state governments and international organizations, while the oversight and implementation of the aid is typically through the recipient state and/or non-governmental actors. However, the distribution of developmental aid is more than just a form of cooperation and mutual gain. There are historic pressures and social influences that play a major role in the developmental process for states that make liberalism, alone, insufficient as a theoretical lens for this thesis.

The second international relations theory that is used in conjunction with liberalism in this thesis is constructivism. The definition of constructivism is expansive and ever evolving but for its use in this thesis it is in reference to the idea that international relations is socially constructed. Meaning, ideas, identities and norms are core to a constructivist perspective on international relations more than traditional factors such as power and wealth.[197] The use of constructivism as a portion of the theoretical framework of this thesis is important due to the actors being assessed. Africa is a continent that has experienced harsh treatment and subjugation. The forms of colonialism experienced by African nations throughout the 18th and 19th century continue to influence contemporary African politics - a perspective from the global south within international relations literature.[198] As such this history between Western powers and African states mold collective beliefs and interests that impact and influence the selection and use of developmental aid in Africa. More importantly constructivism does not view actors' interest and

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[193] Mykola Kapitonenko, *International Relations Theory* (London: Routledge 2022), 56-60; and Scott Burchill "Chapter 3: Liberalism" in *Theories of International Relations* Third edition edited by Scott Burchill, Andrew Linklater, Richard Devetak, Jack Donnelly, Matthew Paterson, Christian Reus-Smit and Jacqui True, Palgrave Macmilla (New York, N.Y. 2005); 56-58.

[194] Scott Burchill "Chapter 3: Liberalism" in *Theories of International Relations* Third edition edited by Scott Burchill, Andrew Linklater, Richard Devetak, Jack Donnelly, Matthew Paterson, Christian Reus-Smit and Jacqui True, Palgrave Macmilla (New York, N.Y. 2005), 56-65.

[195] Scott Burchill "Chapter 3: Liberalism" in *Theories of International Relations* Third edition edited by Scott Burchill, Andrew Linklater, Richard Devetak, Jack Donnelly, Matthew Paterson, Christian Reus-Smit and Jacqui True, Palgrave Macmilla (New York, N.Y. 2005); Arthur A. Stein, "Neoliberal Institutionalism," in *The Oxford Handbook of International Relations* edited by Christian Reus-Smit, and Duncan Snidal (Oxford: Oxford University Press 2008), 201-221; and Andrew Moravcsik, "The New Liberalism,"in *The Oxford Handbook of International Relations* edited by Christian Reus-Smit, and Duncan Snidal (Oxford: Oxford University Press 2008), 234-254.

[196] Scott Burchill "Chapter 3: Liberalism" in *Theories of International Relations Third edition* edited by Scott Burchill, Andrew Linklater, Richard Devetak, Jack Donnelly, Matthew Paterson, Christian Reus-Smit and Jacqui True, Palgrave Macmilla (New York, N.Y. 2005), 56-83; and Arthur A. Stein, "Neoliberal Institutionalism," in *The Oxford Handbook of International Relations* edited by Christian Reus-Smit, and Duncan Snidal (Oxford: Oxford University Press 2008), 201-221; and Andrew Moravcsik, "The New Liberalism, "in *The Oxford Handbook of International Relations* edited by Christian Reus-Smit, and Duncan Snidal (Oxford: Oxford University Press 2008), 234-254.

[197] Ian Hurd, "Constructivism," in *The Oxford Handbook of International Relations* edited by Christian Reus-Smit, and Duncan Snidal (Oxford: Oxford University Press 2008), 300-305.

[198] Siba Grovogu, "A Revolution Nonetheless: The Global South in International Relations," *The Global South* 5 no. 1 (2011): 175-179. And see the work of Arlene B. Tickner, and Karen Smith, eds. *International Relations from the Global South: Worlds of Difference*, First edition. (Abingdon, Oxon, United Kingdom; Routledge 2020).

beliefs as static and as such there is room for the socially constructed beliefs to change.[199] The goal of changing African states perceptions of Western powers has been a major aspect in contemporary Western development assistance strategies in Africa as the current socially constructed view of Western powers is poor and has impacted the West's ability to influence African state powers.[200] Ultimately the poor collective view of the West by African states has hampered the West's soft power and its effectiveness, and seems to provide a reason as to why the West relies on conditional aid; but more importantly it also points towards the ease of integration the PRC had in the development aid sphere in Africa.

The last position of this thesis' theoretical framework is the international relations theory of international political economy (IPE). The IPE theory is the study of how politics influences the global economy and vice versa.[201] The inclusion of IPE in this thesis is somewhat convoluted but the basic premises is as follows: the current international order is one largely comprised of liberal characteristics; as such cooperation, mutual gain, and globalization has been the hallmark of international relations since 1945; the main source of actionable power within the international community today is the global economy; coincidently the most cost effective, lowest barrier of entry, and beneficial aspect of a state foreign policy in international politics is the development of a strong domestic economy in developing nations; strong state development is a key indicator for growing and strengthening domestic economy; therefore assisting state economic development is the highest priority for any state seeking to increase its influence, relevance, and power within the international community. Developmental assistance is an extremely important factor contributing to a developing state's overall growth, thus strengthening their position within the international community.[202] The basic idea is that IDA is being leveraged through the international political economy in order to build up developing nations while strengthening partnerships; thereby expanding influence and one's power internationally. The current state of the international order makes it so that states that seek power and influence must have a robust global economic presence thus requiring African states to seek developmental aid.[203] Using IPE theory aids in exploring the reason behind the desire from African states to participate within the current competition between the West and PRC while also shedding light as to why the West and the PRC have such an interest in the region of Africa. IPE suggests that African states see the competition between the PRC and the West as a beneficial means to increase their international presence and relative position globally (e.g. Ethiopia) whereas both the PRC and the West view African states as a means to gain political and economic leverage and advantage over one another within the context of a global economy and the overarching international competition of power

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[199] Ian Hurd, "Constructivism," in *The Oxford Handbook of International Relations* edited by Christian Reus-Smit, and Duncan Snidal (Oxford: Oxford University Press 2008), 298-316.
Christian Reus-Smit, "Chapter 8: Constructivism" in *Theories of International Relations* Third edition edited by Scott Burchill, Andrew Linklater, Richard Devetak, Jack Donnelly, Matthew Paterson, Christian Reus-Smit and Jacqui True, Palgrave Macmilla (New York, N.Y. 2005), 188-213.

[200] Siba Grovogu, "A Revolution Nonetheless: The Global South in International Relations," *The Global South* 5 no. 1 (2011): 187-189; Getachew Fentahun, "Foreign Aid in the Post-Colonial Africa: Means for Building Democracy or Ensuring Western Domination?" *Cogent Social Sciences* 9 no. 1 (2023): 7-12.

[201] John Ravenhill "International Political Economy," in *The Oxford Handbook of International Relations,* eds. Christian Reus-Smit, and Duncan Snidal, (Oxford: Oxford University Press 2008), 539-557.

[202] Camelia Minoiu and Sanjay G. Reddy, "Development Aid and Economic Growth: A Positive Long-Run Relation," *International Monetary Fund Working Paper* (May 2009), 1-6 and 17-18.

[203] Peu Ghosh, *International Political Economy: Contexts, Issues and Challenges*. First edition. (Abingdon, England: Routledge 2024), 6-10, and 275; and John Ravenhill "International Political Economy," in *The Oxford Handbook of International Relations,* eds. Christian Reus-Smit, and Duncan Snidal, (Oxford: Oxford University Press 2008), 544-550.

and influence.[204] This transaction between African states and external state powers, the West and PRC, through the use of the global economy has brought forth the issue of dependency on both sides of the transaction. Therefor the IPE theory is beneficial in this work as a means to view the actions by both the donors and recipients of IDA, and to also highlight perhaps the largest issue facing development in Africa, dependency of one another (e.g. dependency theory).[205]

The use of these three international relations (IR) theories in conjunction with one another is what, in part, makes this thesis unique. Other studies into Western and PRC development assistance in Africa only assess a portion of the complex interaction between the PRC, the West, and African developing states. It is believed using these three theories together that the whole picture becomes clear, or at the very least clearer than what has been presented to date. It is plausible other theories may shed additional light onto the development assistance competition between the West and the PRC in Africa, but one must be careful to not dilute IR theory too much to a point of irrelevance as there are key distinctions between IR theories, and rightfully so. Therefore, this thesis makes an effort to highlight such distinctions when conducting its analysis while also utilizing the existing overlap between said theories in order to draw conclusions not yet touched on.

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[204] Peu Ghosh, *International Political Economy: Contexts, Issues and Challenges*. First edition. (Abingdon, England: Routledge 2024), x-xi and 2-8.

[205] Felipe Antunes de Oliveira, and Ingrid Harvold Kvangraven, "Back to Dakar: Decolonizing International Political Economy through Dependency Theory," *Review of International Political Economy: RIPE* 30 no. 5 (2023): 1693-1695; John Ravenhill "International Political Economy," in *The Oxford Handbook of International Relations,* eds. Christian Reus-Smit, and Duncan Snidal, (Oxford: Oxford University Press 2008), 545; and Peu Ghosh, *International Political Economy: Contexts, Issues and Challenges*. First edition. (Abingdon, England: Routledge 2024), 9-10 and 18-24.

Chapter Three: Ghana

Since its independence in 1957, foreign assistance has been a central part of Ghana's development strategies to grow its economy, reduce poverty, and enhance the well-being of its citizens. Like most African nations, Ghana's relationship with aid donors has not always been smooth. As the first nation in Africa to achieve peaceful independence, Ghana jealously guarded both its political and its economic independence through state driven economic policies that often alienated donors. In addition, political instability through various coups led Western donors to shy away from investment in Ghana's economy. As one of the first African nations to be subjected to structural adjustment policies in the 1980s, Ghana returned to the aid community. The country's successful transition to democracy in the 1990s also made it a "donor darling" by the turn of the 21st century.[206] While not without continued challenges, many scholars note that because of its political stability development assistance to Ghana has been more successful than many of its African neighbours, and it has made significant strides in meeting some of the Paris Aid Effectiveness benchmarks and Millenium Development goals in terms of poverty reduction.[207] Since 2000 Ghana has also diversified its sources of development assistance including significant aid and investment from the PRC. As elsewhere in Africa many of these new donors, such as the PRC, have largely provided assistance towards infrastructure, particularly since the discovery of oil in 2009. The following chapter examines how increased aid from the PRC has affected Ghana's development, particularly in terms of its status among Western donors as a reliable partner who has made great strides in institutional capacity and accountability that have moved the country into the middle-income rankings. As the following chapter reveals, much of this new aid has not substantially affected the social and political goals of Western development assistance to Ghana. However, increased access to unconditional infrastructure assistance may once again be fuelling Ghana's historically chronic debt problems.

[206] Stephen Brown, "Foreign Aid and National Ownership in Mali and Ghana," *Forum for Development Studies* 44 no. 3 (2017): 342

[207] Peter Quartey, Charles Ackah, Gloria Dufe and Elvis Agyare-Boakye, *Evaluation of the Implementation of the Paris Declaration on Aid Effectiveness: Phase II. Ghana Country Report. Final Report,* (Accra: Institute of Statistical, Social and Economic Research 2010); and Tim Hughes, "Ghana: A Donor Success Story," *The South African Journal of International Affairs* 12 no. 2 (2005): 75–93.

Map 2: Ghana[208]

3.1 Brief History of Ghana

The territory encompassing the contemporary state of Ghana has been the centre of various kingdoms and empires since the 11th century, including the Dagbon, Bonoman, and Ashanti peoples. Ghana started garnering international attention in the 12th century as the gold trade started to grow exponentially.[209] Ghana's gold attracted the attention of European peoples

[208] "Ghana Map and Satellite Image," *Geology.com*, accessed March 2025, https://geology.com/world/ghana-satellite-image.shtml

[209] "Ghana," CIA World Factbook accessed March 2025, https://www.cia.gov/the-world-factbook/countries/ghana/

beginning with the Portuguese in the 15th century. Other European powers soon followed including the Dutch and the English. By the early 19th century the British had become the dominant European power in the region purchasing or conquering various forts along the coast.[210] In the early 1820s, the British stepped in to end various inter-tribal wars over slavery which sparked a century long war with the Ashanti Kingdom. The conflict ended with the Ashanti defeat in the War of the Golden Stool in 1900. Thereafter, Ghana was incorporated into the British Empire as the Gold Coast colony.[211]

During this period of 'colonial tutelage' British investment in the Gold Coast focussed largely on infrastructure such as communication systems, railroads (e.g. Sekondi-Tarkwa railroad) and nearly 9,700 kms of general roadway by 1937.[212] Such investment was directed at facilitating British extraction of the Gold Coast's natural resources, particularly gold and cacao. The latter accounted for roughly 50 percent of global supply at the time.[213] The bulk of the revenues associated with natural resource extraction, particularly gold, went to the British due to their introduction of "modern modes of extracting minerals."[214] Despite the deleterious effects of colonialism, by the mid 20th century the Gold Coast experienced a significant rise in living standards and improvements in basic social infrastructure such as education.

In addition to infrastructure development, the British also invested in social development including health and education. These improvements have largely been credited to Governor Frederick Gordon Guggisberg, who served as colonial governor between 1919 and 1927. Born in Toronto, Canada Guggisberg joined the British military and later became a surveyor in the West African British colonies. During his term as governor Guggisberg drafted a ten year development plan which encompassed improvements in transportation, "water supply, drainage, hydroelectric projects, public buildings, town improvements, schools, hospitals, prisons, communication lines, and other services."[215] Guggisberg also sought to give more power to the local population when he made it a goal to fill "half of the colony's technical positions with Africans as soon as they could be trained."[216] Colonial administrators including Guggisberg invested heavily in education. First with missionary schools and then technical schools culminating in a teachers' training college in 1909.[217] Eventually the colony's first centre for higher learning emerged in 1948.[218] All of this is to say that "through British-style education […] a new Ghanaian elite gained the means and the desire to strive for independence."[219]

The fact that Ghana was the first African colony to achieve independence was not surprising. The Gold Coast colony was unique for European colonialism in Africa as the Ashanti people maintained forms of self-government throughout its period as a colony. In 1935 the British recognized the formal establishment of the Ashanti Confederacy of the Union of Ashanti

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210 Edmund Abaka and Kwame Osei Kwarteng, eds., *The Asante World*, First edition. (Abingdon, Oxon; Routledge, 2021), 12-13.
211 Raymond Bagulo Bening, "The Location of Administrative Capitals in Ashanti, Ghana, 1896-1911," *The International Journal of African Historical Studies* 12 no. 2 (1979): 210.
212 LaVerle Bennette Berry, *Ghana: A Country Study*, (Washington, D.C.: Federal Research Division, Library of Congress: 1995), 21. Pdf. https://www.loc.gov/item/95018891/.
213 Ibid.
214 Ibid.
215 Ibid., 22.
216 Ibid.
217 Edmund Abaka and Kwame Osei Kwarteng, eds. *The Asante World*, First edition. (Abingdon, Oxon; Routledge 2021), 325; and Roger G. Thomas, "Education in Northern Ghana, 1906-1940: A Study in Colonial Paradox," *The International Journal of African Historical Studies* 7 no. 3 (1974): 429-430.
218 LaVerle Bennette Berry, *Ghana: A Country Study*, (Washington, D.C.: Federal Research Division, Library of Congress: 1995), 22.
219 Ibid.

States under the British imperial umbrella.[220] Nonetheless, key levers of political power remained in the hands of British imperial officials. As a result, the Ashanti's desire for complete self-determination increased exponentially. These desires culminated during the Second World War as Ghanaians believed their contributions to the British war effort were not respected under their, then, current political and economic arrangements.[221] The final straw was the uncontrollable "unemployment, inflation, and the disturbances that had come to characterize the society at the end of the [Second World War]" within the Gold Coast leading to a final effort for independence.[222]

In 1947, the United Gold Coast Convention (UGCC) became the first official nationalist movement that sought independence from Great Britain. The UGCC was largely made up of a newly formed sector of 'educated' Africans including Kwame Nkrumah who was the UGCC's first leader.[223] Divisions with the UGCC eventually led Nkrumah to form the Convention People's Party (CPP) in June 1949. Nkrumah, along with key members of the CPP, were imprisoned for sedition in a vain attempt by Britain to quell the nationalist movement.[224] However, these actions only made Nkrumah and his key lieutenants martyrs to the cause of independence. Indeed, during the 1951 elections Nkrumah's CPP won 104 seats while he was still imprisoned, forcing the British to grant greater self-governance to the Gold Coast.[225] Consequently, the 1951 arrangements still left key ministries such as defence, external affairs, justice and finance in the hands of appointed British officials.[226] Undeterred, Nkrumah sought full independence for his people from the British, which the British agreed to grant if there was a two-thirds majority in favour. The next election in 1956 resulted in dramatic CPP successes enabling them to garner the necessary two-thirds majority, for independence.[227] Nkrumah's efforts led his people to the establishment of the sovereign state of Ghana in 1957. Soon after Ghana cut ties to the British Commonwealth by abolishing the position of governor general in 1960.[228] As Edward-Adamson Hoebel argues, "the viability of the primitive Ashanti state provided the structure that made it possible for the Ashanti (with the Fanti) to be the first native African state in modern times to emerge from colonial "tutelage" into the fellowship of free nations."[229]

Though the early years of Ghanaian independence were celebrated as a successful story of peaceful and orderly decolonization, the Nkrumah government became increasingly autocratic. A series of acts granted the government the ability to deport or detain any person deemed harmful to the government of Ghana.[230] Other acts banned the formation of separate ethnic,

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220 Hoebel, E. Adamson, *The Law of Primitive Man: A Study in Comparative Legal Dynamics*, (Cambridge: Harvard University Press 1954), 211.
221 Roger Gocking, *The history of Ghana*, (Greenwood Press 2005), 77-80.
222 LaVerle Bennette Berry, *Ghana: A Country Study*, (Washington, D.C.: Federal Research Division, Library of Congress: 1995), 27.
223 Ibid., 26.
224 Ibid., 28.
225 Ibid.,
226 Melanie Torrent, "A 'New' Commonwealth for Britain? Negotiating Ghana's Pan-African and Asian Connections at the End of Empire (1951-8)," *International History Review*, *38* no. 3 (2016): 573.
227 LaVerle Bennette Berry, *Ghana: A Country Study*, (Washington, D.C.: Federal Research Division, Library of Congress: 1995), 29-30.
228 Ibid., 30.
229 Hoebel, E. Adamson, *The Law of Primitive Man: A Study in Comparative Legal Dynamics*, (Cambridge: Harvard University Press 1954), 212.
230 LaVerle Bennette Berry, *Ghana: A Country Study*, (Washington, D.C.: Federal Research Division, Library of Congress: 1995), 32.

regional, or religious political parties.[231] By 1960 Nkrumah proclaimed himself president for life. Six years later Nkrumah's rule came to an end in a military coup.[232] While the deposing of Nkrumah was a step forward for the state of Ghana on the path of 'development', Ghana was plagued with internal conflicts beyond those Nkrumah incited. Such issues included the underlying ethnic and regional divisions within society, economic burdens, and an overall "fear of a resurgence of an overly strong central authority would continue to dominate the constitutional agenda and to pervade the thinking of many educated, politically minded Ghanaians."[233]

Over the next decade, Ghana experienced extreme political instability as a series of military and civilian led governments came and went in short order. Various parties such as the Progress Party and the National Redemption Council sought to return stability to the fledgling nation as well as address worsening economic conditions stemming from high foreign debt loads.[234] The fragility of Ghana's political system continued throughout the 1970s and 1980s resulting in more military backed coups with the most influential coup being led by a young military officer Jerry Rawlings in 1979.[235] Rawlings remained central to the governance of Ghana over the next two decades as the leader of the military junta the Provisional National Defence Council, which ruled Ghana between 1981 and 1992, and then again as a civilian president until 2000 when he reached the constitutional two-term limit.[236] Rawlings peacefully transferred power to the winner of the 2000 presidential election John Kufuor. Ghana continues to hold democratic elections ensuring the peaceful transfer of power to this day.

3.2 An Overview: Development in Ghana from 1957 to 1990s

Following the independence of Ghana and the establishment of the Nkrumah regime, aid and development failed to produce economic growth in Ghana. Nkrumah's adoption of state directed socialist policies meant that Western donors were less inclined to provide substantial developmental aid. Nkrumah himself was also extremely wary of Western development assistance which he believed would undermine the independence of African states under a form of neo-colonialism.[237] Nkrumah went as far as to believe that there were central intelligence agency agents seeking entry into Ghana through the US' peace corps.[238] The one notable exception to such tensions was Ghana's acceptance of the US's food aid program PL 480 which saw initial food assistance to Ghana in 1966.[239] However, US food aid significantly increased

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[231] Ibid.
[232] Ibid., 36-37.
[233] Ibid.
[234] Ibid., 37-38 and 42.
[235] Ibid., 46.
[236] In 1979 Rawlings initial coup failed and he was imprisoned and sentenced to death until he was later freed in June 1979 when he would then again coup the government, this time successfully which resulted in Rawlings peacefully handing over power to President Hilla Limann, leader of the People's National Party (PNP), whose governed for only two years until Rawlings again coup the government in 1981 when he then established his rule of governance. See, LaVerle Bennette Berry, *Ghana: A Country Study*, (Washington, D.C.: Federal Research Division, Library of Congress: 1995), 46-49.
[237] Jiyoung Kim, "Aid and State Transition in Ghana and South Korea," *Third World Quarterly* 36 no. 7 (2015): 1338.
[238] Ofori E. Bekoe, "The United States Peace Corps as a Facet of United States-Ghana Relations," *The Journal of Pan African Studies*, *4* no. 10 (2012): 230.
[239] "Foreign Relations of the United States, 1964–1968, Volume XXIV, Africa: Summary," *Office of the Historian*, July 1999, accessed March 2025 https://history.state.gov/historicaldocuments/frus1964-68v24/summary

once the National Liberation Council overthrew Nkrumah's government highlighting the US reluctance to support states that actively opposed US interests.[240]

The hope was that by overthrowing Nkrumah's anti-capitalist regime Ghana's economy would flourish. However, Ghana's economy continued to struggle despite increased development assistance from the West.[241] By 1980 It was clear that Ghana was in a dire state. Ghana held over one billion dollars in external debt in 1977 with a GDP of only $3.19 billion.[242] Moreover, Ghana's GDP growth rate from 1961 to 1981 was unstable and negatively impacted the state's development as 8 of the 20 years saw a negative GDP growth rate (see Figure 6). The instability and failing economic system of Ghana continued until 1981 when Rawlings started to seek new economic, social, and political reforms.

The Rawlings reforms came in 1983 with the economic recovery programme (ERP) which was supported and funded principally by the World Bank (WB) and International Monetary Fund (IMF) but supplemented by the DAC. The chief aims of the ERP were two-fold. First the ERP sought to, in the short term, achieve monetary stabilisation.[243] Second, it advocated the liberalisation of Ghana's economy.[244] A key element of Ghana's ERP, like other developing nations economic development, were the structural adjustment programs (SAPs) which placed conditions on Ghana in return for World Bank and IMF assistance.[245] Ghana's SAPs aimed at making Ghana's economy a more market friendly environment through "balanced budgets, market liberalisation, and public sector reform."[246] While such economic reforms helped put Ghana's economy on the road to recovery, the currency devaluations that accompanied the ERP disproportionately affected women, children, and those who lived in rural regions.[247] This problem persisted to the extent that Ghana had to partake in the Heavily Indebted Poor Countries (HIPC) initiative through the WB and IMF in order to delay loan repayments and allow for the use of funds, originally allocated to debt repayment, towards poverty reduction and infrastructure development.[248]

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[240] Joseph Lieberson, Barry Riley, Michael Pillsbury, and Thomas Cook, "Food Aid in Ghana: An Elusive Road to Self-Reliance," *United States Agency for International Development* (Washington, DC 1997), 1. https://pdf.usaid.gov/pdf_docs/PNABY237.PDF or https://web.archive.org/web/20250202030423/https://pdf.usaid.gov/pdf_docs/PNABY237.PDF

[241] Organization for Economic Co-operation and Development, "Aid (ODA) disbursements to countries and regions [DAC2A]," *OECD Data Explorer* [Filters (1) Donor: DAC Countries (2) Recipient: Ghana (3) Measures: ODA Disbursements; Gross ODA; ODA Grants-Disbursements; Debt Forgiveness; Gross ODA Loans; Development Food Aid; Humanitarian Aid; ODA as Percent of Recipient GNI (4) Unit of Measure: US Dollar (5) Price Base: Constant Prices (6) Time Period: 1960–2018] https://data-explorer.oecd.org/vis?fs[0]=Topic%2C1%7CDevelopment%23DEV%23%7COfficial%20Development%20Assistance%20%28ODA%29%23DEV_ODA%23&pg=0&fc=Topic&bp=true&snb=11&df[ds]=dsDisseminateFinalDMZ&df[id]=DSD_DAC2%40DF_DAC2A&df[ag]=OECD.DCD.FSD&df[vs]=1.0&pd=1960%2C2018&dq=DAC.GHA.201%2B204%2B206%2B212%2B213%2B216%2B240%2B286.USD.Q&ly[rw]=RECIPIENT&ly[cl]=TIME_PERIOD&to[TIME_PERIOD]=false&vw=tb

[242] World Bank, "External debt stocks, total (DOD, current US$) - Ghana," *World Bank, International Debt Statistics*, accessed March 2025, https://data.worldbank.org/indicator/DT.DOD.DECT.CD?year=1977&locations=GH; and World Bank, "GDP (current US$) - Ghana," *World Bank national accounts data, and OECD National Accounts data files*, accessed March 2025, https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?locations=GH

[243] Ebenezer Nikoi, "Ghana's Economic Recovery Programme and the Globalisation of Ashanti Goldfields Company Ltd: Ghana's ERP and Globalisation of Ashanti," *Journal of International Development*, 28 no. 4 (2016): 591.

[244] Ibid., 591.

[245] Belinda Archibong, Brahima Coulibaly, and Ngozi Okonjo-Iweala, "Washington Consensus Reforms and Lessons for Economic Performance in Sub-Saharan Africa," *The Journal of Economic Perspectives*, *35* no. 3 (2021): 134.

[246] Jiyoung Kim, "Aid and state transition in Ghana and South Korea," *Third World Quarterly*, *36* no.7 (2015), 1338.

[247] Ebenezer Nikoi, "Ghana's Economic Recovery Programme and the Globalisation of Ashanti Goldfields Company Ltd: Ghana's ERP and Globalisation of Ashanti," *Journal of International Development*, 28 no. 4 (2016), 589.

[248] Ibid., 589.

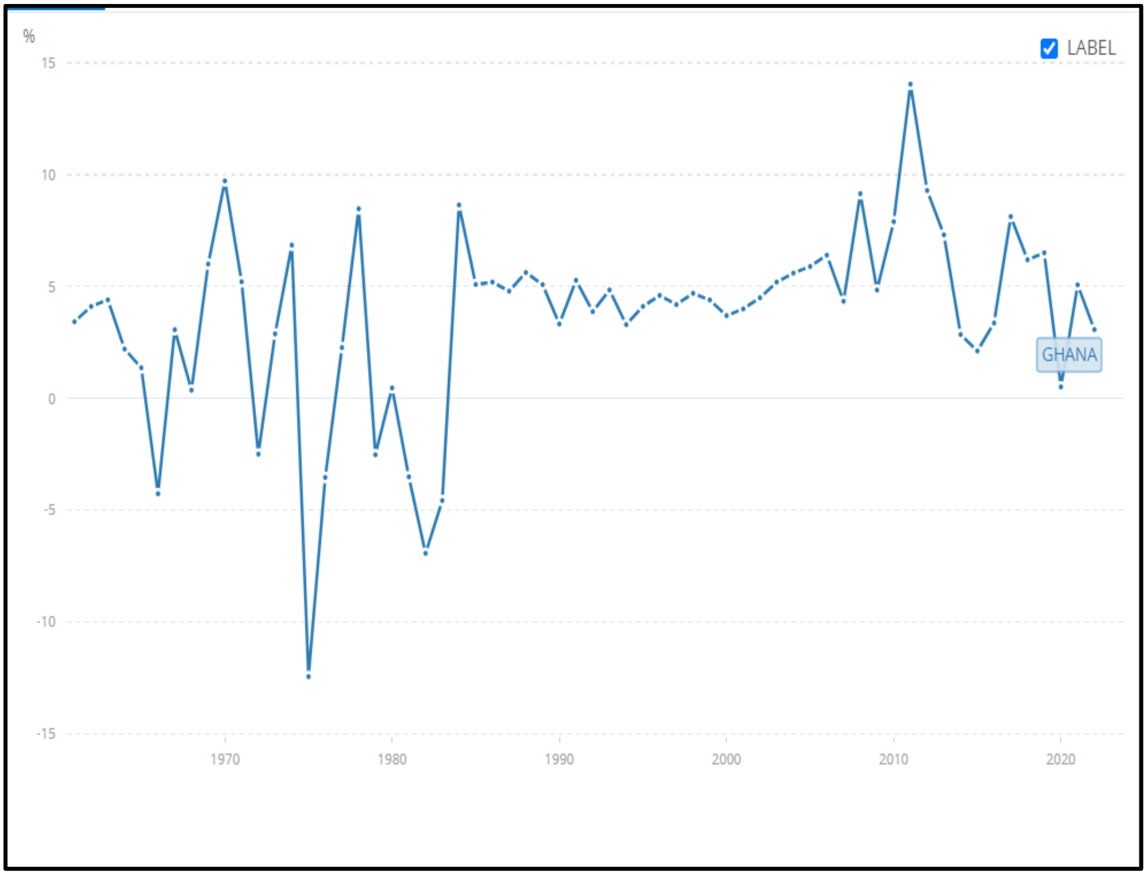

Figure 6: Ghana GDP Growth Rate - Annual % (1961 to 2022)[249]

Ghana's ERP was executed in three phases. The first phase which took place between 1983 and 1986 sought to halt the decline of Ghana's major export industries, cocoa and gold.[250] The second phase (1987-1990) saw structural adjustments required by the WB and IMF to be implemented, hoping that the SAPs would increase the annual economic growth rate of Ghana to 5% while reducing inflation to 8% by 1990.[251] Progress was slow, however, thus a third phase of the ERP was designed to shift towards accelerated growth from the prior two decades of economic recovery. This third phase commenced in 1993.[252] The strategy directed efforts for

[249] World Bank, "GDP growth (annual %) - Ghana," *World Bank national accounts data, and OECD National Accounts data files*, accessed March 2025, https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?contextual=default&end=2022&locations=GH&start=1961&view=chart

[250] Ebenezer Nikoi, "Ghana's Economic Recovery Programme and the Globalisation of Ashanti Goldfields Company Ltd: Ghana's ERP and Globalisation of Ashanti," *Journal of International Development*, 28 no. 4 (2016), 591.

[251] Ibid., 591.

[252] Ajay Chhibber and Chad Leechor, "Ghana: 2000 and Beyond," *International Monetary Fund External Relations Dept, Finance & Development,* Vol 30 no. 3 (January 1993), 24-27. https://www.elibrary.imf.org/view/journals/022/0030/003/article-A007-en.xml

Ghana's growth towards combating "poverty alleviation and sustainable development" which were subsequently revisited in the 1995 publication of *Ghana Vision 2020*.[253]

From 1957 to 1990 Western aid was dominant in Ghana. The amount of development assistance sent to Ghana from 1957 to 1990 was quite stagnant with some notable years of peaks in aid and some years when Western aid receded greatly from prior levels.[254] Despite some fluctuation nothing is of note beyond what has been discussed above. Western development assistance, namely its ODA, averaged around $250 million (USD 2022 Constant) from 1960 to 1988.[255] Following, in 1989 Western aid increased to $559 million (USD 2022 Constant).[256] Such an increase in development assistance by the West to Ghana remained consistent following the end of the Cold War.[257] Over this period, China played a limited role in development assistance to Ghana. While the PRC and Ghana formed strong political relations, Chinese development assistance was limited by its own economic and political capabilities to support and fund large development aid projects. One of the earliest examples of Chinese aid to Ghana was in the form of a $20 million interest-free loan to Ghana for its exports to China in the early 1960s.[258] Throughout the 1960s China's aid to Ghana was mainly in the form of technical assistance through loans and grants which total to a relatively small sum of $43 million.[259] By contrast, the US gave nearly $400 million of development aid to Ghana in just 1962.[260] Therefore, Chinese-Ghanian relations were limited not by lack of friendship, but rather by a lack of resources.

Despite initial hostilities between the West and Ghana during the Nkrumah regime, Western aid began to flow more freely to Ghana during the Rawlings years. It was not until after the 1990s when the West started to structure their development assistance in a manner that would address Ghana's systemic economic issues, the social infrastructure and services sector. As per Figure 7 the distribution of aid in Ghana drastically changed following 1990. As demonstrated, social infrastructure and services saw a significant increase in aid allocation whereas traditional aid categories such as economic production sectors - Ghana's cocoa and gold - saw major reductions in Western development assistance. This shift by the West would go on to define their

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253 Ebenezer Nikoi, "Ghana's Economic Recovery Programme and the Globalisation of Ashanti Goldfields Company Ltd: Ghana's ERP and Globalisation of Ashanti," *Journal of International Development*, 28 no. 4 (2016): 591; and Jerry John Rawlings, *Ghana – Vision 2020 (The First Step: 1996-2000)*, Presidential Report on Co-ordinated Programme of Economic and Social Development Policies (Policies for the Preparation of 1996-2000 Development Plan) (Accra Ghana 1995), 1-3.

254 Organization for Economic Co-operation and Development, "Aid (ODA) disbursements to countries and regions [DAC2A]," *OECD Data Explorer* [Filters (1) Donor: DAC Countries (2) Recipient: Ghana (3) Measures: ODA Disbursements; Gross ODA; ODA Grants-Disbursements; Debt Forgiveness; Gross ODA Loans; Development Food Aid; Humanitarian Aid; ODA as Percent of Recipient GNI (4) Unit of Measure: US Dollar (5) Price Base: Constant Prices (6) Time Period: 1960–2018] https://data-explorer.oecd.org/vis?fs[0]=Topic%2C1%7CDevelopment%23DEV%23%7COfficial%20Development%20Assistance%20%28ODA%29%23DEV_ODA%23&pg=0&fc=Topic&bp=true&snb=11&df[ds]=dsDisseminateFinalDMZ&df[id]=DSD_DAC2%40DF_DAC2A&df[ag]=OECD.DCD.FSD&df[vs]=1.0&pd=1960%2C2018&dq=DAC.GHA.201%2B204%2B206%2B212%2B213%2B216%2B240%2B286.USD.Q&ly[rw]=RECIPIENT&ly[cl]=TIME_PERIOD&to[TIME_PERIOD]=false&vw=tb

255 Ibid.

256 Ibid.

257 Ibid.

258 Emmanuel Debrah, and Richard Asante, "Sino-Ghana bilateral relations and Chinese migrants' illegal gold mining in Ghana," *Asian Journal of Political Science*, 27 no. 3 (2019): 286.

259 May Tan-Mullins, Giles Mohan, and Marcus Power, "Redefining 'Aid' in the China-Africa Context," *Development and Change* 41 no. 5 (2010): 866.

260 USAID, "What the Data Shows: US Foreign Assistance to Ghana (1955-2013)," *United States Agency for International Development* accessed March 2025, https://pdf.usaid.gov/pdf_docs/PBAAE094.pdf or https://web.archive.org/web/20250202114329/https://pdf.usaid.gov/pdf_docs/PBAAE094.pdf

development assistance strategy in Ghana through the 1990s up to 2018. And for the PRC, their main focus throughout the Cold War was on its own development, particularly its economy.[261] It was not until the late 1980s through the 1990s when "the developing world was elevated in Chinese thinking to become a `cornerstone' of Beijing's foreign policy," marking the initial shift of development efforts in Africa from being predominantly Western.[262] The PRC mainly focused on political relations in Africa in the 1990s thus leaving Africa's development efforts under Western stewardship.[263]

Distribution/purpose	1984-89	1991-96
1. Social infrastructure and services	8.8	28.0
2. Economic infrastructure and services	25.0	34.5
3. Production sectors	29.3	14.5
4. Multi-sector	1.5	3.7
5. Programme assistance	20.7	15.7
6. Food aid	5.5	3.8
7. Debt reorganization	0.8	3.1

Figure 7: Distribution/Purpose of Aid Commitments to Ghana (in %)[264]

3.3 Western and PRC Development Assistance Policies Since 1990

3.3.1 Western Development Assistance Policies

Western aid efforts to Ghana since the end of the Cold War have generally been positive. According to Steven Brown, Ghana has been widely cited in the literature as a "donor darling" and World Bank-anointed success story.[265] As such, he notes, "Ghana has retained strong economic and political relationships with the West and, more importantly, with the donor community."[266] Until 2010, when Ghana discovered significant oil deposits off its coasts, it was one of the prime recipients of Western aid. Most donors trust Ghana as a nation with good governance that has generally avoided the coups and conflicts that have wracked its neighbours. As a result, Ghana's development planning is characterized by a higher degree of "ownership."[267]

A distinctive aspect of Western aid to Ghana after 1990 has been its focus on specific sectors, namely education, gender equality, clean energy production, and health. Also significant, particularly in the early 2000s was debt forgiveness. The pivot from unorganised and overlapping aid towards more targeted and sector specific assistance encouraged by the various aid

261 Ian Taylor, "China's Foreign Policy towards Africa in the 1990s," The Journal of Modern African Studies 36 no. 3 (1998): 443-445.
262 Ibid., 447.
263 Ibid., 447-449.
264 Calculations made by Harry Sackey based on data from OECD's Geographical Distribution of Financial Flows to Developing Countries, various issues. See, Harry A. Sackey, "External aid inflows and the real exchange rate in Ghana," *AERC Research Paper 110 African Economic Research Consortium*, (Nairobi November 2001), 6. https://aercafrica.org/old-website/wp-content/uploads/2018/07/RP110.pdf
265 Stephen Brown, "Foreign Aid and National Ownership in Mali and Ghana," *Forum for Development Studies* 44 no. 3 (2017): 342.
266 Ibid.
267 Ibid., 345-346.

effectiveness agreements of this period has demonstrated significant success in Ghana since the late 1990s and early 2000s.[268] The targeting of specific sectors has allowed the DAC to capitalise on their most valuable attribute, being a multi-state organisation. The most impactful aspect of the DAC is that each member has their own domestic political situation and/or strengths. For instance, in Ghana the US directs a vast majority of their aid towards agriculture, education, and health whereas Canada's international aid is centred on gender equality, human rights, and governance.[269] Other DAC members such as Japan and South Korea focus a significant amount of development assistance to Ghana on infrastructure whereas Switzerland is Ghana's number two export partner composed almost entirely of gold exports at a value of $3.37 billion in 2022.[270] Meanwhile, France and the UK are major donors to Ghana in energy generation, while encouraging Ghana to meet international climate change goals.[271] The DAC's organisational structure allows its members to be flexible in their aid to Ghana and help them overcome policy barriers such as the imperial history of some DAC members.

The WB and the DAC were close partners on educational reforms in Ghana between 1987 and 2002, with the DAC alone contributing $317.3 million to Ghana's education sector.[272] During the 1990s the DAC focussed its efforts in Ghana's education sector, particularly the education of children under 18 years of age, constructing schools as well as hiring and training teachers.[273] These efforts enabled Ghana to increase the number of children with access to

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[268] Geeta Sinha, and Bhabani Shankar Nayak, "Sector-Wide Approaches and Mainstreaming Gender in Education in Ghana: A Study of Its Implementation and Effectiveness," *Journal of Asian and African Studies* 43 no. 3 (2008): 337-342; Lene Buchert, "Towards New Partnerships in Sector-Wide Approaches: Comparative Experiences from Burkina Faso, Ghana and Mozambique," *International Journal of Educational Development* 22 no. 1 (2002): 69–84; and Andrew Cassels, and K. Janovsky, "Better Health in Developing Countries: Are Sector-Wide Approaches the Way of the Future?" *The Lancet (British Edition)* 352 (1998): 1778.
[269] U.S. government "U.S. Foreign Assistance - Ghana" *Foreign Assistance*, accessed March 2025, https://foreignassistance.gov/cd/ghana/; Government of Ghana, "USAID," *Ministry of Health - Ghana*, accessed March 2025, https://www.moh.gov.gh/usaid/; and Government of Canada, " Canada-Ghana relations," *Canada*, accessed March 2025, https://www.international.gc.ca/country-pays/ghana/relations.aspx?lang=eng
[270] Jiyoung Kim, "Aid and State Transition in Ghana and South Korea," *Third World Quarterly* 36 no. 7 (2015): 1333-1348; Government of Ghana, "Korea International Cooperation Agency," *Ministry of Health - Ghana*, accessed February 2025, https://www.moh.gov.gh/korea-international-cooporation-agency/; Government of Ghana, "Trade Between Ghana and Japan," *Embassy of Ghana-Japan*, accessed March 2025, https://tokyo.mfa.gov.gh/tradeofGhanaAndJapan.aspx; Government of Japan, "Country Assistance Program for the Republic of Ghana," Government of Japan (September 2006), accessed March 2025, https://www.mofa.go.jp/policy/oda/assistance/pdfs/e_ghana2006.pdf; and Alex Simoes, and Cesar A. Hidalgo, "The Economic Complexity Observatory: An Analytical Tool for Understanding the Dynamics of Economic Development," Workshops at the Twenty-Fifth AAAI Conference on Artificial Intelligence, 2011, accessed March 2025 https://oec.world/en/profile/country/gha
[271] Independent Commission for Aid Impact, "The changing nature of UK aid in Ghana," 12 February 2020, accessed March 2025, https://icai.independent.gov.uk/html-version/ghana/; Foreign Commonwealth and Development Office, "UK–Ghana Development Partnership," *Policy Paper*, July 2023, accessed March 2025, https://www.gov.uk/government/publications/uk-ghana-development-partnership-summary/uk-ghana-development-partnership-summary-july-2023; Ministry for Europe and Foreign Affairs "France and Ghana," January 2023, accessed March 2025, https://www.diplomatie.gouv.fr/en/country-files/ghana/france-and-ghana-65131/; and Agence Française de Développement, "Ghana," *Government of France*, accessed March 2025, https://www.afd.fr/en/page-region-pays/ghana
[272] Nii Moi Thompson and Leslie Casely-Hayford, "The Financing and Outcomes of Education in Ghana," *Department for International Development* (RECOUP Working Paper 16, UK March 2008), 12. https://ceid.educ.cam.ac.uk/publications/WP16.pdf
[273] "CRS: Creditor Reporting System (flows) [cloud replica] - DAC Education Aid to Ghana, *Organisation for Economic Co-operation and Development*, accessed March 2025, [Filters (1) Donor: DAC Countries (2) Recipient: Ghana; Ethiopia; Democratic Republic of the Congo; Africa (3) Sector: All Sectors; Education; Education Policy and Administrative Management; Education Facilities and Training; Teacher Training; Educational Research; Primary

education, particularly girls.[274] Overall, the rate of enrollment was slow and saw little growth until 1995 when free compulsory universal basic education (FCUBE) was introduced by the Ghanaian government.[275] Although free, regular school attendance did impose costs on families such as the purchase of school uniforms, school bags, pens, paper, and other supplies while also requiring transport where necessary.[276] Despite significant investments into education throughout the 1990s Ghana started the new millennia with expected years of schooling at 7.2 years up from 5.7 the decade before. Expected years of schooling by 2018 had increased to 11 years in 2018. Investments in Ghana's education sector increased drastically since the 1990s with the DAC alone contributing $1.1 billion of ODA between 2002 and 2018 (see Appendix D).

The DAC and other Western aid organizations have also given critical assistance to Ghana's health sector which resulted in a positive impact on Ghana's life expectancy rate. For reference Ghana's life expectancy saw an increase of 8.5 years from 55.6 years in 1990 to 64.1 years in 2018; 2.6 years above the average for life expectancy in Sub-Saharan Africa in 2018.[277] Western development assistance programs prioritised health and family planning along with efforts towards the eradication of communicable diseases in Ghana.[278] Investments in

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Education; Primary Education equivalent for Adults; Early Childhood Education; School Feeding; Lower Secondary Education; Upper Secondary Education; Vocational Training; Higher Education; Advanced Technical and Managerial Training (4) Measure: Official Development Assistance (5) Channel: All Channels (6) Modality: All Modalities (7) Flow type: Disbursements (8) Price Base: Constant Prices (9) Time Period: 2002-2018] https://data-explorer.oecd.org/vis?tm=oda&pg=0&snb=62&vw=tb&df[ds]=dsDisseminateFinalCloud&df[id]=DSD_CRS%40DF_CRS&df[ag]=OECD.DCD.FSD&df[vs]=1.3&dq=DAC.COD%2BGHA%2BF%2BETH.11430%2B11420%2B11330%2B11320%2B11260%2B11250%2B11240%2B11232%2B11220%2B11182%2B11130%2B11110%2B11120%2B110%2B1000.100._T._T.D.Q._T..&pd=1995%2C2018&to[TIME_PERIOD]=false&isAvailabilityDisabled=false&mdc[RECIPIENT]=ETH&mdc[SECTOR]=230&mdc[TIME_PERIOD]=2006&mdc[DONOR]=DAC&mdc[MEASURE]=100&mdc[CHANNEL]=_T&mdc[MODALITY]=_T&mdc[FLOW_TYPE]=D&mdc[PRICE_BASE]=Q; Kenneth King, "The New Aid Architecture in Ghana: Influencing Policy and Practice?" *European Journal of Development Research* 23 no. 4 (2011): 648–667; and Development Assistance Committee, "Shaping the 21st Century: The Contribution of Development Cooperation," OECD, Paris 1996. https://www.oecd.org/en/publications/shaping-the-21st-century-the-contribution-of-development-co-operation_da2d4165-en.html

[274] Nii Moi Thompson and Leslie Casely-Hayford, "The Financing and Outcomes of Education in Ghana," *Department for International Development* (RECOUP Working Paper 16, UK March 2008), 12. ttps://ceid.educ.cam.ac.uk/publications/WP16.pdf.

[275] Kwame Akyeampong, "Revisiting Free Compulsory Universal Basic Education (FCUBE) in Ghana," *Comparative Education*, 45 no. 2 (2009): 179.

[276] Ibid., 181.

[277] Pedro Conceição, "Human Development Report 2019 Beyond income, Beyond Averages, Beyond Today: Inequalities in Human Development in the 21st Century," *United Nations Development Programme*, (New York, 2019), 302-303 https://hdr.undp.org/system/files/documents/hdr2019.pdf; and Human Development Report, "Ghana," *United Nations Development Programme*, accessed March 2025, https://hdr.undp.org/data-center/specific-country-data#/countries/GHA

[278] Government of Canada, " Canada-Ghana relations," *Canada*, accessed March 2025, https://www.international.gc.ca/country-pays/ghana/relations.aspx?lang=eng; Foreign Commonwealth and Development Office, "UK–Ghana Development Partnership," *Policy Paper*, July 2023, accessed March 2025, https://www.gov.uk/government/publications/uk-ghana-development-partnership-summary/uk-ghana-development-partnership-summary-july-2023; The Government of the Republic of Korea, "The Republic of Korea's Country Partnership Strategy for the Republic of Ghana." (March 2021), 8-10; and "CRS: Creditor Reporting System (flows) [cloud replica] - DAC Health Aid to Ghana, *Organisation for Economic Co-operation and Development*, accessed March 2025, [Filters (1) Donor: DAC Countries (2) Recipient: Ghana; Ethiopia; Democratic Republic of the Congo; Africa (3) Sector: All Sectors; Health Policy and Administrative Management; Medical Education/Training; Medical Research; Medical Services; Basic Health Care; Basic Health Infrastructure; Basic Nutrition; Infectious Disease Control; Health Education; Malaria Control' Tuberculosis Control; Health Personnel Development (4) Measure: Official Development Assistance (5) Channel: All Channels (6) Modality: All Modalities (7) Flow type: Disbursements (8) Price Base: Constant Prices (9) Time Period: 2002-2018] https://data-explorer.oecd.org/vis?tm=oda&pg=0&snb=62&vw=tb&df[ds]=dsDisseminateFinalCloud&df[id]=DSD_CRS%40DF_

programming to combat diseases such as HIV-AIDS and malaria made significant inroads. In addition, Western IDA has also strengthened the Ghana Health Service (GHS) which was officially launched in 1996. The mandate of the GHS is: "to provide and prudently manage comprehensive and accessible health service with special emphasis on primary health care at Ghana regional, district and sub-district levels in accordance with approved national policies."[279] To put the GHS on stable footing Western development assistance in Ghana's health sector was directed towards the training of new medical professionals both domestically - in newly established medical schools supported by Western medical personnel - and internationally - through education grants and programmes where Ghanaians were sent abroad to study to become medical professionals.[280]

Despite the general funding of Ghana's health sector, the West focused their efforts on disease control and prevention programmes, child health and immunisation, and improvements in maternal health.[281] The idea was that initial large sum investments in immunisation against diseases such as malaria and HIV-AIDs would alleviate the burden on the newly formed health care system. As noted by Ghana's HDI score the focus on prevention rather than intervention saw success as life expectancy increased by over 2.5 years between 1990 and 2000; the period of time in which disease prevention efforts by the West increased drastically from prior intervention levels pre-1990.[282] Other key areas of development assistance to the health field include the elimination of malaria. The US aid flowed through their 'U.S. President's Malaria Initiative' (PMI) since 2006 and has seen over $5.77 billion of direct aid to combat malaria; and of the

CRS&df[ag]=OECD.DCD.FSD&df[vs]=1.3&dq=DAC.COD%2BGHA%2BF%2BETH.1000%2B12110%2B12181%2B12182%2B12191%2B12220%2B12230%2B12240%2B12250%2B12261%2B12262%2B12263%2B12281.100._T._T.D.Q._T..&pd=1995%2C2018&to[TIME_PERIOD]=false&isAvailabilityDisabled=false&mdc[RECIPIENT]=ETH&mdc[SECTOR]=230&mdc[TIME_PERIOD]=2006&mdc[DONOR]=DAC&mdc[MEASURE]=100&mdc[CHANNEL]=_T&mdc[MODALITY]=_T&mdc[FLOW_TYPE]=D&mdc[PRICE_BASE]=Q

279 Government of Ghana, "Ghana Health Service," Ministry *of Health, Republic of Ghana*, accessed March 2025, https://www.moh.gov.gh/ghana-health-service/

280 Government of Canada, "Canada-Ghana relations," *Canada*, accessed March 2025, https://www.international.gc.ca/country-pays/ghana/relations.aspx?lang=eng; Foreign Commonwealth and Development Office, "UK–Ghana Development Partnership," *Policy Paper*, July 2023, accessed March 2025, https://www.gov.uk/government/publications/uk-ghana-development-partnership-summary/uk-ghana-development-partnership-summary-july-2023; The Government of the Republic of Korea, "The Republic of Korea's Country Partnership Strategy for the Republic of Ghana" (March 2021), 8-10; Helge Talsberg, Ernest Kwasi Adjei, Osei Owusu-Afriyie, and Vidar Isaksen, "Sustainable Development of Pathology in Sub-Saharan Africa: An Example From Ghana," *Archives of Pathology & Laboratory Medicine (1976)* 141 no. 11 (2017): 1533-1539; and "CRS: Creditor Reporting System (flows) [cloud replica] - DAC Health Aid to Ghana," *Organisation for Economic Co-operation and Development*, accessed March 2025, [Filters (1) Donor: DAC Countries (2) Recipient: Ghana; Ethiopia; Democratic Republic of the Congo; Africa (3) Sector: All Sectors; Health Policy and Administrative Management; Medical Education/Training; Medical Research; Medical Services; Basic Health Care; Basic Health Infrastructure; Basic Nutrition; Infectious Disease Control; Health Education; Malaria Control' Tuberculosis Control; Health Personnel Development (4) Measure: Official Development Assistance (5) Channel: All Channels (6) Modality: All Modalities (7) Flow type: Disbursements (8) Price Base: Constant Prices (9) Time Period: 2002-2018] https://data-explorer.oecd.org/vis?tm=oda&pg=0&snb=62&vw=tb&df[ds]=dsDisseminateFinalCloud&df[id]=DSD_CRS%40DF_CRS&df[ag]=OECD.DCD.FSD&df[vs]=1.3&dq=DAC.COD%2BGHA%2BF%2BETH.1000%2B12110%2B12181%2B12182%2B12191%2B12220%2B12230%2B12240%2B12250%2B12261%2B12262%2B12263%2B12281.100._T._T.D.Q._T..&pd=1995%2C2018&to[TIME_PERIOD]=false&isAvailabilityDisabled=false&mdc[RECIPIENT]=ETH&mdc[SECTOR]=230&mdc[TIME_PERIOD]=2006&mdc[DONOR]=DAC&mdc[MEASURE]=100&mdc[CHANNEL]=_T&mdc[MODALITY]=_T&mdc[FLOW_TYPE]=D&mdc[PRICE_BASE]=Q

281 Ibid.

282 Eric Adua, Kwasi Frimpong, Xia Li, and Wei Wang, "Emerging Issues in Public Health: A Perspective on Ghana's Healthcare Expenditure, Policies and Outcomes," *The EPMA Journal* 8 no. 3 (2017): 197–206.

$5.77 billion Ghana, since 2006 through to 2018, has received a total of $277 million.[283] Other DAC nations had similar domestic programmes and also partook in multilateral efforts to curb the spread and impact of AIDS, Tuberculosis and Malaria, namely through The Global Fund to Fight AIDS, Tuberculosis and Malaria.[284] Western efforts in Ghana's health sector were done through a sector wide approach (SWAp) in support of Ghana's National Health Insurance Scheme (NHIS) which was launched in 2003 and has seen success.[285] Since 2002 just the DAC provided a total of $1.5 billion of ODA to Ghana's health sector (see Appendix D).

While the vast majority of Western development assistance flowing both bilaterally and multilaterally has been in the areas of health and education, some DAC nations have also supplied support to economic infrastructure. Japan's development assistance in the form of ODA throughout the 1990s resulted in nearly $400 million USD (60 billion Japanese Yen) on critical infrastructure such as railway repairs and restoration of roads and highways.[286] Some examples of infrastructure projects being the Kumasi-Paga Road rehabilitation project; water sector rehabilitation project; and a power plant barge project.[287] As noted by Japan itself, the Kumasi-Paga Road rehabilitation project has several objectives:

> One objective of this project was to repair the major trunk road linking Kumasi with the northern border, thereby contributing to bolstering the agricultural foundation of the northern region. Another was to improve the trunk road extending from the northern border with Burkina Faso to the southern coastline in conjunction with the preceding industrial road rehabilitation project funded by Japanese ODA loan, thus promoting distribution and contributing to economic growth.[288]

Development assistance in economic infrastructure and services (e.g. transportation, communications, and energy) in Ghana, like most African developing nations, is proportionally less than that of the development assistance towards social infrastructure and services (e.g. education, health, and governance). For instance, between 2002 and 2018 the DAC provided a

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[283] United States Agency for International Development and Centers for Disease Control and Prevention, *U.S president's Malaria Initiative: 12th Annual report to Congress 2018*, (April 2018), 17, https://reliefweb.int/attachments/65da306b-b223-3696-aebb-54aecccbda91/pmi-by-the-numbers-2018.pdf and https://reliefweb.int/report/world/president-s-malaria-initiative-12th-annual-report-congress-april-2018

[284] While increase aid in the prevention of disease such as malaria may have positively impacted this criterion, it also negatively impacts other aspects of Ghana's development as the cost of treating those with malaria posed, and still poses, a risk to the NHIS impacting their overall economic management criterion later on post 2014. See, Ernest Aryeetey and Ravi Kanbu Eds. *The economy of Ghana sixty years after independence*, First edition. (Oxford University Press 2017), 366-367, and 381.

[285] N. J. Blanchet, G. Fink, and I. Osei-Akoto, "The Effect of Ghana's National Health Insurance Scheme on Health Care Utilisation," *Ghana Medical Journal* 46 no. 2 (2012): 82-84; Ghana's National Health Insurance Scheme, accessed March 2025, https://www.nhis.gov.gh/nhia; Anthony Kwarteng, James Akazili, Paul Welaga, Philip Ayizem Dalinjong, Kwaku Poku Asante, Doris Sarpong, Samuelina Arthur, Martin Bangha, Jane Goudge, and Osman Sankoh, "The State of Enrollment on the National Health Insurance Scheme in Rural Ghana after Eight Years of Implementation," *International Journal for Equity in Health* 19 no. 1 (2019): 11-13; Christmal Dela Christmals, and Kizito Aidam, "Implementation of the National Health Insurance Scheme (NHIS) in Ghana: Lessons for South Africa and Low- and Middle-Income Countries," *Risk Management and Healthcare Policy* 13 (2020):1898-1900; and Huihui Wang, Nathaniel Otoo, and Lydia Dsane-Selby, "Ghana National Health Insurance Scheme: Improving Financial Sustainability Based on Expenditure Review," *World Bank Group*, (2017).

[286] Government of Japan, "Continued Assistance for Highway Sector in Ghana Rehabilitation of National Road Network," *Overseas Economic Cooperation Fund*, (March 1998), 1-2. https://www2.jica.go.jp/yen_loan/pdf/en/4487/19980330-eg.pdf

[287] Ibid.

[288] Government of Japan, "Kumasi-Paga Road Rehabilitation Project: Ghana," March 2001, accessed March 2025, 2 https://www.jica.go.jp/Resource/english/our_work/evaluation/oda_loan/post/2001/pdf/e_project_80_all.pdf

total of $1.87 billion ODA to Ghana's Economic infrastructure and services - with a vast majority going towards the transportation and storage sector along with the business and other services sector (see Appendix D). The focus in these two sectors is not surprising as transportation development assistance (e.g. roads and highways) and business development assistance (e.g. FDI) are far easier to implement for the West compared to communication and energy development assistance. While at first glance this figure of $1.87 billion is greater than just education or health figures as noted above, when compared to its equivalent (Social Infrastructure and Services) one ought to see the focus of Western development assistance to Ghana. From 2002 to 2018 the DAC sent over $5.2 billion ODA to Ghana's social infrastructure and services sectors which include education, health, governance, population programs, water supply and sanitation, and more (see Appendix D).[289]

Key to Western efforts in Ghana, as elsewhere in Africa and the Global South, has been to provide assistance to governance and administration as set out in the various aid effectiveness fora of the early 21st century. This process is commonly referred to as the sector wide approach (SWAp). The West accepted and helped execute Ghana's self-made development assistance policies commonly referred to as 'Ghana-Vision 2020' and 'Ghana Beyond Aid' (GBA). Ghana-Vision 2020 was launched in 1996 and was supported by the international community being hailed as a positive step forward for Ghana on its development journey. President Rawlings announced that Ghana-Vision 2020 was meant to "lay the foundations for accelerated growth" while also seeking accelerated development through economic and sustainable development policies.[290] The GBA was launched in 2019 seeking to transform Ghana's economy from "the production and exports of raw materials, to one based on manufacturing and high value services; an economy that provides opportunities, jobs, and prosperity to all Ghanaians."[291] President Nana Akufo-Addo declared that it was time to strive for a Ghana beyond aid. A Ghana that is "prosperous and self-confident" is a "Ghana that is in charge of her economic destiny; a transformed Ghana that is prosperous enough to be beyond needing aid, and that engages competitively with the rest of the world through trade and investment."[292] As a result both Ghana-Vision 2020 and the GBA have influenced Western development assistance through the use of the sector wide approach (SWAp).

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[289] "CRS: Creditor Reporting System (flows) [cloud replica] - DAC Social infrastructure and services sectors Ghana," *Organisation for Economic Co-operation and Development*, accessed March 2025, [Filters (1) Donor: DAC Countries (2) Recipient: Ghana; Ethiopia; Democratic Republic of the Congo; Africa (3) Sector: All Sectors; Social Infrastructure and Services; Education; Health; Population Policies/Programmes and Reproductive Health; Water Supply and Sanitation; Government and Civil Society; Other Social Infrastructure and Services; Economic Infrastructure and Services; Transport and Storage; Communications; Energy; Banking and Financial Services; Business and Financial Services; Business and Other Services; Production Sectors; Agriculture, Forestry, Fishing; Industry, Mining, Construction; Trade Policies and Regulations(4) Measure: Official Development Assistance (5) Channel: All Channels (6) Modality: All Modalities (7) Flow type: Disbursements (8) Price Base: Constant Prices (9) Time Period: 2002-2018] https://data-explorer.oecd.org/vis?tm=oda&pg=0&snb=62&vw=tb&df[ds]=dsDisseminateFinalCloud&df[id]=DSD_CRS%40DF_CRS&df[ag]=OECD.DCD.FSD&df[vs]=1.3&dq=DAC.COD%2BGHA%2BF%2BETH.100%2B110%2B120%2B130%2B140%2B150%2B160%2B200%2B210%2B220%2B230%2B240%2B250%2B300%2B310%2B320%2B331%2B1000.100._T._T.D.Q._T..&pd=1995%2C2018&to[TIME_PERIOD]=false&isAvailabilityDisabled=false&mdc[RECIPIENT]=GHA&mdc[SECTOR]=250&mdc[TIME_PERIOD]=2004&mdc[DONOR]=DAC&mdc[MEASURE]=100&mdc[CHANNEL]=_T&mdc[MODALITY]=_T&mdc[FLOW_TYPE]=D&mdc[PRICE_BASE]=Q

[290] Jerry John Rawlings, *Ghana – Vision 2020 (The First Step: 1996-2000)*, presidential report on co-ordinated programme of economic and social development policies (policies for the preparation of 1996-2000 development plan) (Accra Ghana 1995), i. https://www.ircwash.org/sites/default/files/Rawlings-1995-GhanaVision.pdf

[291] Nana Addo Dankwa Akufo-Addo, "Ghana Beyond Aid: Charter and Strategy Document," *Government of Ghana* (April 2019), accessed March 2025, 1. http://psrs.gov.gh/images/GBYA/ghana_beyond_aid_charter_new.pdf

[292] Ibid.

Tables provided below (Tables 1 through 5) demonstrate that Ghana has been moving away from an over reliance of Western developmental assistance. While aid flows have remained relatively constant since 2009, aid as a percentage of Ghana's GNI has fallen significantly. This is likely related to Ghana's discovery of oil in 2009 and its subsequent commercial development. While significant economic growth was seen in other economic sectors, studies have shown the exporting of oil from Ghana being the leading cause in the economic surge between 2010 to 2013, as well as its contribution to key development efforts such as extending the costs of education to senior high school levels.[293]

Ghana's discovery of oil however has not been an unvarnished blessing to its economy and goals of social development.[294] As experienced elsewhere, Ghana's newfound oil riches has negatively affected other key economic sectors, particularly agriculture which many development economists believe is essential to developing nations achieving poverty reduction and long term sustainable development.[295] Indeed, the agricultural sector of Ghana's has been declining since 2009 which has had consequences for Ghana's food sufficiency and have contributed to the huge importing of agricultural products while also having an impact on the labour force in agriculture.[296] As noted by Abban Priscilla Nyamekye, Ze Tian, and Fangfang Cheng, "The poor performance of the agricultural sector could be explained by the decline in government allocation of resources to the sector over the years."[297] There have also been consequences for many rural poor who depend solely on the agricultural sector as a source of their livelihoods. While Ghana has made significant strides in reducing the number of its citizens in absolute poverty, Ghanaians living in rural areas, many of them now dominated by oil resource production, still remain poverty-stricken.[298] The other problem is what happens when the oil boom experiences shocks. One can see from the figures provided in Table 4 that DAC provided food aid increased sharply after 2015 following the drop in crude oil prices by more than one-third.[299]

In addition to the oil discoveries, the impact of the SAP in Ghana throughout the 1990s also affected Ghana's mining and agricultural sectors. The SAP encouraged FDI and gave way

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[293] *George Asumadu, Daniel Ofori, John Agyei, Ali Yahuza Bawa*,"Ghana's Oil Discovery and Natural Resource Curse Nexus," *Modern Economy*, Vol.12 No.12, (2021). https://www.scirp.org/journal/paperinforcitation?paperid=114189

[294] Ernest Aryeetey and Ravi Kanbu Eds. *The Economy of Ghana Sixty Years After Independence*, First edition. (Oxford University Press 2017), 138.

[295] Clement Oteng, Omowumi Iledare, and Joshua Sebu, "Vulnerability of the Agricultural Commodity Markets in Ghana to Global Oil Price Fluctuations: An Empirical Analysis," *SAGE Open* 14 no. 1 (2024): 11; Y.D. Lawson, S.G.K Adiku, and S.K.A Danso, "The Petroleum Find: Its Possible Impact on the Agricultural Sector in Ghana: The Role of Soil Science," *West African Journal of Applied Ecology* 22 no. 2 (2014): 45-55; Jasper Ayelazuno, "Oil Wealth and the Well-Being of the Subaltern Classes in Sub-Saharan Africa: A Critical Analysis of the Resource Curse in Ghana," *Resources Policy* 40 (2014): 70-72; Akwasi Ampofo, Terence C Cheng, and Firmin Doko Tchatoka, "Oil Extraction and Spillover Effects into Local Labour Market: Evidence from Ghana," *Energy Economics* 106 (2022): 6-7; G. Asumadu, D. Ofori, J. Agyei, and A. Y. Bawa, "Ghana's Oil Discovery and Natural Resource Curse Nexus," *Modern Economy,* 12 (2021): 1967-1968; and Benard Akalbeo, "Does the Resource Curse Exist? Evidence from Oil Discovery and Production in Ghana," *Resources Policy* 101 (2025): 7.

[296] Bright Tetteh, Samuel Tawiah Baidoo, and Paul Owusu Takyi, "The Effects of Climate Change on Food Production in Ghana: Evidence from Maki (2012) Cointegration and Frequency Domain Causality Models," *Cogent Food & Agriculture* 8 no. 1 (2022): 2-3.

[297] Abban Priscilla Nyamekye, Ze Tian, Fangfang Cheng, "Analysis on the Contribution of Agricultural Sector on the Economic Development of Ghana," *Open Journal of Business and Management*, 9 (2021): 1304.

[298] Xinshen Diao, Eduardo Magalhaes, and Jed Silver, "Cities and Rural Transformation: A Spatial Analysis of Rural Livelihoods in Ghana," *World Development* 121 (2019): 154-155; and with regards to rural jobs moving to the oil sector see the sources in footnote 290.

[299] John M. Baffes, Ayhan Kose, Franziska Ohnsorge, and Marc Stocker, "Down the Slide: The Collapse in Oil Prices since 2014 Is the Most Recent of Several in the Past Three Decades and May Portend a Long Period of Low Prices," *IMF Finance & Development* 52 no. 4, (2015). https://www.elibrary.imf.org/view/journals/022/0052/004/article-A007-en.xml

for Ghana's Ashanti Goldfields Company to globalise its operations.[300] The gold industry in Ghana grew exponentially when Ghana liberalised their economic system resulting in gold being one of the top exports for Ghana.[301] The Ashanti Goldfields Company continues to be one of Ghana's greatest successes in their economic development. However, unlike the success seen with the Ashanti Goldfields Company, the agricultural sector of Ghana's developing economy suffered due to the conditions placed on Ghana by the SAPs which was then exacerbated by the discovery of, and shift towards, oil. These two factors impacted both employment opportunities and the overall agricultural sector. One of the conditions from the SAP on Ghana's economy was the removal of agricultural subsidies in order to attempt to reduce Ghana's fiscal deficits.[302] The removal of these subsidies harmed Ghana's agricultural industry which had then represented a 50% share in total employment across Ghana's economy.[303] As such the transition to an oil based economy away from an agricultural based economy negatively impacted Ghana's development efforts, particularly towards its goal of poverty reduction as agriculture is the backbone of Ghana's economy.[304]

[300] Ebenezer Nikoi, "Ghana's Economic Recovery Programme and the Globalisation of Ashanti Goldfields Company Ltd: Ghana's ERP and Globalisation of Ashanti," *Journal of International Development*, 28 no. 4 (2016), 589.
[301] Alex Simoes, and Cesar A. Hidalgo, "The Economic Complexity Observatory: An Analytical Tool for Understanding the Dynamics of Economic Development," Workshops at the Twenty-Fifth AAAI Conference on Artificial Intelligence, 2011, accessed March 2025 https://oec.world/en/profile/country/gha
[302] William Baah-Boateng, "Employment Policies For Sustainable Development: The Experience of Ghana," *Government of Ghana and United Nations Development Programme*, (Accra May 2004), 19. https://www.undp.org/sites/g/files/zskgke326/files/publications/EmploymentPoliciesForSustainableDev.pdf
[303] Ibid., 21.
[304] William Baah-Boateng, "Employment Policies For Sustainable Development: The Experience of Ghana," *Government of Ghana and United Nations Development Programme*, (Accra May 2004), 19 https://www.undp.org/sites/g/files/zskgke326/files/publications/EmploymentPoliciesForSustainableDev.pdf; Valeria Ferreira, Miguel Ángel Almazán-Gómez, Victor Nechifor, and Emanuele Ferrari, "The Role of the Agricultural Sector in Ghanaian Development: A Multiregional SAM-Based Analysis." *Journal of Economic Structures* 11 no. 1 (2022): 1-27; and "Ghana's Agriculture Sector Report," *Ghana Investment Promotion Center*, (November 2022), 28. https://www.gipc.gov.gh/wp-content/uploads/2023/03/Ghanas-Agriculture-Sector-Report-1.pdf

Table 1: Official Flows (ODA + OOF) by DAC to Ghana 1990 to 2000 [USD, Constant Pricing 2022][305]

Time period	Official Flows (ODA + OOF) net [USD, Constant Pricing 2022]
1990	$384,800,000
1991	$672,200,000
1992	$520,700,000
1993	$466,400,000
1994	$469,300,000
1995	$455,500,000
1996	$545,800,000
1997	$706,400,000
1998	$408,600,000
1999	$192,800,000
2000	$564,400,000

[305] "Official Flows (ODA + OOF) by DAC to Ghana 1990 to 2000," *Organisation for Economic Co-operation and Development*, accessed March 2025, [Filters (1) Donor: DAC Countries (2) Recipient: Ghana (3) Measures: Official Flows Net (4) Price Base: Constant Prices (5) Time Period: 1990–2018] https://data-explorer.oecd.org/vis?fs[0]=Topic%2C1%7CDevelopment%23DEV%23%7COfficial%20Development%20Assistance%20%28ODA%29%23DEV_ODA%23&pg=0&fc=Topic&bp=true&snb=11&df[ds]=dsDisseminateFinalDMZ&df[id]=DSD_DAC2%40DF_OFFICIAL&df[ag]=OECD.DCD.FSD&df[vs]=1.0&pd=1990%2C2018&dq=DAC.GHA.967.USD.Q&ly[rw]=RECIPIENT&ly[cl]=TIME_PERIOD&to[TIME_PERIOD]=false&vw=tb

Table 2: DAC Official Development Assistance to Ghana 1990 to 2000 [USD, Millions, Constant Pricing 2022][306]

Time Period	Official Develop-ment Assistance (ODA), Disburse-ments	ODA Grants, Disburse-ments	Debt Forgiveness	Gross ODA Loans	Develop-ment Food Aid	Humanitar-ian Aid	ODA as Percent of Recipient GNI [Current Pricing]
1990	379.1	718.53	461.29	137.88	31.9		4.59
1991	628.05	817.01	365.8	155.52	30.39		6.93
1992	451.92	338.37	9.82	131.91	39.4		5.32
1993	434.45	339.55	9.01	114.85	38.36		5.45
1994	406.33	332.42	8.59	95.98	6.85		6.26
1995	419.13	350.87	22.15	105.4	15.45	1.42	5.67
1996	419.86	326.18	10.65	122.91	12.11	0.21	5.16
1997	394.92	321.94	4.94	96.88	38.44	0.86	4.39
1998	468.36	393.72	24.92	131.05	39.27	0.49	5.11
1999	453.08	418.09	7.98	79.08	25.78	0.75	4.7
2000	513.44	464.29	2.5	86	41	0.67	7.77

306 "OECD-DAC ODA to Ghana 1990 to 2000, Aid (ODA) disbursements to countries and regions [DAC2A]," *Organisation for Economic Co-operation and Development*, accessed March 2025, [Filters (1) Donor: DAC Countries (2) Recipient: Ghana (3) Measures: Official Development Assistance Disbursements; ODA Grants Disbursements; Debt Forgiveness; Other Debt Grants; Gross ODA Loans; Development Food Aid; Humanitarian Aid; ODA as Percent of Recipient GNI (4) Unit of Measure: US Dollar; (5) Price Base: Constant Prices (6) Time Period: 1990–2018] https://data-explorer.oecd.org/vis?fs[0]=Topic%2C1%7CDevelopment%23DEV%23%7COfficial%20Development%20Assistance%20%28ODA%29%23DEV_ODA%23&pg=0&fc=Topic&bp=true&snb=11&df[ds]=dsDisseminateFinalDMZ&df[id]=DSD_DAC2%40DF_DAC2A&df[ag]=OECD.DCD.FSD&df[vs]=1.0&pd=1990%2C2018&dq=DAC.GHA.286%2B216%2B213%2B221%2B212%2B204%2B201%2B206.USD.Q&ly[rw]=RECIPIENT&ly[cl]=TIME_PERIOD&to[TIME_PERIOD]=false&vw=tb

Table 3: DAC Official Development Assistance to Ghana 2000 to 2008 [USD, Millions, Constant Pricing 2022][307]

Time Period	Official Development Assistance (ODA), Disbursements	ODA Grants, Disbursements	Debt Forgiveness	Gross ODA Loans	Development Food Aid	Humanitarian Aid	ODA as Percent of Recipient GNI [Current Pricing]
2000	513.44	464.29	2.5	86	41	0.67	7.77
2001	598.72	597.88	8.16	24.41	33.63	0.41	7.43
2002	596.4	620.46	142.72	44.62	33.19	1.09	6.71
2003	627.71	582.25	63.02	56.91	48.55	2.46	6.48
2004	1,035.7	1,698.5	1,089.58	95.83	27.11	2.72	10.69
2005	698.88	1,022.65	459.03	75.2	27.47	2.1	5.8
2006	657.55	636.1	14.06	61.04	31.78	1.73	2.93
2007	721.22	660.71		70.54	25.35	10.63	2.88
2008	709.65	641.17		88.02	15.76	7.86	2.54

[307] "OECD-DAC ODA to Ghana 2000 to 2008, Aid (ODA) disbursements to countries and regions [DAC2A]," *Organisation for Economic Co-operation and Development*, accessed March 2025, [Filters (1) Donor: DAC Countries (2) Recipient: Ghana (3) Measures: Official Development Assistance Disbursements; ODA Grants Disbursements; Debt Forgiveness; Other Debt Grants; Gross ODA Loans; Development Food Aid; Humanitarian Aid; ODA as Percent of Recipient GNI (4) Unit of Measure: US Dollar; (5) Price Base: Constant Prices (6) Time Period: 1990–2018] https://data-explorer.oecd.org/vis?fs[0]=Topic%2C1%7CDevelopment%23DEV%23%7COfficial%20Development%20Assistance%20%28ODA%29%23DEV_ODA%23&pg=0&fc=Topic&bp=true&snb=11&df[ds]=dsDisseminateFinalDMZ&df[id]=DSD_DAC2%40DF_DAC2A&df[ag]=OECD.DCD.FSD&df[vs]=1.0&pd=1990%2C2018&dq=DAC.GHA.286%2B216%2B213%2B221%2B212%2B204%2B201%2B206.USD.Q&ly[rw]=RECIPIENT&ly[cl]=TIME_PERIOD&to[TIME_PERIOD]=false&vw=tb

Table 4: DAC Official Development Assistance to Ghana 2009 to 2018 [USD, Millions, Constant Pricing 2022][308]

Time Period	Official Development Assistance (ODA), Disbursements	ODA Grants, Disbursements	Debt Forgiveness	Gross ODA Loans	Development Food Aid	Humanitarian Aid	ODA as Percent of Recipient GNI [Current Pricing]
2009	862.25	830.34	20.5	82.47	15.38	2.36	3.16
2010	949.82	878.67		92.44	0.6	1.13	2.83
2011	941.24	849.29		108.56	8.09	0.59	2.36
2012	850.85	835		85.54	1.53	3.65	2.15
2013	723.74	671.42		84.77		2.7	1.2
2014	606.53	543.18		76.41	4.55	1.4	1.17
2015	696.11	599.48		114.61	1.61	5.35	1.31
2016	700.11	608.31		106.76	22.36	0.28	1.15
2017	651.91	578.5		98.84	37.43	1.33	1.03
2018	663.37	625.9		67.83	14.36	0.29	0.97

308 "OECD-DAC ODA to Ghana 2009 to 2018, Aid (ODA) disbursements to countries and regions [DAC2A]," *Organisation for Economic Co-operation and Development*, accessed March 2025, [Filters (1) Donor: DAC Countries (2) Recipient: Ghana (3) Measures: Official Development Assistance Disbursements; ODA Grants Disbursements; Debt Forgiveness; Other Debt Grants; Gross ODA Loans; Development Food Aid; Humanitarian Aid; ODA as Percent of Recipient GNI (4) Unit of Measure: US Dollar; (5) Price Base: Constant Prices (6) Time Period: 1990–2018] https://data-explorer.oecd.org/vis?fs[0]=Topic%2C1%7CDevelopment%23DEV%23%7COfficial%20Development%20Assistance%20%28ODA%29%23DEV_ODA%23&pg=0&fc=Topic&bp=true&snb=11&df[ds]=dsDisseminateFinalDMZ&df[id]=DSD_DAC2%40DF_DAC2A&df[ag]=OECD.DCD.FSD&df[vs]=1.0&pd=1990%2C2018&dq=DAC.GHA.286%2B216%2B213%2B221%2B212%2B204%2B201%2B206.USD.Q&ly[rw]=RECIPIENT&ly[cl]=TIME_PERIOD&to[TIME_PERIOD]=false&vw=tb

Table 5: DAC Non-Concessional Flows to Ghana 2008 to 2018 [USD, Millions, Constant Pricing 2022][309]

Time Period	Official Non-Con-cessional Flows, Net	OOF, Total Gross	OOF Loans, Repayments	Export Credits, Gross	Export Credits, Repayments	Offsetting Entries for Debt Relief (Export Credit Claims)	Interest Received, OOF
2008	112.1	47.55	-8.92	79.58	-11.99		-4.35
2009	128.91	11.33	-14.74	143.5	-12.11		-6.78
2010	247.83	12.57	-23.03	277.18	-20.03		-11.53
2011	205.27	23.03	-21.71	250.25	-46.67	-0.11	-16.79
2012	192.46	38.45	-60.31	366.49	-153.14		-66.35
2013	997.19	88.34	-15.6	1,023.05	-103.43		-25
2014	232.87	56.84	-26.17	242.84	-40.63		-17.87
2015	7.78	44.72	-31.95	108.53	-113.72		-10.2
2016	293.94	8.41	-30.68	455.32	-139.13		-26.83
2017	280.9	461.37	-45.79	76.49	-211.17		-33.05
2018	-129.48	66.32	-79.14	159.37	-276.13		-48.58

[309] "DAC non-Concessional Flows to Ghana 2008 to 2018, Other official flows (OOF) and export credits [DAC2B]," *Organisation for Economic Co-operation and Development*, accessed March 2025, [Filters (1) Donor: DAC Countries (2) Recipient: Ghana (3) Measures: Official Non-Concessional Flows, Net; OOF, Total Gross; OOF Loan Repayments; Export Credits Gross; Export Credit Repayments; Offsetting Entries for Debt Relief (Export Credit Claim; Interest Received OOF (4) Price Base: Constant Prices (5) Time Period: 1990–2018] https://data-explorer.oecd.org/vis?fs[0]=Topic%2C1%7CDevelopment%23DEV%23%7COfficial%20Development%20Assistance%20%28ODA%29%23DEV_ODA%23&pg=0&fc=Topic&bp=true&snb=11&vw=tb&df[ds]=dsDisseminateFinalDMZ&df[id]=DSD_DAC2%40DF_DAC2B&df[ag]=OECD.DCD.FSD&df[vs]=1.0&pd=2008%2C2018&dq=DAC%2BAUS%2BAUT%2BBEL%2BCAN%2BCZE%2BDNK%2BFIN%2BFRA%2BDEU%2BGRC%2BITA%2BJPN%2BKOR%2BLUX%2BNLD%2BNZL%2BNOR%2BPOL%2BPRT%2BSVK%2BSVN%2BESP%2BSWE%2BCHE%2BGBR%2BUSA.GHA.2204%2B2205%2B2292%2B2293%2B2295%2B2296%2B2297.USD.Q&ly[rw]=RECIPIENT&ly[cl]=TIME_PERIOD&ly[rs]=MEASURE&to[TIME_PERIOD]=false

In sum, following the Cold War Western development assistance to Ghana saw an increase in ODA levels which then remained stagnant until 2004 when DAC ODA fluctuated anywhere between $600 million and $1 billion (see above Tables and Appendix C). Since the 1990s the DAC has remained committed to its core sectors of development in Ghana, education, health, governance, and agriculture (see Appendix D).[310] Western development assistance in Ghana has seen success due to the relatively stable environment of governance within Ghana thus making it a donor darling.[311] Western aid to Ghana as a share of GNI has decreased from a height of 7.77% in 2000 to a low of 0.97% in 2018 (see Table 3 and 4). Such a result would insinuate positive development and a move away from a dependence on aid. Yet the West's presence in Ghana persists and the government of Ghana still relies on Western aid.[312] The natural question then becomes why? And here enters the PRC.

3.3.2 PRC Aid Policies to Ghana Since the 1990s

While Western donors and institutions dominated the development assistance field, particularly when it came to ODA to Ghana in the 1990s, the PRC's presence in Ghana was negligible until the 2000. Then in November 2002 the PRC provided a $67.7 million (USD 2021 Constant) interest-free loan towards their first major infrastructure project in Ghana, the development of a 17.4km portion of the Accra-Kumasi trunk road - a vital highway for resources moving through Ghana's capital.[313] The PRC led the implementation of this project through the China Railway Engineering Corporation and the China Railway No. 5 Group.[314] This large

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[310] "CRS: Creditor Reporting System (flows) [cloud replica], *Organisation for Economic Co-operation and Development*, accessed March 2025, [Filters (1) Donor: DAC Countries (2) Recipient: Ghana; Ethiopia; Democratic Republic of the Congo; Africa (3) Sector: All Sectors; Social Infrastructure and Services; Education; Health; Government and Civil Society; Economic Infrastructure and Services; Transport and Storage; Communications; Energy; Production Sectors; Agriculture (4) Measure: Official Development Assistance (5) Channel: All Channels (6) Modality: All Modalities (7) Flow type: Disbursements (8) Price Base: Constant Prices (9) Time Period: 2002-2018] https://data-explorer.oecd.org/vis?tm=oda&pg=0&snb=62&vw=tb&df[ds]=dsDisseminateFinalCloud&df[id]=DSD_CRS%40DF_CRS&df[ag]=OECD.DCD.FSD&df[vs]=1.3&dq=DAC.COD%2BGHA%2BF%2BETH.311%2B100%2B110%2B120%2B150%2B200%2B210%2B220%2B230%2B300%2B1000.100._T._T.D.Q._T..&pd=1995%2C2018&to[TIME_PERIOD]=false&isAvailabilityDisabled=false&mdc[RECIPIENT]=ETH&mdc[SECTOR]=230&mdc[TIME_PERIOD]=2006&mdc[DONOR]=DAC&mdc[MEASURE]=100&mdc[CHANNEL]=_T&mdc[MODALITY]=_T&mdc[FLOW_TYPE]=D&mdc[PRICE_BASE]=Q

[311] Stephen Brown, "Foreign Aid and National Ownership in Mali and Ghana," *Forum for Development Studies* 44 no. 3 (2017): 342

[312] Duncan Miriri and Christian Akorlie, " IMF and Ghana reach staff-level deal on $3 bln loan-programme review," *Reuters News*, October 2024, accessed March 2025, https://www.reuters.com/world/africa/imf-ghana-reach-staff-level-deal-3-bln-loan-programme-review-2024-10-04/; and "Ghana secures $1bn IMF loan in bid to revive economy," *BBC News*, February 2015, accessed March 2025, https://www.bbc.com/news/business-31652406

[313] Samantha Custer, Axel Dreher, Thai-Binh Elston, Brooke Escobar, Rory Fedorochko, Andreas Fuchs, Siddhartha Ghose, Joyce Jiahui Lin, Ammar A. Malik, Bradley C. Parks, Kyra Solomon, Austin Strange, Michael J. Tierney, Lydia Vlasto, Katherine Walsh, Fei Wang, Lincoln Zaleski, and Sheng Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "Chinese Government provides RMB 230 million interest-free loan for 17.4 KM Ofankor-Nsawam Section of Accra-Kumasi Trunk Road Rehabilitation and Expansion Project," *Aid-Data: A Research Lab at William and Mary*, accessed March 2025, https://china.aiddata.org/projects/120/

[314] S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "Chinese Government provides RMB 230 million interest-free loan for 17.4 KM Ofankor-Nsawam Section of Accra-Kumasi Trunk Road Rehabilitation and Expansion Project," *Aid-Data: A Research Lab at William and Mary*, accessed March 2025, https://china.aiddata.org/projects/120/

infrastructure project was important to the PRC as it served as a test for future endeavours and investments in Ghana while also building trust and rapport between the two states.

In addition to traditional investments in hard infrastructure such as roads and port facilities, the PRC has also been providing assistance to telecommunications infrastructure in Ghana since the early 2000s. In 2006 the PRC sent "engineers to build a mobile telecommunications network in Ghana for Millicom."[315] This was then followed up by a $60.9 million (USD 2021 Constant) loan through state operated Exim bank to build a Wide Area Network (WAN) which would service ten regional capitals and five towns. There was a secondary purpose to the WAN as Ghana hoped to use it to "improve efficiency and transparency in governance and facilitate storage, management and dissemination of data for both public and private establishments."[316] Around the same time this project was initiated, the PRC also launched a project for a dedicated security information system to the tune of $54 million (USD 2021 Constant). The main effort was "to strengthen the country's security and emergency aid services — including Immigration, Prisons, Fire Service, Customs, Ghana Armed Forces, Police Service, the Ministry of Defense, and the Ministry of National Security."[317] However, both projects garnered some criticism from the West and Ghana itself as the PRC was accused by proxy through Huawei Technologies of illegal involvement in Ghana politics by sponsoring party paraphernalia to the ruling National Democratic Congress (NDC).[318] Calls for Huawei Technologies to be expelled from Ghana began in 2012 but never came to fruition.[319] This example of potential political corruption will be further discussed in Chapter Six.

The main area of PRC aid since 2000 has been Ghana's energy sector. In 2007 and 2008 the PRC provided nearly $2 billion (USD 2021 Constant) of ODA, OOF, and vague aid to Ghana

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[315] S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "Chinese Government dispatches engineers to help establish mobile telecommunications network," *Aid-Data: A Research Lab at William and Mary*, accessed March 2025, https://china.aiddata.org/projects/1738/

[316] S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "China Eximbank provides $30 million loan for Phase 1 of E-Government Platform Project," *AidData: A Research Lab at William and Mary*, accessed March 2025, https://china.aiddata.org/projects/35635/

[317] S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "China Eximbank provides $30 million loan for Phase 1 of Dedicated Security Information System Project," *Aid-Data: A Research Lab at William and Mary*, accessed March 2025, https://china.aiddata.org/projects/1862/

[318] "Huawei implicated in illegal involvement in Ghana's politics," *Modern Ghana News*, October 2012, accessed March 2025, https://www.modernghana.com/news/424643/huawei-implicated-in-illegal-involvement-in-ghanas-politics.html; and S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "China Eximbank provides $30 million loan for Phase 1 of E-Government Platform Project," *Aid-Data: A Research Lab at William and Mary*, accessed March 2025, https://china.aiddata.org/projects/35635/

[319] S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "China Eximbank provides $30 million loan for Phase 1 of E-Government Platform Project," *Aid-Data: A Research Lab at William and Mary*, accessed March 2025, https://china.aiddata.org/projects/35635/

towards its energy sector.[320] The cause behind the sharp increase in aid is actively debated; however, the common consensus is that the $800 billion increase in the PRC's GDP from 2006 to 2007 gave it the means to expand its South-South Cooperation (SSC).[321] During this period the PRC provided aid to three projects in Ghana's energy sector totalling nearly $2 billion, (see Figures 8 and 9). The first was an OOF aid package of $528 million (USD 2021 Constant) buyer's credit loan from Exim bank for the Bui Dam Construction project.[322] A year later in 2008 the PRC, through Exim bank signed a concessional - ODA qualifying loan - with Ghana for an additional $460 million (USD 2021 Constant) for the Bui Dam project.[323] The Bui Dam, completed in 2016, provided 400 megawatts of power, and eight percent of the 5000 megawatt power generation goal set by Ghana's government.[324] The Bui Dam project represented an overall loan of $528 million under a resource-for-infrastructure framework, which was also principally organized and built through Chinese companies and their workers.[325] The third energy project that the PRC funded in 2007 was the 560 megawatt SunonAsogli power plant – a natural gas-fired thermal power plant to service the Kpone neighbourhood of the port city of Tema. These loans totaled $884 million (USD 2021 Constant).[326] The project started in 2008 and was completed in 2017.

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[320] S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "Global Chinese Development Finance," (filters used: (1) Country: Ghana, (2) Commitment year: 2000-2008), accessed March 2025, https://china.aiddata.org/

[321] World Bank, "GDP (current US$) - China," *World Bank national accounts data, and OECD National Accounts data files*, accessed March 2025, https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?locations=CN

[322] S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "China Eximbank provides $293.5 million buyer's credit loan for Bui Dam Construction Project," *Aid-Data: A Research Lab at William and Mary*, accessed March 2025, https://china.aiddata.org/projects/183/

[323] S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "China Eximbank provides RMB 2.1 billion government concessional loan for Bui Dam Construction Project," *Aid-Data: A Research Lab at William and Mary*, accessed March 2025, https://china.aiddata.org/projects/30801/

[324] Maame Esi Eshun, and Joe Amoako-Tuffour, "A Review of the Trends in Ghana's Power Sector," *Energy, Sustainability and Society* 6 no. 1 (2016): 6-7; Victor Nechifor, Mohammed Basheer, Alvaro Calzadilla, Emmanuel Obuobie, and Julien J Harou, "Financing National Scale Energy Projects in Developing Countries – An Economy-Wide Evaluation of Ghana's Bui Dam," *Energy Economics* 111 (2022): 13; and GNA, "President Mahama Inaugurates the Bui Hydro Electricity Project, *Modern Ghana* 2013, https://www.modernghana.com/news/462096/1/president-mahama-inaugurates-the-bui-hydro-electri.html#google_vignette

[325] Paul W. K. Yankson, Alex B Asiedu, Kwadwo Owusu, Frauke Urban, and Giuseppina Siciliano, "The Livelihood Challenges of Resettled Communities of the Bui Dam Project in Ghana and the Role of Chinese Dam-builders," *Development Policy Review* 36 no. 1 (2018): 477-480; Kwame Adovor Tsikudo, "Ghana's Bui Hydropower Dam and Linkage Creation Challenges," *Forum for Development Studies* 48 no. 1 (2021): 166; and S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "China Eximbank provides $293.5 million buyer's credit loan for Bui Dam Construction Project," *Aid-Data: A Research Lab at William and Mary*, accessed March 2025, https://china.aiddata.org/projects/183/

[326] S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "CDB lends $580 million to Phases 1 and 2 of 560 MW Sunon Asogli Power Plant Project," *Aid-Data: A Research Lab at William and Mary*, accessed March 2025, https://china.aiddata.org/projects/91815/

The Bui Dam and SunonAsogli power plant projects were a massive success for the PRC as it marked their official entry into the international aid landscape as a dependable donor who could front the necessary capital for large infrastructure development projects. Moreover, the Bui Dam project was a major success as it checked all the aforementioned desired traits of Chinese development assistance strategy. Equally important, the opening in the energy sector appeared when the West rejected Ghana's plans for funding the Bui Dam.[327] The PRC stepped in to build the Bui Dam after the World Bank, European Investment Bank, and DAC members rejected Ghana's original proposal due to concerns of negative environmental impacts and the effects it would, and did, have on the local community.[328] This decision was important as even Ghana itself acknowledged their power generation shortcomings when the government argued that "the energy crisis obviously impacted adversely on the domestic economy in general and MDGs in particular."[329] The Bui Dam was crucial in helping Ghana produce sufficient power generation to avoid power rationing, particularly in rural regions.[330] The PRC also sent skilled workers to help build and manage the dam until 2013 following its completion.[331] This was done as a means to integrate Chinese individuals into Ghana's society and help develop 'people-to-people' relations and partnerships at a relatively low cost for both Ghana and China. Despite such, China avoided training or giving jobs to local residents thus resulting in "the projected materials gains have fallen far short of being realized" after the dam became operational.[332]

Despite these gains for both the PRC and Ghana, the Bui Dam project has not come without costs. The PRC loans to build the dam placed significant liens against Ghana's cocoa - "up to 30,000 tons of main crop cocoa and 10,000 tons of light crop cocoa per annum [granted] to Genertec International Corporation of Beijing under a 20-year, Cocoa Sales Agreement."[333] Such conditions placed a strain on Ghana' agricultural sector with the Ghana Cocoa Board (Cocobod) stating to Ghana's parliament that "it was in financial distress due to its loan

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[327] Charles Amo-Agyemang, "The Role of the State in Sino-Ghanaian Relations: The Case of Bui Hydroelectric Dam," *Cogent Social Sciences* 7 no. 1 (2021): 11-12; and Roger Gocking, "Ghana's Bui Dam and the Contestation over Hydro Power in Africa," *African Studies Review* 64 no. 2 (2021): 339-362.

[328] Heidi Hausermann, "'Ghana Must Progress, but We Are Really Suffering': Bui Dam, Antipolitics Development, and the Livelihood Implications for Rural People," *Society & Natural Resources* 31 no. 6 (2018): 633-648; Kwame Adovor Tsikudo, "Ghana's Bui Hydropower Dam and Linkage Creation Challenges." *Forum for Development Studies* 48 no. 1 (2021): 161; and Paul W. K Yankson, Alex B Asiedu, Kwadwo Owusu, Frauke Urban, and Giuseppina Siciliano, "The Livelihood Challenges of Resettled Communities of the Bui Dam Project in Ghana and the Role of Chinese Dam-builders," *Development Policy Review* 36 (2018): 480.

[329] National Development Planning Commission, Government of Ghana, and the United Nations Development Programme, "2008 Ghana Millennium Development Goals Report," April 2010, 87. https://www.undp.org/sites/g/files/zskgke326/files/migration/gh/UNDP_GH_IG_2008GhanaMDGReport_23102013.pdf.pdf

[330] Kwame Adovor Tsikudo, "Soft Powering the China Water Machine: The Bui Dam and China-Ghana Relations," *Canadian Journal of African Studies* 56 no. 2 (2022): 326; Catherine Kuamoah, "Renewable Energy Deployment in Ghana: The Hype, Hope and Reality," *Insight on Africa* 12 no. 1 (2022): 51.

[331] Kwame Adovor Tsikudo, "Ghana's Bui Hydropower Dam and Linkage Creation Challenges," *Forum for Development Studies* 48 no. 1 (2021): 165-166.

[332] Ibid.

[333] Kwame Adovor Tsikudo, "Soft Powering the China Water Machine: The Bui Dam and China-Ghana Relations," *Canadian Journal of African Studies* 56 no. 2 (2022): 329; and S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "China Eximbank provides additional $75.4 million preferential buyer's credit for Bui Dam Construction Project," *Aid-Data: A Research Lab at William and Mary*, accessed March 2025, https://china.aiddata.org/projects/30086/

repayment obligations related to the construction of the Bui Dam."[334] The PRC uses this model of aid structuring in order to 'ensure' payment. In essence, the PRC tying aid to resources is no different than Western conditions-based aid, but the PRC would argue against this claim as their development assistance is based on 'non-interference.' Nevertheless, this form of aid structuring has been prevalent across much of the PRC's development assistance in Africa and Ghana is not an exception. In fact, the issue persists to this day with about $619 million of PRC loans being tied to Ghana's cocoa, bauxite, and oil resources.[335]

As per Figure 10, the PRC has continued to provide assistance to Ghana's energy sector in the 2010s especially as Ghana entered the oil market. Despite external factors, the PRC was committed to assist Ghana with large infrastructure projects targeted for maximized value rather than through the West's strategy of dumping large sums of money in sector specific funds in support of the sector wide approach (SWAp). The PRC infrastructure projects were directed towards energy, transportation along with increased efforts in industry, mining, business, water supply and sanitation, communications and agriculture (see Figure 11). From 2010 to 2012 the PRC invested just over $350 million (USD 2021 Constant) towards regional electrification projects that sought to increase power generation in over 1000 communities throughout rural regions in Ghana that lacked significant energy infrastructure.[336] One of China's largest ODA projects to Ghana was in 2011 when the two signed an agreement worth $998 million (USD 2021 Constant) towards a gas infrastructure project. The aim of the nearly billion dollar project was to support Ghana's "goal to become a petroleum-processing hub and a preferred exporter of power in Western Africa."[337] While this project was based on a loan classified as ODA, China tied their

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[334] Daily Guide, "Parliament Approves $1.3bn For Cocoa Purchases," *Modern Ghana*, August 2017, accessed March 2025, https://www.modernghana.com/news/793195/parliament-approves-13bn-for-cocoa-purchases.html; and S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "China Eximbank provides $293.5 million buyer's credit loan for Bui Dam Construction Project," *Aid-Data: A Research Lab at William and Mary*, accessed March 2025, https://china.aiddata.org/projects/183/

[335] Annalisa Fedelino and Guillaume Chabert, "Second Review Under the Extended Credit Facility, Request for Modification of Performance Criteria and Financing Assurances review - Press Release; Staff Report; and Statement by the Executive Director for Ghana," *International Monetary Fund Country Report* no. 24/213, July 2024, accessed March 2025, https://www.elibrary.imf.org/downloadpdf/view/journals/002/2024/213/002.2024.issue-213-en.pdf; and Chinedu Okafor, "Ghana may lose control of its resources to China if it defaults on its debt," *Business Insider Africa,* May 2023, accessed March 2025, https://africa.businessinsider.com/local/markets/ghana-may-lose-control-of-its-resources-to-china-if-it-defaults-on-its-debt/dz2mdh2

[336] S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "China Eximbank provides $90 million seller's credit to CWE for Upper West Regional Electrification Project," *Aid-Data: A Research Lab at William and Mary*, accessed March 2025, https://china.aiddata.org/projects/73195/; S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "ICBC provides $102 million buyer's credit loan for Rural Electrification Northern Region Project," *Aid-Data: A Research Lab at William and Mary*, accessed March 2025, https://china.aiddata.org/projects/30084/; and S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "CWE provides $162 million supplier credit for SHEP IV Rural Electrification Project in the Upper West Region," *Aid-Data: A Research Lab at William and Mary*, accessed March 2025, https://china.aiddata.org/projects/30085/

[337] S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese*

aid to the condition that Ghana would "supply and sell 13,000 barrels of crude oil" each day for the next 15.5 years for a total of around 73.5 million barrels of crude oil.[338] This was not the only deal between Ghana and the PRC where Ghana leveraged their newly discovered oil riches for aid. The problem with tying commodities to aid is that the developing nation, Ghana in this case, gives up the prospective benefit of their commodities - namely the possible increased revenue which could be used towards their other loans and support their government finances and expenditures. As a result, Ghana has potentially placed themselves in a commodity trap.

In 2016 the PRC used non-ODA flows of aid towards funding Ghana's Tema port expansion for a sum of $170 million (USD 2021 Constant).[339] It has been argued that the interest in port expansion is not unique to Ghana rather that the PRC has been seeking port projects to leverage some control over the port in order to be able to expand their influence.[340] Moreover, the PRC believed that port expansion in Ghana near their oil deposits would increase the output of exported barrels a day thus being of mutual benefit to both Ghana and the PRC adhering to the SSC policy. The last major aid project of note by China to Ghana was a combined $100 million (USD 2021 Constant) to Ghana Cocoa Board along with 32 other financial institutions to fund Ghana's cocoa 2009 to 2010 crop season with a collective total of 15 billion.[341] The PRC ensured that this loan was secured by making Ghana's cocoa sales collateral in the event of Ghana defaulting on their loan. This funding package signals a growing trend of Ghana's weakening agriculture sector and its inability to sustain its cocoa production in light of the economic transition to the oil market by the government of Ghana. As to the cause of Ghana's weakening cocoa industry, much of its loss in productivity and value has been a result of Western SAP's and democratic reforms as noted earlier.

Outside of the energy and infrastructure sector, PRC assistance to Ghana has been relatively small, particularly compared to Western efforts. Since the early 2000s the PRC has provided medical and health based aid. One of the first aid projects from China to Ghana was a $20 million (USD 2021 Constant) ODA grant to build the Dangme East District Hospital which

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Development Finance: An Application of AidData's TUFF 3.0 Methodology. (Williamsburg, VA: AidData at William & Mary 2023), "China Development Bank provides $850 million loan for Western Corridor Gas Infrastructure Development Project," *Aid-Data: A Research Lab at William and Mary*, accessed March 2025, https://china.aiddata.org/projects/58586/

338 Ibid.

339 S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "ICBC contributes $144.3 million to $667 million syndicated loan for the Tema Port Expansion Project," *Aid-Data: A Research Lab at William and Mary*, accessed March 2025, https://china.aiddata.org/projects/73212/

340 Jean-Marc F. Blanchard, "Probing China's Twenty-First-Century Maritime Silk Road Initiative (MSRI): An Examination of MSRI Narratives," *Geopolitics* 22 no. 2 (2017): 251-253; and Paul Nantulya, "Mapping China's Strategic Port Development in Africa," *Africa Center for Strategic Studies*, March 2025, https://africacenter.org/spotlight/china-port-development-africa/#:~:text=Heavy%20Chinese%20government%20subsidies%20and,against%20it%20or%20supporting%20sanctions.%E2%80%9D; and

341 S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "CDB contributes to $1.2 billion syndicated receivables-backed trade finance facility to COCOBOD for its 2009/2010 crop season financing needs," *Aid-Data: A Research Lab at William and Mary*, accessed March 2025, https://china.aiddata.org/projects/92056/

treats up to 5000 patients a year.[342] The PRC also joined the international movement, spearheaded by the DAC, in eliminating prominent diseases.[343] One such disease has been malaria. In June 2006 the PRC established "a centre that could perform anti-malarial treatments at the Korle-Bu Teaching Hospital in Accra" for an undisclosed sum of money.[344] In tandem with this grant the PRC sent medical assistance teams to bolster the immunisation effort against malaria among other duties such as basic health assistance. The First team was sent in 2009 and was composed of eleven doctors.[345] In addition to supplying medical professionals and the creation of an immunisation centre, the PRC also donated 500 thousand dollars worth of antimalarial drugs.[346] While these projects are small in scope, the PRC was seeking to aid Ghana while also growing the cultural and 'people-to-people' relations between Ghana and the PRC.

The aid from the PRC to Ghana in agriculture, transportation, and infrastructure have all aided in improving the quality of life for many Ghanaians as their ability to enroll and attend school increased through rail and road rehabilitation and construction projects. Moreover, the power generation projects have been crucial in Ghana's education successes as access to consistent sources of power is a leading factor in improved education outcomes and the ability to attend school.[347]

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[342] S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "Chinese Government provides $8 million grant for Dangme East District Hospital Construction Project in Ghana," *Aid-Data: A Research Lab at William and Mary*, accessed March 2025, https://china.aiddata.org/projects/1468/

[343] Julius Nyerere Odhiambo, Carrie Dolan, Ammar A Malik, and Aaron Tavel, "China's Hidden Role in Malaria Control and Elimination in Africa," *BMJ Global Health* 8 no. 12 (2023): 8.

[344] S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "Chinese Government provides grant for Malaria Prophylactic Therapeutic Demonstration Centre Project," *Aid-Data: A Research Lab at William and Mary*, accessed March 2025, https://china.aiddata.org/projects/1745/

[345] S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "1st Chinese Medical Assistance Team," *Aid-Data: A Research Lab at William and Mary*, accessed March 2025, https://china.aiddata.org/projects/32346/

[346] S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "Chinese Government provides $8 million grant for Dangme East District Hospital Construction Project in Ghana," *Aid-Data: A Research Lab at William and Mary*, accessed March 2025, https://china.aiddata.org/projects/58512/

[347] Stephanie Rupp, "Ghana, China, and the Politics of Energy," *African Studies Review*, 56 no. 1 (2013), 103–130; and Kwabena Gyimah-Brempong "Education in Ghana: Access, Quality, and Prospects for Reforms," in *The economy of Ghana sixty years after independence*, First edition. Eds. Ernest Aryeetey and Ravi Kanbu (Oxford University Press 2017), 349-364; Edward A. Awafo, Gilbert A Akolgo, and Augustine Awaafo, "Assessment of Agricultural Residue Potential for Electrification of Off-Grid Communities in the Sawla-Tuna-Kalba District of Ghana," *Energy, Sustainability and Society* 14 no. 1 (2024): 1-14.

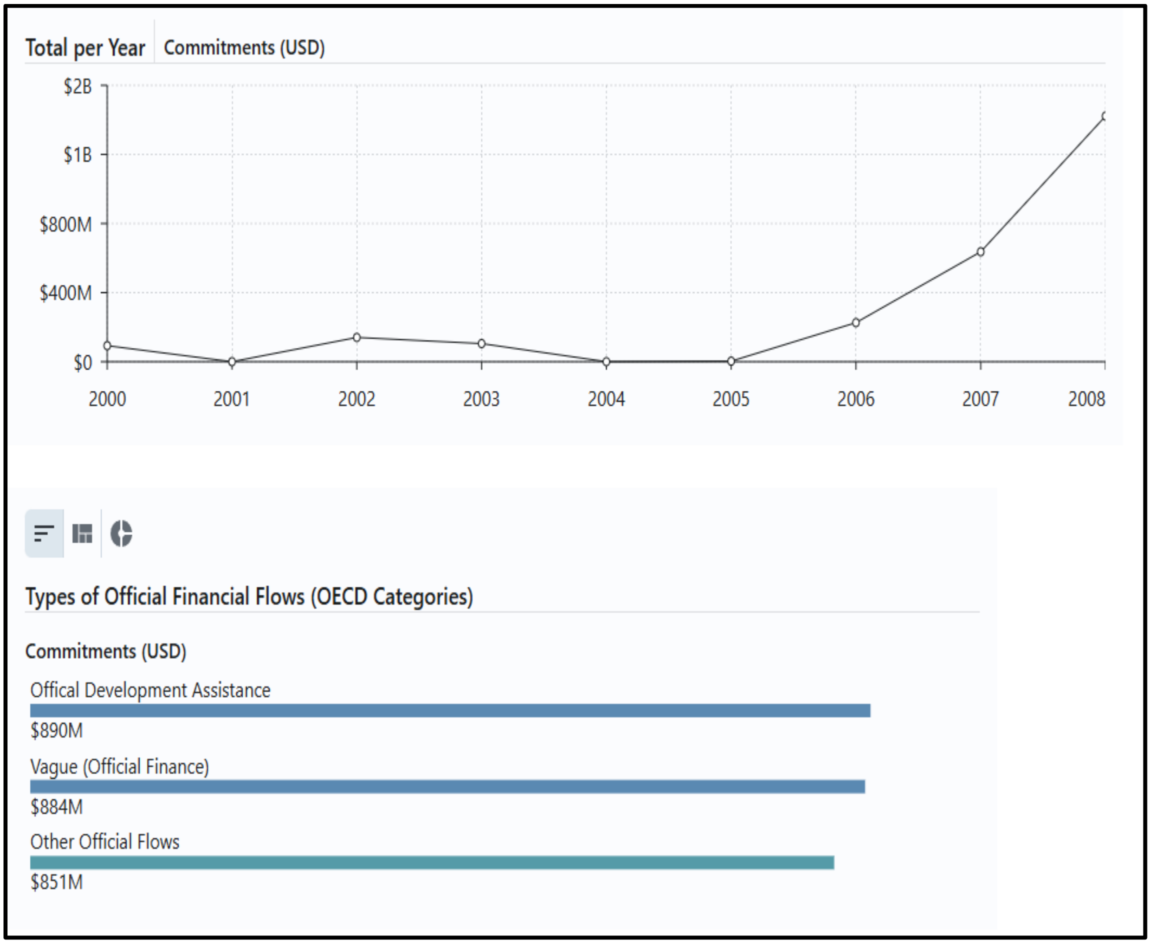

Figure 8: PRC Aid Disbursements to Ghana 2000 to 2008 [USD, Billions, Constant Pricing 2021][348]

[348] S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "Global Chinese Development Finance," (filters used: (1) Country: Ghana, (2) Commitment year: 2000-2008), accessed March 2025, https://china.aiddata.org/

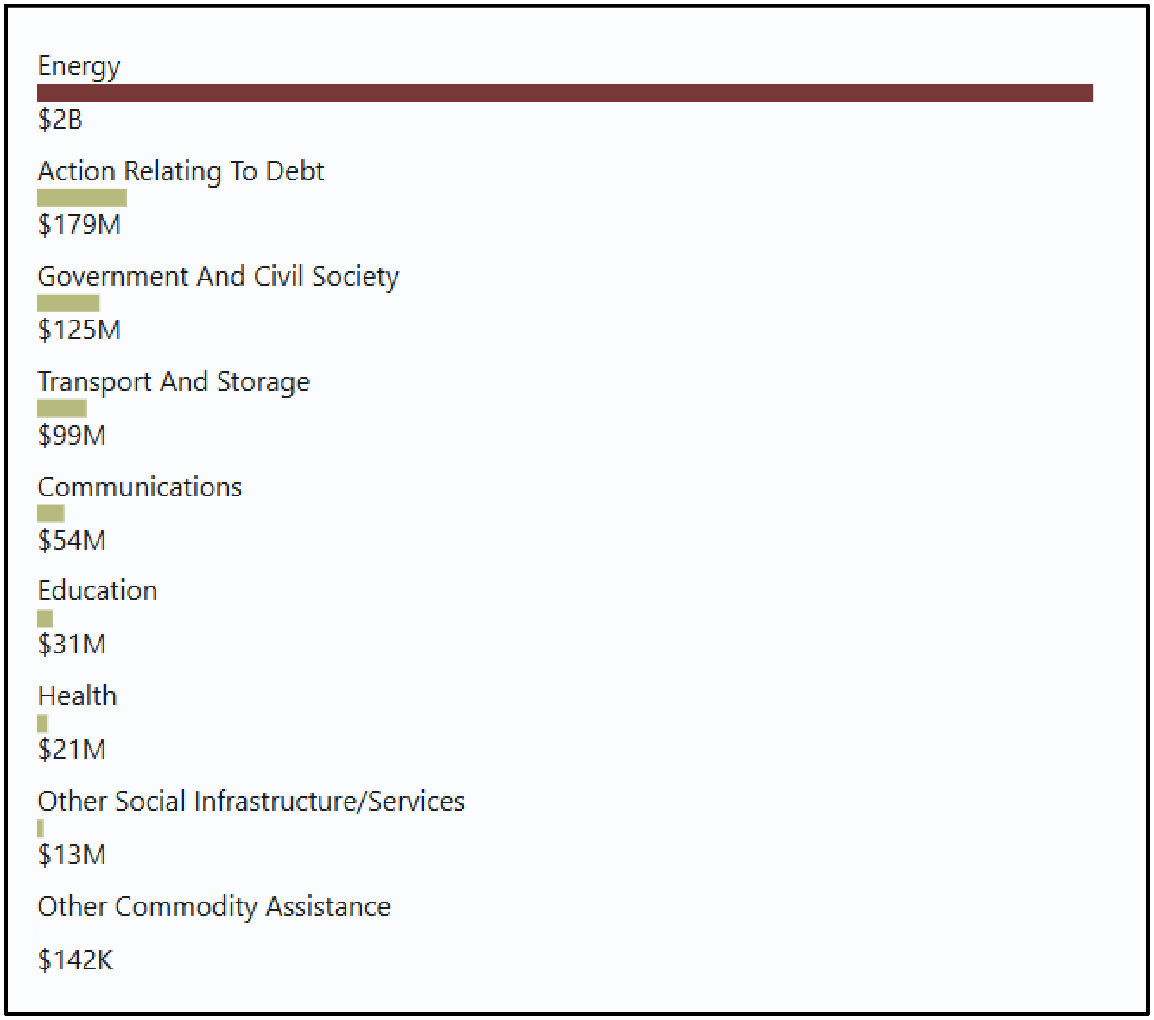

Figure 9: PRC Aid to Ghana by Sectors 2000 to 2008 [USD, Constant Pricing 2021][349]

[349] Ibid.

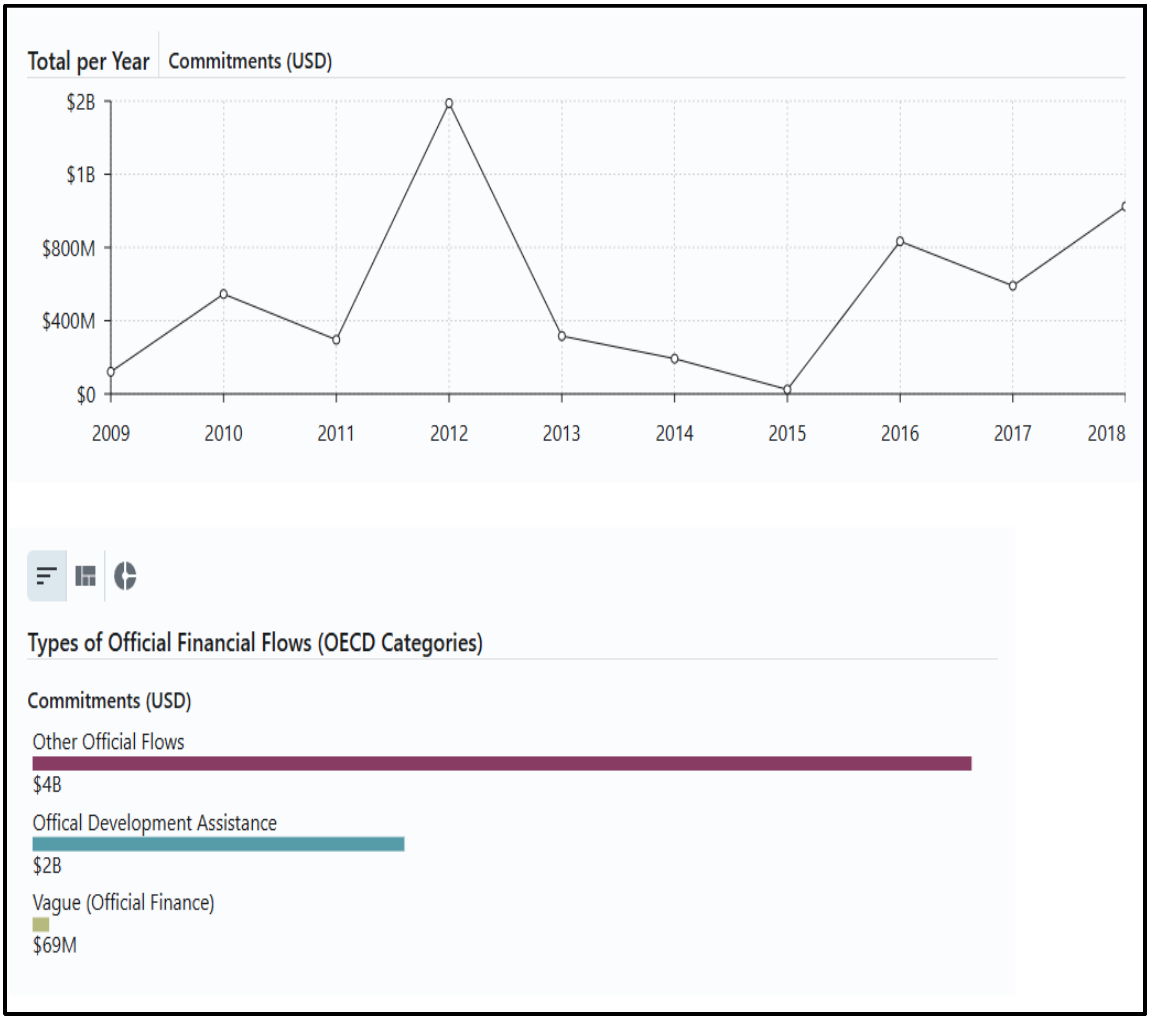

Figure 10: PRC Aid Disbursements to Ghana 2009 to 2018 [USD, Billions, Constant Pricing 2021][350]

[350] Ibid.

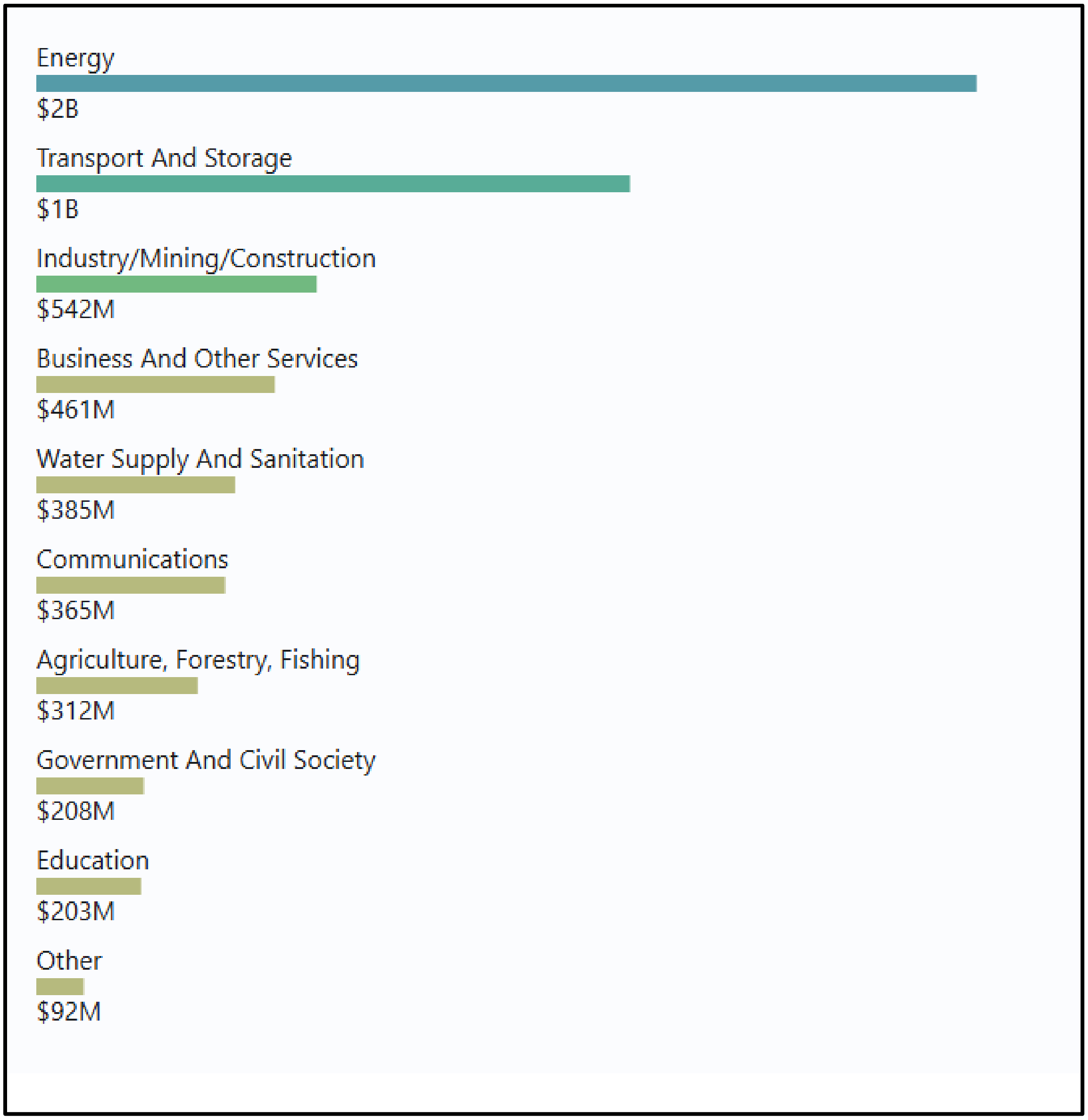

Figure 11: PRC Aid to Ghana by Sectors 2009 to 2018 [USD, Constant Pricing 2021][351]

[351] Ibid.

3.4 The Policy Impact on Ghana and its HDI and CPIA Scores

3.4.1 Ghana's Human Development Index

The following, Figure 12, shows a timeline of Ghana's HDI score. This figure is used as a means to visually demonstrate Ghana's success and setbacks regarding their development since 1990. Moreover, the HDI score serves as a basis of argumentation regarding the West's and PRC's development assistance policies and their respective impacts on Ghana's human development. The objective for this section is to lay out the policies and try to map them onto the HDI and CPIA scores in order to conduct a comparative analysis of the three case studies in Chapter Six.

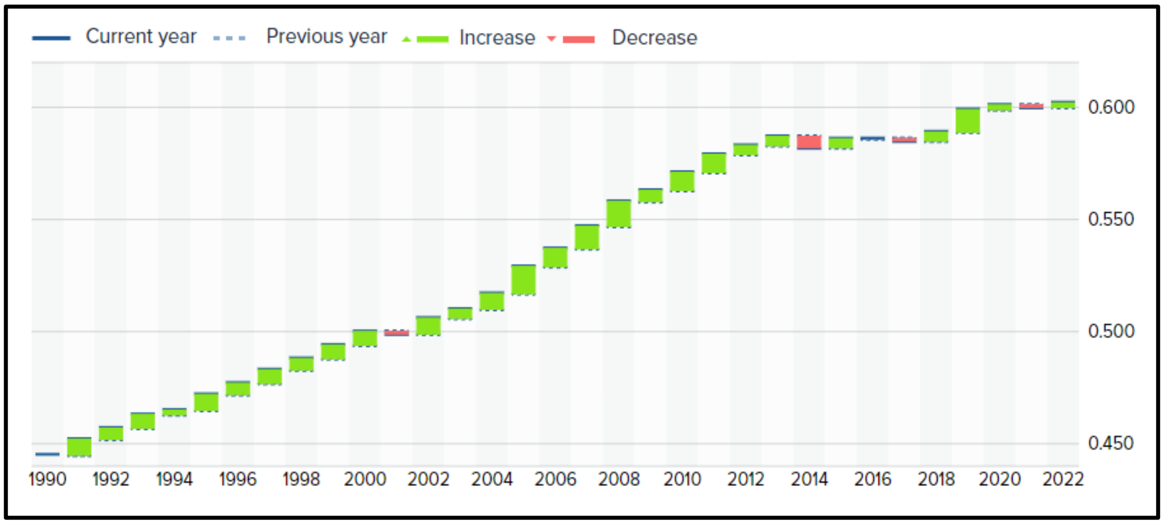

Figure 12: Ghana HDI Scores (1990 to 2022)[352]

As noted in Figure 12 Ghana's HDI score steadily increased between 1990 and 2018. During said period Ghana's life expectancy increased from 55.6 years in 1990 to 64.1 in 2018. Moreover, within the same timeframe Ghana saw an increase in expected years of schooling from 5.7 to 11.0 while the increase in mean years of schooling increased from 5.5 to 6.2. Lastly with regards to Ghana's GNI per capita metric of its HDI, it increased from $2,263 in 1990 to $4,891 in 2018. In regard to overall ranking among all other nations Ghana has seen significant progress as it moved from low human development category to medium human development category. In 1990 Ghana was ranked 100/130 while in 1998 Ghana was ranked 129/174.[353] In 2010 Ghana's HDI was ranked 130/169 and in 2019 they ranked 142/189.[354] All of this signifies that nearly

352 United Nations Development Programme, "Human Development Index - Ghana 1990 to 2022," accessed March 2025, https://hdr.undp.org/data-center/specific-country-data#/countries/GHA

353 United Nations, *Human Development Report 1990*, United Nations Development Programm*e*, (New York, May 1990), 111, https://hdr.undp.org/system/files/documents/hdr1990encompletenostats.pdf; and United Nations, *Human Development Report 2000*, United Nations Development Programm*e*, (New York, 2000), 159 https://hdr.undp.org/system/files/documents/hdr2000en.pdf

354 Jeni Klugman and United Nations, *Human Development Report 2010, 20th anniversary: The Real Wealth of Nations: Pathways to Human Development*, United Nations Development Programm*e*, (New York, November 2010), 145, https://hdr.undp.org/system/files/documents/human-development-report-2010-complete-english.human-development-report-2010-complete-english; and Pedro Conceição and United Nations, *Human Development Report*

every country across the globe experienced human development and Ghana kept pace with the international community maintaining their overall relative international ranking while also being able to achieve medium human development status.

The last aspect of Ghana's HDI score growth from 1990 to 2018 is the nation's economic sector. As seen in Figure 13 Ghana's GDP growth stabilised between 1990 and 2000 with a high of 5.5% and a low of 3.3%. Key to Ghana's HDI growth has been the discovery of offshore oil in 2009 and its subsequent commercial development. Following the discovery of oil deposits in Ghana, a new path to development was sought. In light of such a discovery by Ghana the PRC saw an opportunity to expand its foothold in African exports of oil whereas the West was apprehensive of the impact of the oil discovery on Ghana's overall development.[355] Nonetheless, the impact of the new found resource was immediate as Ghana's GDP increased drastically from $35 billion (USD 2015 Constant) in 2010 to $40 billion (USD 2015 Constant) in 2011; a departure from the gradual annual growth of $1 to $2 billion.[356] GNI per capita rose nearly immediately, going from $3641 in 2010, to $3,992 in 2011. Within four years Ghana GNI per capita increased $830 a feat which previously took nearly a decade.[357]

2019: Beyond Income, Beyond Averages, Beyond Today: Inequalities in Human Development in the 21st Century, United Nations Development Programm*e*, (New York, 2019), 302 https://hdr.undp.org/system/files/documents/hdr2019.pdf

[355] "IMF Survey: Oil Offers Hope of Middle-Income Status for Ghana," *International Monetary Fund*, February 2010, accessed March 2025, https://www.imf.org/en/News/Articles/2015/09/28/04/53/soint021710a; Duncan Wilson and Mohammed Amin Adam, Podcast - "Ghana: Sharing Out the Oil Wealth," *International Monetary Fund*, October 2011, accessed March 2025, https://www.imf.org/en/News/Podcasts/All-Podcasts/2017/11/10/ghana-sharing-out-the-oil-wealt; Mahamudu Bawumia Håvard Halland, "Oil Discovery and Macroeconomic Management The Recent Ghanaian Experience," *World Bank Group Policy Research Working Paper 8209*, October 2017, accessed March 2025, 10-14. https://documents1.worldbank.org/curated/en/388941507034520272/pdf/WPS8209.pdf; and Richard Aidoo, Pamela L Martin, Min Ye, and Diego Quiroga, "Footprints of the Dragon: China's Oil Diplomacy and Its Impacts on Sustainable Development Policy in Ecuador and Ghana," *Revue Internationale de Politique de Développement*, no. 8.1 (2020).

[356] World Bank Group, "GDP (constant 2015 US$) - Ghana," *World Bank national accounts data, and OECD National Accounts data files*, accessed March 2025, https://data.worldbank.org/indicator/NY.GDP.MKTP.KD?locations=GH

[357] United Nations Development Programme, "Human Development Index - Ghana 1990 to 2022," accessed March 2025, https://hdr.undp.org/data-center/specific-country-data#/countries/GHA

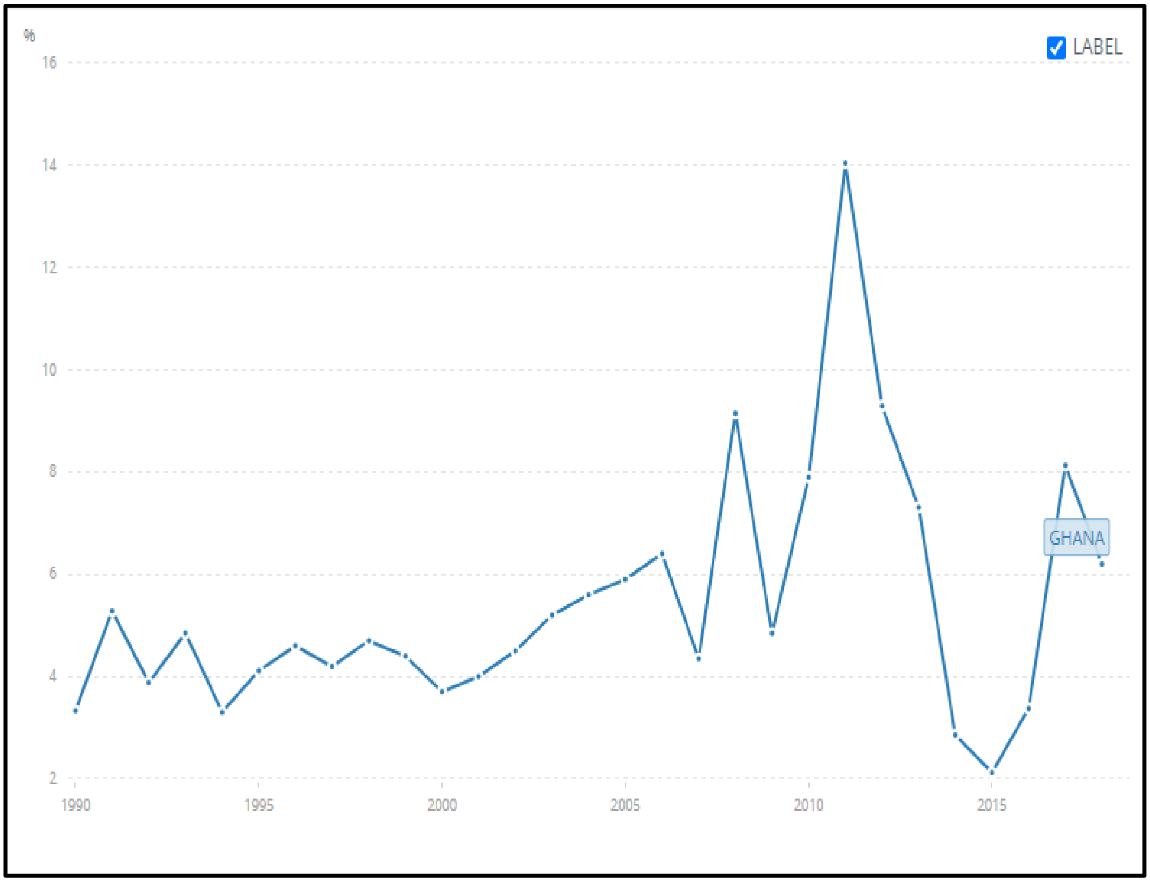

Figure 13: Ghana GDP Growth Rate 1990 to 2018[358]

Moreover, the first major economic development strategy by Ghana started with its 'Ghana Vision 2020' strategy. For Ghana to achieve their objectives set out in its Ghana-Vision 2020 they needed to "reduce poverty, increase employment opportunities and average incomes, and reduce inequalities in order to improve the general welfare and the material well-being of all Ghanaians."[359] Above all Ghana placed poverty reduction at the forefront of their economic development, an action that was praised by the WB and IMF and DAC nations.[360] The discovery of oil aided Ghana in their efforts towards poverty reduction and thus has had a impact on their HDI[361]

Western development assistance policies have helped Ghana's health and education metrics of the HDI. Regarding the health sector the DAC contributed billions of dollars to

[358] World Bank Group, "GDP growth (annual %) - Ghana," *World Bank national accounts data, and OECD National Accounts data files*, accessed March 2025, https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?end=2018&locations=GH&start=1990

[359] Jerry John Rawlings, *Ghana – Vision 2020 (The First Step: 1996-2000)*, presidential report on co-ordinated programme of economic and social development policies (policies for the preparation of 1996-2000 development plan) (Accra Ghana 1995), 28 https://www.ircwash.org/sites/default/files/Rawlings-1995-GhanaVision.pdf

[360] Joachim Harnack, Sérgio Leite, Stefania Fabrizio, Luisa Zanforlin, Girma Begashaw, and Anthony Pellechio, *Ghana: Economic Development in a Democratic Environment*. International Monetary Fund (2000), 4

[361] Finn Tarp, Channing Arndt, and Andy McKay, "Growth and Poverty in Sub-Saharan Africa," In *Growth and Poverty in Sub-Saharan Africa*, (United Kingdom: Oxford University Press 2016).

Ghana's health sector and supported Ghana's own health development strategy through the SWAp (see Appendix D). The literature supports this link between Western development assistance policy and increased Ghanian health development.[362] Regarding education the West also relied on the SWAp. Western aid to Ghana's education also totaled in the billions (see Appendix D). Furthermore, as with the health sector, the West's reliance on recipient-led development in Ghana drove positive growth in Ghana's education sector which is representative in both the expected and means years of schooling. Regarding the West's role in the increase of Ghana's GNI per capita Western development assistance policies had some impact, but the avoidance of key infrastructure projects reduced the West's overall influence. The impact on Ghana's GNI from the West comes insofar as from the link of increased health and education outcomes also having positive impacts on economic metrics.[363]

With regards to the PRC, their aid mostly focused on the economic and infrastructure sectors in Ghana. As such their greatest impact was on Ghana's GNI per capita metric of their HDI. This is a result of the investments made in Ghana's energy and transportation sectors. The PRC was able to assist Ghana where the West was unwilling to. These development projects allotted Ghana to make further economic investments in accordance with its Ghana vision 2020. Moreover, the PRC's development assistance towards Ghana's oil sector was impactful in Ghana's overall development. But, as discussed below, the transition towards oil by Ghana with the assistance of the PRC was not entirely positive in regard to Ghana's development, particularly when one assesses Ghana's CPIA scores (see Figure 14). Lastly, regarding Ghana's education and health metrics of the HDI, the PRC development assistance can be viewed as having some impact insofar as economic prosperity often results in improvements in health and education outcomes.[364]

[362] Micheal Kofi Boachie, John Agyemang, and Mustapha Immurana, "Health Sector Funding in Ghana: The Effect of IMF Conditionalities," *Dialogues in Health* 1 (2022): 1-6; Sandra ppiah-Kubi, Wenhui Mao, Augustina Koduah, Genevieve Cecilia Aryeetey, Osondu Ogbuoji, and Justice Nonvignon, "Perspectives of Frontline Health Workers on Transition from Development Assistance for Health in Ghana: A Qualitative Study," *PLOS Global Public Health* 2 no. 4 (2022): 1-14; and Sarah Wood Pallas, Justice Nonvignon, Moses Aikins, and Jennifer Prah Ruger, "Responses to Donor Proliferation in Ghana's Health Sector: A Qualitative Case Study." *Bulletin of the World Health Organization* 93 no. 1 (2015): 11–18.

[363] Gabriel Aboyadana, "Education and Health in Developing Countries: Evidence from Ghana's FCUBE," *World Development Sustainability* 2 (2023); Organisation for Economic Co-operation and Development, *Education at a Glance 2024: OECD Indicators*, OECD Publishing, Paris (2024), 305https://www.oecd.org/en/publications/education-at-a-glance-2024_c00cad36-en.html; and Viju Raghupathi, and Wullianallur Raghupathi, "The Influence of Education on Health: An Empirical Assessment of OECD Countries for the Period 1995-2015," *Archives of Public Health - Archives Belges de Santé Publique* 78 no. 1 (2020): 1-18; and P. Glewwe, K. Muralidharan, "Chapter 10 - Improving Education Outcomes," in *Developing Countries: Evidence, Knowledge Gaps, and Policy Implications*, eds. Eric A. Hanushek, Stephen Machin, Ludger Woessmann,
Handbook of the Economics of Education, (Elsevier, Volume 5, 2016), 653-743,

[364] Xiao-Tong Niu, You-Cai Yang, and Yu-Cong Wang, "Does the Economic Growth Improve Public Health? A Cross-Regional Heterogeneous Study in China," *Frontiers in Public Health* 9 (2021): 1-11; Simon Lange, and Sebastian Vollmer, "The Effect of Economic Development on Population Health: A Review of the Empirical Evidence," *British Medical Bulletin* 121 no. 1 (2017): 47–60; and P. Glewwe, K. Muralidharan, "Chapter 10 - Improving Education Outcomes," in *Developing Countries: Evidence, Knowledge Gaps, and Policy Implications*, eds. Eric A. Hanushek, Stephen Machin, Ludger Woessmann,
Handbook of the Economics of Education, (Elsevier, Volume 5, 2016) Pages 653-743

3.4.2 Ghana's Country Policy and Institutional Assessment

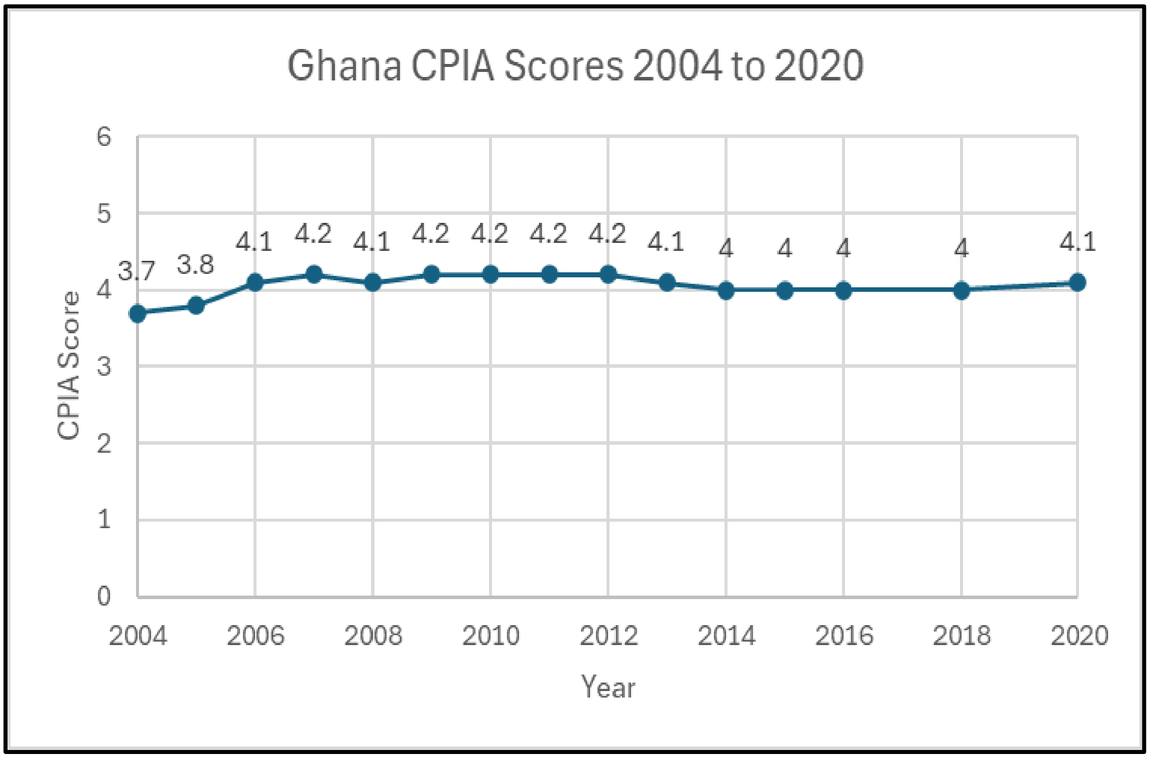

Figure 14: Ghana CPIA Scores from 2004 to 2020[365]

[365] Data collected from African Development Bank Group: Country Policy and Institutional Assessment at the following links https://cpia.afdb.org/ and https://cpia.afdb.org/?page=results&subpage=profile&indicator_id=A-D_&country_id=GH&year=2004

Clusters / Criteria	Score	Change*	West	Africa
Overall CPIA	**3.7**	—	3.2	3.2
Economic Management	**4.0**	—	3.4	3.4
Monetary Policy	4.0	—	3.5	3.6
Fiscal Policy	4.0	—	3.4	3.5
Debt Policy	4.0	—	3.2	3.3
Structural Policies	**3.7**	—	3.1	3.2
Economic Cooperation, Regional Integration and Trade	4.0	—	3.4	3.4
Financial Development	3.5	—	3.0	3.1
Business Regulatory Environment	3.5	—	3.0	3.2
Social Inclusion/Equity	**3.6**	—	3.2	3.2
Gender Equality	4.0	—	3.3	3.3
Equity of Public Resource Use	3.5	—	3.2	3.2
Building Human Resources	4.0	—	3.2	3.2
Social Protection and Labor	3.5	—	3.2	3.1
Environmental Policies and Regulations	3.0	—	3.1	3.3
Governance	**3.7**	—	3.1	3.1
Property Rights and Rule-based Governance	3.5	—	2.9	3.0
Quality of Budgetary and Financial Management	4.0	—	3.2	3.2
Efficiency of Revenue Mobilization	4.0	—	3.0	3.2
Quality of Public Administration	3.0	—	3.0	3.1
Transparency, Accountability and Corruption in the Public Sector	4.0	—	3.2	3.1

*Nominal change as compared to the 2003 score.

Figure 15: Ghana's CPIA Score Tabular Overview (2004)[366]

[366] African Development Bank Group: Country Policy and Institutional Assessment - Ghana 2004 Score Overview, accessed March 2025, https://cpia.afdb.org/?page=results&subpage=profile&indicator_id=A-D_&country_id=GH&year=2004

Clusters / Criteria	Score	Change*	West	Africa
Overall CPIA	**4.1**	—	3.6	3.5
Economic Management	**3.7**	-0.2	3.9	3.8
Monetary Policy	4.0	—	4.2	4.0
Fiscal Policy	3.5	—	3.9	3.7
Debt Policy	3.5	-0.5	3.6	3.7
Structural Policies	**4.3**	—	3.6	3.5
Economic Cooperation, Regional Integration and Trade	4.0	—	3.8	3.6
Financial Development	4.5	+0.5	3.5	3.4
Business Regulatory Environment	4.5	-0.5	3.4	3.3
Social Inclusion/Equity	**4.1**	—	3.5	3.4
Gender Equality	4.0	—	3.6	3.5
Equity of Public Resource Use	4.0	—	3.6	3.6
Building Human Resources	4.0	—	3.4	3.4
Social Protection and Labor	4.0	—	3.2	3.2
Environmental Policies and Regulations	4.5	—	3.5	3.4
Governance	**4.4**	—	3.5	3.3
Property Rights and Rule-based Governance	4.5	—	3.3	3.2
Quality of Budgetary and Financial Management	4.5	—	3.8	3.5
Efficiency of Revenue Mobilization	4.5	—	3.8	3.6
Quality of Public Administration	4.0	—	3.2	3.2
Transparency, Accountability and Corruption in the Public Sector	4.5	—	3.4	3.2

*Nominal change as compared to the 2007 score.

Figure 16: Ghana's CPIA Score Tabular Overview (2008)[367]

[367] African Development Bank Group: Country Policy and Institutional Assessment - Ghana 2008 Score Overview, accessed March 2025, https://cpia.afdb.org/?page=results&subpage=profile&indicator_id=A-D_&country_id=GH&year=2008

Clusters / Criteria	Score	Change*	West	Africa
Overall CPIA	**4.0**	-0.1 ↓	3.6	3.5
Economic Management	**3.3**	-0.7 ↓	4.0	3.9
Fiscal Policy	3.5	-0.5 ↓	3.9	3.8
Monetary Policy	3.0	-1.0 ↓	4.2	4.1
Debt Policy	3.5	-0.5 ↓	4.0	3.8
Structural Policies	**4.2**	—	3.6	3.4
Financial Sector Development	4.2	—	3.7	3.5
Trade Policy	4.0	—	3.7	3.5
Business Regulatory Environment	4.5	—	3.4	3.3
Social Inclusion/Equity	**4.1**	—	3.5	3.5
Gender Equality	4.0	—	3.5	3.5
Equity of Public Resource Use	4.0	—	3.5	3.4
Building Human Resources	4.2	—	3.5	3.5
Social Protection and Labor	3.9	—	3.3	3.3
Environmental Policies and Regulations	4.5	—	3.5	3.5
Governance	**4.3**	—	3.6	3.4
Property Rights and Rule-based Governance	4.5	—	3.5	3.3
Quality of Public Administration	3.9	—	3.4	3.2
Quality of Budgetary and Financial Management	4.4	+0.1 ↑	3.9	3.6
Efficiency of Revenue Mobilization	4.3	-0.3 ↓	4.0	3.8
Transparency, Accountability and Corruption in the Public Sector	4.5	—	3.5	3.2
Infrastructure & Regional Integ.	**4.0**	—	3.4	3.3
Infrastructure Development	4.1	—	3.3	3.3
Regional Integration	3.8	—	3.6	3.2

*Nominal change as compared to the 2013 score.

Figure 17: Ghana's CPIA Score Tabular Overview (2014)[368]

368 In 2013 there was the addition of the infrastructure and regional integration criterion to the overall CPIA score. African Development Bank Group: Country Policy and Institutional Assessment - Ghana 2014 Score Overview, accessed March 2025, https://cpia.afdb.org/?page=results&subpage=profile&indicator_id=9_&country_id=GH&year=2014

Clusters / Criteria	Score	Change*	West	Africa
Overall CPIA	**4.0**	—	3.6	3.5
Economic Management	**3.3**	—	3.9	3.7
Fiscal Policy	3.5	—	3.8	3.7
Monetary Policy	3.0	—	4.1	3.9
Debt Policy	3.5	—	3.8	3.6
Structural Policies	**4.2**	-0.1	3.6	3.4
Financial Sector Development	4.0	-0.2	3.6	3.4
Trade Policy	4.0	—	3.7	3.5
Business Regulatory Environment	4.5	—	3.5	3.3
Social Inclusion/Equity	**4.1**	+0.1	3.5	3.4
Gender Equality	4.2	+0.2	3.4	3.4
Equity of Public Resource Use	4.0	—	3.6	3.4
Building Human Resources	4.3	—	3.6	3.6
Social Protection and Labor	4.0	+0.1	3.3	3.3
Environmental Policies and Regulations	4.0	—	3.5	3.5
Governance	**4.2**	—	3.7	3.4
Property Rights and Rule-based Governance	4.5	—	3.5	3.3
Quality of Public Administration	3.8	—	3.4	3.1
Quality of Budgetary and Financial Management	4.4	—	3.9	3.6
Efficiency of Revenue Mobilization	4.3	—	4.0	3.8
Transparency, Accountability and Corruption in the Public Sector	4.3	-0.2	3.6	3.2
Infrastructure & Regional Integ.	**3.9**	—	3.4	3.3
Infrastructure Development	4.0	—	3.3	3.3
Regional Integration	3.8	—	3.6	3.3

*Nominal change as compared to the 2015 score.

Figure 18: Ghana's CPIA Score Tabular Overview (2016)[369]

[369] African Development Bank Group: Country Policy and Institutional Assessment - Ghana 2016 Score Overview, accessed March 2025, https://cpia.afdb.org/?page=results&subpage=profile&indicator_id=A-D_&country_id=GH&year=2016

Clusters / Criteria	Score	Change*	West	Africa
Overall CPIA	**4.0**	—	3.6	3.5
Economic Management	**3.7**	—	3.9	3.7
Fiscal Policy	4.0	—	3.8	3.6
Monetary Policy	3.5	—	4.1	3.9
Debt Policy	3.5	—	3.8	3.5
Structural Policies	**4.1**	—	3.6	3.5
Financial Sector Development	3.7	—	3.5	3.4
Trade Policy	4.0	—	3.7	3.5
Business Regulatory Environment	4.5	—	3.7	3.4
Social Inclusion/Equity	**4.1**	—	3.5	3.4
Gender Equality	4.2	—	3.4	3.4
Equity of Public Resource Use	3.8	—	3.6	3.4
Building Human Resources	4.3	—	3.6	3.5
Social Protection and Labor	4.0	—	3.3	3.3
Environmental Policies and Regulations	4.0	—	3.7	3.6
Governance	**4.2**	—	3.7	3.4
Property Rights and Rule-based Governance	4.5	—	3.6	3.3
Quality of Public Administration	3.6	—	3.4	3.2
Quality of Budgetary and Financial Management	4.3	—	3.9	3.6
Efficiency of Revenue Mobilization	4.3	—	4.0	3.8
Transparency, Accountability and Corruption in the Public Sector	4.3	—	3.5	3.1
Infrastructure & Regional Integ.	**4.0**	—	3.5	3.4
Infrastructure Development	4.0	—	3.4	3.4
Regional Integration	4.0	—	3.7	3.3

*Nominal change as compared to the 2017 score.

Figure 19: Ghana's CPIA Score Tabular Overview (2018)[370]

With regards to Ghana's CPIA scores (see Figure 14), the gathering and assessment of partnering state's data did not occur until 2004 when the first set of CPIA scores were published. As per Figure 15 Ghana's worst measured metric was their 'quality of public administration' and 'environmental policies and regulations'. This is in line with the historical account of Western development assistance to Ghana as between 1990 and 2004 as the focus of aid was directed to health, economic restructuring and growth, and education. The main effort towards improving Ghana's governance sector was directed towards revenue generation and the building trust in Ghana's public institutions.[371] The result of increasing revenue generation was additional funding

[370] African Development Bank Group: Country Policy and Institutional Assessment - Ghana 2018 Score Overview, accessed March 2025, https://cpia.afdb.org/?page=results&subpage=profile&indicator_id=A-E_&country_id=GH&year=2018

[371] I. Kapur, M. Hadjimichael, P. Hilbers, J. Schiff, and P. Szymczak, *Ghana: Adjustment and Growth, 1983-91*, International Monetary Fund (1991), 1 and 30-40.

that would go towards servicing their debt accumulated since the 1960s and also expanding and maintaining their public services, such as policing, education, health, transportation, infrastructure, power generation, and more. However, the substantial and sustained improvement in governance, social inclusion, and structural policies clearly support the literature that Ghana has made successful strides in owning its development.

More troubling though, however, is Ghana's cyclical debt crises. Ghana, like most developing nations, struggles with debt. We can track these through the shifting CPIA scores between 2004 and 2018 (see Figures 15 through 19). The DAC, in 2004, disbursed the largest sum of debt relief to Ghana to the sum of $1.089 billion (USD 2021 Constant) and then an additional $459 million (USD 2021 Constant) in 2005, wiping out a significant portion of Ghana's debt as it relates to GNI.[372] This course of action led to Ghana experiencing a near doubling of its GDP. In 2005 Ghana had a GDP of $10.74 billion and in 2006 Ghana had a GDP of $20.89 billion.[373] Ghana's debt reduction should not be understated. The reduction from 6.6 billion dollars of debt in 2003 to 2.3 billion dollars of debt in 2006 was the leading factor in Ghana's improved CPIA and HDI scores for that time period.[374] The reduction in debt freed up resources for Ghana to use towards other sectors such as health and education. For reference the number of children completing primary school remained stagnant around 60-70 percent between 1980 to 2006 but rose to nearly 100 percent since 2006.[375] Moreover the percentage in birth attended by skilled health professionals increased only three percent to 47 percent in 2006 from 44 percent in 1998. Furthermore, in the eight years that followed 2006 the percentage of skilled health professions in attendance of births in Ghana grew to 74 percent.[376]

However, beginning in 2008 Ghana's CPIA scores, in terms of the economic management cluster, fell substantially from 4.0 in 2004 to 3.7 in 2008 and to 3.3 in 2014 (see Figures 16 and 17). That this has occurred as Ghana has tapped into newfound oil resources is troubling. As one IMF report noted:

> [B]y 2015, Ghana's economy was in trouble, hobbled by widening current account and budget deficits, rampant inflation, and a depreciating currency. Credit dried up as interest rates rose and banks' bad loans piled up. At the root of Ghana's woes was out-of-control government spending, largely to pay salaries of an overgrown civil service.[377]

What also harmed the Ghanaian economy was that it had signed loans with the PRC using cocoa and oil as collateral. Therefore when oil prices dropped from over $100 a barrel in 2014 to under $35 a barrel in 2016 Ghana's development regressed.[378] Ghana was once again forced to return to the IMF for debt relief, but not at the kind of concessional terms it received a decade earlier from

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[372] World Bank Group, "External debt stocks (% of GNI) - Ghana," *World Bank, International Debt Statistics*, accessed March 2025, https://data.worldbank.org/indicator/DT.DOD.DECT.GN.ZS?year=1977&locations=GH

[373] World Bank Group, "GDP (current US$) - Ghana," *World Bank national accounts data, and OECD National Accounts data files*, accessed March 2025, https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?locations=GH

[374] Tim Jones, "The fall and rise of Ghana's debt: how a new debt trap has been set," *Debt Justice* (October 2016), 1. https://debtjustice.org.uk/wp-content/uploads/2016/10/The-fall-and-rise-of-Ghanas-debt_10.16.pdf

[375] Ibid.

[376] Ibid., 1-3.

[377] "IMF Lending Case Study: Ghana - IMF Program Helps Restore Luster to a Rising Star in Africa," *International Monetary Fund* (May 2019), https://www.imf.org/en/Countries/GHA/ghana-lending-case-study#:~:text=But%20by%202015%2C%20Ghana's%20economy,banks'%20bad%20loans%20piled%20up.

[378] Farida Daphne Issah, "The impact of the boom and slump of oil prices on the housing market in Sekondi-Takoradi, Ghana's oil city," *The Extractive Industries and Society*, 8 no. 4 (2021): 2.

the DAC.[379] Further the IMF also placed conditions on the relief they provided including strengthening Ghana's monetary policy, and cleaning up Ghana's banking system.[380]

On a surface level, this explanation seems to leave out any impact from Western and PRC development assistance policies but when assessing beyond the macro-impacts one can see the influence. Ghana's debt to GDP ratio was 57.9 percent in 2014.[381] The rise in debt to GDP ratio was cited as being a result of two major factors, external debt in the form of loans and the increase seen in Ghana's expenditures, specifically on wages for public employees.[382] The former was impacted most by the PRC as between 2009 and 2013 Ghana took on nearly $2.9 billion in loans from the PRC whereas the DAC only signed about $453 million (see Table 4).[383] PRC loan conditions had a role as such loans were structured in a resource-for-aid manner. This meant that Ghana either put portions of their natural resources in the loan as collateral or in the loan as a form of payment as such the deal signed in 2011 where it was stipulated that Ghana would provide 13,000 barrels of crude oil each day for the next 15.5 years to the PRC.[384] In order to facilitate these conditions Ghana had to have some form of central control over these industries, a fact in direct contravention of Western liberalization conditions based on the SAPs.[385]

How much the availability of development assistance from the PRC has affected Ghana's debt problems is not entirely clear. With respect to the PRC, their aid flows increased from 2015 to 2018 by about $2.5 billion. Such aid from the PRC continued to set conditions on Ghana. As seen with the PRC's 2016 loan of $99.8 million (USD 2021 Constant) which stipulated that the debt would be "secured with (i.e. collateralized against) revenues from gas sales deposited in a government disbursement account and a reserve escrow account with 4.5 months of the estimated gas revenues."[386] Another example being a master project support agreement with Sinohydro

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[379] International Monetary Fund, "Press Release: IMF Approves US$918 Million ECF Arrangement to Help Ghana Boost Growth, Jobs and Stability," *International Monetary Fund*, (April 2015). https://www.imf.org/en/News/Articles/2015/09/14/01/49/pr15159

[380] "IMF Lending Case Study: Ghana - IMF Program Helps Restore Luster to a Rising Star in Africa," *International Monetary Fund* (May 2019), https://www.imf.org/en/Countries/GHA/ghana-lending-case-study#:~:text=But%20by%202015%2C%20Ghana's%20economy,banks'%20bad%20loans%20piled%20up.

[381] African Development Bank Group: Country Policy and Institutional Assessment - Ghana 2014 Score Overview, accessed March 2025, https://cpia.afdb.org/?page=results&subpage=profile&indicator_id=9_&country_id=GH&year=2014

[382] Eline Okudzeto, "2014 Country Policy and Institutional Assessment Brief: Ghana," *African Development Bank Group: Country Policy and Institutional Assessment* (2014), 1. https://cpia.afdb.org/documents/public/GH-2014-CPIA-Brief.pdf; and "IMF Lending Case Study: Ghana - IMF Program Helps Restore Luster to a Rising Star in Africa," *International Monetary Fund* (May 2019), https://www.imf.org/en/Countries/GHA/ghana-lending-case-study#:~:text=But%20by%202015%2C%20Ghana's%20economy,banks'%20bad%20loans%20piled%20up.

[383] Global Chinese Development Finance, Aid Data, accessed April 2025, https://china.aiddata.org/ (Filters (1): Countries: Ghana (2): Years: 2009 to 2013).

[384] S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "China Development Bank provides $850 million loan for Western Corridor Gas Infrastructure Development Project," *Aid-Data: A Research Lab at William and Mary*, accessed March 2025, https://china.aiddata.org/projects/58586/

[385] International Monetary Fund, "Ghana: Enhanced Structural Adjustment Facility Policy Framework Paper, 1999-2001," *Prepared by the Ghanaian authorities in collaboration with the staffs of the International Monetary Fund and the World Bank*, (April 1999), https://www.imf.org/external/np/pfp/1999/ghana/; and Giles Mohan, "Adjustment and decentralization in Ghana: a case of diminished sovereignty," *Political Geography*, 15 no. 1 (1996), 79-81 and 89-90.

[386] S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William

Corporation Limited which stipulated up to two billion dollars worth of infrastructure aid which would be repaid "with the proceeds from the sale of refined bauxite (after the Government of Ghana establishes a bauxite processing plant)."[387]

In addition to securing natural resources as payment, Chinese loans come at higher interest rates compared to the DAC, and carry more severe penalties for non-compliance.[388] Moreover, the deals between Ghana and the PRC, like nearly all aid flows from the PRC, are extremely vague and lack transparency which leads to worries about corruption, and mismanagement of funds.[389] Lastly, the PRC has structured the loans to Ghana in a manner which if Ghana was to fail to meet their repayment obligations then a predetermined amount of resources and or funds would be forfeited as collateral such as certain percentage of the yield of cocoa crops, barrels of oil, and or percentages of profits from said sectors. These conditions are not unique to the PRC and are in fact a signature aspect of the PRC's development assistance policy as China seeks to secure their 'investment.'

Understanding the nature of the PRC's and the West's development assistance policies, one might come to wonder as to why Ghana sought after and agreed to take on Chinese debt. First, it is clear that from 1984 to 2006 the West was the principal donor to Ghana as no other state(s) was in the position like the DAC nations were to be able to continuously and reliably provide official flows of aid. However, once Chinese aid flows started to increase after 2006, an interesting dynamic began to play out. Western aid followed certain principles and was directed towards certain sectors such as education, health, governance, and agriculture while PRC aid has been directed towards infrastructure and energy generation. Power generation projects were hard to garner Western investments as they required an eco-friendly and sustainable framework, of which is extremely difficult for development nations to build up as it requires immense capital and sector expertise, both of which Ghana lacked.[390] The result was the West's avoidance of Ghana's energy infrastructure sector (see Appendix D). Therefore, an opening was created for the PRC as they had the skills and funds to alleviate Ghana's power generation issue all without the barrier of requiring an eco-friendly framework. Moreover, the West avoided infrastructure projects as they require long term commitments and are hard to politically support for long periods of time due to the West's democratic foundation.[391] Additionally the PRC was seen as a close partner to Ghana due to their mutual Global-South status and ideological underpinnings.

& Mary 2023), "Bank of China contributes $84.5 million to $470 million syndicated loan for Sankofa Gas Project," *Aid-Data: A Research Lab at William and Mary*, accessed March 2025, https://china.aiddata.org/projects/59300/

[387] S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "Sinohydro provides $93.8 million — via deferred payment agreement — for Accra Inner City Roads," *Aid-Data: A Research Lab at William and Mary*, accessed March 2025, https://china.aiddata.org/projects/89467/

[388] Andreas Kern, Bernhard Reinsberg, and Patrick E Shea, "Why Cronies Don't Cry? IMF Programs, Chinese Lending, and Leader Survival," *Public Choice* 198 no. 3-4 (2024): 270-274; and Andreas Kern, and Bernhard Reinsberg, "The Political Economy of Chinese Debt and International Monetary Fund Conditionality," *Global Studies Quarterly* 2 no. 4 (2022): 1-14.

[389] Ann-Sofie Isaksson, and Andreas Kotsadam, "Chinese Aid and Local Corruption," *Journal of Public Economics* 159 (2018): 146-159; Anke Hoeffler, and Olivier Sterck, "Is Chinese Aid Different?" *World Development* 156 (2022): 1-16.

[390] Xiaobing Wang, Adam Ozanne, and Xin Hao, "The West's Aid Dilemma and the Chinese Solution?" *Journal of Chinese Economic and Business Studies* 12 no. 1 (2014): 47–61; and Mandira Bagwandeen, "Changing Realities: China-Africa Infrastructure Development," *Asia Policy* 17 no. 3 (2022): 18–29

[391] Shahar Hameiri, and Lee Jones, "Why the West's Alternative to China's International Infrastructure Financing Is Failing," *European Journal of International Relations* 30 no. 3 (2024): 697–724; Antonio Estache, "Africa's infrastructure: challenges and opportunities," *International Monetary Fund* (March 2006), 9; and Kjeld van Wieringen,

Another issue impacting Ghana's CPIA and HDI is the problem of governance and corruption. Both these issues are prevalent in Ghana and have been inherently a part of Western development assistance efforts in resolving. The West conditions its aid on good governance based on its troublesome past with development aid during the Cold War. As such there were great strides made by the West to improve Ghana's governance. This can be seen directly in Ghana's CPIA scores since 2004. In fact, Western efforts saw immediate results as in 2004 Ghana's governance score was 3.7 and in four years it increased significantly to 4.4; a difference of 1.1 compared to the average score in Africa of 3.3 in 2008 (see Figures 15 and 16). Despite such progress, Ghana's development, like all developing nations, was susceptible to poor external influence and bad development practices. As noted above, Ghana maintained a quasi-central control over its economy in spite of Western conditions and guidance. This resulted in a bloated public work force and issues in revenue mobilization which is shown in Ghana's 2014 CPIA score (See Figure 17). In 2016 things regressed further as Ghana's score in transparency, accountability, and corruption in the public sector decreased to 4.3 from 4.5 (See Figure 18). This was in large part due to Ghana's deception of its liberalization efforts and also a result of the PRC influx of debt. The issue with the PRC debt in Ghana is that Chinese aid lacks transparency and is susceptible to corruption.[392] Finally Ghana's 2018 CPIA overall governance score dropped again to 4.2 (see Figure 19). While 4.2 is comparatively good, the trajectory of Ghana's governance development is moving in the wrong direction. Moreover, the issue is made clear when one understands that Ghana's governance is regressing while the average of African states has been increasing; (see Figures 15 through 19) signifying the problem is in Ghana and not related to external factors potentially impacting the preponderance of African states development.

Despite these setbacks Ghana's development has been generally positive.[393] Ghana has been able to move into lower middle-income status along with becoming a medium human development state. Moreover, Ghana has continued to improve their ranking internationally, albeit slowly, in both CPIA and HDI. Ghana has made serious strides towards effective development through their *beyond aid strategy* whose aims have been poverty reduction and the attainment of the MDGs and the SDGs.[394] Ghana has been able to introduce free basic education for all Ghanaians along with the aims to attain free secondary education.[395] Ghana has established a health care system in line with Western standards of care while also assuring the right to healthcare for all Ghanaians with their National Health Insurance Scheme.[396] Lastly, Ghana has recently taken their economic system serious with new and innovative development strategies backed by Western donors with their one district one factory (1D1F) initiative which aims to "change the nature of Ghana's economy from one which is dependent on import and export of

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and Tim Zajontz, "From Loan-Financed to Privatised Infrastructure? Tracing China's Turn Towards Public–Private Partnerships in Africa," *Journal of Current Chinese Affairs* 52 no. 3 (2023): 434-463.

392 Ann-Sofie Isaksson, and Andreas Kotsadam, "Chinese Aid and Local Corruption," *Journal of Public Economics* 159 (2018): 146-159; Anke Hoeffler, and Olivier Sterck, "Is Chinese Aid Different?" *World Development* 156 (2022): 1-16.

393 Stephen Brown, "Foreign Aid and National Ownership in Mali and Ghana," *Forum for Development Studies* 44 no. 3 (2017): 342-343.

394 Jerry John Rawlings, *Ghana – Vision 2020 (The First Step: 1996-2000)*, Presidential Report on Co-ordinated Programme of Economic and Social Development Policies (policies for the preparation of 1996-2000 development plan) (Accra Ghana 1995), and Nana Addo Dankwa Akufo-Addo, "Ghana Beyond Aid: Charter and Strategy Document," *Government of Ghana* (April 2019), accessed March 2025

395 Kwame Akyeampong, "Revisiting Free Compulsory Universal Basic Education (FCUBE) in Ghana," *Comparative Education* 45 no. 2 (2009): 175-195; and "Ghana Education Reform," *Ministry of Education - Ghana*, accessed March 2025, https://moe.gov.gh/free-shs-policy/.

396 "Brief Introduction to the NHIS," *National Health Insurance Authority - Ghana*, accessed March 2025, https://www.nhis.gov.gh/about

raw material to one which is focused on manufacturing, value addition and export of processed goods."[397] Ghana also serves to demonstrate that both Western and PRC development assistance remain largely unchanged but this is due to both the West and the PRC staying in their own lanes regarding the sectors they support in principle in Ghana. The main exception to the aforementioned statement is that the West increased export credits (see Table 5) to Ghana following a rise in debt from the PRC thus sparking a form of policy shift by the West due to the PRC's development assistance strategy. It is also worth noting that Western aid towards economic infrastructure in Ghana has also started to increase since the entry of PRC aid in Ghana (See Appendix D). While Ghana serves as a good example of state development, their overall development has highlighted certain issues in both the PRC and Western development assistance policies and how burdensome aid driven development is in the 21st century.

[397] Nana Addo Dankwa Akufo-Addo, "One District One Factory: About Us," *Government of Ghana*, accessed March 2025, https://1d1f.gov.gh/about-us/

Chapter Four: Ethiopia

Since independence Ethiopia has struggled in its development throughout the 20th century as it was full of conflict and instability. As such Ethiopia has relied heavily on external assistance. First from the West, then the USSR, back to the West following the Cold War; and now the nation is in the middle of a geopolitical aid competition between the West and the PRC. Ethiopia's international partnerships have been largely predicated on its geographical significance and not for its potential value internationally. As such much of Ethiopia's history up to 2000 has been that of being used by other states for their own embetterment while putting aside Ethiopia's development. As a result, Ethiopia has been one of the worst performing nations in key indices such as the HDI and CPIA in spite of high levels of development aid. The entry of PRC and the West's focus on aid effectiveness have begun to turn that around. Nevertheless, scholars are divided on Ethiopia's development progress with some arguing that its development is performative, inchoate, and undemocratic whereas others argue Ethiopia's development is an account of economic success capable of structural transformation.[398] Initial development policies in Ethiopia largely focused on poverty reduction to the detriment of effective development. Ethiopia's development from 1994 to 2011 was cyclical and slower than necessary. It was not until pressure from the West, and somewhat from the PRC, that Ethiopia recentered their development policy in 2011, resulting in their development starting to become more rapid and sustainable. However, as with Ghana, Ethiopia too amassed debt from the PRC. The following chapter delves into how Ethiopia has drastically improved their CPIA and HDI scores through the use of both PRC and Western aid while remaining as a low human developed nation and low-income country. As this chapter reveals, Ethiopia takes advantage of both the basic needs development assistance from the West and the PRC's infrastructure assistance. However, the impact of this competition in Ethiopia has resulted in debt instability, and poor regional integration. Ethiopia serves as a case of chaotic development resulting from national self-interest being placed above effective development yet experiencing seemingly overwhelming success in their HDI and CPIA scores.

[398] Mebratu Kelecha, "A Critique of Building a Developmental State in the EPRDF's Ethiopia," *Revue Canadienne d'études Du Développement* 44 no. 2 (2023): 308; Stephen Brown, and Jonathan Fisher "Aid Donors, Democracy and the Developmental State in Ethiopia," *Democratization* 27 no. 2 (2020): 198-199; John H. S Aberg, and Derick Becker, "The World Is More than a Stage: Foreign Policy, Development and Spatial Performativity in Ethiopia," *Territory, Politics, Governance* 9 no. 1 (2021): 12-13; Melisew Dejene, and Logan Cochrane, "Ethiopia's Developmental State: A Building Stability Framework Assessment," *Development Policy Review* 37 no. 2 (2019): 161-163; and Ha-Joon hang, Jostein Hauge, Arkebe Oqubay, Christopher Cramer, and Fantu Cheru, "The Concept of a 'Developmental State' in Ethiopia," In *The Oxford Handbook of the Ethiopian Economy*, (Oxford University Press 2019).

Map 3: Ethiopia[399]

4.1 Background on the State of Ethiopia

Ethiopia's history can be traced back to 400 BCE with the Kingdom of Aksum, in what is now northern Ethiopia.[400] The relevance of Ethiopia's history for this thesis starts with the reign of Menelik II, who was the Emperor of Ethiopia from 1889 until his death in 1913. Menelik sought to expand his rule from the central province of Shewa to territories to the south, east, and west which would inevitably come to roughly represent the territorial boundaries of 21st century Ethiopia.[401] Ethiopia's history of colonialism is distinct from most other contemporary African states as the Kingdom and later nation of Ethiopia remained sovereign except for a brief period of Italian occupation between 1935 and 1941. During this period of Italian control, the territories of

[399] "Ethiopia Map and Satellite Image," *Geology.com*, accessed March 2025, https://geology.com/world/ethiopia-satellite-image.shtml

[400] The dating of the Kingdom of Aksum to 400 BCE is still a contested fact as there is methodological disagreement between parties. However, due to limitations beset by technology and the vast gap in time between then and now, narrowing the date to a point of complete agreement is not, currently, feasible. Nevertheless, there is consensus that the Kingdom of Aksum existed around 400 BCE. See David W. Phillipson, "The Kingdom of Aksum," in *Foundations of an African Civilisation*, (Woodbridge, UK: Boydell and Brewer Limited, 2012), 69-74.

[401] John Young, "Regionalism and Democracy in Ethiopia," *Third World Quarterly* 19 no. 1 (1998): 192.

Ethiopia, Eritrea, and Somaliland merged to create Africa Orientale Italiana (Italian East Africa).[402] This merger of the three territories eventually led to conflicts between them following the resumption of Ethiopian sovereignty in 1944.

As was the case with the British colonization of Ghana, the Italians proceeded with large infrastructure programs to exploit Ethiopia's resources. During the brief period of Italian colonization, Ethiopia's road and railway networks and hydro-electric capabilities expanded dramatically providing "a skeleton for future expansion and betterment."[403] However, these basic infrastructure improvements did not lead to economic progress for most Ethiopians, nor did it endear Ethiopians to Italian colonisation. Resistance to Italian rule and the merger of three states under Italian rule continued.[404]

Following Italy's withdrawal from East Africa during World War II the British established the Occupied Enemy Territory Administration in Ethiopia in 1942 following the signing of the Anglo-Ethiopian agreement.[405] As noted by Harold Marcus, the British believed "that the emperor would react sharply to its policy of confiscation of Italian capital goods, including whole factories and war materials, and therefore wanted as much time as possible to present the Ethiopians with *faits accomplis.*"[406] This decision, however well intended and short lived, was negatively perceived by Ethiopians who believed that "the British were acting more like looters and colonialists than liberators." To the emperor, "OETA was a grave insult, since he considered Ethiopia once again free and therefore sovereign territory."[407] Eventually the British relinquished much control over Ethiopia with the renegotiation of the Anglo-Ethiopian agreement in 1944.[408] However, the British decision to maintain Eritrea as a separate entity, which left Ethiopia without important ports on the Red Sea, contributed to poor relations with the West that remain to this day. A British military administration governed Eritrea until 1952 when the UN General Assembly voted to allow Eritrean self-governance. The only proviso was that foreign affairs and defence of Eritrea would enter a ten-year federal state model with Ethiopia.[409] Ethiopian emperor Haile Selassie, annexed Eritrea following the ten-year commitment in 1962 instead of allowing Eritrea to gain its independence.[410] This decision sparked an Eritrean independence movement which lasted nearly 30 years.

Despite the popularity of Haile Selassie with Western leaders, his rule faced numerous internal challenges during his reign, including conflict with Eritrea, and famine in the north-eastern provinces of Tigray and Wollo. These troubles were made worse in the 1973 oil crisis, leading to high inflation and unemployment. Although Selassie had survived previous attempts to depose him, the Derg, also known as the Provisional Military Administrative Council (PMAC) overthrew him in 1974 marking the transition of Ethiopia into a Marxist-Leninist state. The Derg era began with the execution of 60 cabinet ministers and government officials known as the

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[402] Bahru Zewde, *A History of Modern Ethiopia, 1855-1991,* Second edition. (Oxford: James Curry, 2001), 162.
[403] Ibid., 164.
[404] Ibid., 165-166.
[405] "The Minister in Ethiopia (Caldwell) to the Secretary of State: Addis Ababa, October 24, *Office of the Historian*, accessed March 2025 https://history.state.gov/historicaldocuments/frus1944v05/d67
[406] Harold G. Marcus, "Haile Sellassie and Italians, 1941-1943," *Northeast African Studies* 10 no. 3 (2003): 19.
[407] Ibid., 20.
[408] Bahru Zewde, *A History of Modern Ethiopia, 1855-1991,* Second edition. (Oxford: James Curry, 2001), 180.
[409] *The United Nations and the Independence of Eritrea*, The United Nations Blue Books Series, Volume XII (Department of Public Information United Nations, New York 1996), 8-9. https://digitallibrary.un.org/record/229464/files/%5EST_%5EDPI_1850-EN.pdf
[410] Ibid., 4.

Massacre of the Sixty.[411] This massacre went on to set the tone for the type of governance the PMAC would instil.

The Derg sought to transform Ethiopia into a socialist state through a series of radical reforms such as the nationalization of industries, land reform policies which redistributed land to the tillers - fulfilling a promise that all land would go to the tillers (workers), and the shutdown of the Ethiopian Orthodox Church whose influence was significant and impeded the Derg's goals.[412] The regime acted quickly and harshly to those they deemed political opponents. Beyond the internal reforms the Derg have become known for their conflicts with Eritrea, Tigray, and Somalia. The clash between the Derg and Somalia brought in Soviet aid resulting in Ethiopia becoming one of the most militarized nations in Africa and thus cementing Ethiopia as the Soviet Union's chief ally in Africa for over a decade. Unsurprisingly, the Derg's military expansion and internal reforms resulted in ruins for the Ethiopian economy. Each conflict, internal and external, led to acute economic failure and eventually resulted in one of the deadliest famines of the 20th century. The lasting legacy for the Derg was an event referred to today as the Red Terror. Thousands of individuals were rooted out by the Derg and killed. The exact number of people that died in the Red Terror is a major point of contention as the figures range from a minimum of 10,000 to a maximum of 500,000 Ethiopian citizens.[413] The result of the Red Terror was political instability and economic vulnerability.

The defining event of the Derg regime was the severe famine between 1983 to 1985 that killed between 400,000 and one million Ethiopians, while displacing millions more.[414] According to historian Alexander De Waal, "over half of [the] mortality can be attributed to human rights abuses causing the famine to come earlier, strike harder, and extend further than would otherwise have been the case."[415] The world took notice of Ethiopia's suffering and offered to lend assistance via humanitarian aid. However, most food aid came from the West, not Ethiopia's chief ally the USSR, who at this point was in steep economic decline and locked in a devastating war in Afghanistan. Western aid, made famous by Live Aid and other musical offshoots to raise private money to aid famine victims, revolutionized the aid and humanitarian sector during this period.[416] Indeed, the global movement to feed Ethiopians made humanitarians more acutely aware of the paradoxes of their actions. Though promoted as helping its citizens in dire need, it

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[411] Reuters, "Ethiopia Executes 60 Former Officials, Including 2 Premiers and Military Chief," *The New York Times*, Nov. 24, 1974, accessed March 2025, https://www.nytimes.com/1974/11/24/archives/ethiopia-executes-60-former-officials-including-2-premiers-and.html

[412] Harrison C. Dunning, "Rural Land Reform in Socialist Ethiopia: The First Year," *Verfassung Und Recht in Übersee / Law and Politics in Africa, Asia and Latin America* 10, no. 2 (1977): 203–213; and Wibke Crewett, and Benedikt Korf, "Ethiopia: Reforming Land Tenure," *Review of African Political Economy* 35 no. 116 (2008): 203–220.

[413] There seems to have been a recent consensus that the minimum number of dead had risen to 150,000. See, Edward Kissi, *Documenting the Red Terror: Bearing Witness to Ethiopia's Lost Generation*, Ethiopian Red Terror Documentation and Research Center (ERTDRC), (ERTDRC North America, Ottawa 2012), 12; and Felix Horne, "A Rare Victory for Ethiopia's Victims: Former Government Official Convicted in Dutch Court for 1970s Killings," *Human Rights Watch* December 21, 2017, accessed March 2025, https://www.hrw.org/news/2017/12/21/rare-victory-ethiopias-victims

[414] The figure for deaths is merely an estimate as "no one was counting in a systematic fashion at the time, and subsequent estimates vary, even if they were made on a scientific basis, "See Peter Gill, *Famine and Foreigners, Ethiopia Since Live Aid,* (Oxford University Press 2010), 43; and "Disaster Case Report: Ethiopia Drought/Famine," *Office of US Foreign Disaster Assistance*, 1-2, https://pdf.usaid.gov/pdf_docs/PBAAH005.pdf or https://web.archive.org/web/20240823015432/https://pdf.usaid.gov/pdf_docs/PBAAH005.pdf

[415] Alexander De Waal, *Evil days: thirty years of war and famine in Ethiopia*, (New York Human Rights Watch 1991), 5.

[416] Laurence Binet, "Famine and Forced Relocations in Ethiopia 1984-1986," *Médecins Sans Frontières*, April 2013, accessed March 2025, 49, https://www.msf.org/sites/default/files/2019-04/MSF%20Speaking%20Out%20Ethiopia%201984-1986.pdf

soon came to be clear that the government as well as rebel groups were using aid to support their military and political campaigns.[417] While Western assistance was successful in aiding a portion of the population of Ethiopia, it did not address the chief reasons for the famine which was not environmental, but fundamentally political.

The famine and continued civil war severely weakened the Ethiopian government resulting in its eventual dissolution in 1987 and replacement under a new constitutional government the People's Democratic Republic of Ethiopia (PDRE).[418] However, the PDRE continued to have little popular support. By the early 1990s The Tigray People's Liberation Front, and other ethnic based movements in northern Ethiopia merged to become the Ethiopian People's Revolutionary Democratic Front (EPRDF).[419] By 1991 the EPRDF had gained the upper hand on government forces forcing the Mengistu Haile Mariam regime to flee.[420] Despite the establishment democratic rule in 1991 the civil war resulted in the independence and sovereignty for Eritrea; leaving Ethiopia landlocked, a factor that would impact Ethiopia's development for decades and continues to play a major role. In the wake of the collapse of Marxist-Leninist state Ethiopia went through four difficult years of transition to a democratic federation. The 1995 Ethiopian elections was a major point in history for the state as the elections cemented the first election for Ethiopia under its new constitution which signalled the end of "a highly centralised, authoritarian state, plagued by civil wars, to a federal republic in which a vast range of powers were devolved to ethnically defined regions."[421]

Since 1995, the state of Ethiopia has experienced a series of setbacks, domestically and regionally. First was the Eritrean–Ethiopian War which lasted from 1998 to 2000. This war was principally started by border disputes where both sides of the conflict acted in a provocative manner resulting in the deaths and disenfranchisement of liberty of one another's citizens.[422] The war between the two states 'concluded' as it became clear that Eritrea was no longer able to maintain its official war fighting capability following Ethiopia's third offensive.[423] Despite the Ethiopian material superiority, a proxy border conflict pressed on from 2000 until 2018 when the Eritrea–Ethiopia summit took place resulting in the cessation of hostility between the two states.[424] Unlike Ghana, Ethiopia has been unable to stabilise its territory as they have had both internal and regional conflicts which have negatively impacted its social and economic development. Internal strife continues to be a persistent issue within Ethiopia and a barrier to their development as well.

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[417] Alexander De Waal, *Evil days: thirty years of war and famine in Ethiopia*, (New York Human Rights Watch 1991), 190-191.

[418] Despite the dissolution of the PMAC, the new party of PDRE was composed of the main political figures from the former, such as key political and military figures including Mengistu Haile Mariam.

[419] Yohannes Gedamu, *The Politics of Contemporary Ethiopia: Ethnic Federalism and Authoritarian Survival*, (Abingdon, Oxon; Routledge 2021), 46.

[420] Ibid., 46-47.

[421] Terrence Lyons, "Closing the Transition: The May 1995 Elections in Ethiopia," *The Journal of Modern African Studies* 34 no. 1 (1996): 131-132.

[422] Michael Woldemariam, "Partition Problems: Relative Power, Historical Memory, and the Origins of the Eritrean-Ethiopian War," *Nationalism & Ethnic Politics* 21 no. 2 (2015): 177-179.

[423] Ibid., 179.

[424] Jens Heibach, "Sub-Saharan Africa: A Theater for Middle East Power Struggles." *Middle East Policy* 27 no. 2 (2020): 69 and 75; and "Eritrea-Ethiopia Peace Deal Offers Hope for Reform: Eritrea Should Halt Indefinite Conscription," *Human Rights Watch* July 18, 2018, https://www.hrw.org/news/2018/07/18/eritrea-ethiopia-peace-deal-offers-hope-reform

4.2 An Overview of Aid and Development in Ethiopia 1944 to 1990

The years following 1945 for Ethiopia were marked by economic instability and slow growth. Like most African states, Ethiopia emerged from its brief period of Italian colonialism underdeveloped. Nonetheless, Ethiopia had potential for economic growth and development due to deposits of gold and platinum as well as fertile valleys capable of producing significant quantities of wheat, corn, millet and other grains.[425] Emperor Selassie's government designed three development plans each spanning five years consecutively from one another starting in 1957 and ending - with the third five-year development plan - in 1973.[426] However, due to the regime's inability to address shortages of skilled labour and critical infrastructure none of these plans achieved their goals.[427] Despite such failures, the Ethiopian economy still grew by an average rate of 3.4 percent per annum(GDP per capita) between 1960 to 1970.[428] Much of this growth was supported through IDA from DAC nations, particularly the United States and Italy who provided the majority of aid between 1960 and 1974 (see Figure 20).[429]As for development assistance, beyond the aid cited in Figures 20 and 21, the tracking of aid flows during the initial era of the DAC was limited. A clear direction of aid was highlighted by USAID when they stated that during Emperor Selassie rule following the Second World War the US "provided assistance in agriculture, natural resources, education, health, industry and mining. However, the bulk of that assistance was concentrated on the agricultural sector. Toward the end of the decade, USAID objectives in Ethiopia expanded to include building human capacity."[430] As previously noted the impact was limited, falling short of the goals set within the initial development plans. Regarding the type of aid provided by the DAC, a majority was in the form of grants until 1968 when the DAC started to provide low interest loans as an increasing percentage of the overall ODA flow to Ethiopia. (see Figure 21).

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[425] Thomas P Ofcansky, LaVerle Bennette Berry, and Library of Congress Federal Research Division, *Ethiopia: a country study* Fourth Edition. (Federal Research Division, Library of Congress 1993), 146. https://www.loc.gov/item/92000507/

[426] Ibid.,147.

[427] Ibid.

[428] World Bank, "GDP per capita growth (annual %)," *World Bank national accounts data, and OECD National Accounts data files*, accessed March 2025, https://data.worldbank.org/indicator/NY.GDP.PCAP.KD.ZG?end=1970&start=1961

[429] Aid data prior to 1960 is not readily available and was also scarce; therefore, no claims can be made regarding the amount of aid and from whom was sent to Ethiopia prior to 1960 beyond single cases.

[430] United States Agency for International Development, "Ethiopia: History," *USAID*, accessed December 2024, https://2017-2020.usaid.gov/ethiopia/history or https://web.archive.org/web/20240303034303/https://2017-2020.usaid.gov/ethiopia/history

Time period	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974
Donor															
Measure: Official development assistance (ODA), disbursements															
DAC countries	139.55	174.89	194.94	171.27	93.49	118.09	156	165.9	222.62	185.91	215.77	216.38	201.49	239.59	355.54
· Canada	..	..	..	..	..	..	..	0.07	0.5	0.27	0.38	0.58	1.29	3.06	24.83
· Italy	74.01	63.57	14.21	19.17	13.15	12.82	9.35	17.74	63.01	15.84	70.82	27.98	15.12	19.83	54.74
· United Kingdom	..	..	..	..	0.56	4.88	3.04	3.01	4.86	6.64	8.71	17.33	16.15	25.31	25.32
· United States	60.91	105.47	171.19	139.81	65.23	80.5	119.71	90.03	89.64	92.28	58.44	127.92	90.63	96.03	125.19

Figure 20: DAC Official Development Assistance - By Country - to Ethiopia 1960 to 1974 [USD, Millions, Constant pricing 2022][431]

Time period	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974
Measure															
Official development assistance (ODA), disbursements	139.55	174.89	194.94	171.27	93.49	118.09	156	165.9	222.62	185.91	215.77	216.38	201.49	239.59	355.54
· ODA grants, disbursements	139.55	176.43	186.61	162.69	92.47	114.8	122.16	131.36	140.05	133.09	134.95	105.15	124.82	161.84	238.01
· Gross ODA Loans	..	5.99	9.66	10.53	3.27	8.05	33.95	37.84	84.59	54.11	82.27	111.23	82.34	88.9	131.29
Technical cooperation, disbursements	..	..	..	..	..	..	90.53	109.86	132.16	121.88	98.4	125.23	108.13	113.72	107.23

Figure 21: DAC Official Development Assistance Grants, Loans, and Technical Cooperation to Ethiopia 1960 to 1974 [USD, Millions, Constant Pricing 2022][432]

431 "Aid (ODA) disbursements to countries and regions [DAC2A]," *Organisation for Economic Co-operation and Development*, accessed March 2025, [Filters (1) Donor: DAC Countries; Canada; France; Italy; United Kingdom; United States (2) Recipient: Ethiopia (3) Measures: Official Development Assistance Disbursements; ODA Grants Disbursements; Debt Forgiveness; Other Debt Grants; Gross ODA Loans; Development Food Aid; Humanitarian Aid; ODA as Percent of Recipient GNI (4) Unit of Measure: US Dollar (5) Price Base: Constant Prices (6) Time Period: 1960-1974] https://data-explorer.oecd.org/vis?fs[0]=Topic%2C1%7CDevelopment%23DEV%23%7COfficial%20Development%20Assistance%20%28ODA%29%23DEV_ODA%23&pg=0&fc=Topic&bp=true&snb=11&df[ds]=dsDisseminateFinalDMZ&df[id]=DSD_DAC2%40DF_DAC2A&df[ag]=OECD.DCD.FSD&df[vs]=1.0&pd=1960%2C1974&dq=DAC%2BUSA%2BGBR%2BITA%2BFRA%2BCAN.ETH.201%2B204%2B206%2B212%2B213%2B216%2B221%2B286.USD.Q&ly[rw]=RECIPIENT&ly[cl]=TIME_PERIOD&to[TIME_PERIOD]=false&vw=tb

432 "Aid (ODA) disbursements to countries and regions [DAC2A]," *Organisation for Economic Co-operation and Development*, accessed March 2025, [Filters (1) Donor: DAC Countries (2) Recipient: Ethiopia (3) Measures: Official Development Assistance Disbursements; ODA Grants Disbursements; ODA Loans; Technical Cooperation Disbursements (4) Unit of Measure: US Dollar (5) Price Base: Constant Prices (6) Time Period: 1960–1974] https://data-explorer.oecd.org/vis?fs[0]=Topic%2C1%7CDevelopment%23DEV%23%7COfficial%20Development%20Assistance%20%28ODA%29%23DEV_ODA%23&pg=0&fc=Topic&bp=true&snb=11&df[ds]=dsDisseminateFinalDMZ&df[id]=DSD_DAC2%40DF_DAC2A&df[ag]=OECD.DCD.FSD&df[vs]=1.0&pd=1960%2C1974&dq=DAC.ETH.207%2B201%2B204%2B206.USD.Q&ly[rw]=RECIPIENT&ly[cl]=TIME_PERIOD&to[TIME_PERIOD]=false&vw=tb

Following the collapse of the Emperor Selassie's regime and the rise of the Derg, the West's bilateral relations with Ethiopia largely dissolved. The Derg's relations with the USSR was not fully realised until 1977 when Mengistu demanded that the US remove all personnel and shut down all military operations with the exception of a few personnel to staff their embassy in Addis Ababa.[433] The main reason as to the delay in the dissolving relations between the West and Ethiopia was in large part due to Ethiopia's reliance on Western military aid which was worth millions of dollars and included important military equipment such as artillery, and fighter aircraft.[434] However, once Mengistu was able to secure arms deals with the PRC and the USSR, Mengistu broke ties with the US and other Western nations.[435] By 1978 the USSR supplied over one billion dollars to Ethiopia surpassing the total amount of military aid from the US sent between 1953 and 1977.[436] The initial bilateral relations between Ethiopia and the USSR sheds light on Ethiopia's complex foreign policy objectives. The Derg made it clear initially that despite its party's ideological underpinnings towards socialism and communism, they maintained their relationship with the US out of necessity rather than desire as the USSR was hesitant to form increasing relations with Ethiopia due to the USSR's pre-existing political arrangement with Somalia.[437] Following Somalia's invasion of the Ogaden region in July 1977, however, the USSR removed all their military advisors from Somalia who then subsequently broke off their 1974 Treaty of Friendship and Cooperation with the USSR.[438] As noted by Edmond J. Keller:

> Both the pre-and-post-1974 governments used economic and military aid from their respective superpower patrons to augment their own meager material resources, thus enhancing the ability of the regime to pursue not only certain foreign policy objectives but also specific domestic policies.[439]

As a result of the Derg's partnership with the USSR they became heavily indebted. By mid-1980 Ethiopia's total debt, including economic and military, was around $1.7 billion with a ten-year repayment term starting 1984 with two percent interest.[440] Ethiopia's total GDP in 1985 was around 10 billion (C-15-USD) thus making their debt to the USSR around 15 percent of their, then, nominal GDP in 1985. This of course is excluding the loans Ethiopia has with other donors, namely the DAC which too had loans worth hundreds of millions of dollars. The Derg agreed to repay $300 million worth of commercial debt by sending coffee to the USSR and by restructuring their payments for export earnings.[441]

Despite the shift by the Derg from Western to Eastern partnership, DAC and other Western sponsored multilateral forms of assistance continued to flow into Ethiopia. As noted by Edmond J. Keller, Western economic aid, particularly from the European Community, accounted for over 90 percent of economic aid flows to Ethiopia in the 1980s.[442] During this period the WB also provided $250 million (Current-USD), while the IMF provided a $100 million loan

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[433] Thomas P Ofcansky, LaVerle Bennette Berry, and Library of Congress Federal Research Division, *Ethiopia: a country study* Fourth Edition. (Federal Research Division, Library of Congress 1993), 255-256. https://www.loc.gov/item/92000507/
[434] Ibid., 291-293.
[435] Ibid., 292-294.
[436] Ibid., 294.
[437] Ibid., 255-256.
[438] Ibid., 256.
[439] Ibid., 253.
[440] Ibid., 295.
[441] Ibid.
[442] Ibid., 258.

(Current-USD).[443] The latter was of more interest as the Derg consistently, up to this point, took opposition to the IMF due to their condition-based aid on recipient states. The acceptance of the IMF loan demonstrated the weakening grip the USSR had on Ethiopia and how miniscule the PRC's influence was at the time.[444] Despite Western aid flows into Ethiopia through both bilateral and multilateral means Keller concluded that:

> no Western donor was able to influence day-to-day economic policy on a regular basis. [...] [D]onor agencies historically had favored the development of agricultural cooperatives if they were organized on free-market principles. However, the Ethiopian regime attempted to guide the development of cooperatives so that they might be transformed into socialist collectives compatible with a centrally planned and directed economy. Like the imperial government before it, the Derg attempted to play off a multiplicity of donors against one another and thereby maximize certain benefits without surrendering its sovereignty.[445]

The vast majority of aid from the DAC during this period was in development food aid and humanitarian aid with little going to other development sectors. However, the trend of small aid flows to Ethiopia did not last as the 1980s famine in Ethiopia led to the drastic increase in ODA disbursements in Ethiopia post-1981 (see Figure 22). Aid flows from the United States resumed in 1992 following the end of the Derg rule and the collapse of the Soviet Union.[446] While bilateral aid from DAC nations decreased during the Derg regime, multilateral aid remained consistent and totaled in the hundreds of millions.

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443 Ibid.
444 Ibid.
445 Ibid.
446 United States Agency for International Development, "Ethiopia: History," *USAID*, accessed December 2024, https://2017-2020.usaid.gov/ethiopia/history or https://web.archive.org/web/20240303034303/https://2017-2020.usaid.gov/ethiopia/history

Time period	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
Donor											
Measure: Official development assistance (ODA), disbursements											
DAC countries	192.4	198.97	250.29	536.9	1 153.09	902.35	597.16	1 012.03	672.64	779.6	724.24
· Australia	11.83	17.55	10.12	32.4	27.83	26.23	44.07	16.71	20.62	25.82	18.86
· Austria	1.56	0.86	3.76	2.84	6.62	2.23	2.44	24.63	2.81	1.94	4.43
· Belgium	2.12	0.47	1.22	0.77	27.09	13.23	4.64	12.56	7.7	7.34	4.09
· Canada	22.38	21.62	41.54	52.57	89.5	48.63	60	52.91	35.63	50.87	54.88
· Denmark	0.3	1.92	13.09	1.62	7.52	0.03	1.36	9.81	8.54	1.54	2.03
· Finland	1.75	1.68	7.02	7.01	27.15	17.98	19.25	15.37	23.22	25.33	22.77
· France	4.92	6.64	12.81	14.24	17.48	20.21	11.95	15.08	19.07	21.22	11.62
· Germany	33.63	31.58	25.73	85.22	77.55	54.89	47.6	62.3	88.53	69.26	70.2
· Hungary	..	..	..	..	3.87	2.12	1.46	12.77	1.35	0.15	0.26
· Ireland	..	0.03	0.06	0.31	0.1	0.69	0.28	0.29	0.29	1.54	1.77
· Italy	43.61	32.71	45.29	138.37	250.63	338.33	233.91	399.7	236.63	233.04	110.16
· Japan	3.47	0.37	2.63	4.49	11.86	6.69	14.75	11.69	11.18	10.59	14.55
· Korea	..	..	..	..	..	..	..	..	0.03	0.04	0.47
· Luxembourg	..	..	..	..	..	..	..	..	..	0.29	1.2
· Netherlands	10.96	8.38	6.97	28.27	25.01	19.23	13.09	41.57	20.83	41.09	42.74
· New Zealand	..	..	..	..	..	..	..	..	..	0.08	0.02
· Norway	6.47	6.8	8.62	35.52	47.46	32.26	33.99	45.35	56.98	60.04	61.98
· Poland	1.24	..	..	0.26	22.45	7.42	..	..	..	..	..
· Spain	..	..	..	..	..	..	..	..	2	9.53	12.43
· Sweden	36.95	37.93	36.63	42.51	57.05	63.49	53.87	74.1	43.79	55.67	45.63
· Switzerland	3.62	4.91	6.82	21.47	22.87	9.87	16.66	18.48	12.4	13.8	22.73
· United Kingdom	2.13	22.95	13.07	23.53	99.1	31.77	26.74	57.18	33.59	50.95	52.11
· United States	5.47	2.58	14.89	45.5	331.92	207.05	11.1	141.55	47.47	99.46	169.33

Figure 22: DAC Official Development Assistance - By Country - to Ethiopia 1981 to 1991 [USD, Millions, Constant Pricing 2022][447]

447 "Aid (ODA) disbursements to countries and regions [DAC2A]," *Organisation for Economic Co-operation and Development*, accessed March 2025, [Filters (1) Donor: DAC Countries; Australia; Austria; Belgium; Canada; Denmark; Finland; France; Germany; Hungary; Ireland; Italy; Japan' Korea; Luxembourg; Netherlands; New Zealand; Norway; Poland; Spain; Sweden; Switzerland; United Kingdom; United States (2) Recipient: Ethiopia (3) Measures: Official Development Assistance Disbursements; Development Food Aid (4) Unit of Measure: US Dollar (5) Price Base: Constant Prices (6) Time Period: 1981-1991] https://data-explorer.oecd.org/vis?fs[0]=Topic%2C1%7CDevelopment%23DEV%23%7COfficial%20Development%20Assistance%20%28ODA%29%23DEV_ODA%23&pg=0&fc=Topic&bp=true&snb=11&df[ds]=dsDisseminateFinalDMZ&df[id]=DSD_DAC2%40DF_DAC2A&df[ag]=OECD.DCD.FSD&df[vs]=1.0&pd=1981%2C1991&dq=USA%2BGBR%2BCHE%2BSWE%2BESP%2BPOL%2BNOR%2BNZL%2BNLD%2BLUX%2BKOR%2BJPN%2BITA%2BIRL%2BHUN%2BDEU%2BFRA%2BFIN%2BDNK%2BCAN%2BBEL%2BAUT%2BAUS%2BDAC.ETH.206%2B213.USD.Q&ly[rw]=RECIPIENT&ly[cl]=TIME_PERIOD&to[TIME_PERIOD]=false&vw=tb

4.3 Aid to Ethiopia: Western and PRC Development Assistance Policies

4.3.1 Western Development Assistance Policies

The initial period of the 1990s saw a vast majority of Western aid be allocated to agriculture and food security sectors. This was in large part a result of the consistent state of famine throughout Ethiopia that continued into the 1990s.[448] As per OECD data, development food aid from DAC members remained constantly high up to 1993.[449] Following 1993, development assistance commitments to Ethiopia diversified into other sectors, namely health, education and some towards infrastructure, while remaining predominantly ODA.[450] Despite the decrease in development food aid, Ethiopia continued to struggle with its own domestic production and distribution of food thus complicating Western efforts in Ethiopia's development. Additionally, Ethiopia lacked the infrastructure and finances to implement any meaningful or lasting development policies in the 1990s.[451] As such international aid organizations such as USAID limited their development aid in both scope and quantity towards "increased availability of selected domestically produced food grain crops" and "increased use of primary and preventative health care services."[452]

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[448] For a detailed breakdown on Ethiopia's droughts and famines since the 1950s see the following sources: Dagm Alemayehu Tegegn, "The trigger of Ethiopian famine and its impacts from 1950 to 1991," *Cogent Arts & Humanities*, *10* no. 1 (2023): 1-11; and Joshua W. Busby, "Droughts and Famine in Somalia and Ethiopia" In *States and Nature*. (Cambridge University Press, 2022), 71-119.

[449] "Aid (ODA) disbursements to countries and regions [DAC2A]," *Organisation for Economic Co-operation and Development*, accessed March 2025, [Filters (1) Donor: DAC Countries; Australia; Austria; Belgium; Canada; Denmark; Finland; France; Germany; Hungary; Ireland; Italy; Japan' Korea; Luxembourg; Netherlands; New Zealand; Norway; Poland; Spain; Sweden; Switzerland; United Kingdom; United States (2) Recipient: Ethiopia (3) Measures: Official Development Assistance Disbursements; Development Food Aid; Humanitarian Aid (4) Unit of Measure: US Dollar (5) Price Base: Constant Prices (6) Time Period: 1985-2012] https://data-explorer.oecd.org/vis?fs[0]=Topic%2C1%7CDevelopment%23DEV%23%7COfficial%20Development%20Assistance%20%28ODA%29%23DEV_ODA%23&pg=0&fc=Topic&bp=true&snb=11&df[ds]=dsDisseminateFinalDMZ&df[id]=DSD_DAC2%40DF_DAC2A&df[ag]=OECD.DCD.FSD&df[vs]=1.0&pd=1985%2C2012&dq=USA%2BGBR%2BCHE%2BSWE%2BESP%2BPOL%2BNOR%2BNZL%2BNLD%2BLUX%2BKOR%2BJPN%2BITA%2BIRL%2BHUN%2BDEU%2BFRA%2BFIN%2BDNK%2BCAN%2BBEL%2BAUT%2BAUS%2BDAC.ETH.213%2B216%2B206.USD.Q&to[TIME_PERIOD]=false&vw=tb

[450] "CRS: Creditor Reporting System (flows)," *Organisation for Economic Co-operation and Development*, accessed March 2025, [Filters (1) Donor: DAC Countries (2) Recipient: Ethiopia (3) Sector: All Sectors; Social Infrastructure and Services; Education; Health; Population Policies/Programmes and Reproductive Health; Government and Civil Society; Economic Infrastructure and Services (4) Measure: Official Development Assistance (5) Channel: All Channels (6) Modality: All Modalities (7) Flow type: Disbursements; Commitments (8) Price Base: Constant Prices (9) Time Period: 1995-2018] https://data-explorer.oecd.org/vis?pg=0&bp=true&snb=84&tm=ODA&df[ds]=dsDisseminateFinalDMZ&df[id]=DSD_CRS%40DF_CRS&df[ag]=OECD.DCD.FSD&df[vs]=1.3&dq=DAC.ETH.200%2B150%2B130%2B120%2B110%2B1000.100._T._T.C%2BD.Q._T..&pd=1995%2C2018&to[TIME_PERIOD]=false&vw=tb

[451] Ambaw Desalegn, and Negussie Solomon, "Infrastructure Inequities and Its Effect on Poverty Reduction across Regional States in Ethiopia," *Journal of Mega Infrastructure & Sustainable Development* 2 no. 3 (2022): 297, and 304-305; and Atinafu Regasa, Demelash Lemmi Ettisa, Efa Tadesse, "Factors Affecting Economic Crisis in Ethiopia: A Literature Review," *Qeios* (2023): 5-7; Lars Christian Moller, Konstantin M. Wacker, "Explaining Ethiopia's Growth Acceleration—The Role of Infrastructure and Macroeconomic Policy," *World Development*, *96* (2017): 198–215; and Firew Bekele Woldeyes, "Debt Sustainability and Management in Ethiopia Lessons from China," *United Nations Conference on Trade and Development* (December 2021), 7-9 https://unctad.org/system/files/official-document/BRI-Project_RP20_en.pdf

[452] United States Agency for International Development, "Ethiopia: History," *USAID*, accessed December 2024, https://2017-2020.usaid.gov/ethiopia/history or https://web.archive.org/web/20240303034303/https://2017-2020.usaid.gov/ethiopia/history

The ODA sent to Ethiopia during this time was chaotic in nature as there was little to no coordination among DAC members and there was a lack of an overarching development plan from the Ethiopian government initially. There was, however, among DAC members an initial push of ODA in form of grants, food aid, and critical infrastructure.[453] At the same time there were major systemic policy changes being pushed to shift Ethiopia's development towards market oriented reforms through a structural adjustment program (SAP), similar to that which Ghana underwent, with the overarching intent to further liberalize and rehabilitate Ethiopia and its economy.[454] Specifically, the main goal of AfDB SAP in Ethiopia was to "restore macroeconomic balance and reduce inflation" while also seeking to "stimulate medium and long term growth" through FDI and encouraging competition.[455]

One of the first major development aid programs in Ethiopia post-1991 was the World Banks' and the IMF's Heavily Indebted Poor Countries (HIPC) initiative. The main intent of the HIPC program was to alleviate monetary pressures on developing nations by lessening the burden of debt in order to promote additional influx of development assistance through bilateral and multilateral partnerships. Conditions for such relief were as follows, first Ethiopia had to undergo an implementation of the poverty reduction strategy set by the HIPC program.[456] The second condition was macroeconomic stability needed to be achieved, specially regarding its agricultural sector and regulations on exports and imports.[457] The third condition sought reforms in Ethiopia's tax generation strategy and in Ethiopia's financial sectors.[458] Alongside the HIPC initiative, additional programs - which the DAC and its membership supported - came about from the World Bank, IMF, and the AfDB. These additional programs were numerous but can be grouped into already established terms such as SAPs, Poverty Reduction and Growth Facility (PRGF) programs and Enhanced Structural Adjustment Facility (ESAF) programs.

The amount of Western aid in Ethiopia drastically increased starting in the early 2000s as Ethiopia became the West's primary example of the positive impact that Western development assistance could have on developing nations. In terms of figures, the amount of ODA from DAC members to Ethiopia in 2001 was $573 million, increasing in 2002 to $737 million, to $1.4 billion in 2003, to $2.05 billion in 2008, and finally $2.2 billion by 2018.[459] Despite the massive

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[453] Adugna Lemi, Esubalew Alehegn Tiruneh, Evelyn Wamboye, "Anatomy of Foreign Aid in Ethiopia," In *Foreign Capital Flows and Economic Development in Africa* (pp. 375–398). (Palgrave Macmillan US. 2017), 12, and 19.
[454] Berhanu Abegaz, "Aid and reform in Ethiopia (English)," *World Bank Group* (Washington, DC, 1999), 4. http://documents.worldbank.org/curated/en/716401468029717101
[455] Operations Evaluations Department, "Ethiopia Structural Adjustment Programme: Project Performance Evaluation Report (PPER)," *African Development Bank* (May 2000), 1 https://www.afdb.org/sites/default/files/documents/evaluation-reports/05092255-en-ethiopia-structural-adjustment-programme.pdf
[456] Anupam Basu, G. Russell Kincaid, Callisto Madavo and Gobind Nankani, "The Federal Democratic Republic of Ethiopia: Enhanced Initiative for Heavily Indebted Poor Countries-Completion Point Document," *International Monetary Fund and International Development Association* (April 2004), 6-7. https://www.imf.org/en/Publications/CR/Issues/2016/12/30/The-Federal-Democratic-Republic-of-Ethiopia-Enhanced-Initiative-for-Heavily-Indebted-Poor-17355
[457] Ibid., 7-8.
[458] Ibid., 8-11.
[459] "Aid (ODA) disbursements to countries and regions [DAC2A]," *Organisation for Economic Co-operation and Development*, accessed March 2025, [Filters (1) Donor: DAC Countries; Australia; Austria; Belgium; Canada; Denmark; Finland; France; Germany; Hungary; Ireland; Italy; Japan' Korea; Luxembourg; Netherlands; New Zealand; Norway; Poland; Spain; Sweden; Switzerland; United Kingdom; United States (2) Recipient: Ethiopia (3) Measures: Official Development Assistance Disbursements; Development Food Aid (4) Unit of Measure: US Dollar (5) Price Base: Constant Prices (6) Time Period: 1990-2018] https://data-explorer.oecd.org/vis?fs[0]=Topic%2C1%7CDevelopment%23DEV%23%7COfficial%20Development%20Assistance%20%28ODA%29%23DEV_ODA%23&pg=0&fc=Topic&bp=true&snb=11&df[ds]=dsDisseminateFinalDMZ&df[id

influx of ODA to Ethiopia from DAC members, and other international partners, the development assistance remained focussed on the macro-level rather than a meso-level (see Appendix C and D). DAC and other Western aid institutions pushed for democratic changes and improvements of quality of life and sought these goals by placing conditions on their development aid to Ethiopia. Such conditions included economic liberalisation, further privatisation, and increased incentives for FDI aid laid out in their SAP and poverty reduction strategies. As a result, Western development efforts in Ethiopia were focused on education, health, governance, and some economic measures.

The education sector of Ethiopia has received a significant amount of funds and attention; arguably more than any other developing nation in Africa. For instance, as of 2018 the World Bank has financed 27 education projects with a cost totalling around $2.1 billion (USD).[460] Additionally since 1994 Ethiopia's education and training policy has been a key priority for DAC members to support. The manner in which Ethiopia set to develop their education system was through Education Sector Development Programmes (ESDP) - domestically designed policies - which each span five years. It was in 1997 when the first ESDP was released and the goal of achieving primary education for all by the year 2015 was set. The second ESDP in 2002 sought to ensure access to elementary education for all citizens.[461] Under pressure both internally and externally to expand school and improve its quality Ethiopia rapidly expanded its education system. In 1996 there were 11,000 primary schools and in 2014 there were 32,000 allowing for a complete intake of available students into grade one.[462] The enrollment rate of primary education in 1999 was just 21 percent, whereas in 2015 it climbed to 80 percent.[463] In 1998 there were five million children in primary education. In 2008, in just ten years, the number was 13 million, almost three times the amount of children and in 2014 it was nearly 16 million.[464] The percentage of persistence to the last grade of primary school – "the percentage of children enrolled in the first grade of primary school who eventually reach the last

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]=DSD_DAC2%40DF_DAC2A&df[ag]=OECD.DCD.FSD&df[vs]=1.0&pd=1990%2C2018&dq=USA%2BGBR%2BCHE%2BSWE%2BESP%2BPOL%2BNOR%2BNZL%2BNLD%2BLUX%2BKOR%2BJPN%2BITA%2BIRL%2BHUN%2BDEU%2BFRA%2BFIN%2BDNK%2BCAN%2BBEL%2BAUT%2BAUS%2BDAC.ETH.206%2B213.USD.Q&to[TIME_PERIOD]=false&vw=tb

460 Tebeje Molla, "Educational Aid, Symbolic Power and Policy Reform: The World Bank in Ethiopia," *London Review of Education*, 17 no. 3 (2019): 332. https://journals.uclpress.co.uk/lre/article/2391/galley/16326/view/

461 Ministry of Education, The Federal Democratic Republic of Ethiopia: Education Sector Development Program III (ESDP-III) 2005/2006 – 2010/2011 (1998 EFY – 2002 EFY) Program Action Plan (PAP), *Government of Ethiopia,* (Addis Ababa August 2005), 7. https://planipolis.iiep.unesco.org/sites/default/files/ressources/ethiopia_education_plan_august_2005.pdf; and Zinabu Samaro Rekiso, "Education and Economic Development in Ethiopia, 1991–2017," in *The Oxford handbook of the Ethiopian economy*. Edited by Fantu Cheru, Christopher Cramer, and Arkebe Oqubay, (Oxford University Press 2019), 432.

462 Zinabu Samaro Rekiso, "Education and Economic Development in Ethiopia, 1991–2017," in *The Oxford handbook of the Ethiopian economy*. Edited by Fantu Cheru, Christopher Cramer, and Arkebe Oqubay, (Oxford University Press 2019), 434.

463 Zinabu Samaro Rekiso, "Education and Economic Development in Ethiopia, 1991–2017," in *The Oxford handbook of the Ethiopian economy*. Edited by Fantu Cheru, Christopher Cramer, and Arkebe Oqubay, (Oxford University Press 2019), 434; and "Net intake rate in grade 1 (% of official school-age population)," *World Bank Group* (UNESCO Institute for Statistics (http://uis.unesco.org/). Data as of February 2020), accessed March 2025, https://genderdata.worldbank.org/en/indicator/se-prm-nint-zs?gender=total&year=1999 and https://genderdata.worldbank.org/en/indicator/se-prm-nint-zs?gender=total&year=2015

464 World Bank, "Primary education, pupils - Ethiopia," *UNESCO Institute for Statistics (UIS). UIS.Stat Bulk Data Download Service. Accessed September 30, 2024 (https://uis.unesco.org/bdds)*, https://data.worldbank.org/indicator/SE.PRM.ENRL?locations=ET or https://web.archive.org/web/20241206222407/https://data.worldbank.org/indicator/SE.PRM.ENRL?locations=ET

grade of primary education" – in 1998 was 44 percent compared to 38 percent in 2014.[465] So while enrollment of children ages seven to fourteen has tripled from 1998, the percentage of children finishing their primary education is lower in 2014 than it was in 1998 despite Western development assistance. According to the Ministry of Education of Ethiopia the completion rate of primary education in 2015 was up to 55 percent and dropout rates from grade one in 2015 was nearly 20 percent.[466]

The percentage of the Ethiopian budget allocated to its education sector is staggering, especially when one calculates in the ODA from DAC members and international organizations. Between 2000 and 2018 Ethiopia received $3 billion (USD 2022 Constant) ODA from DAC members towards education development.[467] When one includes the IMF, WB, and AfDB the total is around 4.6 billion (USD 2022 Constant) in ODA; meaning the DAC members provide the largest share of ODA to Ethiopia's education development.[468] In 2000 nearly 15 percent of Ethiopia's budget went to education; since 2013 the percent of the Ethiopian budget to education has been around 26 percent.[469] As for value for money spent, the results have not always been as hoped. Literacy rates among school aged children remains low; nearly one third of children in grade two could not read a single word correctly.[470] Inspections conducted between 2013 and 2016 found that "90 per cent of primary schools and 83 per cent of secondary schools did not meet national standards."[471] However, it was clear that access and equity were the top priorities thus putting aside quality and relevance in the interests of poverty reduction. This divergence in priorities is largely due to ill-prepared rapid education expansion in order to achieve unattainable targets set by the West through international organisations and agreements like the MDG.[472] As a

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[465] World Bank, "Persistence to last grade of primary, total (% of cohort) - Ethiopia," *UNESCO Institute for Statistics (UIS). UIS.Stat Bulk Data Download Service. Accessed September 30, 2024 (https://uis.unesco.org/bdds), 2024*,https://data.worldbank.org/indicator/SE.PRM.PRSL.ZS?end=2014&locations=ET&start=1981&type=shaded&view=chart&year=2007

[466] Zinabu Samaro Rekiso, "Education and Economic Development in Ethiopia, 1991–2017," in *The Oxford handbook of the Ethiopian economy*. Edited by Fantu Cheru, Christopher Cramer, and Arkebe Oqubay, (Oxford University Press 2019), 439.

[467] "CRS: Creditor Reporting System (flows) [cloud replica]," *Organisation for Economic Co-operation and Development*, accessed March 2025, [Filters (1) Donor: DAC Countries (2) Recipient: Ethiopia (3) Sector: All Sectors; Education (4) Measure: Official Development Assistance (5) Channel: All Channels (6) Modality: All Modalities (7) Flow type: Disbursements (8) Price Base: Constant Prices (9) Time Period: 2002-2018] https://data-explorer.oecd.org/vis?tm=oda&pg=0&snb=62&vw=tb&df[ds]=dsDisseminateFinalCloud&df[id]=DSD_CRS%40DF_CRS&df[ag]=OECD.DCD.FSD&df[vs]=1.3&dq=DAC.ETH.110%2B1000.100._T._T.D.Q._T..&pd=2000%2C2018&to[TIME_PERIOD]=false&isAvailabilityDisabled=false&mdc[SECTOR]=110&mdc[TIME_PERIOD]=2002&mdc[DONOR]=DAC&mdc[RECIPIENT]=ETH&mdc[MEASURE]=100&mdc[CHANNEL]=_T&mdc[MODALITY]=_T&mdc[FLOW_TYPE]=D&mdc[PRICE_BASE]=Q

[468] "CRS: Creditor Reporting System (flows) [cloud replica]," *Organisation for Economic Co-operation and Development*, accessed March 2025, [Filters (1) Donor: DAC Countries; World Bank; African Development Bank; International Monetary Fund (2) Recipient: Ethiopia (3) Sector: All Sectors; Education (4) Measure: Official Development Assistance (5) Channel: All Channels (6) Modality: All Modalities (7) Flow type: Disbursements (8) Price Base: Constant Prices (9) Time Period: 2002-2018] https://data-explorer.oecd.org/vis?tm=oda&pg=0&snb=62&vw=tb&df[ds]=dsDisseminateFinalCloud&df[id]=DSD_CRS%40DF_CRS&df[ag]=OECD.DCD.FSD&df[vs]=1.3&dq=5AFDB0%2B5WB0%2B5IMF0%2BDAC.ETH.110%2B1000.100._T._T.D.Q._T..&pd=2000%2C2018&to[TIME_PERIOD]=false&isAvailabilityDisabled=false&mdc[SECTOR]=110&mdc[TIME_PERIOD]=2002&mdc[DONOR]=DAC&mdc[RECIPIENT]=ETH&mdc[MEASURE]=100&mdc[CHANNEL]=_T&mdc[MODALITY]=_T&mdc[FLOW_TYPE]=D&mdc[PRICE_BASE]=Q

[469] Zinabu Samaro Rekiso, "Education and Economic Development in Ethiopia, 1991–2017," in *The Oxford handbook of the Ethiopian economy*. Edited by Fantu Cheru, Christopher Cramer, and Arkebe Oqubay, (Oxford University Press 2019), 433.

[470] Ibid., 439.

[471] Ibid., 440.

[472] Ibid., 431-432.

result, advancements in education have been mixed at best. Overall DAC commitment to Ethiopia's education sector has been extensive with just over $3 billion in ODA from 2002 to 2018 (see Appendix D).

Ethiopia, in consultation with - and under pressure from - the West, aimed to reduce poverty drastically through education and health development. These targets were set all throughout their development policies dating back to 1994. Ethiopia did not focus on restructuring its economy until 2010, meaning for decades Ethiopia's economy was overly reliant on its agricultural sector, which as we know was prone to drought. For instance in 1990 the agricultural sector of Ethiopia accounted for 90 percent of the labour force whereas in 2018 it only went down to 73 percent of the labour force.[473] Zinabu Samaro Rekiso argues that Ethiopia's economy is "poor, undiversified, and technologically backward" because of its "low-productivity, low-technology, low-skill and low value-added agricultural [sector]."[474] He goes on to argue that Ethiopia has been, until recently, economically stuck in a cyclical regressive state which educates few high-productive and high-skill talent; and those who do enroll themselves and matriculate in these productive jobs tend to leave Ethiopia as there is little opportunity in Ethiopia itself due to the government's lack of structural economic transition towards a more industrial and productive economy.[475] Moreover, Ethiopia's education has been, until recently, focused on producing mass education at a basic level which produces a large quantity of basic educated peoples who can only fill low-productivity jobs.[476] There are valid arguments to be made for Ethiopia's decision to lean on their agricultural sector but again the Ethiopian government falls short as even its purposefully designed mass education system is somewhat dysfunctional due to the lack of qualified labour force which is economically influenced but also influenced by Ethiopia's increasing population being both diverse and dispersed across its territory.[477] A direct example of this lies in the statistic that the teacher to pupil ratio in 2016 was 64:1 for primary education.[478] When just assessing the structure of Ethiopia's education system and economic makeup one can start to trace a clearer picture of Ethiopia's development troubles.

[473] African Development Bank, "Ethiopia Economic Outlook," accessed April 2025, https://www.afdb.org/en/countries/east-africa/ethiopia/ethiopia-economic-outlook; and Yinager Dessie and Ahunna Eziakonwa-Onochie, "Ethiopia, National Human Development Report 2018: Industrialization with a Human Face," *United Nations Development Programme* (2018), 21, https://hdr.undp.org/system/files/documents/ethiopianationalhumandevelopmentreport2018.pdf
[474] Zinabu Samaro Rekiso, "Education and Economic Development in Ethiopia, 1991–2017," in *The Oxford handbook of the Ethiopian economy*. Edited by Fantu Cheru, Christopher Cramer, and Arkebe Oqubay, (Oxford University Press 2019), 441.
[475] Ibid., 443-444.
[476] Fasika Chekol,"Reviewing the Macroeconomic Relevance of Education System in Ethiopia: the Role of Skill Gap," *Cogent Education*, *11* no. 1 (2024): 14 and 18; Kirill Vasiliev, Kebede Feda, Julia Gerasimova, "Ethiopia Learning Poverty in Ethiopia Status, Key Factors, and Priority Reduction Strategies," *World Bank Group Education* (June 2022), II, 9, and 22 https://documents.worldbank.org/en/publication/documents-reports/documentdetail/099615106172213756/p175041057b9d4030b6750d69c1f352e2e; and Getahun Solomon Sosan, "The Challenges of Inclusive Education in Ethiopia: The Reality on the Ground," *Ethiopian Journal of Education Studies* Volume I, Issue I (February 2022): 66-75. https://journals.hu.edu.et/hu-journals/index.php/ejes/article/view/411
[477] Kirill Vasiliev, Kebede Feda, Julia Gerasimova, "Ethiopia Learning Poverty in Ethiopia Status, Key Factors, and Priority Reduction Strategies," *World Bank Group Education* (June 2022), 8, 10, 14, 16; and Getahun Solomon Sosan, "The Challenges of Inclusive Education in Ethiopia: The Reality on the Ground," *Ethiopian Journal of Education Studies* Volume I, Issue I (February 2022): 66-75. https://journals.hu.edu.et/hu-journals/index.php/ejes/article/view/411
[478] Unesco Institute for Statistics, "The World Needs Almost 69 Million New Teachers to Reach the 2030 Education Goals," *The United Nations Educational, Scientific and Cultural Organization UIS Factsheet* no. 39 (October 2016), 2-3. https://uis.unesco.org/sites/default/files/documents/fs39-the-world-needs-almost-69-million-new-teachers-to-reach-the-2030-education-goals-2016-en.pdf

Shifting focus to the health sector, the relative amount of development assistance for health increased drastically between 1990 and 1996 when the annual increase in the development of Ethiopia's health sector was around four percent. In 1997, development assistance in Ethiopia's health sector grew by 68 percent which was the same time the Ethiopian government announced their 20 year health sector development plan (HSDP) in order to achieve the goals set back in their 1993 health policy.[479] Moreover, development assistance for health (DAH) in Ethiopia has steadily increased since 1997 from $71 million (USD 2015 constant) to where it has continually surpassed $1 billion (USD constant 2015) since 2013.[480] The overall share of ODA, that is DAH, has been increasing since 1997 reaching its peak in 2016 at 22 percent, second to humanitarian aid at 25 percent.[481] Ethiopia has been the primary actor in the development of its own healthcare sector and has been since 1997, thus making Ethiopia somewhat unique among development assistance recipients. In that year Ethiopia launched its HSDP which was created in-house with some input from external partners.[482] For more information on the HSDPs see Appendix A.

Nonetheless, despite Ethiopia's HSDPs, the country is still tremendously reliant on Western assistance. In fact, Ethiopia has become increasingly reliant on external financing of their health sector since 1997 when external financing only accounted for 15 percent of Ethiopia's expenditures on health compared to 50 percent in 2010.[483] The response from Ethiopia to both its reliance on external financing and the DAH fragmentation was to create the Sustainable Development Goals Performance Fund (SDG-PF), in 2009. The SDG-PF is a key sector wide approach (SWAp) which supports Ethiopia's "'OnePlan, OneBudget, OneReport' principle" that seeks to coordinate external DAH to "health priority areas left underfunded by donors" with a concentration on reproductive health and HIV/AIDS programs.[484] As a result, the West has played a massive role in the fight for mass vaccination and immunization, especially following the 2005 Paris Declaration on aid effectiveness.[485] Such programming has allowed Ethiopia to increase life expectancy by 15 years from 2000 to 2018. As with the education sector, Ethiopia's health sector has benefited greatly from DAC assistance with a total of $2.5 billion in ODA from 2002 to 2018.

In contrast to extensive assistance in the health and education sectors Western donors such as the DAC have provided very little assistance directly to the economic sector, with the exception of Italy and the US.[486] As previously noted, Ethiopia's economy continues to rely on its

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479 Shumey B. Teshome, and Paul Hoebink, "Aid, ownership, and coordination in the health sector in Ethiopia," *Development Studies Research*, *5* no. 1 (2018): 41 and 45.
480 Ibid., 45.
481 Ibid., 40.
482 Ibid., 42.
483 Ibid., 45.
484 Ibid., 46-47.
485 Ibid., 45.
486 "CRS: Creditor Reporting System (flows) [cloud replica]," *Organisation for Economic Co-operation and Development*, accessed March 2025, [Filters (1) Donor: DAC Countries; Italy; Japan; United States (2) Recipient: Ethiopia (3) Sector: Economic Infrastructure and Services (4) Measure: Official Development Assistance (5) Channel: All Channels (6) Modality: All Modalities (7) Flow type: Disbursements (8) Price Base: Constant Prices (9) Time Period: 2002-2018] https://data-explorer.oecd.org/vis?tm=oda&pg=0&snb=62&vw=tb&df[ds]=dsDisseminateFinalCloud&df[id]=DSD_CRS%40DF_CRS&df[ag]=OECD.DCD.FSD&df[vs]=1.3&dq=JPN%2BUSA%2BITA%2BDAC.ETH.200.100._T._T.D.Q._T..&pd=1995%2C2018&to[TIME_PERIOD]=false&isAvailabilityDisabled=false&mdc[RECIPIENT]=ETH&mdc[SECTOR]=230&mdc[TIME_PERIOD]=2006&mdc[DONOR]=DAC&mdc[MEASURE]=100&mdc[CHANNEL]=_T&mdc[MODALITY]=_T&mdc[FLOW_TYPE]=D&mdc[PRICE_BASE]=Q

agricultural sector.[487] Starting in 2010, Ethiopia started expanding into industry and services sectors. Consistent with Western conditional aid policies, the liberalisation of Ethiopia's economy through FDI, decentralisation, and diversification is seen as the most conducive means to achieve such goals.[488] The main challenge for Ethiopia has been the dispersion of its population with a near 20/80 split of urban to rural.[489] Moreover, Ethiopia has been noted as lacking sufficient infrastructure in order to transform its economy.[490] Such infrastructure are roads, highways, railways, power generation, and ease of access to global markets - something made increasingly difficult due to Ethiopia being landlocked. One would assume that this need would necessitate Western development assistance towards these economic and infrastructure projects. Rather this has not been the case. As noted by Morgan, and Zheng:

> Between 2000 and 2013, the four largest sectors for bilateral DAC donor funds to Ethiopia were emergency response (19%), government (13%), health (9%) and education (9%). Less than 1% of DAC projects went to the energy and transport sectors combined, and over 99% of funds were provided in the form of grants.[491]

While Ethiopia's economy has started to diversify through the assistance of FDI by way of aid from the PRC, the agricultural sector remains the main form of exports accounting for nearly 70 percent of all exports from Ethiopia in 2018.[492] This remains problematic due to the continued droughts and other troubles impacting Ethiopia's Agricultural sector.[493]

Since the 2005 Paris Declaration on aid effectiveness and following the 2008 food crisis when crops failed and food prices soared it has been of common belief that Ethiopia's economy must diversify and expand towards industrialization, manufacturing, and create high-productive jobs.[494] Moreover, the liberalisation of Ethiopia's economy through FDI, decentralisation, and

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[487] Teshager Mazengia Asratie, Misikir Bezabih, Fasika Chekol, "Financial development and export diversification in Ethiopia: ARDL approach," *Cogent Economics & Finance*, *11* no. 1 (2023): 13.

[488] Yinager Dessie and Ahunna Eziakonwa-Onochie, "Ethiopia, National Human Development Report 2018: Industrialization with a Human Face," *United Nations Development Programme* (2018), 12-16. https://www.undp.org/ethiopia/publications/ethiopia-national-human-development-report-2018

[489] OECD Policy Studies Institute, *Rural Development Strategy Review of Ethiopia: Reaping the Benefits of Urbanisation*, OECD Development Pathways, OECD Publishing, (Paris 2020), 16 https://www.oecd.org/content/dam/oecd/en/publications/reports/2020/04/rural-development-strategy-review-of-ethiopia_c874fe56/a325a658-en.pdf; and World Bank staff estimates based on the United Nations Population Division's World Urbanization Prospects: 2018 Revision, see World Bank, "Rural population (% of total population) - Ethiopia," *World Bank,* accessed March 2025, https://data.worldbank.org/indicator/SP.RUR.TOTL.ZS?locations=ET

[490] Ambaw Desalegn, and Negussie Solomon, "Infrastructure Inequities and Its Effect on Poverty Reduction across Regional States in Ethiopia," *Journal of Mega Infrastructure & Sustainable Development* 2 no. 3 (2022): 297, and 304-305; and Atinafu Regasa, Demelash Lemmi Ettisa, Efa Tadesse, "Factors Affecting Economic Crisis in Ethiopia: A Literature Review," *Qeios* (2023): 5-7; Lars Christian Moller, Konstantin M. Wacker, "Explaining Ethiopia's Growth Acceleration—The Role of Infrastructure and Macroeconomic Policy," *World Development*, *96* (2017): 198–215; and Firew Bekele Woldeyes, "Debt Sustainability and Management in Ethiopia Lessons from China," *United Nations Conference on Trade and Development* (December 2021), 7-9.

[491] Pippa Morgan, and Yu Zheng, "Old Bottle New Wine? The Evolution of China's Aid in Africa 1956-2014," *Third World Quarterly* 40 no. 7 (2019): 1297.

[492] Yinager Dessie and Ahunna Eziakonwa-Onochie, "Ethiopia, National Human Development Report 2018: Industrialization with a Human Face," *United Nations Development Programme* (2018), 21. https://www.undp.org/ethiopia/publications/ethiopia-national-human-development-report-2018

[493] Gebissa Yigezu Wendimu, "The challenges and prospects of Ethiopian agriculture," *Cogent Food & Agriculture*, *7* no. 1 (2021): 2, and 10.

[494] Yinager Dessie and Ahunna Eziakonwa-Onochie, "Ethiopia, National Human Development Report 2018: Industrialization with a Human Face," *United Nations Development Programme* (2018), 2-4. https://www.undp.org/ethiopia/publications/ethiopia-national-human-development-report-2018

diversification is seen as the most conducive means to achieve such goals.[495] As such, pressure grew from the West for Ethiopia to revitalize its economic development strategy. The result was Ethiopia's launch of their growth transformation plan (GTP) in 2010. Ethiopia's GTP gave emphasis to "agricultural and rural development, industry, infrastructure, social and human development, good governance and democratization" beyond its narrow goal of mere poverty eradication.[496] As such the GTP expanded Ethiopia development objectives which resulted in greater success in both its CPIA and HDI scores. Moreover, Western development assistance has supported Ethiopia's efforts regarding economic development by directing aid to Ethiopia's economic infrastructure and services sectors. In total the West has sent $1.4 billion worth of ODA to Ethiopia's economic infrastructure and services sectors (see Appendix D). Western aid in this sector receded greatly following the rise in the PRC's presence in Ethiopia 2010 to 2012 (see Appendix D). However, interestingly from 2005 and 2009 there was some substantial aid directed to this sector, but it was nearly all from Italy.[497] From 2013 through to 2018 Western aid in Ethiopia's economic infrastructure and services sectors went up to around 100 million per year and was sourced through multiple DAC members with Japan, Korea and France providing the largest share.[498]

So, while the West does have a role in the development of Ethiopia's economy, it is largely through private means of investment and development rather than through direct project-based aid such as with the PRC. DAC members have been hesitant to provide development assistance using large-scale finance on commercial or near commercial terms. This is particularly true for Ethiopia as they have a low per capita income and the DAC, among others, worry that Ethiopia will be unable to pay off their loans.[499] The result of this can be seen in Table 6 where nearly all ODA from the DAC between 2000 and 2018 was in the form of grants. There is also the issue where large-scale financing, particularly of physical infrastructure projects, are not successful or fall through due to a plethora of reasons ranging from global economic trends, weather, and political instability to name a few. Western aid has remained steadfast to the

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[495] Ibid., 12-16.

[496] Federal Democratic Republic of Ethiopia, "Growth and Transformation Plan 2010/11 - 2014/15: Volume 1 Main Text," *Ministry of Finance and Economic Development* (Addis Ababa November 2010), 1. https://www.dpgethiopia.org/wp-content/uploads/2024/02/GTP-I.pdf

[497] "CRS: Creditor Reporting System (flows) [cloud replica]," *Organisation for Economic Co-operation and Development*, accessed March 2025, [Filters (1) Donor: DAC Countries; Italy; Japan; United States (2) Recipient: Ethiopia (3) Sector: Economic Infrastructure and Services (4) Measure: Official Development Assistance (5) Channel: All Channels (6) Modality: All Modalities (7) Flow type: Disbursements (8) Price Base: Constant Prices (9) Time Period: 2002-2018] https://data-explorer.oecd.org/vis?tm=oda&pg=0&snb=62&vw=tb&df[ds]=dsDisseminateFinalCloud&df[id]=DSD_CRS%40DF_CRS&df[ag]=OECD.DCD.FSD&df[vs]=1.3&dq=JPN%2BUSA%2BITA%2BDAC.ETH.200.100._T._T.D.Q._T..&pd=1995%2C2018&to[TIME_PERIOD]=false&isAvailabilityDisabled=false&mdc[RECIPIENT]=ETH&mdc[SECTOR]=230&mdc[TIME_PERIOD]=2006&mdc[DONOR]=DAC&mdc[MEASURE]=100&mdc[CHANNEL]=_T&mdc[MODALITY]=_T&mdc[FLOW_TYPE]=D&mdc[PRICE_BASE]=Q

[498] "CRS: Creditor Reporting System (flows) [cloud replica]," *Organisation for Economic Co-operation and Development*, accessed March 2025, [Filters (1) Donor: DAC Countries; France; Korea; Italy; Japan; United States (2) Recipient: Ethiopia (3) Sector: Economic Infrastructure and Services (4) Measure: Official Development Assistance (5) Channel: All Channels (6) Modality: All Modalities (7) Flow type: Disbursements (8) Price Base: Constant Prices (9) Time Period: 2002-2018] https://data-explorer.oecd.org/vis?tm=oda&pg=0&snb=62&vw=tb&df[ds]=dsDisseminateFinalCloud&df[id]=DSD_CRS%40DF_CRS&df[ag]=OECD.DCD.FSD&df[vs]=1.3&dq=KOR%2BFRA%2BJPN%2BUSA%2BITA%2BDAC.ETH.200.100._T._T.D.Q._T..&pd=1995%2C2018&to[TIME_PERIOD]=false&isAvailabilityDisabled=false&mdc[DONOR]=DAC&mdc[TIME_PERIOD]=2018&mdc[RECIPIENT]=ETH&mdc[SECTOR]=200&mdc[MEASURE]=100&mdc[CHANNEL]=_T&mdc[MODALITY]=_T&mdc[FLOW_TYPE]=D&mdc[PRICE_BASE]=Q

[499] Pippa Morgan, and Yu Zheng, "Old Bottle New Wine? The Evolution of China's Aid in Africa 1956-2014," *Third World Quarterly* 40 no. 7 (2019): 1297.

development of Ethiopia's human capital formation by directly providing ODA to Ethiopia's governance, health, and education sectors (see Appendix D). All of this leaves a gap in Ethiopia's development which the PRC has been more than happy to fill. The PRC has filled this gap by flooding Ethiopia's energy and transportation, among other industrial sectors with development aid since 2007 (see Figure 23).

Table 6: DAC Official Development Assistance to Ethiopia 2000 to 2018 [USD, Millions, Constant Pricing 2022][500]

Time period	Official Development Assistance (ODA), Disburse-ments	ODA Grants, Disbursements	Debt Forgiveness	Technical Cooperation Disbursements	Development Food Aid	Humanitarian Aid
2000	611.72	605.05	1.55	150.73	93.17	175.16
2001	573.9	576.68	22.84	170.78	62.25	140.26
2002	737.52	700.55	20.46	216.04	54.36	194.18
2003	1,470.88	1,507.15	50.56	201.43	103.43	847.04
2004	1,332.78	1,343.61	137.64	221.23	79.8	526.63
2005	1,533.36	1,557.8	125.52	242.37	42.94	799.17
2006	1,198.42	1,115.32	25.51	321.44	22.87	369.52
2007	1,340.84	1,292.35	6.09	113.64	72.71	316.89
2008	2,057.75	2,020.91	10.99	140.98	259.26	897.45
2009	2,037.09	2,002.85	0.45	160.26	170.15	730.99
2010	2,099.55	2,098.8	0.43	157.74	284.33	633.85
2011	2,022.04	2,032.32	0.42	169.59	236.81	528.23

500 "Aid (ODA) disbursements to countries and regions [DAC2A]," *Organisation for Economic Co-operation and Development*, accessed March 2025, [Filters (1) Donor: DAC Countries(2) Recipient: Ethiopia (3) Measures: Official Development Assistance Disbursements; ODA Grants Disbursements; Debt Forgiveness; Technical Cooperation Disbursements; Development Food Aid; Humanitarian Aid (4) Unit of Measure: US Dollar (5) Price Base: Constant Prices (6) Time Period: 2000–2018] https://data-explorer.oecd.org/vis?fs[0]=Topic%2C1%7CDevelopment%23DEV%23%7COfficial%20Development%20Assistance%20%28ODA%29%23DEV_ODA%23&pg=0&fc=Topic&bp=true&snb=11&df[ds]=dsDisseminateFinalDMZ&df[id]=DSD_DAC2%40DF_DAC2A&df[ag]=OECD.DCD.FSD&df[vs]=1.0&pd=2000%2C2018&dq=DAC.ETH.201%2B206%2B207%2B212%2B213%2B216.USD.Q&to[TIME_PERIOD]=false&vw=tb

Time Period	(ODA), Disburse-ments	ODA Grants, Disbursements	Debt Forgiveness	Technical Cooperation Disbursements	Development Food Aid	Humanitarian Aid
2012	1,919.7	1,931.06	0.41	171.61	226.11	413.82
2013	2,002.57	1,989.23	0.39	194.46	160.09	427.25
2014	1,970.08	1,914.66	0.26	186.67	163.6	346.43
2015	2,057.49	2,016.16	0.08	188.1	217	527.39
2016	2,332.05	2,254.41	0.06	203.35	222.09	644.62
2017	2,490.13	2,464.34		247.96	265.22	765.49
2018	2,215.57	2,136		176.78	256.44	547.7

4.3.2 PRC Aid Policies to Ethiopia Since 1990s

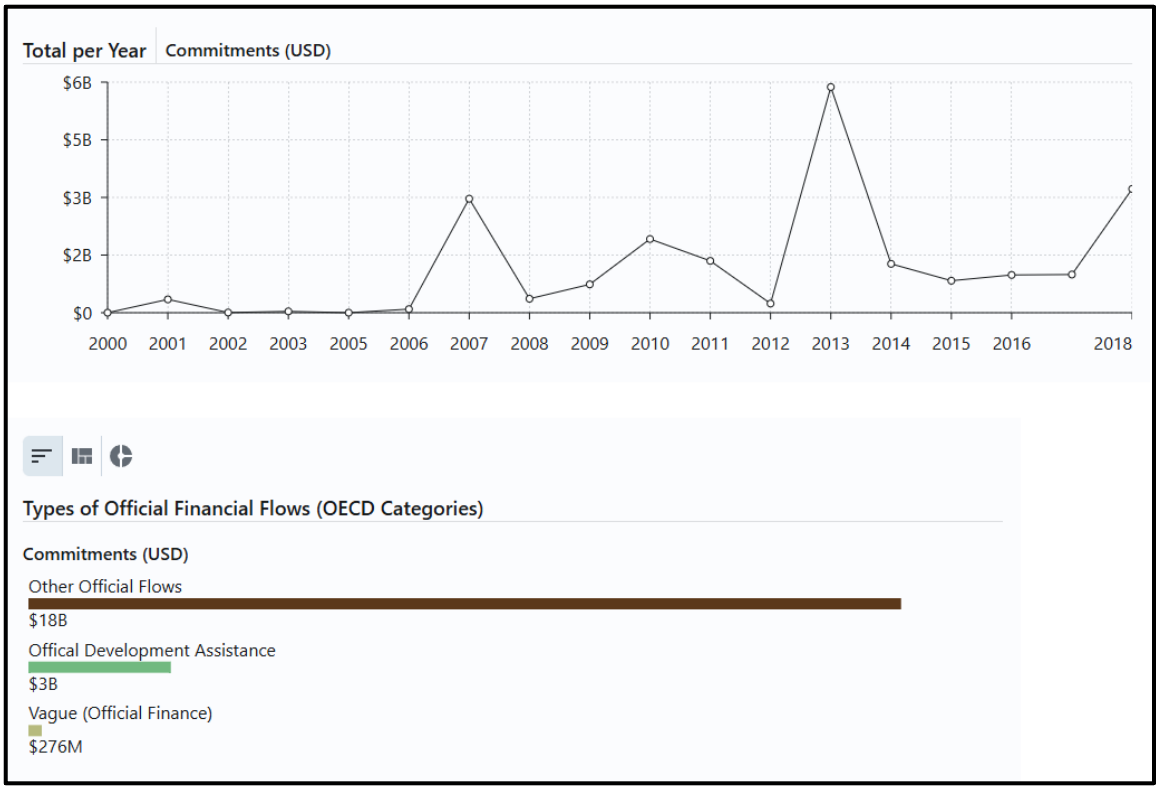

Figure 23: PRC Aid Disbursements to Ethiopia 2000 to 2018 [USD, Billions, Constant Pricing 2021][501]

Proceeding to the PRC, they only became a significant development partner to Ethiopia in 2007 (see Figure 23). The first major development project by the PRC was a $2.7 billion (USD constant 2021) telecommunications project which saw for the first time in Ethiopia large scale access to cellular and internet services resulting in some 10,000 km optical fiber transmission network and 4.4 million fixed lines in operation.[502] It was not long after until the next major development project from the PRC came to be. It was a $585 million (USD constant 2021) Gilgel Gibe III Hydropower Project. This project is an important example of the PRC aid strategy in Ethiopia as it fills in a gap left by the West. The Gilgel Gibe III was initially to be funded by the World Bank and other bilateral donors but the deal between them and Ethiopia failed as the

[501] S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "Global Chinese Development Finance," (filters used: (1) Country: Ethiopia, (2) Commitment year: 2000-2018), accessed March 2025, https://china.aiddata.org/

[502] S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "CDB provides $1.5 billion seller's credit to ZTE for on-lending to Ethiopian Telecommunications Corporation as supplier credit for first three phases of telecommunications infrastructure project," *Aid-Data: A Research Lab at William and Mary*, accessed March 2025, https://china.aiddata.org/projects/59129/

Western donors withdrew from negotiations.[503] The reason for the withdrawal was due to the fact that Ethiopia "failed to comply with their requests in terms of social and environmental impact studies, as well as in terms of adherence to international bidding and procurement legislation."[504] The result was Ethiopia's turn to an emerging ally, the PRC, for aid.

The PRC may not be able to match Western aid programs one for one in regard to the number of development assistance projects it can fund. But those that the PRC choose to pursue are done in a manner that ensures the PRC's efforts make headway across the international community due to the significance the project has for the receipt state or just on the pure amount of financial aid given. Such is the case for the PRC's $2.8 billion (USD constant 2021) loan to Ethiopia for the Addis Ababa–Djibouti Railway Project.[505] The railway served two purposes. First, it serves as the crown jewel for Ethiopia's development under its Growth and Transformation Plan (GTP). For the PRC it demonstrates its capabilities as an important donor state in Africa. Moreover, the Addis Ababa–Djibouti Railway is a near-complete electrically operated railway line thus marking a grand success for Ethiopia as it has recently started to prioritize climate focused infrastructure projects.[506] This railway has played an important role in Ethiopia's economic development as it has eased access to international markets due to the faster and more reliable port access in Djibouti.[507]

The second purpose of the railway is its strategic importance to the PRC. Since the announcement of the Belt Road Initiative in 2013, the international community has seen an expansion of Chinese influence, notably in Africa. The Addis Ababa–Djibouti Railway Project acts as a link between key East African states. East Africa, particularly the horn of Africa, has been treated by the PRC as a key corridor both economically and geopolitically due to its proximity to the Middle East, the Red Sea, the Gulf of Aden, and the Suez Canal.[508] More importantly it links Ethiopia to China's sole oversea military support base in Djibouti, thus

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503 Emanuele Fantini and Luca Puddu, "Ethiopia and international aid: development between high modernism and exceptional measures," in Aid *and authoritarianism in Africa: development without democracy*, eds. Tobias Hagmann, Filip Reyntjens (Nordiska Afrikainstitutet Zed Books 2021), 109.

504 Ibid.

505 S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "China Eximbank provides $220 million buyer's credit loan for Addis Ababa–Djibouti Railway Rolling Stock Supply Project," *Aid-Data: A Research Lab at William and Mary*, accessed March 2025, https://china.aiddata.org/projects/70083/; S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "China Eximbank provides $1.2 billion buyer's credit loan for the Addis Ababa–Djibouti Railway Project," *Aid-Data: A Research Lab at William and Mary*, accessed March 2025, https://china.aiddata.org/projects/70086/; and S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "China Eximbank provides $981 million buyer's credit loan for the Addis Ababa–Djibouti Railway Project," *Aid-Data: A Research Lab at William and Mary*, accessed March 2025, https://china.aiddata.org/projects/70085/

506 United Nations Development Programme, "Financing Ethiopia's Green Transition," *UNDP Ethiopia Working Paper Series* no. 5 (January 2025), 3-4 https://www.undp.org/sites/g/files/zskgke326/files/2025-01/undp-working_paper_series-financing_ethiopias_green_transition_5c_final.pdf; and Ethiopia Railway Corporation, "The Ethiopian-Djibouti railway," accessed April 2025, https://erc.gov.et/project/the-ethiopian-djibouti-railway/

507 Mesafint Tarekegn Yalew, Guo Changgang, China's 'Belt and Road Initiative': Implication for Landlocked Ethiopia. *Insight on Africa*, *12* no.2 (2020): 177

508 Mesafint Tarekegn Yalew, Guo Changgang, China's 'Belt and Road Initiative': Implication for Landlocked Ethiopia. *Insight on Africa*, *12* no.2 (2020): 177

strengthening Ethiopia's military cooperation agreement with the PRC.[509] The PRC has a vested interest in the Horn of Africa as they have been financially and politically invested in the region in a significant manner since the early 2000s. This overseas support base and the Addis Ababa–Djibouti Railway allows the PRC to have some security presence in the region which has been notably unstable, with the exception of Djibouti. Moreover, it allows for the flow of aid, if needed, to the 100,000 Chinese nationals in the region, specifically the 60,000 in Ethiopia.[510] The Addis Ababa–Djibouti Railway demonstrates how the PRC links their international aspirations to their development aid. Simply put, the PRC development aid policy, particularly in Ethiopia, can be best understood as a 'win-win but China always wins situation.'

Beyond Ethiopia's infrastructure sector, PRC development aid has been rather minor. Between 2000 and 2018, the PRC only approved a total of $43 million to the Ethiopian government towards education development projects.[511] More than half of the $43 million was used on a single project, the Ethio-China Polytechnic College.[512] Even here, the PRC has been more interested in education infrastructure, than educational supplies and teacher training. Like many Western states the PRC also offers education scholarships and exchanges.[513] The natural question then becomes, why is the PRC staying financially out of Ethiopia's educational system and allowing the West to have development assistance dominance in this crucial sector? While no explicit answer has been provided by the PRC, the answer is explored within the comparative analysis in Chapter Six.

Similarly, the PRC has also played a limited role in assisting Ethiopia's health sector. Much of the assistance has been ad hoc and related to humanitarian assistance rather than the promotion of structural change. For instance, the PRC has sent various medical supplies and teams to Ethiopia in response to several conflicts and domestic emergencies in Ethiopia.[514] The

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[509] David H. Shinn, Ethiopia and China: Two Former Empires Connect in the 20th Century," *International Journal of Ethiopian Studies*, *8* no. 1&2 (2014): 152.

[510] Jean-Pierre Cabestan, "China's Military Base in Djibouti: A Microcosm of China's Growing Competition with the United States and New Bipolarity," *The Journal of Contemporary China*, *29* no. 125 (2020): 740.

[511] S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "Global Chinese Development Finance," (filters used: (1) Country: Ethiopia, (2) Commitment year: 2000-2018, (3) Select Treemap), accessed March 2025, https://china.aiddata.org/

[512] S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "Chinese Government provides RMB 90 million grant for Ethio-China Polytechnic College Construction Project," *Aid-Data: A Research Lab at William and Mary*, accessed March 2025, https://china.aiddata.org/projects/1440/

[513] New China, "Ethiopian Students Embrace Chinese Language Studies to Further Professional Career," *New China* accessed April 2025, http://www.xinhuanet.com/english/2018-11/14/c_137606029.htm; PRC Embassy: Ethiopia, "Scientific Technological & Cultural Educational Exchanges," accessed April 2025, http://et.china-embassy.gov.cn/eng/zagx/kewjjl/; Xinhua, "Chinese Scholarship Awarded to Ethiopian Students to Facilitate Study, Cooperation," *Global Times,* accessed April 2025, https://www.globaltimes.cn/page/202412/1324808.shtml#:~:text=Photo%3A%20Xinhua; and Xinhua, "China Higher Education Exhibition Kicks off in Ethiopia," *Forum on China-Africa Cooperation*, http://www.focac.org/eng/zfgx_4/rwjl/201909/t20190909_8090336.htm

[514] S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "Chinese military deploys military medical team[s] to Ethiopia (2nd, 3rd, and 20th)," *Aid-Data: A Research Lab at William and Mary*, accessed March 2025, https://china.aiddata.org/projects/60006/; https://china.aiddata.org/projects/60013/; and https://china.aiddata.org/projects/60017/.

PRC has had some health-based aid development projects such as its $21.4 million (USD constant 2021) Tirunesh-Beijin Hospital - one of 30 hospital's the PRC sought to build in Africa following its November 2006 Forum on China-Africa Cooperation.[515] Another major project from the PRC was a $120 million (USD constant 2021) concessional loan to Ethiopia for a deep well project that sought to drill 24 water wells benefiting 100,000 people.[516] It should be noted that the PRC has provided a significant amount of aid valued at $550 million towards water supply and sanitation efforts in Ethiopia (see Figure 24). However, similar to Ethiopia's education sector, this $550 million mainly materializes as infrastructure projects but is nevertheless DAH. Despite a limited approach, the PRC does not use traditional aid strategies that the West employs. Rather the PRC allocates its resources towards Ethiopia's economy and infrastructure leveraging their expertise in both. This is where the PRC's development assistance policy diverges from, and influences, Western development assistance strategies.

In total the PRC has invested heavily in Ethiopia and its success in development but when compared to a dollar to dollar sum with the West the PRC falls short. The PRC has managed to invest less proportionally yet still have significant influence over Ethiopia's development as they concentrate their aid into specific sectors (see Figure 24). This is a result of the broader PRC aid development strategy seen throughout Asia and Africa. The PRC focuses its development assistance to sectors in nations that the West, for their own reasons, have avoided thus filling the gap left by the West.[517] Moreover, development aid from the PRC requires few concessions thus making it more attractive to developing states. The main reason for this is case by case but with respect to Ethiopia, the decision to take on bad loans and 'unfavourable' development assistance, from the PRC, rather than making concessions for more favourable terms, form the West, can be better understood when one views Ethiopia's government actions as a sign of internal struggles with authoritarianism in the government.

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[515] S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "Chinese Government provides RMB 80 million grant for Phase 1 of the Tirunesh-Beijing Hospital Project," *Aid-Data: A Research Lab at William and Mary*, accessed March 2025, https://china.aiddata.org/projects/1439/; and S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "Chinese Government provides ETB 70 million grant for Phase II of the Tirunesh-Beijing Hospital Project," *Aid-Data: A Research Lab at William and Mary*, accessed March 2025, https://china.aiddata.org/projects/59899/

[516] S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "China Eximbank provides RMB 634 million government concessional loan for Phase 3 of Addis Ababa Deep Wells Water Supply Project," *Aid-Data: A Research Lab at William and Mary*, accessed March 2025, https://china.aiddata.org/projects/1464/

[517] Rolf Schwarz and Marina Rudyak, "China's Development Co-operation," *OECD Development Co-operation Working Papers*, No. 113, OECD Publishing, (Paris 2023), 40.

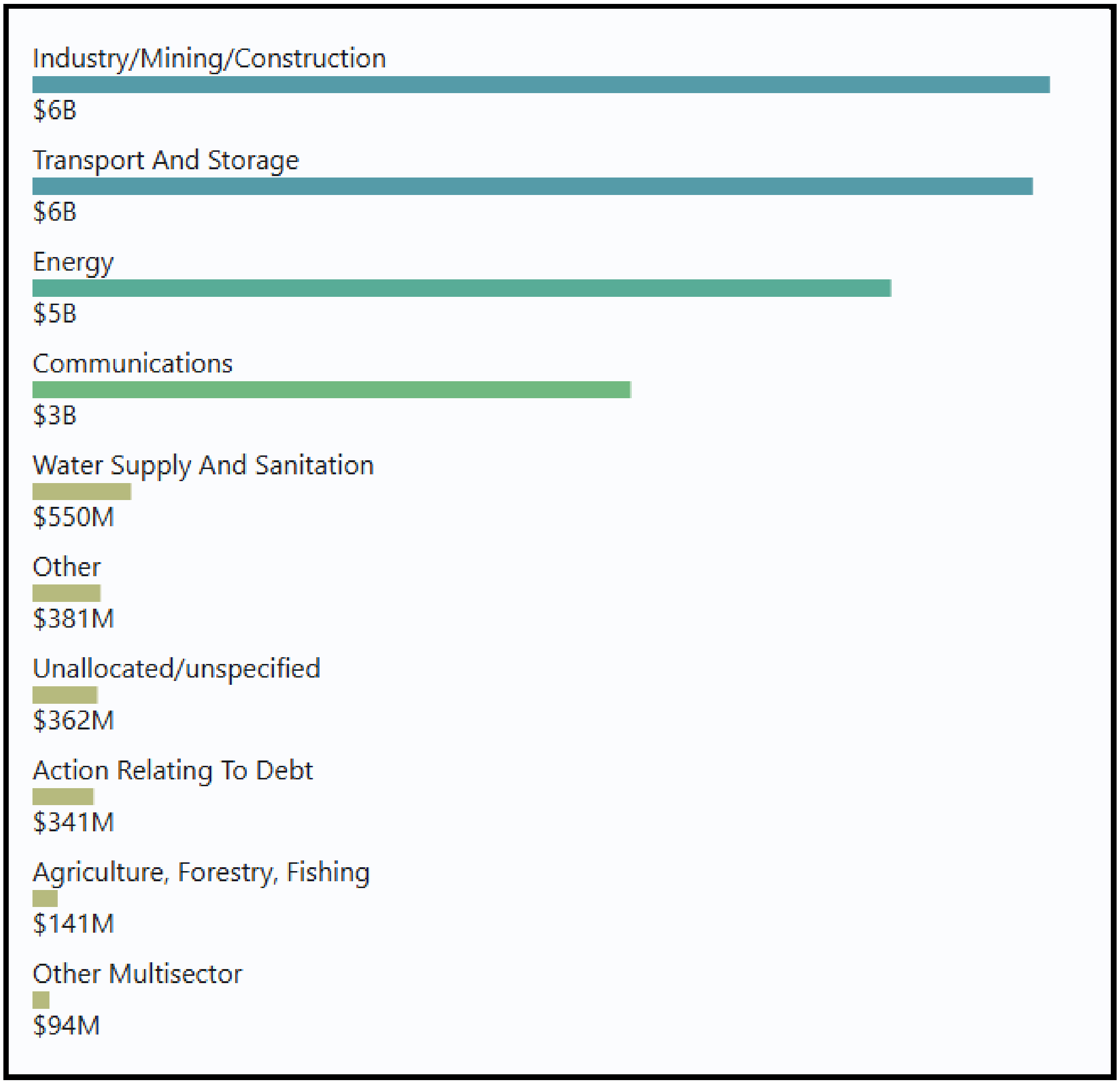

Figure 24: PRC Aid to Ethiopia by Sector 2000 to 2018 [USD, Constant Pricing 2021][518]

[518] S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "Global Chinese Development Finance," (filters used: (1) Country: Ethiopia, (2) Commitment year: 2000-2018), accessed March 2025, https://china.aiddata.org/

4.4 The Policy Impact on Ethiopia and its HDI and CPIA Scores

The following Figure 25 shows a timeline of Ethiopia's HDI score. This figure is used as a means to visually demonstrate Ethiopia's progress regarding their development since 2000.[519] Moreover, the HDI score serves as a basis of argumentation regarding the West's and PRC's aid policies impacts on Ethiopia's development. The objective for this section is to lay out the policies and try to map them and their impacts onto the HDI and CPIA scores in order to conduct a comparative analysis of the three case studies in Chapter Six.

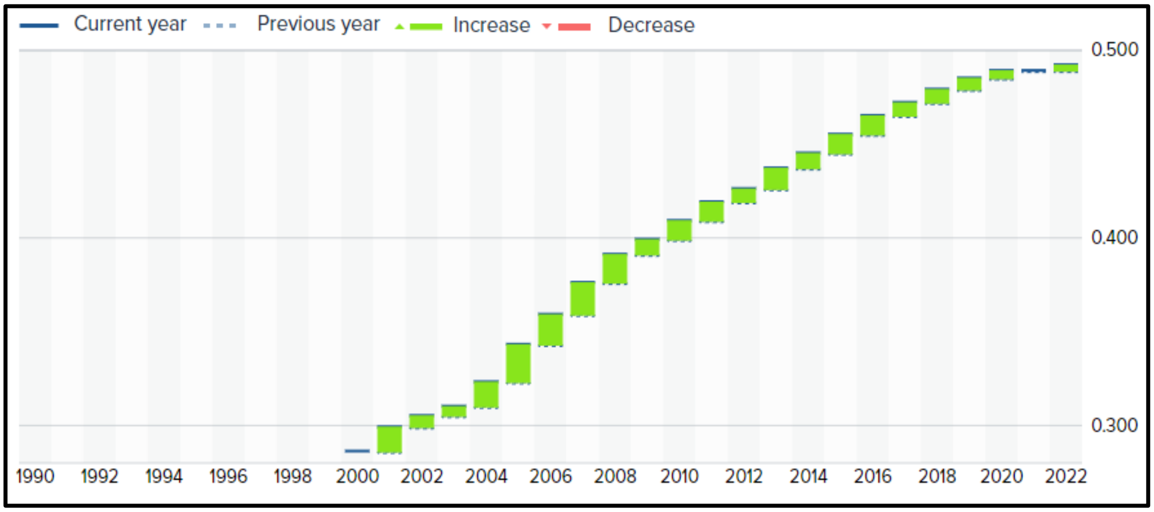

Figure 25: Ethiopia HDI Scores (1990 to 2022)[520]

As one can note, Figure 25 paints an apparent clear picture of Ethiopia's success in the core tenets of human development. Ethiopia's HDI score between 2000 and 2018 has seen a 67.5 percent increase from a HDI score of 0.286 to 0.479.[521] Ethiopia's HDI has not once decreased. Rather it has steadily increased since 2000 up to 2018. Across all metrics Ethiopia has seen significant development. For instance, Ethiopia's life expectancy in 2018 was 65.4 years, up 14.9 years from 2000.[522] The expected years of schooling has increased by more than doubled from 4.2 to 9.5 years whereas the mean years of schooling has seen an increase from 1.5 to 2.4 years since 2000.[523] Finally Ethiopia's GNI per capita has seen an increase of 287 percent from $717 to $2,058 (USD constant 2017).[524] Such growth in each of these pillars of the HDI is a sign of

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[519] For this case study, the analysis starts at 2000 rather than 1990 for the HDI score as Ethiopia's HDI score was not fully calculated until 2000. As per the UNDP's 2020 human development report on Ethiopia the mean years of schooling was not collected and or could be validated until 2000 resulting in no HDI being given to Ethiopia until 2000. However, other data points such as life expectancy, expected years of schooling, and GNI per capita were collected. Since there is no overall HDI score given until the year 2000, this study will not focus its analysis on Ethiopia's HDI between 1990 to 1999, see Human Development Report 2020, "The Next Frontier: Human Development and the Anthropocene Briefing note for countries on the 2020 Human Development Report - Ethiopia," *The United Nations Development Programme*, 3.

[520] United Nations Development Programme, "Human Development Index - Ethiopia 1990 to 2022," accessed March 2025, https://hdr.undp.org/data-center/specific-country-data#/countries/ETH

[521] Ibid.

[522] Ibid.

[523] Ibid.

[524] Ibid.

success in Ethiopia's development and demonstrative to development aid and its impact. Despite these absolute gains, Ethiopia remains in the low human development category for the UNDP's HDI and its scores relative to other African and international states have remained stagnant. For instance, in terms of HDI rankings Ethiopia ranked 111/130 in 1990, 171/174 in 1998, 157/169 in 2010 and then 173/189 in 2018.[525] Despite not progressing on pace with the rest of the international community Ethiopia has undoubtedly experienced development as their HDI scores reveal.

When assessing Ethiopia's raw scores alone, their progress has been overwhelming. In large part Ethiopia's development policy towards poverty eradication from the 1990s through to 2010 by focusing on basic need development was the correct decision. They focused on expanding access to health and education with the assistance from the West as outlined above. While this expansion did not result in achieving specific goals such as regional integration and matriculation rates, to name a few, Ethiopia was able to reduce poverty rates from 48 percent in 1990 to 44 percent in 2000 to 30 percent in 2011.[526] It is argued that "growth in agriculture, more than growth in other sectors, has been significantly positively related with poverty reduction; poverty has fallen fastest in those zones in which agricultural growth has been strongest."[527] All this to say while poverty reduction via basic health and education services in addition to reinforcing the agricultural sector, while not advised, did result in positive development. Nevertheless, following 2010, Ethiopia expanded its development policy towards economic and structural transformation through their GTP which the West supports insofar as its use of SWAp and the PRC through development assistance towards core infrastructure projects. The result was Ethiopia's GTP 1 and 2 leading to Ethiopia's resounding success in the development of Ethiopia's GNI per capita which has risen from $717 (USD Constant 2017) in 2000 to $2,058 (USD Constant 2017) in 2018. Education and Health also progressed following 2010 but not at the same rate from 2000 to 2010. Ethiopia remains one of the poorest countries in the world. In spite of the poor state of Ethiopia's economy it has seen near-continuous growth, particularly since 2003 (see Figure 26). Ethiopia's economy continues to rely too heavily on its agricultural sector but has started to transition towards economic expansion into industry and services sectors. Ethiopia's economic performance has been hindered as their primary form of exports has continuously been in unprocessed agricultural products.[528] While Ethiopia's economy has started to diversify through the assistance of FDI through the aid from the PRC, the agricultural sector

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525 Mahbub ul Haq, "Human Development Report 1990," *United Nations Development Programme*, (New York Oxford University Press 1990), 111 https://hdr.undp.org/system/files/documents/hdr1990encompletenostats.pdf; Richard Jolly and Sakiko Fukuda-Parr, Human Development Report 2000," *United Nations Development Programme*, (New York Oxford University Press 2000), 160, https://hdr.undp.org/system/files/documents/hdr2000en.pdf; Jeni Klugman and United Nations, *Human Development Report 2010, 20th anniversary: The Real Wealth of Nations: Pathways to Human Development*, United Nations Development Programm*e*, (New York, November 2010), 145, https://hdr.undp.org/system/files/documents/human-development-report-2010-complete-english.human-development-report-2010-complete-english; and Pedro Conceição and United Nations, *Human Development Report 2019: Beyond income, beyond averages, beyond today: Inequalities in human development in the 21st century*, United Nations Development Programm*e*, (New York, 2019), 302 https://hdr.undp.org/system/files/documents/hdr2019.pdf

526 Tassew Woldehanna, Yisak Tafere, Manex B Yonis, "Social capital as a double-edged sword for sustained poverty escapes in Ethiopia," *World Development*, *158* (2022): 1; and Ana Revenga, Guang Zhe Chen, Pablo Fajnzylber, Ruth Hill, "Ethiopia Poverty Assessment," *World Bank Group Poverty Global Practice Africa Region* (January 2015), XV. https://www.worldbank.org/en/topic/poverty/publication/ethiopia-poverty-assessment

527 Ana Revenga, Guang Zhe Chen, Pablo Fajnzylber, Ruth Hill, "Ethiopia Poverty Assessment," *World Bank Group Poverty Global Practice Africa Region* (January 2015), 56. https://www.worldbank.org/en/topic/poverty/publication/ethiopia-poverty-assessment

528 Teshager Mazengia Asratie, Misikir Bezabih, Fasika Chekol, "Financial development and export diversification in Ethiopia: ARDL approach," *Cogent Economics & Finance*, *11* no. 1 (2023): 13.

remains the main form of exports accounting for nearly 70 percent of all exports from Ethiopia in 2018.[529]

Western development assistance has clearly played a role in Ethiopia's success in its HDI. They have been able to support and maintain Ethiopia's education and health sectors and continue to have an important role in said sectors (see Appendix D).[530] Moreover, unlike in Ghana, the West does have a presence, albeit small, in Ethiopia's economic infrastructure and services sectors. When compared to the PRC's investments in the same sectors it is clear that the West had a smaller role. However, as discussed in Ghana's case study, Western aid to health and education can be causally linked to the improvements in Ethiopia economic development, particularly in its GDP. Ethiopia remains an important ally to the West and as such billions have been pushed towards Ethiopia's development, such an impact can be seen in the HDI scores.

With regards to the PRC and their involvement in Ethiopia, their aid mostly focused on the economic and infrastructure sectors in Ethiopia. The largest source of impact was on Ethiopia's GNI per capita metric of their HDI. This can be directly linked to the investments made in Ethiopia's energy sector (e.g. Gilgel Gibe III Dam) and transportation sector (e.g. Addis Ababa–Djibouti Railway). As such the PRC was able to assist Ethiopia where the West was unwilling or unable to. These development projects supported Ethiopia's overarching development policy (GTP 1 and 2) to make further economic investments expanding its economy beyond agriculture and supporting structural transformation – "the development of the manufacturing industry or industrialization has now become indispensable in the renaissance drive of the country."[531] However, these projects from the PRC did not come without a cost. The infrastructure aid from the PRC has worsened Ethiopia's debt position which affects its CPIA scores. The debt issues is compounded by Ethiopia's revenue generation problems and which can be linked back to good governance and regional integration.[532] Lastly, in regards to Ethiopia's education and health metrics of the HDI, PRC development assistance can be viewed as having some impact, the same impact seen in Ghana, as economic prosperity often results in improvements in health and education outcomes.[533]

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[529] Yinager Dessie and Ahunna Eziakonwa-Onochie, "Ethiopia, National Human Development Report 2018: Industrialization with a Human Face," *United Nations Development Programme* (2018), 21. https://www.undp.org/ethiopia/publications/ethiopia-national-human-development-report-2018

[530] Bureau of African Affairs, "U.S. Relations With Ethiopia Bilateral Relations Fact Sheet," *US Department of State* (20 January 2025), https://www.state.gov/u-s-relations-with-ethiopia/; and World Bank Group, "The Advancing Innovative Methods to Promote Learning (AIM4Learning) Program: Ethiopia," (February 20, 2025), https://www.worldbank.org/en/news/factsheet/2025/02/20/the-advancing-innovative-methods-to-promote-learning-aim4learning-program-ethiopia

[531] Federal Democratic Republic of Ethiopia, "Growth and Transformation Plan II (GTP II) 2015/16 - 2019/20: Volume 1 Main Text," *National Planning Commission* (Addis Ababa May 2016), 135. https://ethiopia.un.org/en/15231-growth-and-transformation-plan-ii

[532] Haile Kibret, and Roza Mamuye, "Performance and Prospects of Tax Collection in Ethiopia," United Nations Development Programme Working Paper (2016): 1-17; Esmael Abdu, Mohammd Adem, "Tax Compliance Behavior of Taxpayers in Ethiopia: A Review Paper," *Cogent Economics & Finance*, *11* no. 1 (2023): 1; Abebe Shimeles, Daniel Zerfu Gurara, and Firew Woldeyes, "Taxman's Dilemma: Coercion or Persuasion? Evidence from a Randomized Field Experiment in Ethiopia," *The American Economic Review* 107 no. 5 (2017): 420; Tariku Lorato, Yonas Sendaba, and Tasew Tadesse, "Tax Evasion Attitude and Taxpayers' Perception of Government Legitimacy: Evidence from Southern Ethiopia," *Cogent Economics & Finance* 12 no. 1 (2024).

[533] Xiao-Tong Niu, You-Cai Yang, and Yu-Cong Wang, "Does the Economic Growth Improve Public Health? A Cross-Regional Heterogeneous Study in China," *Frontiers in Public Health* 9 (2021): 1-11; Simon Lange, and Sebastian Vollmer, "The Effect of Economic Development on Population Health: A Review of the Empirical Evidence," *British Medical Bulletin* 121 no. 1 (2017): 47–60; and P. Glewwe, K. Muralidharan, "Chapter 10 - Improving Education Outcomes," in *Developing Countries: Evidence, Knowledge Gaps, and Policy Implications*, eds.

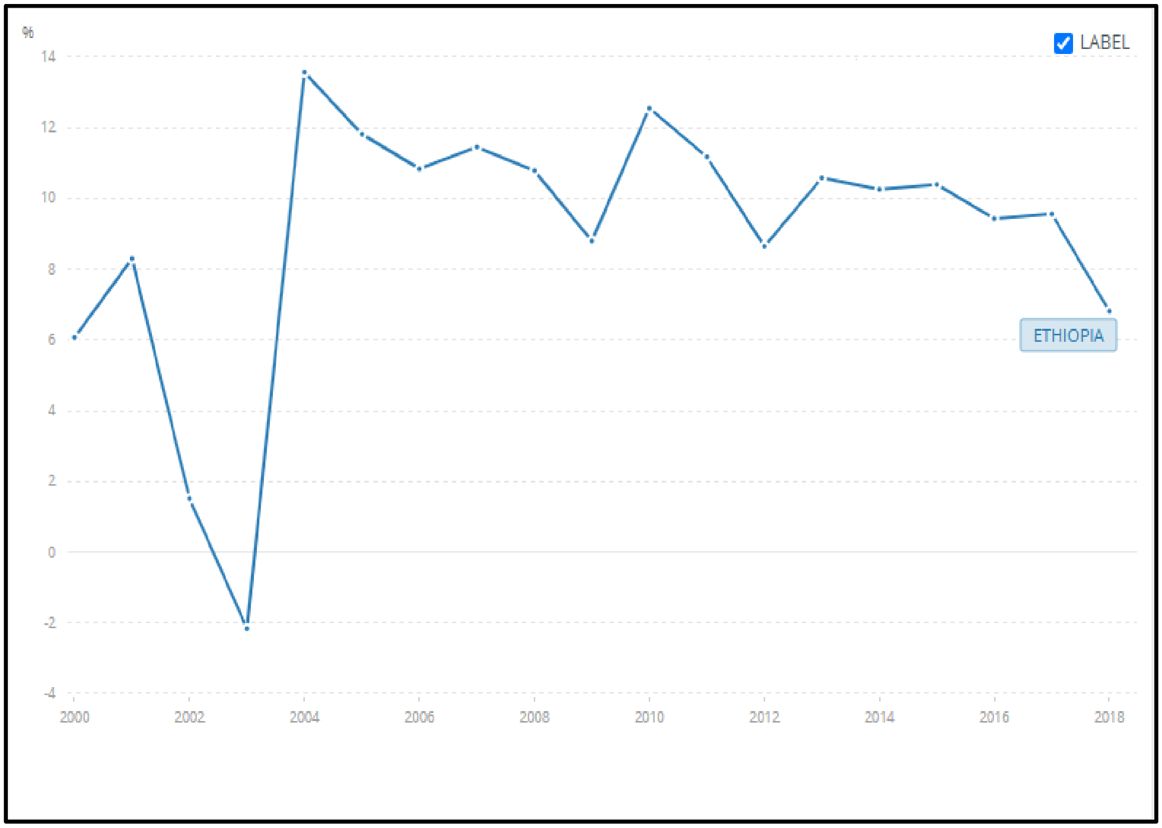

Figure 26: Annual GDP Growth - Ethiopia (2000 to 2018)[534]

4.4.1 Diverging Development Aid Policies Impact on Ethiopia's CPIA Scores

Ethiopia remains one of the poorest countries in the globe. Nonetheless, this does not seem to be reflected in the county's CPIA scores. As noted in Figure 27 Ethiopia has seen notable progress in its CPIA scores. Ethiopia has managed to increase its overall score from 3.4 to 4.3, an increase of 0.9. This is notable as Ghana's CPIA score only increased 0.3 over the same period (see Figure 14). In fact, in 2018 Ethiopia's CPIA score was the third highest of Africa's 37 states who participate in the CPIA process.[535] Such high scores would suggest that Ethiopia has established good conditions for using aid effectively; however, such state and civil society capacity seems disconnected from Ethiopia's low HDI ratings. For Ethiopia it seems to be that both the HDI and CPIA are unable to account for the economic stability and fragility of development. A closer look into Ethiopia's CPIA score highlights such a dichotomy.

Eric A. Hanushek, Stephen Machin, Ludger Woessmann, Handbook of the Economics of Education, (Elsevier, Volume 5, 2016) Pages 653-743

[534] World Bank, "GDP per capita growth (annual %) - Ethiopia," *World Bank national accounts data, and OECD National Accounts data files*, accessed March 2025, https://data.worldbank.org/indicator/NY.GDP.PCAP.KD.ZG?end=2018&locations=ET&start=2000

[535] African Development Bank Group: Country Policy and Institutional Assessment - Ethiopia 2018 Score Overview, accessed March 2025, https://cpia.afdb.org/?page=results&subpage=profile&indicator_id=A-E_&country_id=ET&year=2018

Figure 27: Ethiopia's CPIA Scores (2004 to 2020)[536]

[536] Data collected from African Development Bank Group: Country Policy and Institutional Assessment at the following links https://cpia.afdb.org/ and https://cpia.afdb.org/?page=results&subpage=profile&indicator_id=A-E_&country_id=ET&year=2004

Clusters / Criteria	Score	Change*	East	Africa
Overall CPIA	**3.4**	—	3.0	3.2
Economic Management	**4.0**	—	3.2	3.4
Monetary Policy	4.0	—	3.3	3.6
Fiscal Policy	4.0	—	3.3	3.5
Debt Policy	4.0	—	3.1	3.3
Structural Policies	**3.0**	—	2.9	3.2
Economic Cooperation, Regional Integration and Trade	3.0	—	3.1	3.4
Financial Development	2.5	—	2.7	3.1
Business Regulatory Environment	3.5	—	2.8	3.2
Social Inclusion/Equity	**3.4**	—	3.1	3.2
Gender Equality	3.0	—	3.3	3.3
Equity of Public Resource Use	4.0	—	3.0	3.2
Building Human Resources	3.5	—	3.0	3.2
Social Protection and Labor	3.0	—	2.8	3.1
Environmental Policies and Regulations	3.5	—	3.1	3.3
Governance	**3.3**	—	2.8	3.1
Property Rights and Rule-based Governance	3.0	—	2.7	3.0
Quality of Budgetary and Financial Management	3.5	—	2.9	3.2
Efficiency of Revenue Mobilization	4.0	—	3.0	3.2
Quality of Public Administration	3.0	—	2.8	3.1
Transparency, Accountability and Corruption in the Public Sector	3.0	—	2.8	3.1

Figure 28: Ethiopia's CPIA Score Tabular Overview (2004)[537]

[537] African Development Bank Group: Country Policy and Institutional Assessment - Ethiopia 2018 Score Overview, accessed March 2025, https://cpia.afdb.org/?page=results&subpage=profile&indicator_id=A-E_&country_id=ET&year=2004

Clusters / Criteria	Score	Change*	East	Africa
Overall CPIA	3.5	—	3.1	3.5
Economic Management	3.6	-0.4	3.3	3.8
Monetary Policy	3.4	-0.6	3.7	4.0
Fiscal Policy	3.5	-0.5	3.3	3.7
Debt Policy	4.0	—	3.1	3.7
Structural Policies	3.0	—	3.0	3.5
Economic Cooperation, Regional Integration and Trade	3.0	—	3.3	3.6
Financial Development	3.0	—	2.9	3.4
Business Regulatory Environment	3.0	—	2.7	3.3
Social Inclusion/Equity	3.7	+0.2	3.3	3.4
Gender Equality	3.0	—	3.3	3.5
Equity of Public Resource Use	4.5	+0.5	3.4	3.6
Building Human Resources	3.5	—	3.4	3.4
Social Protection and Labor	3.5	+0.5	3.1	3.2
Environmental Policies and Regulations	4.0	—	3.3	3.4
Governance	3.6	—	3.0	3.3
Property Rights and Rule-based Governance	3.0	—	2.9	3.2
Quality of Budgetary and Financial Management	4.0	—	3.1	3.5
Efficiency of Revenue Mobilization	4.0	—	3.3	3.6
Quality of Public Administration	3.5	—	2.8	3.2
Transparency, Accountability and Corruption in the Public Sector	3.5	—	2.8	3.2

*Nominal change as compared to the 2007 score.

Figure 29: Ethiopia's CPIA Score Tabular Overview (2008)[538]

[538] African Development Bank Group: Country Policy and Institutional Assessment - Ethiopia 2018 Score Overview, accessed March 2025, https://cpia.afdb.org/?page=results&subpage=profile&indicator_id=A-D_&country_id=ET&year=2008

Clusters / Criteria	Score	Change*	East	Africa
Overall CPIA	**3.6**	+0.1	3.2	3.5
Economic Management	**4.0**	+0.4	3.4	3.8
Monetary Policy	4.0	+0.6	3.8	4.0
Fiscal Policy	4.0	+0.5	3.3	3.8
Debt Policy	4.0	—	3.1	3.7
Structural Policies	**3.2**	+0.2	3.1	3.5
Economic Cooperation, Regional Integration and Trade	3.5	+0.5	3.5	3.7
Financial Development	2.5	-0.5	2.9	3.4
Business Regulatory Environment	3.5	+0.5	2.9	3.3
Social Inclusion/Equity	**3.7**	—	3.3	3.4
Gender Equality	3.5	+0.5	3.3	3.5
Equity of Public Resource Use	4.5	—	3.4	3.6
Building Human Resources	3.5	—	3.4	3.4
Social Protection and Labor	3.0	-0.5	3.1	3.3
Environmental Policies and Regulations	4.0	—	3.4	3.5
Governance	**3.4**	-0.2	2.9	3.3
Property Rights and Rule-based Governance	3.0	—	2.9	3.2
Quality of Budgetary and Financial Management	4.0	—	3.1	3.6
Efficiency of Revenue Mobilization	3.5	-0.5	3.2	3.6
Quality of Public Administration	3.5	—	2.8	3.2
Transparency, Accountability and Corruption in the Public Sector	3.0	-0.5	2.7	3.1

*Nominal change as compared to the 2008 score.

Figure 30: Ethiopia's CPIA Score Tabular Overview (2009)[539]

[539] African Development Bank Group: Country Policy and Institutional Assessment - Ethiopia 2018 Score Overview, accessed March 2025, https://cpia.afdb.org/?page=results&subpage=profile&indicator_id=A-D_&country_id=ET&year=2009

Clusters / Criteria	Score	Change*	East	Africa
Overall CPIA	3.6	-0.1	3.1	3.5
Economic Management	3.8	-0.2	3.4	3.8
Monetary Policy	3.5	-0.5	3.6	4.0
Fiscal Policy	4.0	—	3.4	3.8
Debt Policy	4.0	—	3.1	3.7
Structural Policies	3.2	-0.3	3.0	3.4
Economic Cooperation, Regional Integration and Trade	3.5	—	3.3	3.6
Financial Development	2.5	—	2.9	3.4
Business Regulatory Environment	3.5	-1.0	2.8	3.2
Social Inclusion/Equity	3.8	—	3.2	3.4
Gender Equality	3.5	—	3.2	3.4
Equity of Public Resource Use	4.5	—	3.4	3.5
Building Human Resources	3.5	—	3.2	3.4
Social Protection and Labor	3.5	—	3.0	3.2
Environmental Policies and Regulations	4.0	—	3.3	3.5
Governance	3.6	+0.1	2.9	3.3
Property Rights and Rule-based Governance	3.5	+0.5	2.9	3.2
Quality of Budgetary and Financial Management	4.0	—	3.0	3.5
Efficiency of Revenue Mobilization	4.0	—	3.3	3.6
Quality of Public Administration	3.5	—	2.7	3.1
Transparency, Accountability and Corruption in the Public Sector	3.0	—	2.6	3.1

*Nominal change as compared to the 2010 score.

Figure 31: Ethiopia's CPIA Score Tabular Overview (2011)[540]

Between 2004 and 2011 Ethiopia's progress on several CPIA scores was relatively slow - compared to its CPIA scores following 2011 - despite continuous improvement. (see Figure 27). On the surface it would seem that Ethiopia had been able to manage all their development markers as outlined in the CPIA metrics. While this seems to be the case, in 2005, 2008, and in 2011 there were some minor setbacks, namely in the economic and structural markers of the CPIA (see Figures 29 and 31).[541] Most of the fluctuation seen within Ethiopia's CPIA score from 2004 and 2011 was outlined above. Namely, Ethiopia's prioritization of poverty reduction, is lack of economic transformation away from the agriculture sector, and the lack of basic

[540] African Development Bank Group: Country Policy and Institutional Assessment - Ethiopia 2018 Score Overview, accessed March 2025, https://cpia.afdb.org/?page=results&subpage=profile&indicator_id=A-D_&country_id=ET&year=2011

[541] African Development Bank Group: Country Policy and Institutional Assessment - Ethiopia 2018 Score Overview, accessed March 2025, https://cpia.afdb.org/?page=results&subpage=profile&indicator_id=A-E_&country_id=ET&year=2005

infrastructure all impacted their development policy and specifically put pressure on their monetary, fiscal, structural, and debt policies. Above all, however, Ethiopia's development was initially hindered by its lack of governance development.

Corruption is not unique to developing states, in fact it is to be expected. The goal of Western development assistance is to leverage aid to influence domestic policies towards greater transparency and accountability of a developing state's government. In the case of Ethiopia it has managed to push against Western efforts yet maintain and grow Western international aid flows.[542] China has assisted in this by shielding Ethiopia's political and human rights abuses from outside influence.[543] Despite Ethiopia's initial issues with governance and corruption, between 1997 and 2008, Western ODA to Ethiopia increased 500%.[544] Scholars Emanuele Fantini and Luca Puddu put forth an argument that Ethiopia has managed this due to the West's interest in the region, specially the Horn of Africa and views Ethiopia as a crucial partner to maintain influence in the region.[545] They also assert that the West could be suffering from "naiveté or ignorance of local political dynamics and real decision-making processes" in Ethiopia.[546] Whatever the reason may be, Ethiopia has called the West on their bluff and were seemingly right to do so from their perspective as the West has maintained and increased their aid flows to Ethiopia despite a lack of development, insofar as how the West seeks, in Ethiopia's governance sector. But the issue is that the West did not capitulate entirely to Ethiopia's lack of governance transformations as the West did stick to its word and pulled out of some major infrastructure negotiations as they deemed such projects to be too much of a risk without major concessions from Ethiopia (e.g. Gilgel Gibe III Dam). It ought to be noted that the West seeking increased accountability and transparency was to increase FDI to Ethiopia and not necessarily an attempt to liberalise the Ethiopian government.

All of this does not negate or take away from Ethiopia's struggles with a weak government that has authoritarian tendencies. Since the 2005 elections Ethiopia has enacted laws infringing on the freedom of the press and the operation of civil society organizations. The result has been the Ethiopian political regime being labeled by academics as either neo-patrimonial, electoral authoritarian or totalitarian 'one-party state'.[547] Whatever label one ascribes to Ethiopia the important fact to take away is that Ethiopia ought to undergo governance transformation if development is truly its main objective, the current political regime is not conducive towards such an end and has in fact been a major impediment. As explained by Fantini and Puddu "international aid cannot be merely understood in terms of a bilateral relationship between donors and recipient governments, but must rather be seen as the result of the interaction of a plurality of heterogeneous actors and competing logics."[548] This argument explains the contradictory behaviour from the West regarding their development assistance to Ethiopia but also highlights

[542] Emanuele Fantini and Luca Puddu, "Ethiopia and International Aid: Development Between High Modernism and Exceptional Measures." in *Aid and authoritarianism in Africa: development without democracy* edited by Tobias Hagmann, Filip Reyntjens, and publisher Nordiska Afrikainstitutet, (London, England: Zed Books, 2021), 91.
[543] Amsalu K. Addis, Simplice Asongu, Zhu Zuping, Hailu Kendie Addis, and Eshetu Shifaw, "Chinese and Indian Investment in Ethiopia: Infrastructure for 'Debt-Trap Diplomacy' Exchange and the Land Grabbing Approach," *International Journal of Emerging Markets* 16 no. 6 (2021): 1005-1006.
[544] Stephen Brown, Jonathan Fisher, Aid Donors, Democracy and the Developmental State in Ethiopia. *Democratization*, *27* no. 2 (2020), 188.
[545] Emanuele Fantini and Luca Puddu, "Ethiopia and International Aid: Development Between High Modernism and Exceptional Measures." in *Aid and authoritarianism in Africa: development without democracy* edited by Tobias Hagmann, Filip Reyntjens, and publisher Nordiska Afrikainstitutet, (London, England: Zed Books, 2021), 91.
[546] Ibid.
[547] Ibid.
[548] Ibid., 92.

the important role that the private sector has in developing nations acting as a kind of "development brokers" influencing both Western and PRC development policy.[549] Moreover, Ethiopia has been able to shield themselves from Western governance based conditions due to the influx of Chinese development assistance.[550] This shield by the PRC, however, has had a negative impact on the issue of corruption for Ethiopia as noted in its 2008, 2009 and 2011 CPIA scores (see Figures 29, 30, and 31). For instance, in 2008 Ethiopia had a score of 3.5 in transparency, accountability, and corruption in the public sector which fell to 3.0 in 2009 where it remained until 2011.

Beyond the aforementioned complications Ethiopia suffered a series of hardships ranging from climate disasters, internal struggles, a global market crisis and consistent food shortages. The 2005 elections in Ethiopia sparked into political unrest which resulted in the killings of many civilians with the lowest estimate being 46 while other accounts have the number at 193.[551] Any form of instability in a developing state harms its ability to attract FDI, especially in a market with few opportunities for FDI. From 2007 to 2009 Ethiopia experienced two economic events which forced the Ethiopian government to reallocate funds, further its debt position, and seek out additional external aid. The first was the 2007-2008 global food price crisis which saw the rapid increase in the cost of food; harming Ethiopia domestically as food became increasingly unaffordable while also importing food was unsustainable following the rise in price.[552] More importantly, Ethiopia's main economic sector, which at the time accounted for around 50 percent of its GDP, was agriculture.[553] The result was a drastic decrease in exports as the price of importing Ethiopian agricultural goods became too great to bear. This food crisis was soon coupled with the 2008-2009 global financial crisis. The impact of the financial crisis saw an additional downward pressure on Ethiopia's agricultural exports.[554] Both of these crises stressed Ethiopia's monetary policy and fiscal health.[555] They also hindered FDI into Ethiopia as states

[549] Ibid.

[550] Amsalu K. Addis, Simplice Asongu, Zhu Zuping, Hailu Kendie Addis, and Eshetu Shifaw, "Chinese and Indian Investment in Ethiopia: Infrastructure for 'Debt-Trap Diplomacy' Exchange and the Land Grabbing Approach," *International Journal of Emerging Markets* 16 no. 6 (2021): 1005-1006.

[551] J. Abbink, Discomfiture of democracy? The 2005 election crisis in Ethiopia and its aftermath. *African Affairs (London)*, *105* no. 419 (2006), 186; and Chris McGreal, "Ethiopian Government Blocks Report of Massacre by its Forces," *The Guardian* October 2006. https://www.theguardian.com/world/2006/oct/19/chrismcgreal.mainsection

[552] Craig Hadley, Drew A Linzer, Tefera Belachew, Abebe Gebre Mariam, Fasil Tessema, and David Lindstrom, "Household Capacities, Vulnerabilities and Food Insecurity: Shifts in Food Insecurity in Urban and Rural Ethiopia during the 2008 Food Crisis," *Social Science & Medicine (1982)* 73 no. 10 (2011): 1534–1542; and Neha Kumar, and Agnes R. Quisumbing, "Gendered Impacts of the 2007–2008 Food Price Crisis: Evidence Using Panel Data from Rural Ethiopia," *Food Policy* 38 (2013): 12-13.

[553] Yared Seid Alemayehu Seyoum Taffesse Seid Nuru Ali, "Ethiopia—an Agrarian Economy in Transition," *Brookings Institution and the Development Policy Research Unit* (August 216), 6. https://www.brookings.edu/wp-content/uploads/2016/08/global_20160816_ethiopia_economy.pdf

[554] Michael Geiger, Lars Christian Moller, Swarnim Waglé, "3rd Ethiopia Economic Update: Strengthening Export Performance Through Improved Competitiveness," *World Bank Group* (June 2014), 7, 9, 67, and 74-75.https://documents1.worldbank.org/curated/en/560521468028152818/pdf/895480REVISED00c0Update0v0final0web.pdf

[555] Julia Berazneva, and David R. Lee, "Explaining the African Food Riots of 2007–2008: An Empirical Analysis," *Food Policy* 39 (2013): 28-30; Craig Hadley, Drew A Linzer, Tefera Belachew, Abebe Gebre Mariam, Fasil Tessema, and David Lindstrom, "Household Capacities, Vulnerabilities and Food Insecurity: Shifts in Food Insecurity in Urban and Rural Ethiopia during the 2008 Food Crisis," *Social Science & Medicine (1982)* 73 no. 10 (2011): 1534-1536; and Makhtar Diop, Guang Z. Chen, Agata E. Pawlowska, Mamo Esmelealem Mihretu, and Conor Healy, "Country Partnership Strategy for the Federal Democratic Republic of Ethiopia," *International Development Association, International Finance Corporation, Multilateral Investment Guarantee Agency*, (August 2012), 4-5. https://documents1.worldbank.org/curated/en/561281468031489534/pdf/718840CAS0P1300se0Only090Box370115B.pdf

and private corporations were reeling with their own financial troubles. The response from the West was to provide a massive influx of development food aid and humanitarian aid in 2007 and 2008 by the hundreds of millions of dollars to stave off a complete fatal famine and economic collapse of Ethiopia (see Table 6) The Ethiopian response was the launch of their Growth and Transformation Plan (GTP) in 2009. Nevertheless, as noted in Ethiopia's 2011 CPIA, their business regulatory environment score dropped from 4.5 to 3.5 (see Figure 31).

Additionally, Ethiopia's 2011 CPIA score shows a weakening in their economic management and structural policies. Much of this was related to the 2010 severe drought, which not only destabilized Ethiopia's economy but sent the country into another humanitarian crisis.[556] As a result Ethiopia had to reach out to the international community for aid. Western states responded in kind and in 2010 there was a notable increase in development food aid in the form of DAC ODA when compared to 2009 levels (see Table 6). This food shortage and near collapse of Ethiopia's agricultural sector pushed Ethiopia to finally act swiftly to expand its development policy to include structural economic transformation. Moreover, it was clear that between 2004 and 2011 Ethiopia's development plan was ineffective. They did see a marginal increase in their overall CPIA score but when compared to other developing states in Africa their ranking dropped to 19/37 in 2007 and again to 13/37 in 2010.[557] Ethiopia did however increase in their overall ranking in 2011 to 18/37 back to a similar placement seen in 2007.[558]

Following 2011, Ethiopia through their GTP 1 and 2, experienced a noticeable increase in their CPIA score (see Figure 27). The reason for the sudden increase was a result of Ethiopia's decision to prioritise economic liberalization in an attempt to end its overreliance on agricultural exports. Moreover, Ethiopia started to receive a significant amount of PRC development aid 2010 onwards which went towards major infrastructure projects key to Ethiopia's development (see Figure 23). The result was an increase in both Ethiopia's HDI and CPIA scores. The PRC development assistance filled the gap left by the West. Ethiopia's restructuring of their development strategy with GTP 1 and 2 in conjunction with Western aid set the necessary conditions for Ethiopia's successful development.[559]

Despite the clear success Ethiopia has experienced since 2011 in their CPIA scores, two major issues have grown and persisted - debt policy and regional integration. The first issue comes with the growing debt issue Ethiopia has been experiencing since the influx of PRC development assistance. As seen in Figure 35 Ethiopia has had their debt policy go down from a 4 to a 3.5 in 2018. While this slight dip in score may seem insignificant the case in Ghana has demonstrated why it is not. The PRC's main form of development assistance in Africa has been

[556] Yared Seid, Alemayehu Seyoum Taffesse, Seid Nuru Ali, "Ethiopia—an Agrarian Economy in Transition," *Brookings Institution and the Development Policy Research Unit* (August 2016). https://www.brookings.edu/wp-content/uploads/2016/08/global_20160816_ethiopia_economy.pdf

[557] African Development Bank Group: Country Policy and Institutional Assessment - Ethiopia 2018 Score Overview, accessed March 2025, https://cpia.afdb.org/?page=results&subpage=profile&indicator_id=A-D_&country_id=ET&year=2007; and African Development Bank Group: Country Policy and Institutional Assessment - Ethiopia 2018 Score Overview, accessed March 2025, https://cpia.afdb.org/?page=results&subpage=profile&indicator_id=A-D_&country_id=ET&year=2010

[558] African Development Bank Group: Country Policy and Institutional Assessment - Ethiopia 2018 Score Overview, accessed March 2025, https://cpia.afdb.org/?page=results&subpage=profile&indicator_id=A-D_&country_id=ET&year=201

[559] Qiongfang Lu, and Craig Wilson, "Infrastructure Financing in Africa," *Journal of International Financial Markets, Institutions & Money* 91 (2024): 2; and Zuzana Brixiova, Emelly Mutambatsere, Cecile Ambert, and Dominique Etienne, "Closing Africa's Infrastructure Gap: Innovative Financing and Risks," *AfDB Africa Economic Brief* Volume 2 Issue 1 (April 2011): 1-6. https://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/Africa%20Econo%20brief%202_Africa%20Econo%20brief%202%20(2).pdf

through commercial loans through state owned banks. Since these loans are not concessional, such loans have increased Ethiopia's debt to dangerous levels. The AfDB specifically state in regards to Ethiopia's 2015 CPIA: "Although Ethiopia has been pursuing a sound debt-management policy, debt-burden indicators signaled a rise in debt distress from low to moderate, as indicated by the World Bank/International Monetary Fund (IMF) debt-sustainability analysis."[560] Moreover, the loans the PRC provides typically have China first stipulations baked in the conditions on the loan more than term lengths and interest rates. For instance, the $117 million loan the PRC provided for Addis Ababa Bole International Airport Expansion Project had stipulations that the vast share of procurement and construction would fall under a Chinese corporation staffed by temporary Chinese foreign workers.[561] Conditions such as this harms developing states as it takes away an opportunity for Ethiopian corporations and workers to gain necessary experience. They also lessen the domestic economic impact as PRC funds pay for Chinese material and labour, which is basically tied aid.

The impact of Chinese development assistance has increased debt servicing costs as well. Developing nations like Ethiopia are often enticed into taking on debt for infrastructure projects believing the resulting economic growth will create revenue to pay off the debt.[562] However for Ethiopia this has not been the case as they have had to renegotiate their debts with the PRC to avoid economic collapse.[563] The PRC use of such loans on developing nations is based on the hope that they are able to either successfully debt trap a developing nation or they force the West to bail out the struggling state; in essence forcing the West to pay for the 'PRC funded' projects in the end. As we have seen with Ghana, the DAC has been increasingly reluctant to provide debt relief as part of their ODA strategies.[564]

The issue of regional integration can be viewed in Ethiopia's 2018 CPIA score (see Figure 35). Of all the factors debt policy and regional integration are the two lowest scores. The issue of regional integration encompasses a) movement of persons and labour and right of establishment and b) regional financial integration.[565] Both these are key aspects to a nation's

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[560] Ademe Zeyede and Admit Zerihun, "2015 Country Policy and Institutional Assessment Brief: Ethiopia," *African Development Bank*, (2015). https://cpia.afdb.org/documents/public/ET-2015-CPIA-Brief.pdf

[561] S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "China Eximbank provides $117.3 million preferential buyer's credit for Addis Ababa Bole International Airport Expansion Project," *Aid-Data: A Research Lab at William and Mary*, accessed March 2025, https://china.aiddata.org/projects/58583/

[562] Hong Bo, Rodiat Lawal, and Rilwan Sakariyahu, "China's Infrastructure Investments in Africa: An Imperative for Attaining Sustainable Development Goals or a Debt-Trap?" *The British Accounting Review* (2024): 3-6.

[563] Edson Ziso, The Political Economy of the Chinese Model in Ethiopia. *Politics & Policy*, *48* no. 5 (2020), 924; and Morris Kiruga "Ethiopia's China challenge," *The Africa Report* (March 2019) https://www.theafricareport.com/11080/ethiopias-china-challenge/; and Deborah Brautigam, Acker, Kevin; Huang, Yufan, "Debt Relief with Chinese Characteristics," *Working Paper, No. 2020/39, China Africa Research Initiative (CARI), School of Advanced International Studies (SAIS), Johns Hopkins University,* (Washington, DC, 2020), 14, 16, and 21-24. https://www.econstor.eu/bitstream/10419/248167/1/sais-cari-wp39.pdf

[564] "Ethiopia: History of Lending Commitments as of February 29, 2020," *International Monetary Fund*, (2020), https://www.imf.org/external/np/fin/tad/extarr2.aspx?memberKey1=290&date1key=2020-02-29; "IMF Lending," *International Monetary Fund*, https://www.imf.org/en/About/Factsheets/IMF-Lending#:~:text=IMF%20lending%20in%20action,4.; and "IMF Conditionality," *International Monetary Fund*, https://www.imf.org/en/About/Factsheets/Sheets/2023/IMF-Conditionality#:~:text=English,depend%20on%20a%20country's%20circumstances.

[565] According to CPIA Methodology Regional Integration refers to: "(i) promote free movement of persons and labour and easy right of establishment; and (ii) contribute to regional financial integration." See, "2015 Country Policy and Institutional Assessment (CPIA) Questionnaire," *African Development Bank* (2015), 11-14. https://cpia.afdb.org/documents/public/cpia2015-questionnaire-en.pdf

development, but it seems that Ethiopia has put little effort into regional integration until recently in 2018. For instance, in 2016 Ethiopia held a regional integration score of 2.5 whereas in 2018 it went up to 3 (see Figures 34 and 35). As such progress is being made but linking this progress to the PRC development assistance is not feasible as such development is necessarily pursued through condition-based aid. Therefore, the progress made in this factor of the CPIA ought to be suggestive of Western influence as their governance aid has seen some success. This also demonstrates the fact that the DAC has spent over $850 million on government and civil society assistance between 2002 and 2018 (see Appendix D). While regional integration is not as pertinent of an issue as Ethiopia's debt and their debt policy, it ought to be noted here insofar as a development shortcoming. It is also demonstrative in the divergence of development assistance policy between the West and the PRC. The former is concerned with governance and corruption within a developing nation whereas the latter is merely concerned with the stability of said developing nation and this issues of regional integration or put aside whereas debt stability is typically the chief concern among development assistance benefactors - China perhaps being the outlier as further explored in Chapter Six.

Clusters / Criteria	Score	Change*	East	Africa
Overall CPIA	**3.9**	+0.3 ^	3.2	3.5
Economic Management	**4.2**	+0.3 ^	3.4	3.9
Monetary Policy	4.0	+0.5 ^	3.7	4.0
Fiscal Policy	4.5	+0.5 ^	3.5	3.9
Debt Policy	4.0	—	3.2	3.8
Structural Policies	**3.4**	+0.2 ^	3.1	3.4
Economic Cooperation, Regional Integration and Trade	3.6	+0.1 ^	3.5	3.6
Financial Development	3.0	+0.5 ^	3.0	3.4
Business Regulatory Environment	3.5	—	2.9	3.3
Social Inclusion/Equity	**4.3**	+0.5 ^	3.3	3.4
Gender Equality	3.7	+0.2 ^	3.3	3.5
Equity of Public Resource Use	4.7	+0.2 ^	3.2	3.5
Building Human Resources	4.2	+0.7 ^	3.3	3.4
Social Protection and Labor	3.8	+0.3 ^	3.0	3.2
Environmental Policies and Regulations	5.0	+1.0 ^	3.5	3.6
Governance	**3.9**	+0.3 ^	3.0	3.4
Property Rights and Rule-based Governance	3.6	+0.1 ^	3.0	3.3
Quality of Budgetary and Financial Management	4.1	+0.1 ^	3.2	3.6
Efficiency of Revenue Mobilization	4.5	+0.5 ^	3.4	3.7
Quality of Public Administration	3.6	+0.1 ^	2.9	3.2
Transparency, Accountability and Corruption in the Public Sector	3.7	+0.7 ^	2.7	3.2

*Nominal change as compared to the 2011 score.

Figure 32 Ethiopia's CPIA Score Tabular Overview (2012)[566]

[566] African Development Bank Group: Country Policy and Institutional Assessment - Ethiopia 2018 Score Overview, accessed March 2025, https://cpia.afdb.org/?page=results&subpage=profile&indicator_id=A-D_&country_id=ET&year=2012

Clusters / Criteria	Score	Change*	East	Africa
Overall CPIA	**4.2**	+0.1	3.3	3.5
Economic Management	**4.5**	+0.2	3.5	3.9
Fiscal Policy	5.0	+0.5	3.4	3.8
Monetary Policy	4.5	–	3.8	4.1
Debt Policy	4.0	–	3.2	3.8
Structural Policies	**3.7**	+0.3	3.2	3.4
Financial Sector Development	3.5	+0.5	3.2	3.5
Trade Policy	3.9	+0.3	3.5	3.5
Business Regulatory Environment	3.7	+0.2	3.1	3.3
Social Inclusion/Equity	**4.5**	+0.1	3.4	3.5
Gender Equality	3.8	+0.2	3.5	3.5
Equity of Public Resource Use	4.7	–	3.3	3.4
Building Human Resources	4.5	+0.2	3.6	3.5
Social Protection and Labor	4.3	+0.3	3.2	3.3
Environmental Policies and Regulations	5.0	–	3.4	3.5
Governance	**4.0**	+0.1	3.1	3.4
Property Rights and Rule-based Governance	3.6	–	3.0	3.3
Quality of Public Administration	3.8	+0.1	3.0	3.2
Quality of Budgetary and Financial Management	4.6	+0.3	3.3	3.6
Efficiency of Revenue Mobilization	4.5	–	3.5	3.8
Transparency, Accountability and Corruption in the Public Sector	3.7	–	2.7	3.2
Infrastructure & Regional Integ.	**4.1**	–	3.2	3.3
Infrastructure Development	4.9	–	3.2	3.3
Regional Integration	2.5	–	3.1	3.2

*Nominal change as compared to the 2013 score.

Figure 33: Ethiopia's CPIA Score Tabular Overview (2014)[567]

[567] African Development Bank Group: Country Policy and Institutional Assessment - Ethiopia 2018 Score Overview, accessed March 2025, https://cpia.afdb.org/?page=results&subpage=profile&indicator_id=A-D_&country_id=ET&year=2014

Clusters / Criteria	Score	Change*	East	Africa
Overall CPIA	**4.2**	—	3.2	3.5
Economic Management	**4.5**	—	3.3	3.7
Fiscal Policy	5.0	—	3.3	3.7
Monetary Policy	4.5	—	3.5	3.9
Debt Policy	4.0	—	3.1	3.6
Structural Policies	**3.8**	—	3.2	3.4
Financial Sector Development	3.8	—	3.2	3.4
Trade Policy	3.9	—	3.5	3.5
Business Regulatory Environment	3.7	—	3.0	3.3
Social Inclusion/Equity	**4.6**	—	3.4	3.4
Gender Equality	3.8	—	3.4	3.4
Equity of Public Resource Use	4.7	—	3.2	3.4
Building Human Resources	4.8	—	3.6	3.6
Social Protection and Labor	4.3	—	3.2	3.3
Environmental Policies and Regulations	5.5	—	3.4	3.5
Governance	**4.1**	—	3.1	3.4
Property Rights and Rule-based Governance	3.6	—	3.0	3.3
Quality of Public Administration	3.9	—	2.9	3.1
Quality of Budgetary and Financial Management	4.6	—	3.3	3.6
Efficiency of Revenue Mobilization	4.5	—	3.4	3.8
Transparency, Accountability and Corruption in the Public Sector	3.7	—	2.7	3.2
Infrastructure & Regional Integ.	**4.1**	—	3.2	3.3
Infrastructure Development	4.9	—	3.2	3.3
Regional Integration	2.5	—	3.2	3.3

*Nominal change as compared to the 2015 score.

Figure 34: Ethiopia's CPIA Score Tabular Overview (2016)[568]

[568] African Development Bank Group: Country Policy and Institutional Assessment - Ethiopia 2018 Score Overview, accessed March 2025, https://cpia.afdb.org/?page=results&subpage=profile&indicator_id=A-E_&country_id=ET&year=2016

Clusters / Criteria	Score	Change*	East	Africa
Overall CPIA	**4.3**	—	3.3	3.5
Economic Management	**4.3**	—	3.3	3.7
Fiscal Policy	5.0	—	3.3	3.6
Monetary Policy	4.5	—	3.5	3.9
Debt Policy	3.5	—	3.0	3.5
Structural Policies	**4.0**	—	3.3	3.5
Financial Sector Development	4.0	—	3.3	3.4
Trade Policy	3.9	—	3.6	3.5
Business Regulatory Environment	4.0	—	3.1	3.4
Social Inclusion/Equity	**4.7**	—	3.4	3.4
Gender Equality	4.0	—	3.3	3.4
Equity of Public Resource Use	4.7	—	3.3	3.4
Building Human Resources	4.8	—	3.6	3.5
Social Protection and Labor	4.5	—	3.3	3.3
Environmental Policies and Regulations	5.5	—	3.4	3.6
Governance	**4.1**	—	3.1	3.4
Property Rights and Rule-based Governance	3.8	—	3.1	3.3
Quality of Public Administration	4.1	—	3.0	3.2
Quality of Budgetary and Financial Management	4.6	—	3.4	3.6
Efficiency of Revenue Mobilization	4.5	—	3.5	3.8
Transparency, Accountability and Corruption in the Public Sector	3.7	—	2.7	3.1
Infrastructure & Regional Integ.	**4.4**	—	3.3	3.4
Infrastructure Development	5.1	—	3.3	3.4
Regional Integration	3.0	—	3.3	3.3

*Nominal change as compared to the 2017 score.

Figure 35: Ethiopia's CPIA Score Tabular Overview (2018)[569]

Ethiopia's scores for social inclusion and equity demonstrate tremendous strides the country has made in these areas over the last decade. As noted in Figure 35 Ethiopia holds an overall score in this sector of 4.7 which is 1.3 more than the average in Africa. The strongest subsection of this sector for Ethiopia is environmental policies and regulations at 5.5 followed by building human resources at 4.8 and equity of public resource use at 4.7. Social protection and labour is at 4.5 and gender equality is at 4. All of this denotes that Ethiopia has seen overall resounding success in this sector. Moreover, the progress in this sector highlights how Ethiopia has been able to ensure that development is being equitably experienced by all segments of society inclusive of those worst off in Ethiopia; indicating that their development aligns with

[569] African Development Bank Group: Country Policy and Institutional Assessment - Ethiopia 2018 Score Overview, accessed March 2025, https://cpia.afdb.org/?page=results&subpage=profile&indicator_id=A-E_&country_id=ET&year=2018

national poverty reduction goals set by Ethiopia. All of this is suggestive that Western development assistance in health and education is being used equitably or at the very least is supportive of the progress made in this sector. Solomon Gebreyohans Gebrua, and Memar Ayalew Demekeb argue that despite of resounding progress made by Ethiopia in this sector, there are still issues with "limited enforcement capacity and gender disaggregated data; significant gender gap at secondary and tertiary level of education and political offices; and deep rooted gender insensitive social values and political culture."[570] Gebrua and Demekeb's argument continues, highlighting that addressing these challenges at a community level could be instrumental in narrowing the gap between successes and shortcomings in this development sector.[571]

These findings are supported in Kristie Druczaa, Maria del Carmen Rodrigueza, and Betel Bekele Birhanu work which notes "existing power relations in society, and government institutions, that contribute to the perpetuation of gender inequalities" require an overhaul.[572] They point to Ethiopia's first country wide effort on this front with its gender equality strategy for Ethiopia's agricultural sector.[573] Success did not stop here for Ethiopia as in 2018, Prime Minister, Dr. Abiy Ahmed, "appointed 50% women ministers in his reshuffled cabinet" including "the first female President, the first female chief justice, and the first female head of the national electoral commission."[574] An important study regarding Ethiopia progress on gender equality and sustainable development conducted by Endalcachew Bayeh concluded that:

> Even though Ethiopian women account for half the country's total population, the full use of their potential for economic, social, political, and environmental development is not being carried out due to the widespread gender gap. This paper concludes that attaining development among all the pillars of sustainable development is unthinkable without empowering women and obtaining gender equality, thereby using the entire potential of the country.[575]

Therefore, while Ethiopia's social inclusion and equity score is outperforming most of Africa, there is still much needed work to be done if sustainable and effective development is the goal for Ethiopia. Poverty reduction can only go so far if men are the only demographic being assisted. And as noted above the inclusion of women is necessary for effective development.[576] As of 2018 Ethiopia has a leader, Prime Minister Ahmed, who is leading the charge for such a necessary transformation in Ethiopia's development. The West has been a key ally in this sector with the DAC providing over $100 million in ODA towards Ethiopia's women's rights organisations and movements, and government institutions whereas the PRC's role in this sector is vague at best

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570 Solomon Gebreyohans Gebru, and Memar Ayalew Demeke, "The Millennium Development Goals and the Status of Gender Disparity in Ethiopia: Achievements and Challenges," *African Journal of Governance & Development* 4 no. 1 (2015): 56.
571 Ibid.
572 Kristie Drucza, Maria del Carmen Rodriguez, and Betel Bekele Birhanu, "The Gendering of Ethiopia's Agricultural Policies: A Critical Feminist Analysis," *Women's Studies International Forum* 83 (2020): 7.
573 Ministry of Agriculture and Natural Resource (MoANR), "Gender Equality Strategy for Ethiopia's Agriculture Sector," *Women Affairs Directorate of the MoANR* (Addis Ababa February 2017). https://sdr-africa.com/wp-content/uploads/2022/11/2017AgrSectorGenderEqualitystrategyMoAETH.pdf
574 Kristie Drucza, Maria del Carmen Rodriguez, and Betel Bekele Birhanu, "The Gendering of Ethiopia's Agricultural Policies: A Critical Feminist Analysis," *Women's Studies International Forum* 83 (2020): 7.
575 Endalcachew Bayeh, "The Role of Empowering Women and Achieving Gender Equality to the Sustainable Development of Ethiopia," *Pacific Science Review B: Humanities and Social Sciences* 2 (2016): 42.
576 Endalcachew Bayeh, "The Role of Empowering Women and Achieving Gender Equality to the Sustainable Development of Ethiopia," *Pacific Science Review B: Humanities and Social Sciences* 2 (2016): 42.

and/or non-existent - one cannot accurately delineate between either as there is a severe lack of transparency across all PRC development assistance, particularly in this sector.[577]

Ethiopia is a clear case of competing and evolving interest. For the longest time Ethiopia development policies focused on basic needs such as health and education. They did so in a manner that completely ignored future development aspirations, particularly in their education sector and focused on poverty reduction. This was done in part due to their aspirations to achieve development at any cost resulting in unsustainable development; the check-in-the-box method. Moreover, there were grave miscalculations made on the part of Ethiopia when they willingly decided to focus on their agricultural sector and low-skill labour. This decision was made in part of Western influence as the West avoided many infrastructure projects due to the financial burden and risk they have in a developing nation.[578] It was these conditions which gave the PRC the opportunity to fill the gap left by West. In sum Ethiopia's development from 1994 to 2011 was a vicious cycle of poor investments which impacted one another and made Ethiopia's development cyclical and slower than necessary. This is not to insinuate that there was no progress made; rather the aforementioned argument is meant to highlight that Ethiopia relied too much on their agricultural sector and that was done in part due to necessity and/or naivety. Once Ethiopia recentered their development policy in 2011 onwards with their GTP 1 and 2 that is when their development started to become more rapid and sustainable with the exception of the amassing debt. Ethiopia is seemingly a case of two steps forward one step back; at least as it bears out in the HDI and CPIA data, particularly when one compares Ethiopia's scores in these two indices to the international community.

The greatest advantage the PRC has in Ethiopia is that both states share a perspective that high investment ratios are needed to develop infrastructure that has the potential to deliver sustained productivity growth.[579] As noted by Mario Esteban and Iliana Olivié:

> Unlike traditional donors, Chinese cooperation favors economic structural transformation, which they regard as key to socioeconomic development. Ethiopian officials welcome the development aid provided by traditional donors and recognize its value for alleviating poverty and providing basic services, such as health and education.

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577 "CRS: Creditor Reporting System (flows) [cloud replica], *Organisation for Economic Co-operation and Development*, accessed March 2025, [Filters (1) Donor: DAC Countries (2) Recipient: Ghana; Ethiopia; Democratic Republic of the Congo; Africa (3) Sector: All Sectors; Social Infrastructure and Services; Education; Health; Government and Civil Society; Women's Rights Organisations and Movements, and Government Institutions; Economic Infrastructure and Services; Transport and Storage; Communications; Energy; Production Sectors (4) Measure: Official Development Assistance (5) Channel: All Channels (6) Modality: All Modalities (7) Flow type: Disbursements (8) Price Base: Constant Prices (9) Time Period: 2002-2018] https://data-explorer.oecd.org/vis?tm=oda&pg=0&snb=62&vw=tb&df[ds]=dsDisseminateFinalCloud&df[id]=DSD_CRS%40DF_CRS&df[ag]=OECD.DCD.FSD&df[vs]=1.3&dq=DAC.COD%2BGHA%2BF%2BETH.15170%2B100%2B110%2B120%2B150%2B200%2B210%2B220%2B230%2B300%2B1000.100._T._T.D.Q._T..&pd=1995%2C2018&to[TIME_PERIOD]=false&isAvailabilityDisabled=false&mdc[RECIPIENT]=ETH&mdc[SECTOR]=230&mdc[TIME_PERIOD]=2006&mdc[DONOR]=DAC&mdc[MEASURE]=100&mdc[CHANNEL]=_T&mdc[MODALITY]=_T&mdc[FLOW_TYPE]=D&mdc[PRICE_BASE]=Q

578 Qiongfang Lu, and Craig Wilson, "Infrastructure Financing in Africa." *Journal of International Financial Markets, Institutions & Money* 91 (2024): 2; and Zuzana Brixiova, Emelly Mutambatsere, Cecile Ambert, and Dominique Etienne, "Closing Africa's Infrastructure Gap: Innovative Financing and Risks," *AfDB Africa Economic Brief* Volume 2 Issue 1 (April 2011): 1-6. https://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/Africa%20Econo%20brief%202_Africa%20Econo%20brief%202%20(2).pdf

579 Mario Esteban, and Iliana Olivié, China and Western Aid Norms in the Belt and Road: Normative Clash or Convergence? A Case Study on Ethiopia. *The Journal of Contemporary China*, *31* no. 134. (2022): 282.

> However, they complain that 'this cooperation is just for survival' and will not make Ethiopia a prosperous country.[580]

Through cooperation with the PRC, Ethiopia believes it can break through the structural deadlock and mimic rapid economic growth like the PRC did in the late 1990s. Moreover, China has been a key partner to Ethiopia beyond development assistance, they have also been a major partner in FDI to Ethiopia's economy. PRC FDI in Ethiopia peaked to 800 million dollars namely in the manufacturing sector.[581] This FDI has been critical to Ethiopia as their ability to attract other influxes of FDI has been troublesome due to the perceived volatility of the Ethiopian government and economy, namely with the lack of accountability, transparency, and healthy business regulatory environment which Western FDI often 'requires' from a developing state.

As noted above the PRC's development assistance in Ethiopia has been troublesome, as with its aid in Ghana. However, in Ethiopia, the PRC has seemingly been adjusting their aid policy either in response to Western aid or due to their desire to maintain Ethiopia as a strategic partner on the global stage. For instance, the PRC has begun capacity building efforts, like the West, through proper technical cooperation on recent infrastructure projects.[582] Moreover, recent concerns of debt troubles in Ethiopia have started to worry the PRC as they have a vested interest in maintaining their relations with Ethiopia. As such, the PRC has started to slowly move away from commercial loans to concessional loans and grants.[583] This can be seen in Ethiopia–Djibouti natural gas pipeline and the Addis Ababa Riverside Development projects.[584] The West has also been adjusting their development aid policies based on PRC performance. For instance it has become apparent that "DAC officials recognize some positive influence of Chinese practices, such as increased awareness of the need to speed up the implementation of projects and support the structural transformation of the Ethiopian economy."[585] As such there has been recent interest on the part of the West to invest in economic based infrastructure aid, with concessions still in place however.

The progress Ethiopia has made should not be understated. Ethiopia has managed to be one of the few developing nations to take greater charge of their own development trajectory and has experienced notable success in this regard. Their HDI and CPIA scores have documented notable success in key sectors such as health, education, trade, and social inclusion and equity. While they still have progress to make on their current debt situation and require an overhaul in governance, their recent history in development has shown promise. Ethiopia has made major strides in life expectancy, the growth in individual purchasing power, and in their poverty rates which have dropped from 44 percent in 2000 to 23.5 percent in 2018.[586] While such success is

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[580] Ibid.
[581] Ibid., 283.
[582] Ibid.
[583] Sebastian Horn, Carmen M Reinhart, and Christoph Trebesch, "China's Overseas Lending." *Journal of International Economics* 133 (2021): 2, and 6; and Fei su Jingdong yuan, and Xuwan Ouyang, "China's Evolving Approach to Foreign Aid," SIPRI Policy Paper no. 62 (May 2022), 1, 4, and 18. https://www.sipri.org/sites/default/files/2022-05/siprípp62.pdf
[584] Mario Esteban, and Iliana Olivié, "China and Western Aid Norms in the Belt and Road: Normative Clash or Convergence? A Case Study on Ethiopia," *The Journal of Contemporary China* 31 no. 134 (2022): 283.
[585] Ibid., 284.
[586] Yinager Dessie and Ahunna Eziakonwa-Onochie, "Ethiopia, National Human Development Report 2018: Industrialization with a Human Face," *United Nations Development Programme* (2018), V, https://hdr.undp.org/system/files/documents/ethiopianationalhumandevelopmentreport2018.pdf

important, it is equally important that Ethiopia continues to focus on their development as their progress can be undone. As noted by the UNDP:

> Poverty studies in [Ethiopia] show that even if the poor are able to escape poverty for a substantial period of time, they are extremely vulnerable to slip back into poverty. This is especially true after shocks, such as drought and the death of the head of the household. Such persistence in poverty is related to a lack of structural transformation in agriculture and institutions, as well as inadequate asset accumulation.[587]

The key lies in the continuation of technical and vocational education and training in order to build up a strong resilient industrialized economy.[588] Moreover as climate change continues to become a larger issue Ethiopia must continue to diversify away from its prominent agricultural sector as this puts Ethiopia's economy in an untenable state.[589] With the current level of aid coming in from the PRC and the West, and with both sides seemingly adjusting their development assistance, Ethiopia has a promising period of development ahead.

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[587] Ibid., 9.
[588] Ibid., 4.
[589] Habtamu Tesfaye Edjigu, Solomon Tilahun Mengistu, Kiflu Gedefe Molla, "Improving Ethiopia's Resilience to Trade Shocks: Lessons from AGOA Suspension," *Ministry of Finance Ethiopia* (August 2023), 22 https://www.mofed.gov.et/media/filer_public/3d/d0/3dd0faac-663d-4fcc-bbe0-fe7bf32fb086/improving_resilience_to_trade_shocks_in_ethiopia_final_1.pdf

Chapter Five: Democratic Republic of the Congo

The Democratic Republic of the Congo (DRC) is a case of development that has been rife with conflict and instability since the DRC's independence in 1960. Ever since independence the DRC has been reliant on external aid. Throughout the Cold War the DRC relied on Western assistance, both humanitarian and development, but continued to struggle with development efforts due to instability and debt problems. Moreover, the DRC was, throughout the Cold War, an extremely underdeveloped nation insofar as the state of infrastructure e and its economy. Following the end of the Cold War the West's strategic interest in the DRC dissipated and thus there was a reduction of aid to the DRC. Moreover, the DRC suffered from IMF and World Bank (WB) policies through their SAP. While the SAP of the IMF and WB saw success in other African countries during the same time period the DRC's experience was negative as they also suffered from austerity, corruption, and debt instability. The result of these compounding issues was economic calamity in 1994. This crisis among several others throughout the 1990s led the international community to shift their development effort in the 1990s and the early 2000s towards humanitarian assistance. This resulted in little development to occur in the 1990s which also stalled the PRC's development assistance entry into the DRC. All of this has resulted in the DRC to be one of the worst performing nations in the HDI across the World in addition to its poor performance in the AfDB CPIA. The amount of aid, in comparison to Ghana and Ethiopia, received by the DRC was considerably large. Despite such aid the development of the DRC has been modest and as of 2018 the DRC does not have a single CPIA score that is above the average in Africa meaning that the DRC has not been able to keep pace with the development of other African states. The common vernacular used to describe the development of the DRC has been insecure, unstable, and conflicted.[590] The following chapter delves into how the DRC has been able to improve their CPIA and HDI scores through the use of both PRC and Western assistance despite the consistent setbacks and barriers to development. As this chapter reveals, the DRC has been taken advantage of for its natural resources and suffers from a weak form of governance. The DRC has come to suffer from some debt instability, poor regional integration, and an inability to stabilize its territory for development. This case study explores how the development assistance competition between the PRC and the West are negatively impacted by a nation in consistent distress yet is still able to improve the material conditions within the DRC as outlined by the DRC's HDI and CPIA scores.

[590] Devon Curtis, "China and the Insecurity of Development in the Democratic Republic of the Congo (DRC)," *International Peacekeeping (London, England)*, *20* no. 5 (2013): 551–569; Sarah von Billerbeck, and Oisín Tansey, "Enabling autocracy? Peacebuilding and post-conflict authoritarianism in the Democratic Republic of Congo," *European Journal of International Relations*, *25* no. 3 (2019), 698–722; and Gracelin Baskaran, "Building Critical Minerals Cooperation Between the United States and the Democratic Republic of the Congo," *Center for Strategic and International Studies*, March 2025, accessed March 2025, https://www.csis.org/analysis/building-critical-minerals-cooperation-between-united-states-and-democratic-republic-congo

Map 4: Democratic Republic of the Congo[591]

5.1 Background on the State of the DRC

Like the previous two states examined, the contemporary history of the Democratic Republic of Congo (DRC) is deeply rooted in the destabilizing impacts of European colonialism including the Transatlantic slave trade. The origins of what is now the DRC can be linked back to the ascension of King Leopold II of Belgium in 1865. Leopold II's desire to expand Belgium territory led the King to personally acquire the territory surrounding the Congo River basin, known as the Congo Free State.[592] Until the 1870s Europeans had not explored much of Central

[591] "Democratic Republic of the Congo - Map and Satellite Image," *Geology.com*, accessed March 2025, https://geology.com/world/democratic-republic-of-the-congo-satellite-image.shtml
[592] Guy Vanthemsche, *Belgium and the Congo, 1885-1980*, edited by Kate Connelly. Translated by Alice Cameron and Stephen Windross. (Cambridge: Cambridge University Press 2012), 17-18.

Africa beyond coastal trade and settlement. Leopold II sought to exploit this by hiring explorers to venture to the Congo and set up a base of operations to establish a Belgian trade monopoly.[593] Since France also eyed the territory Leopold realized he needed to seize the territory itself. In essence, Leopold II was the sole owner of the *État indépendant du Congo* (Congo Free State).

Ironically and tragically, Leopold II's gambit to control the Congo was a commitment to abolish the slave trade. As noted by historian Guy Vanthemsche "Leopold's anti-slavery campaigns were simply a means of establishing trade and political domination in the heart of Africa … the Congo Free State authorities immediately introduced other forms of coercion and forced labour."[594] Overall, Leopold II's rule over Free Congo was one of brutal exploitation. Leopold II oversaw "the destruction of villages, summary executions, hostage taking and various types of corporal punishment" all with the goal of increasing productivity.[595] By the turn of the 20th century these horrific practices gained international criticism forcing Leopold II to initiate a commission of inquiry into his rule over the Free Congo. Against all odds, the inquiry affirmed the accusations against him in 1908 and led to the Belgian state to assume the administration of the Free Congo [596]

Following the annexation of the Congo territory, Belgium made significant capital investments as they believed the Congo could be a major economic power within Africa.[597] As in all of the other colonial examples in this study, Belgian investment in the Congo focussed on infrastructure modernization such as roads, railways, ports, and mining facilities and equipment to facilitate Belgian exploitation of Congolese exports, including copper, cobalt, industrial diamonds, uranium, gold and tin.[598] Following the Second World War, the Belgian Congo experienced unprecedented economic and social development including significant improvements in education, and healthcare; all of which the Belgium government highlighted when arguing their case to retain the Congo's status as a Belgian colony .[599]

Despite such success, the Belgians were slow to allow any degree of political autonomy among the Congolese.[600] Only in the mid-1950s did Belgium institute a number of development policies and political reforms that it hoped would satisfy the aspirations of a growing Congolese urban middle class. However, the limits of the reforms coupled with the growing tide of decolonization across the continent led to stronger calls for immediate self-government.[601] This culminated in 1959 when violence and revolts broke out which took the Belgians by surprise and pushed the issue of colonial rule of Congo to the front in domestic politics in Belgium.[602] Given the political and economic costs involved in reasserting Belgian rule, the Belgian government

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593 Guy Vanthemsche, *Belgium and the Congo, 1885-1980*, edited by Kate Connelly. Translated by Alice Cameron and Stephen Windross. (Cambridge: Cambridge University Press 2012), 19-20.
594 Ibid., 22.
595 Ibid., 23.
596 The decision to affirm the accusations against Leopold II was seen as a political maneuver by the Belgium government as Leopold II endeavors were harming the state politically and financially as Leopold II was utilizing state resources for his own personal colonial 'project'. See, Guy Vanthemsche, *Belgium and the Congo, 1885-1980*, edited by Kate Connelly. Translated by Alice Cameron and Stephen Windross. (Cambridge: Cambridge University Press 2012), 20-26.
597 Guy Vanthemsche, *Belgium and the Congo, 1885-1980*, edited by Kate Connelly. Translated by Alice Cameron and Stephen Windross. (Cambridge: Cambridge University Press 2012), 29.
598 Ibid., 29-30.
599 Ibid., 30-31.
600 Herbert Weiss, "The Congo's Independence Struggle Viewed Fifty Years Later," *African Studies Review* 55 no. 1 (2012): 112-113.
601 Ibid., 112.
602 Guy Vanthemsche, *Belgium and the Congo, 1885-1980*, edited by Kate Connelly. Translated by Alice Cameron and Stephen Windross. (Cambridge: Cambridge University Press 2012), 32.

ultimately decided to concede their claim to the Congo, paving the way for Congolese independence. Belgian politicians were adamant that their role and influence towards Congo's independence would not follow the actions of the French in Algeria, thus aiming for a more peaceful transition to independence. Therefore, a drawn-out contest with nationalist forces was to be "avoided at all cost."[603]

Within weeks of independence, however, the Congolese Army mutinied against their Belgian commanders. Soon violence spread beyond the army to attacks on Belgian and other European nationals.[604] Belgium responded quickly by sending troops to the Congo against the wishes of the newly independent state. The Congolese responded by calling upon the United Nations to send peacekeepers while Belgian soldiers were removed. Complicating matters was the dissolution of the Congolese state with the provinces of Katanga and South Kasai declaring independence.[605] The fear among Western powers was that the Soviet Union would exploit the chaos in the Congo for their own benefit.[606] Like many newly independent post-colonial governments, Prime Minister Lumumba leaned towards the left and sought support from the USSR.[607] The result was the US political pivot in supporting Colonel Joseph Mobutu's bid for power in the Congo.[608] With US support, Colonel Mobutu deposed Lumumba, taking him hostage and subsequently killing him.[609] This set of actions by the US would set the Congo on a path of domestic instability and decades of hardship.

In the meantime, UN peacekeeping operations known as United Nations Operation in the Congo (ONUC) operated in the Congo until 1964. One of the largest UN peacekeeping missions ever, with more than 20,000 soldiers, ONUC, was able to stabilize the political and economic conditions in the newly formed independent state. However, it was not an easy mission. Foreshadowing conflicts that continue to plague the DRC, UN peacekeepers had to launch military offensives against secessionist and other militant forces some of whom had taken aid workers hostage.[610] Towards the end of the UN peacekeeping mission, UN operations in the Congo shifted towards civilian aid. While ONUC received its fair share of criticism it did help prevent a destructive civil war, repair and maintain the Congo's territorial integrity, and uplift political independence.

However, since ONUC the history of the Congo has been a telling story of instability and neo-colonialism. This era began with the accession to power of Colonel Joseph Mobutu and

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[603] Herbert Weiss, "The Congo's Independence Struggle Viewed Fifty Years Later," *African Studies Review* 55 no. 1 (2012): 111.

[604] Guy Vanthemsche, *Belgium and the Congo, 1885-1980*, edited by Kate Connelly. Translated by Alice Cameron and Stephen Windross. (Cambridge: Cambridge University Press 2012), 202.

[605] "The Congo, Decolonization, and the Cold War, 1960–1965," *The Office of the Historian, Foreign Service Institute United States Department of State*, accessed March 2025, https://history.state.gov/milestones/1961-1968/congo-decolonization

[606] Guy Vanthemsche, *Belgium and the Congo, 1885-1980*, edited by Kate Connelly. Translated by Alice Cameron and Stephen Windross. (Cambridge: Cambridge University Press 2012), 202.

[607] "The Congo, Decolonization, and the Cold War, 1960–1965," *The Office of the Historian, Foreign Service Institute United States Department of State*, accessed March 2025, https://history.state.gov/milestones/1961-1968/congo-decolonization

[608] Ibid.

[609] Guy Vanthemsche, *Belgium and the Congo, 1885-1980*, edited by Kate Connelly. Translated by Alice Cameron and Stephen Windross. (Cambridge: Cambridge University Press 2012), 203.

[610] Alanna O'Malley, "The Simba Rebellion, the Cold War, and the Stanleyville Hostages in the Congo," *Journal of Cold War Studies*, *23* no. 2 (2021): 75-76; and F. E. Wagoner, *Dragon Rouge: the rescue of hostages in the Congo*, (National Defense University, Research Directorate 1981), 1.

the transformation of the Congo to the Democratic Republic of the Congo (DRC).[611] The Mobutu regime was one of suffering and violence. Mobutu's leadership was marked by significant human rights violations, political repression, and corruption.[612] As a staunch Cold War ally the United States and other Western powers largely ignored Mobutu's crimes.[613] Following the end of the Cold War the US pressured Mobutu to adopt internationally established liberal forms of governance. They also supported exile forces in Zaire (another name for DRC) and surrounding states to overthrow him. These forces united under the leadership of Laurent-Désiré Kabila who led the unified Rwandan and Ugandan armies known as the Alliance of Democratic Forces for the Liberation of Congo-Zaire (AFDL) to overthrow Mobutu during the First Congo War in 1996.

Kabila named himself President of the DRC in 1997 and ruled as such until his assassination in 2001 when his son - Joseph Kabila (Kabila Jr) was named his successor. The governance of Kabila was short-lived as his time in office only saw 15 months of peace until his former allies in Rwanda and Uganda turned against him in a joint effort known as the Rally for Congolese Democracy (RCD) and started the Second Congo War in 1998.[614] This renewed conflict garnered international attention resulting in the second UN intervention in Congo. The UN mission in the DRC in 1999 was founded under UNSC resolution 1279 and later expanded under UNSC resolution 1291 which set out the UN force to monitor and eventually enforce the 1999 Lusaka Ceasefire Agreement.[615] The United Nations Mission in the Democratic Republic of Congo (MONUC) was a relative success as the UN mission stabilised the conflict enough for a peace plan that led to a transitional government.[616]

Eventually in 2006 the DRC saw its first multi party elections under the supervision of the international community, namely the UN, which resulted in Kabila Jr victory.[617] Kabila Jr won re-election in 2011 and eventually stepped down in 2018 which saw Félix Tshisekedi assume the office of President of DRC, marking the first peaceful transition of power in the DRC.[618] With regards to the UN's involvement in the DRC since 2006, the MONUC continued to operate in the DRC until 2010 when the UNSC passed resolution 1925 which saw the mission renamed to United Nations Organization Stabilization Mission in the Democratic Republic of the Congo (MONUSCO), signalling the transition in the mission towards stabilisation efforts rather

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[611] There was a period of time when the DRC was renamed and referred to as the Republic of Zaire at the behest of Colonel Mobutu in 1971. The name would then revert back to the DRC in 1997 following the collapse of the Mobutu regime.

[612] Bob W. White, "The Political Undead: Is It Possible to Mourn for Mobutu's Zaire?" *African Studies Review* 48 no. 2 (2005): 67-69; and U.S. Department of State, "Democratic Republic of the Congo Country Report on Human Rights Practices for 1997," *Bureau of Democracy, Human Rights, and Labor*, (January 1998), https://1997-2001.state.gov/global/human_rights/1997_hrp_report/congodr.html

[613] Congressional Research Service, "Democratic Republic of Congo: Background and U.S. Relations," *United States Congressional Research Service* (Updated March 2022), 3. https://www.congress.gov/crs-product/R43166.

[614] Jason K. Stearns, *The War That Doesn't Say Its Name: The Unending Conflict in the Congo*, (Princeton; Princeton University Press 2022), 33-34.

[615] United Nations Security Council (UNSC) Resolution 1279 (30 November 1999) UN Doc S/RES/1279, https://digitallibrary.un.org/record/384901?ln=en; and United Nations Security Council (UNSC) Resolution 1291 (24 February 2000) UN Doc S/RES/1291, https://digitallibrary.un.org/record/408364?ln=en&v=pdf.

[616] Jason K. Stearns, *The War That Doesn't Say Its Name: The Unending Conflict in the Congo*, (Princeton; Princeton University Press 2022), 38-39.

[617] Ibid., 41-43.

[618] Félix Tshisekedi victory in the 2018 election was disputed by both his opponent and election observers but ultimately was deemed to be the victor in the race. See, Jason K. Stearns, *The War That Doesn't Say Its Name: The Unending Conflict in the Congo*, (Princeton; Princeton University Press 2022), 38.

than quelling active conflict.[619] MONUSCO is currently an active mission today. As the continued presence of peacekeepers suggests violence in the DRC has never really ended. Various rebel and armed groups such as the National Congress for the Defence of the People (CNDP) and the March 23 Movement (M23) have sparked rebellions against the lawful DRC government.[620] Despite the decrease in frequency in violence in the DRC, acts of violence impacting international relations between states and the DRC still occur with the latest examples being the killing of the Italian ambassador to the DRC and his bodyguard and the territorial contentions between the DRC and Rwanda in 2025.[621] The Congo has been plagued with international, regional, and domestic conflict since the early 1900s and as such has severely impacted its development, making the state of the DRC one of the states most in need of assistance.

5.2 An Overview of Aid to, and Development of, the DRC from 1960 to 1990

Like other newly independent African states, the DRC was a major recipient of development assistance throughout the Cold War. During the Congo Crisis between 1960 and 1965 nearly all aid was humanitarian and was related to the ongoing conflict; assistance projects aimed at long term development were largely not possible at this time. The vast majority of development assistance, particularly ODA, from the DAC came from Belgium and this remained the case until the 1980s with the US being the second largest contributor.[622] For the US, the DRC was seen as a litmus test for their credibility in Africa during the Cold War and as such there was great efforts to ensure that the Congo did not fall to the Soviets such as was the case with Algeria.[623] The relationship between the West, with the exception of France and Belgium, and the DRC was very much transactional. As a result, aid to the DRC was uncoordinated, and mainly directed to economic stimulus, humanitarian aid, and military aid.[624]

Under Mobutu's rule the DRC did undergo some development efforts, but all fell short due to corruption. Following the Congo Crisis, the IMF, and World Bank in 1967 provided aid to

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619 United Nations Security Council (UNSC) Resolution 1925 (28 May 2010) UN Doc S/RES/1925, https://digitallibrary.un.org/record/683422?ln=en

620 Jason K. Stearns, *The War That Doesn't Say Its Name: The Unending Conflict in the Congo*, (Princeton; Princeton University Press 2022), 38, 121-122, and 142-145.

621 Secretary-General Strongly Condemns Italian Ambassador's Killing, with 3 Others, in Democratic Republic of Congo, *United Nations Meetings Coverage and Press Releases*, 22 February 2021, https://press.un.org/en/2021/sgsm20593.doc.htm; and Damian Zane, "What's the fighting in DR Congo all about?" *BBC* February 2025. https://www.bbc.com/news/articles/cgly1yrd9j3o

622 Organization for Economic Co-operation and Development, "Aid (ODA) disbursements to countries and regions [DAC2A]," *OECD Data Explorer,* accessed March 2025, [Filters (1) Donor: DAC Countries; Belgium; France; United States (2) Recipient: Democratic Republic of the Congo (3) Measures: Official Development Assistance Disbursements; ODA Grants Disbursements; Debt Forgiveness; ODA Loan Repayments; Recoveries on Grants; Technical Cooperation Disbursements; Development Food Aid; Humanitarian Aid (4) Unit of Measure: US Dollar (5) Price Base: Constant Prices (6) Time Period: 1960-2022] https://data-explorer.oecd.org/vis?fs[0]=Topic%2C1%7CDevelopment%23DEV%23%7COfficial%20Development%20Assistance%20%28ODA%29%23DEV_ODA%23&pg=0&fc=Topic&bp=true&snb=11&df[ds]=dsDisseminateFinalDMZ&df[id]=DSD_DAC2%40DF_DAC2A&df[ag]=OECD.DCD.FSD&df[vs]=1.0&pd=1960%2C2022&dq=FRA%2BUSA%2BBEL%2BDAC.COD.219%2B205%2B201%2B206%2B207%2B212%2B213%2B216.USD.Q&to[TIME_PERIOD]=false&vw=tb

623 John Kent, "The Neo-colonialism of Decolonisation: Katangan Secession and the Bringing of the Cold War to the Congo," *Journal of Imperial and Commonwealth History*, *45*no. 1 (2017), 104.

624 Raynee Gutting, and Martin C Steinwand, "Donor Fragmentation, Aid Shocks, and Violent Political Conflict," *The Journal of Conflict Resolution* 61 no. 3 (2017): 644-646; and David J. Gould, "The Problem of Seepage in International Development Assistance: Why United States Aid to Zaire Goes Astray," *Civilisations* 29 no. 3 (1979): 254-256.

the Congo through a reform program which saw the transfer of funds in order to restore the private sector with the hope of a quick economic recovery.[625] The second attempt came in 1983. Following a drastic currency devaluation, the Congo sought to liberalise their exchange rate and to solve its debt crisis.[626] The plan was abandoned in 1985 as the debt situation was unstable and the Congolese government sought alternative approaches. For reference "debt to GDP ratio increased from about 60 percent on average in 1975-78 to about 120 percent in 1985."[627] The debt burden that plagued the DRC since the mid-1970s has impacted development efforts by the West. In essence, the Cold War era saw immense pressures from the West on Mobutu to remain in control of the Congo but in doing so the West turned a blind eye towards Mobutu's human rights violations and corruption.[628] The IMF and World Bank attempted to ease the DRC's financial crisis but in doing so they inadvertently made the situation worse thus causing a rift between the DRC and development partners for years to come.

5.3 Western and PRC Development Aid Policies in the DRC since 1990.

5.3.1 Western Development Assistance Policies 1990 to 2018

Following the end of the Cold War Western aid to the DRC quickly changed as did the relations between Mobutu's government and the West. Once the Cold War ended, so did the US' need for Mobutu. This can be directly seen in the DAC ODA commitments in the early 1990s. For instance, in 1990 the ODA commitments to the DRC was $919 million (USD constant 2022). But in 1991 the commitments from the DAC were cut in nearly half to $512 million (USD constant 2022), which continued to decrease to $240 million in 1992 and then to $146 million in 1993 (see Appendix C).[629]

Despite Mobutu's corruption and violation of human rights, Western aid policy was also a causal factor in the DRC's development setbacks. The principal issue with Western development policy came with the IMF's and the World Bank's structural adjustment programs (SAPs). The basic outline of SAPs in Africa, and the DRC, throughout the 1980s and 1990 was to threefold: increase revenues; increase FDI; and liberalise the economy while maximizing existing economic riches - such as oil, minerals, agriculture, and lumber.[630] The essence of the

[625] Gilbert Kiakwama, and Jerome Chevallier, "Aid and Reform: The Case of the Democratic Republic of the Congo," *Development Research Group of the World Bank*, accessed March 2025, 9. https://documents1.worldbank.org/curated/en/481111468025777429/pdf/357260ZR0Aid010reform0congo2.pdf
[626] Ibid.
[627] Ibid.
[628] Bob W. White, "The Political Undead: Is It Possible to Mourn for Mobutu's Zaire?" *African Studies Review* 48 no. 2 (2005): 67-69; and U.S. Department of State, "Democratic Republic of the Congo Country Report on Human Rights Practices for 1997," *Bureau of Democracy, Human Rights, and Labor*, (January 1998), https://1997-2001.state.gov/global/human_rights/1997_hrp_report/congodr.html
[629] Organization for Economic Co-operation and Development, "Aid (ODA) disbursements to countries and regions [DAC2A]," *OECD Data Explorer,* accessed March 2025, [Filters (1) Donor: DAC Countries (2) Recipient: Democratic Republic of the Congo (3) Measures: Official Development Assistance Disbursements; ODA Grants Disbursements; Debt Forgiveness; ODA Loan Repayments; Recoveries on Grants; Technical Cooperation Disbursements; Development Food Aid; Humanitarian Aid (4) Unit of Measure: US Dollar (5) Price Base: Constant Prices (6) Time Period: 1990-2022] https://data-explorer.oecd.org/vis?fs[0]=Topic%2C1%7CDevelopment%23DEV%23%7COfficial%20Development%20Assistance%20%28ODA%29%23DEV_ODA%23&pg=0&fc=Topic&bp=true&snb=11&df[ds]=dsDisseminateFinalDMZ&df[id]=DSD_DAC2%40DF_DAC2A&df[ag]=OECD.DCD.FSD&df[vs]=1.0&pd=1990%2C2022&dq=DAC.COD.219%2B205%2B201%2B206%2B207%2B212%2B213%2B216.USD.Q&to[TIME_PERIOD]=false&vw=tb
[630] Theodore Trefon, Van Hoyweghen Saskia, and Stefaan Smis, "Editorial: State Failure in the Congo: Perceptions & Realities," *Review of African Political Economy* 29 no. 93-94 (2002): 381-383; *Congo - Structural Adjustment*

third principle in relation to the DRC was maximising the exploitation of its critical natural resources such as diamonds, cobalt, and copper.

The issues with the SAPs in the DRC in the 1980s and 1990s are too numerous to list. The main problems can be boiled down to three things: austerity, corruption, and debt. First the issue with austerity was that the IMF and World Bank wanted the DRC to increase revenues through increased taxation.[631] However, the fragility of the DRC's economy led it to collapse between 1992 and 1994 when mass inflation and currency devaluation shattered the DRC's economy. For reference the DRC saw consumer price inflation of 23,773 percent in 1994 (see Figure 36). The main causes of this crippling inflation were political instability, corruption, overprinting of money to pay back debts, the refugee crisis caused by the Rwandan genocide, the decline in copper prices, the decline of revenue from mining, international sanctions placed on the DRC. The final issue was the reduction of Western aid forcing Mobutu's to cover the expenses that the West had been funding since the 1970s.[632] Corruption was also a major problem both in terms of inflation but more specifically with the SAPs. This was due to the fact that the privatization of the DRC's economy, as directed by the SAPs, did not account for Mobutu's corruption and the result was Mobutu's inner circle taking control of state sectors and enriching themselves.[633] Lastly with regards to debt, the SAPs direct Mobutu's government to start decreasing its debt burden and as such resources were directed away from other programs, health, education, and infrastructure projects.[634] The result was Mobutu needing to seek additional revenue through taxation and printing money; leading to an exacerbated devaluation of the DRC's currency and mass inflation as noted above.

Program Project (English), Washington, D.C. : World Bank Group (1987), 11. http://documents.worldbank.org/curated/en/185901468019206371; and Bernardin Akitoby and Matthias Cinyabuguma, "Sources of Growth in the Democratic Republic of the Congo: A Cointegration Approach," *International Monetary Fund Working Paper 04-114* (July 2004), 7. https://www.imf.org/external/pubs/ft/wp/2004/wp04114.pdf

[631] Bernardin Akitoby and Matthias Cinyabuguma, "Sources of Growth in the Democratic Republic of the Congo: A Cointegration Approach," *International Monetary Fund Working Paper 04-114* (July 2004), 7. https://www.imf.org/external/pubs/ft/wp/2004/wp04114.pdf; and Gabi Hesselbein, "The Rise and Decline of the Congolese State: An Analytical Narrative on State Making," *Crisis States Research Centre Working Paper* no .21 (November 2007), 35-37.

[632] Bernardin Akitoby, "Empirical Evidence of the Sources of Hyperinflation and Falling Currency" in *Postconflict Economics in Sub-Saharan Africa, Lessons from the Democratic Republic of the Congo* edited by Mr. Jean A. P. Clément, International Monetary Fund (07 Feb 2005), 226-229; and Center for Preventive Action, "Conflict in the Democratic Republic of Congo," *Council on Foreign Relations Global Conflict Tracker*, (March 2025), https://www.cfr.org/global-conflict-tracker/conflict/violence-democratic-republic-congo#:~:text=Since%201996%2C%20conflict%20in%20eastern,organizing%20militias%20within%20the%20Congo.

[633] Gabi Hesselbein, "The Rise and Decline of the Congolese State: An Analytical Narrative on State Making, *Crisis States Research Centre Working Paper* no .21 (November 2007), 4.

[634] Ibid., 31-35.

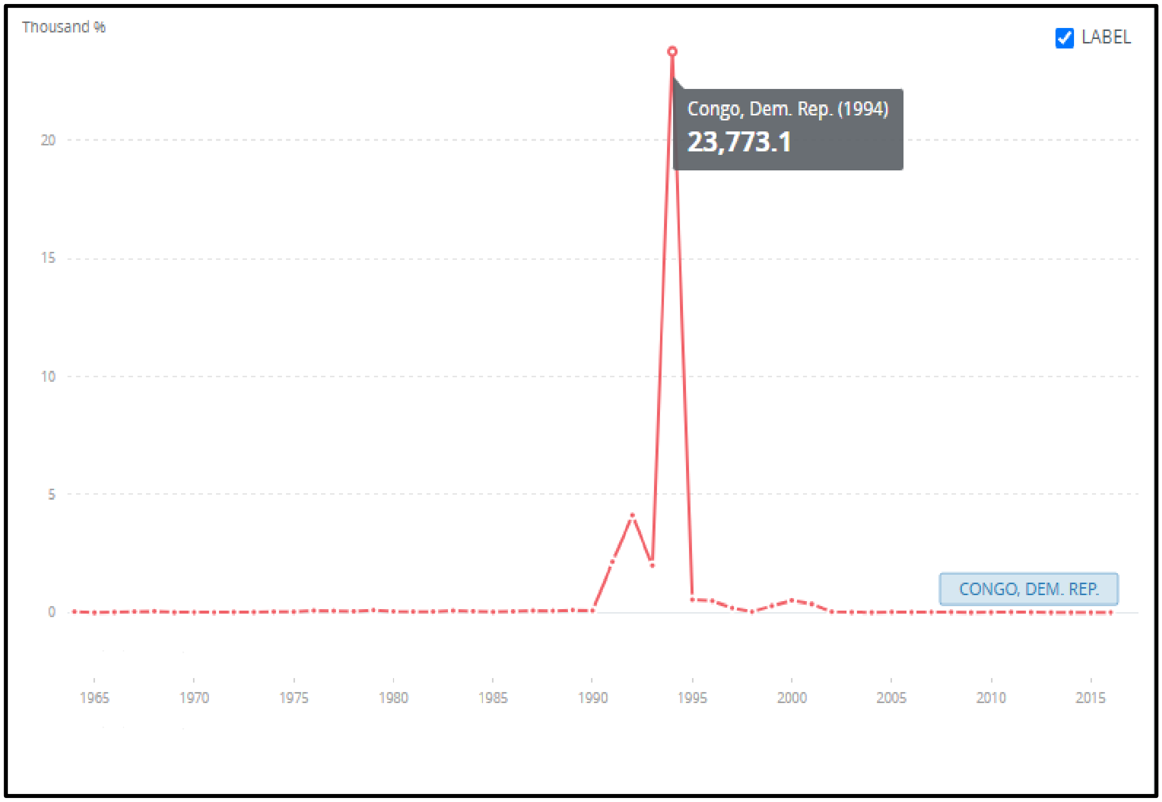

Figure 36: DRC Annual Consumer Price Interest Rate (1965 to 2016)[635]

Western aid in the DRC was cut off in the early 1990s. It remained low despite the refugee crisis and the First Congo War. The Rwandan genocide in 1994 saw millions of internally displaced persons seek refuge in other countries, including the DRC. Thus in 1994 over a million Rwandan refugees crossed into the DRC borders.[636] The influx of refugees led to an absolute crisis in the DRC and crippled the government, particularly in the eastern provinces. The inability of the DRC government to respond worsened Mobutu's influence and brought his government to its heels. The influx of the refugees also included thousands of militia men who formed armed groups and, in essence, took over the eastern region of the DRC sparking ethnic tensions.[637] The rise in tensions and worsening of conditions for both the refugees and the

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635 World Bank Group, "Inflation, consumer prices (annual %) - Congo, Dem. Rep," *International Monetary Fund, International Financial Statistics and data files*, accessed March 2025, https://data.worldbank.org/indicator/FP.CPI.TOTL.ZG?locations=CD&name_desc=true

636 Kimberly Curtis, "Rwanda's Uncertain Path to Reconciliation," *UN Dispatch* (April 2014) https://undispatch.com/rwandas-uncertain-path-to-reconciliation/; "Last Group of Rwandans in Tanzania Return Home, UN Refugee Agency Says," *UN News* (January 2003), https://news.un.org/en/story/2003/01/55582; Dominique Legros, Christophe Paquet, and Pierre Nabeth, "The Evolution of Mortality Among Rwandan Refugees in Zaire Between 1994 and 1997," in *Forced Migration & Mortality* edited by H.E. Reed, C.B. Keely. National Research Council (US) Roundtable on the Demography of Forced Migration (Washington (DC): National Academies Press (US); 2001), 52.

637 Dominique Legros, Christophe Paquet, and Pierre Nabeth, "The Evolution of Mortality Among Rwandan Refugees in Zaire Between 1994 and 1997," in *Forced Migration & Mortality* edited by H.E. Reed, C.B. Keely. National Research Council (US) Roundtable on the Demography of Forced Migration (Washington (DC): National Academies

Congolese people resulted in the First Congo War. This war was short, lasting only a year, yet resulting in the death of hundreds of thousands of people and the displacement of hundreds of thousands more.[638] While this was occurring Western development assistance remained limited at just over $150 million (USD constant 2022).[639] Most of the ODA from the DAC during the Rwandan refugee crisis and the First Congo War focussed on the health sector and humanitarian efforts.[640] There was no focussed Western development aid policy for the DRC in the 1990s, as development was simply just not possible under such chaos.

The subsequent Second Congo war also led impaired Western aid efforts.[641] What assistance that did arrive was directed to humanitarian efforts with limited to few funds directed towards long term development projects.[642] The main effort from the West came with the UN mission MONUSCO which sought to "to monitor the implementation of the Ceasefire Agreement and investigate violations of the ceasefire" and notably authorized UN military personnel to "protect civilians under imminent threat of physical violence" and to "facilitate humanitarian assistance and human rights monitoring" among several other mandates.[643] The Second Congo War was brutal and saw the assassination of Kabila and the rise of his son Kabila Jr in 2001. Kabila Jr managed to bring the war to an end with a relative DRC victory all the while

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Press (US); 2001), 52; and Joanne Richards, "Forced, Coerced and Voluntary Recruitment into Rebel and Militia Groups in the Democratic Republic of Congo," *The Journal of Modern African Studies* 52 no. 2 (2014): 304.

[638] "Democratic Republic of Congo: War against unarmed civilians," *Amnesty International* (November 1998), 24. https://www.amnesty.org/en/documents/afr62/036/1998/en/

[639] Organization for Economic Co-operation and Development, "Aid (ODA) disbursements to countries and regions [DAC2A]," *OECD Data Explorer,* accessed March 2025, [Filters (1) Donor: DAC Countries (2) Recipient: Democratic Republic of the Congo (3) Measures: Official Development Assistance Disbursements; ODA Grants Disbursements; Debt Forgiveness; ODA Loan Repayments; Recoveries on Grants; Technical Cooperation Disbursements; Development Food Aid; Humanitarian Aid (4) Unit of Measure: US Dollar (5) Price Base: Constant Prices (6) Time Period: 1990-2022] https://data-explorer.oecd.org/vis?fs[0]=Topic%2C1%7CDevelopment%23DEV%23%7COfficial%20Development%20Assistance%20%28ODA%29%23DEV_ODA%23&pg=0&fc=Topic&bp=true&snb=11&df[ds]=dsDisseminateFinalDMZ&df[id]=DSD_DAC2%40DF_DAC2A&df[ag]=OECD.DCD.FSD&df[vs]=1.0&pd=1990%2C2022&dq=DAC.COD.219%2B205%2B201%2B206%2B207%2B212%2B213%2B216.USD.Q&to[TIME_PERIOD]=false&vw=tb

[640] Organization for Economic Co-operation and Development, "Aid (ODA) disbursements to countries and regions [DAC2A]," *OECD Data Explorer,* accessed March 2025, [Filters (1) Donor: DAC Countries (2) Recipient: Democratic Republic of the Congo (3) Measures: Official Development Assistance Disbursements; ODA Grants Disbursements; Debt Forgiveness; ODA Loan Repayments; Recoveries on Grants; Technical Cooperation Disbursements; Development Food Aid; Humanitarian Aid (4) Unit of Measure: US Dollar (5) Price Base: Constant Prices (6) Time Period: 1990-2022] https://data-explorer.oecd.org/vis?fs[0]=Topic%2C1%7CDevelopment%23DEV%23%7COfficial%20Development%20Assistance%20%28ODA%29%23DEV_ODA%23&pg=0&fc=Topic&bp=true&snb=11&df[ds]=dsDisseminateFinalDMZ&df[id]=DSD_DAC2%40DF_DAC2A&df[ag]=OECD.DCD.FSD&df[vs]=1.0&pd=1990%2C2022&dq=DAC.COD.219%2B205%2B201%2B206%2B207%2B212%2B213%2B216.USD.Q&to[TIME_PERIOD]=false&vw=tb

[641] Gillian Mathys, "Bringing History Back In: Past, Present, and Conflict In Rwanda and the Eastern Democratic Republic of Congo," *Journal of African History* 58 no. 3 (2017): 471.

[642] Organization for Economic Co-operation and Development, "Aid (ODA) disbursements to countries and regions [DAC2A]," *OECD Data Explorer,* accessed March 2025, [Filters (1) Donor: DAC Countries (2) Recipient: Democratic Republic of the Congo (3) Measures: Official Development Assistance Disbursements; ODA Grants Disbursements; Debt Forgiveness; ODA Loan Repayments; Recoveries on Grants; Technical Cooperation Disbursements; Development Food Aid; Humanitarian Aid (4) Unit of Measure: US Dollar (5) Price Base: Constant Prices (6) Time Period: 1990-2022] https://data-explorer.oecd.org/vis?fs[0]=Topic%2C1%7CDevelopment%23DEV%23%7COfficial%20Development%20Assistance%20%28ODA%29%23DEV_ODA%23&pg=0&fc=Topic&bp=true&snb=11&df[ds]=dsDisseminateFinalDMZ&df[id]=DSD_DAC2%40DF_DAC2A&df[ag]=OECD.DCD.FSD&df[vs]=1.0&pd=1990%2C2022&dq=DAC.COD.219%2B205%2B201%2B206%2B207%2B212%2B213%2B216.USD.Q&to[TIME_PERIOD]=false&vw=tb

[643] United Nations Security Council (UNSC) Resolution 1291 (24 February 2000) UN Doc S/RES/1291, 4. https://digitallibrary.un.org/record/408364?ln=en&v=pdf.

solidifying the DRC's international partnerships and easing DRC's inflation down in 2002 (see Figure 37). The impact of the First and Second Congo Wars, however, was great with up to 5.4 million people dying due to the conflict.[644]

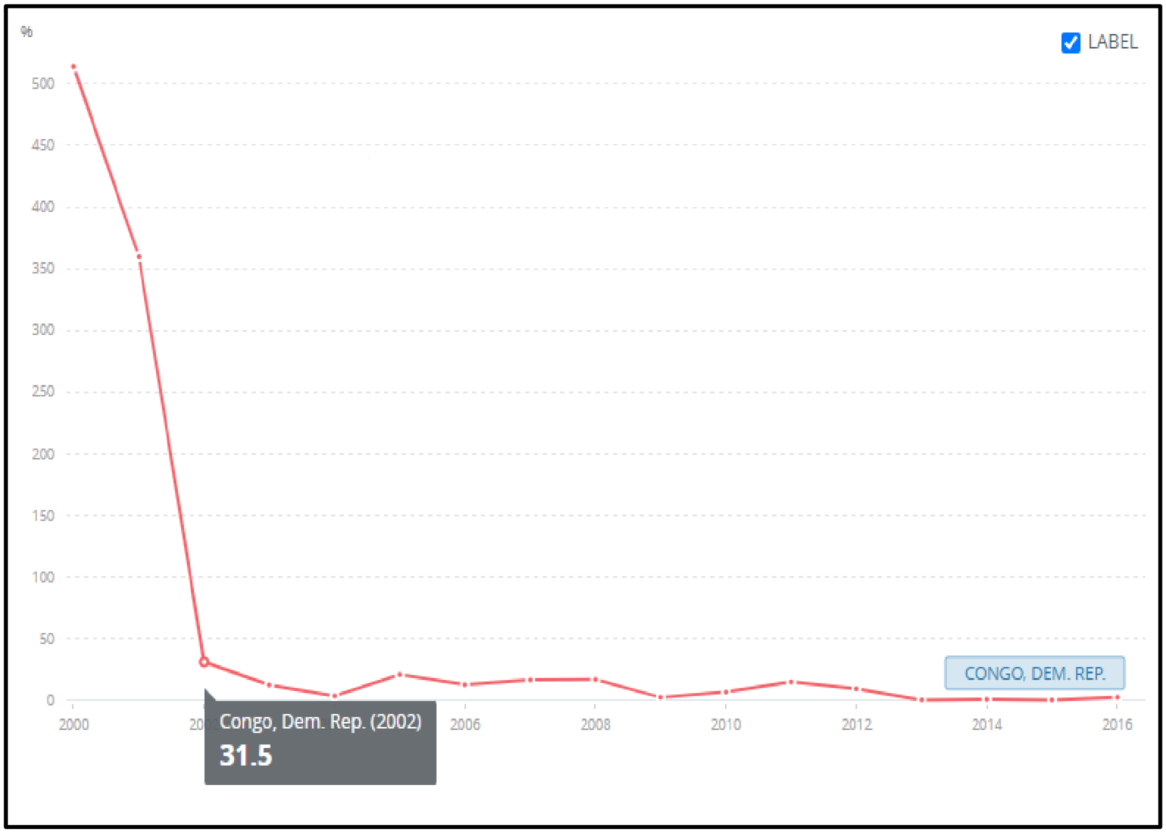

Figure 37: DRC Annual Consumer Price Interest Rate (2000 to 2016)[645]

Following the Second Congo War the West engaged in renewed development assistance efforts to the DRC. The main signal of this was the massive increase in ODA from the DAC starting in 2002 and 2003 (see Table 7). The decision to reinvest in the DRC was complicated. The West thought it was the right time to reinvest in development as inflation was increasingly under control, a transitional government was in place under Kabila Jr leadership, and, most importantly, the UN mission MONUSCO was ensuring security and providing necessary logistical support for the DAC and other international partners including non-governmental

[644] This number is greatly contested and the actual figure ranges from hundreds of thousands to 5.4 million depending on the timeframe they assess and the cause of death that is accepted. See "Democratic Republic of the Congo, 1996–Present," *United States Holocaust Memorial Museum* (last updated in November 2024), https://www.ushmm.org/genocide-prevention/countries/democratic-republic-of-the-congo/1996-present; and "Why is the Democratic Republic of Congo wracked by conflict?" *Amnesty International* (October 2024), https://www.amnesty.org/en/latest/campaigns/2024/10/why-is-the-democratic-republic-of-congo-wracked-by-conflict/

[645] World Bank Group, "Inflation, consumer prices (annual %) - Congo, Dem. Rep," *International Monetary Fund, International Financial Statistics and data files*, accessed March 2025, https://data.worldbank.org/indicator/FP.CPI.TOTL.ZG?end=2016&locations=CD&name_desc=true&start=2000&view=chart

organisations.[646] Despite the necessary conditions for the reintroduction of Western development assistance being in place, the Second Congo War devastated both the people and the infrastructure of the DRC. It would take a monumental effort by the West to lift the DRC from a near-failed state status to at least a stable nation capable of running basic levels of care and governance with assistance from NGOs and with financial support from foreign partners like the DAC. Therefore, the initial policy was to stabilize the nation and to focus on absolute minimum care development in health, education, and governance (see Appendix D) as one can delineate from the debt relief and humanitarian aid as noted in Table 7. The economy was not a critical worry insofar as development projects. The only exception to this was small amounts of aid in basic infrastructure such as roads, transportation, and power generation projects until around 2008 (see Appendix D). There was also a massive push by the DAC to relieve the DRC of its debt burden with support from the IMF and World Bank through the Heavily Indebted Poor Countries (HIPC) program.

Table 7: DAC Official Development Assistance to DRC 2001 to 2018 [USD, Millions, Constant Pricing 2022][647]

Time Period	Official development assistance (ODA), disbursements	ODA Grants, Disbursements	Debt Forgiveness	Technical Cooperation, Disbursements	Development food aid	Humanitarian aid
2001	242.03	248.39	17.11	77.45	5.42	98.08
2002	562.34	580.32	203.78	107.65	34.83	160.28
2003	6,758.84	6,426.34	5,956.44	151.9	5.65	201.68
2004	1,365.44	1,326.47	815.06	177.51	19.34	200.85
2005	1,056.12	783.56	161.57	216.46	12.9	253.49
2006	1,892.73	1,875.55	1,152.53	213.58	16.56	337.47
2007	829.63	843.17	133.15	109.98	14.99	304.84

[646] United Nations Security Council (UNSC) Resolution 1291 (24 February 2000) UN Doc S/RES/1291. https://digitallibrary.un.org/record/408364?ln=en&v=pdf; and United Nations Security Council (UNSC) Resolution 1925 (28 May 2010) UN Doc S/RES/1925. https://digitallibrary.un.org/record/683422?ln=en&v=pdf
[647] Organization for Economic Co-operation and Development, "Aid (ODA) disbursements to countries and regions [DAC2A]," *OECD Data Explorer,* accessed March 2025, [Filters (1) Donor: DAC Countries (2) Recipient: Democratic Republic of the Congo (3) Measures: Official Development Assistance Disbursements; ODA Grants Disbursements; Debt Forgiveness; Technical Cooperation Disbursements; Development Food Aid; Humanitarian Aid (4) Unit of Measure: US Dollar (5) Price Base: Constant Prices (6) Time Period: 2001-2018] https://data-explorer.oecd.org/vis?fs[0]=Topic%2C1%7CDevelopment%23DEV%23%7COfficial%20Development%20Assistance%20%28ODA%29%23DEV_ODA%23&pg=0&fc=Topic&bp=true&snb=11&df[ds]=dsDisseminateFinalDMZ&df[id]=DSD_DAC2%40DF_DAC2A&df[ag]=OECD.DCD.FSD&df[vs]=1.0&pd=2001%2C2018&dq=DAC.COD.201%2B206%2B207%2B212%2B213%2B216.USD.Q&to[TIME_PERIOD]=false&vw=tb

Time Period	Official Development Assistance (ODA), Disbursements	ODA Grants, Disbursements	Debt Forgiveness	Technical Cooperation, Disbursements	Development Food Aid	Humanitarian Aid
2008	993.88	989.23	6.54	145.81	36.9	443.22
2009	1,167.76	1,167.35	13.96	146.07	47.71	506.29
2010	2,429.03	2,441.07	1,266.7	202.88	42.21	389.92
2011	4,245.38	5,898.05	4,623.74	185.98	35.56	318.83
2012	1,685.25	1,694.86	555.01	146.99	62.38	322.71
2013	1,202.65	1,213.25	0.58	239.61	25.78	368.3
2014	1,192.99	1,224.52	25.04	245.1	59.15	340.03
2015	1,605.61	1,647.47	0.68	186.93	46.96	857.93
2016	1,095.13	1,129.81	0.29	176.17	26.76	296.17
2017	1,322.62	1,360.54	5.01	140.72	61.17	413.35
2018	1,459.15	1,471.79	0.21	91.1	99.06	483.52

The final shift in Western development policy in the DRC came following the PRC's introduction in development efforts of the DRC. When the PRC entered the DRC's development agenda the West started to ease the debt burden through additional debt relief measures (see Table 7). Additionally Western aid started to focus mainly on health and education as the belief was these two sectors, alongside governance, was key for the DRC following the end of the UN mission in 2010. The frame of logic was that through a healthy populus and an educated society the DRC could then shift its priorities towards structural economic change. Overall, Western aid after 2008 was somewhat reactive to PRC's development policy in the DRC. Despite the PRC's development assistance, the West maintained its main position on health, education, and governance.[648] Nonetheless Western aid up to 2018 has continued to be heavily directed towards humanitarian aid and efforts due to just how poorly the DRC is doing compared to the rest of the

[648] Organization for Economic Co-operation and Development, "CRS: Creditor Reporting System (flows) [cloud replica]," *OECD Data Explorer,* accessed March 2025, [Filters (1) Donor: DAC Countries (2) Recipient: Ghana; Ethiopia; Democratic Republic of the Congo; Africa (3) Sector: All Sectors; Education; Health; Government and Civil Society; Agriculture (4) Measure: Official Development Assistance (5) Channel: All Channels (6) Modality: All Modalities (7) Flow type: Disbursements (8) Price Base: Constant Prices (9) Time Period: 2002-2018] https://data-explorer.oecd.org/vis?tm=oda&pg=0&snb=62&vw=tb&df[ds]=dsDisseminateFinalCloud&df[id]=DSD_CRS%40DF_CRS&df[ag]=OECD.DCD.FSD&df[vs]=1.3&dq=DAC.COD%2BGHA%2BF%2BETH.311%2B110%2B120%2B150%2B1000.100._T._T.D.Q._T..&pd=1995%2C2018&to[TIME_PERIOD]=false&isAvailabilityDisabled=false&mdc[RECIPIENT]=ETH&mdc[SECTOR]=230&mdc[TIME_PERIOD]=2006&mdc[DONOR]=DAC&mdc[MEASURE]=100&mdc[CHANNEL]=_T&mdc[MODALITY]=_T&mdc[FLOW_TYPE]=D&mdc[PRICE_BASE]=Q

World. And this can be seen in greater detail below in the section discussing the DRC's HDI and CPIA scores.

5.3.2 PRC Developmental Aid Policies 1990 to 2018

As elsewhere in Africa, PRC development assistance to the DRC was negligible during the 1990s. In fact, most of the PRC's actions towards the DRC throughout the 1990s was directed towards diplomacy building. The PRC only loaned around $40 million to the DRC in late 1990s, which they cancelled following the 2003 debt relief efforts for the DRC.[649] The other major reason behind the lack of development assistance to the DRC from the PRC was the same reason given by the West; the DRC was not in a position in the 1990s to conduct and supervise development projects as there were two wars, an economic collapse, a refugee crisis, and mass starvation of the Congolese people. All these factors made any development assistance implausible, including such assistance from China.

Similarly political instability in the DRC discouraged PRC attention; China had other options for additional investment in Africa with far fewer risks, such as Angola.[650] As a result major development assistance to the DRC from the PRC did not start until 2006. Since 2006 onwards PRC has directed ever increasing assistance to the DRC mainly due to the presence of strategic resources such as cobalt, copper, and oil. China's interest in the DRC's cobalt coincides with its overall geopolitical strategy in Africa. China has spent over 150 billion dollars in Sub-Saharan Africa thus becoming a legitimate alternative to the West on the continent in development assistance.[651] For instance, in 2006 the PRC commenced a joint venture in the DRC for $121 million (USD constant 2021) to mine 26.1 million tons of copper and cobalt deposits.[652] The focus of investments in the DRC's cobalt and copper mines was purposeful as the PRC views these minerals as crucial to its industrial economy and its technological aspirations which is why they sought to control the majority share of cobalt mines in the DRC.[653] PRC mass investments in the DRC's cobalt and copper mining coincided with China's launch of the first

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[649] AfDB, "Democratic Republic of Congo: Completion Point Document Under the Enhanced JPIC Initiative," April 2011, 35. https://www.afdb.org/sites/default/files/documents/financial-information/drc-completion_point-en1ifm_final.pdf

[650] S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "Global Chinese Development Finance," (filters used: (1) Commitment year: 2000-2006), accessed March 2025, https://china.aiddata.org/#

[651] Robert Bociaga, "China's Africa Belt and Road Investment Drops as West Spends More," *Nikkei Asia*, March 25, 2023, https://asia.nikkei.com/Spotlight/Belt-and-Road/China-s-Africa-Belt-and-Road-investment-drops-as-West-spends-more; and Farrell Gregory and Paul J. Milas, "China in the Democratic Republic of the Congo: A New Dynamic in Critical Mineral," *Strategic Studies Insitute US Army War College*, October 2024, accessed March 2025, https://ssi.armywarcollege.edu/SSI-Media/Recent-Publications/Article/3938204/china-in-the-democratic-republic-of-the-congo-a-new-dynamic-in-critical-mineral/

[652] S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "COVEC provides $60 million supplier's credit to Gécamines," *Aid-Data: A Research Lab at William and Mary*, accessed March 2025, https://china.aiddata.org/projects/91886/

[653] Luca Maiotti and Benjamin Katz, "Interconnected supply chains: a comprehensive look at due diligence challenges and opportunities sourcing cobalt and copper from the Democratic Republic of the Congo," *OECD Centre for Responsible Business Conduct* (2019), 5. https://mneguidelines.oecd.org/Interconnected-supply-chains-a-comprehensive-look-at-due-diligence-challenges-and-opportunities-sourcing-cobalt-and-copper-from-the-DRC.pdf

mass produced plug-in electric cars in 2008.[654] The PRC, along with the rest of the world, benefited from the instability and lack of human rights in the DRC through the use of child labour and by leveraging the lack of regulations and rules in the DRC (e.g. the DRC's informal economy). Moreover, the DRC was the only clear choice of investment for the PRC as the DRC produces about 80 percent of the world's cobalt[655] of which PRC "state-owned enterprises and policy banks control 80 percent of the total output."[656] China owns five of the ten biggest cobalt mines in the World and of the ten, nine are located in the DRC.[657] The DRC is critical in the PRC's cobalt position on the global market as the PRC refines up to 90 percent of all cobalt within the global supply chain therefore making the DRC a critical part of the PRC's global economic position.[658]

Since 2006 the PRC's development assistance policy in the DRC has remained consistent with most of the development assistance devoted to the mining sector. In 2012 over fifty percent of exports from DRC went to the PRC; and within that percentage half of the exports were copper, twenty percent in cobalt, and twenty percent in crude petroleum.[659] The PRC also has given assistance to the DRC's communications, transportation, and energy infrastructure sectors just as with their other investments in Africa. Fundamentally, the PRC is following the same development plan for the DRC as with the rest of China's development assistance in Africa, using OOF (non-concessionary loans) to help developing nations develop necessary infrastructure to facilitate an export-led economy. This meant helping the DRC develop its oil, cobalt, and copper sectors.

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[654] China uses these minerals for key domestic technological projects. See, Luca Maiotti and Benjamin Katz, "Interconnected supply chains: a comprehensive look at due diligence challenges and opportunities sourcing cobalt and copper from the Democratic Republic of the Congo," *OECD Centre for Responsible Business Conduct* (2019), 5. https://mneguidelines.oecd.org/Interconnected-supply-chains-a-comprehensive-look-at-due-diligence-challenges-and-opportunities-sourcing-cobalt-and-copper-from-the-DRC.pdf

[655] World Bank, "Cobalt in the Democratic Republic of Congo," *The World Bank Group* (June 2021), 29. https://documents1.worldbank.org/curated/en/099500001312236438/pdf/P1723770a0f570093092050c1bddd6a29df.pdf

[656] Farrell Gregory and Paul J. Milas, "China in the Democratic Republic of the Congo: A New Dynamic in Critical Mineral Procurement," *Strategic Studies Insitute US Army War College* (October 2024) https://ssi.armywarcollege.edu/SSI-Media/Recent-Publications/Article/3938204/china-in-the-democratic-republic-of-the-congo-a-new-dynamic-in-critical-mineral/

"From Cobalt to Cars: How China Exploits Child and Forced Labor in the Congo," *Congressional-Executive Commission on China*, November 14, 2023, https://www.cecc.gov/events/hearings/from-cobalt-to-cars-how-china-exploits-child-and-forced-labor-in-the-congo

[657] "World's Ten Largest Cobalt Mines in 2020," Mining Technology, September 6, 2021, https://www.mining-technology.com/marketdata/ten-largest-cobalts-mines-2020-2/. In Farrell Gregory and Paul J. Milas, "China in the Democratic Republic of the Congo: A New Dynamic in Critical Mineral Procurement," *Strategic Studies Insitute US Army War College* (October 2024) https://ssi.armywarcollege.edu/SSI-Media/Recent-Publications/Article/3938204/china-in-the-democratic-republic-of-the-congo-a-new-dynamic-in-critical-mineral/

[658] Brian Deese and Jason Bordoff, "How to Break China's Hold on Batteries and Critical Minerals," *Foreign Policy*, October 4, 2023, https://foreignpolicy.com/2023/10/04/ev-electric-china-us-batteries-critical-minerals-energy-oil-renewable/. In Farrell Gregory and Paul J. Milas, "China in the Democratic Republic of the Congo: A New Dynamic in Critical Mineral Procurement," *Strategic Studies Insitute US Army War College* (October 2024) https://ssi.armywarcollege.edu/SSI-Media/Recent-Publications/Article/3938204/china-in-the-democratic-republic-of-the-congo-a-new-dynamic-in-critical-mineral/

[659] Alex Simoes, and Cesar A. Hidalgo, "The Economic Complexity Observatory: An Analytical Tool for Understanding the Dynamics of Economic Development," Workshops at the Twenty-Fifth AAAI Conference on Artificial Intelligence, 2011, accessed March 2025 https://oec.world/en/profile/country/cod?yearlyTradeFlowSelector=flow0&yearSelector1=2012&depthSelector1=HS4Depth

However, just as for the West, the DRC's political instability has tested the PRC's development policies and approaches. The PRC has invested a significant amount into the DRC but following the end of the UN mission MONUC in 2010, and with the rise of instability and violence in the DRC, the PRC development assistance fund to the DRC has fluctuated greatly.[660] The only consistent commitment from the PRC to the DRC is its assistance in ensuring the stability of the DRC's mines, particularly its cobalt and copper mines. This is a unique aspect in PRC development assistance compared to Ghana and Ethiopia. The PRC has slightly deviated from its traditional development assistance policy as they invested in many smaller projects - at least in frequency - in the DRC, an action distinct from the large spectacle projects seen in Ethiopia and Ghana. There is still large development projects that the PRC has invested in such as the N'djili Airport Runway Rehabilitation project, the National Fiber-Optic Network Backbone Project, the 150MW Zongo II Hydroelectric Dam Construction and a 220 kV Transmission Line Project, 240 MW Busanga Hydroelectric Power Plant Project, and the rehabilitation of the DRC track system to name a few.[661] However, international attention has not been on these projects despite their importance to the development of the DRC. Rather the attention has been on the PRC's nearly eight billion dollars invested in the DRC's industry, mining, and construction sectors with the majority going to cobalt and copper mines (see Figures 38 and 39). To illustrate this point one does not need to look further than President Biden's administration when it noted the PRC's position in cobalt mining and processing of materials extracted from the DRC is a U.S. core strategic supply chain concern.[662] This concern however dates back to 2012 when Western

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660 Ibid.

661 S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "China Eximbank provides $64.3 million preferential buyer's credit for N'djili Airport Runway Rehabilitation Project," *Aid-Data: A Research Lab at William and Mary*, accessed March 2025, https://china.aiddata.org/projects/53508/; S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "China Eximbank provides RMB 1.513 billion government concessional loan for Phase 2 of the National Fiber-Optic Network Backbone Project," *Aid-Data: A Research Lab at William and Mary*, accessed March 2025, https://china.aiddata.org/projects/19149/; S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "China Eximbank provides $360 million preferential buyer's credit for 150MW Zongo II Hydroelectric Dam Construction and a 220 kV Transmission Line Project," *Aid-Data: A Research Lab at William and Mary*, accessed March 2025, https://china.aiddata.org/projects/460/; S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "Chinese Government provides $97.5 million for SNCC for acquisition of construction materials for track works," *Aid-Data: A Research Lab at William and Mary*, accessed March 2025, https://china.aiddata.org/projects/58763/; S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "[Sino-Congolese Programme] China Eximbank provides $660 million commercial loan for 240 MW Busanga Hydroelectric Power Plant Project," *Aid-Data: A Research Lab at William and Mary*, accessed March 2025, https://china.aiddata.org/projects/60065/;

662 President Biden Administration, *U.S. Strategy Toward Sub-Saharan Africa*, The White House (August 2022), 4. https://bidenwhitehouse.archives.gov/wp-content/uploads/2022/08/U.S.-Strategy-Toward-Sub-Saharan-Africa-FINAL.pdf and Congressional Research Service, "Democratic Republic of Congo: Background and U.S. Relations," *United States Congressional Research Service* (Updated March 2022), 13-14. https://www.congress.gov/crs-product/R43166.

investment in the DRC's mines started to divest away from the DRC so that they were not reliant on Chinese cobalt and copper.

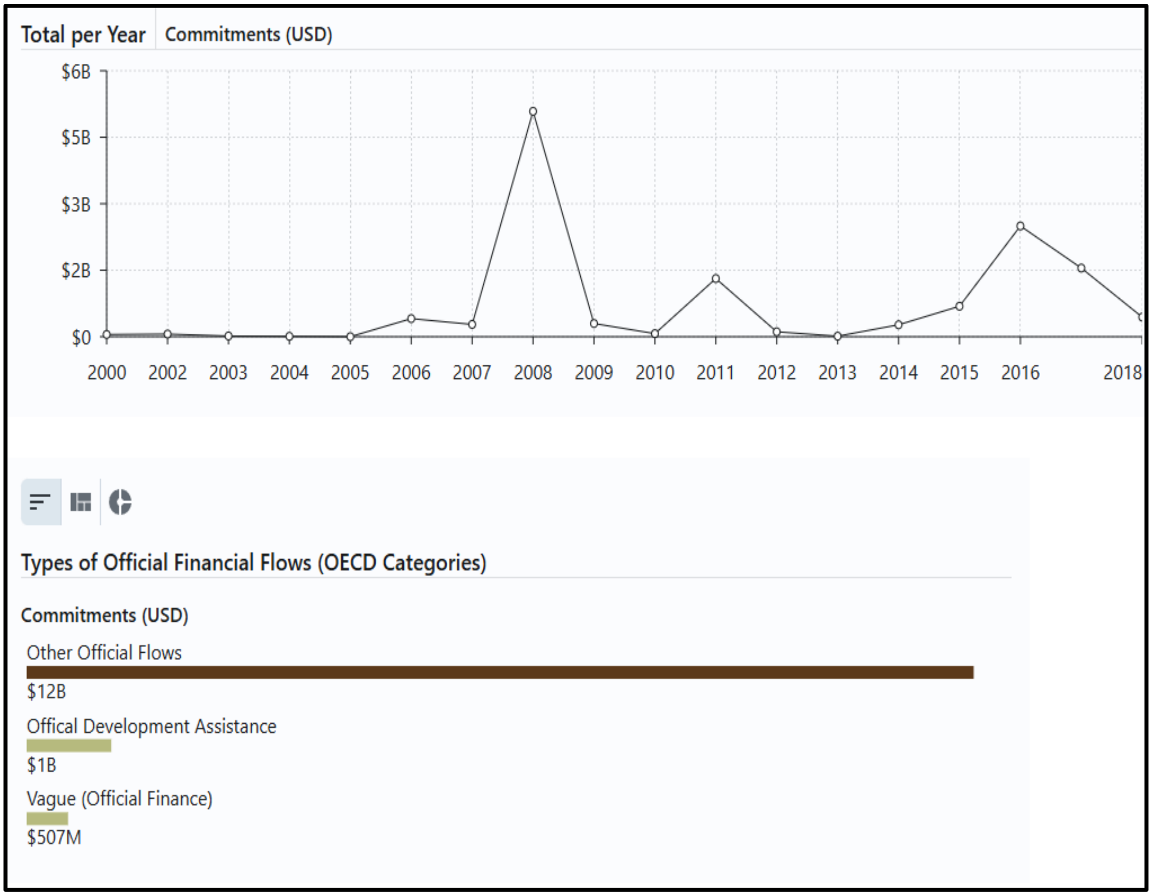

Figure 38: PRC Aid Disbursements to DRC 2000 to 2018 [USD, Billions, Constant Pricing 2021][663]

[663] S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "Global Chinese Development Finance," (filters used: (1) Country: Democratic Republic of Congo, (2) Commitment year: 2000-2018), accessed March 2025, https://china.aiddata.org/

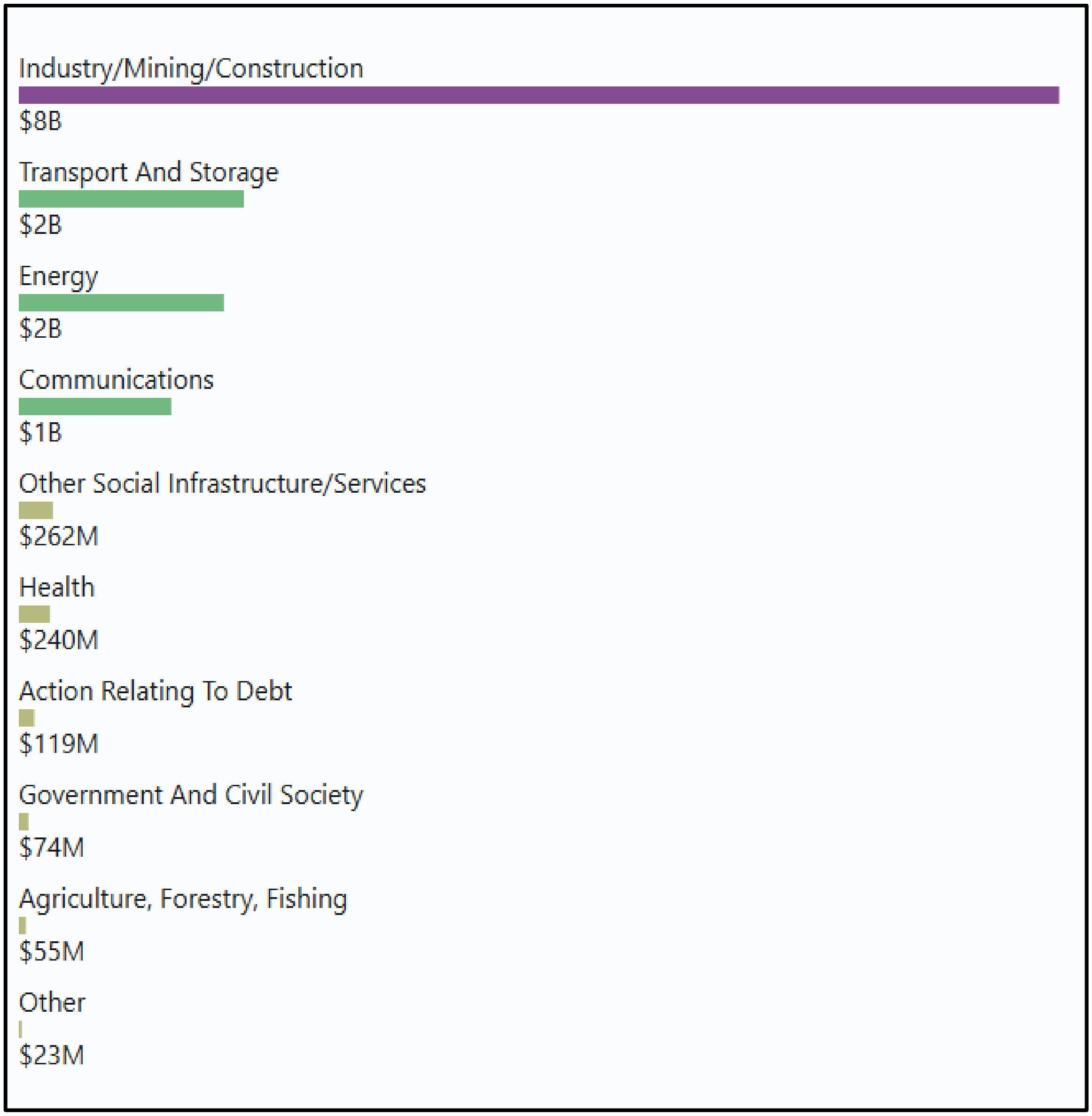

Figure 39: PRC Aid to the DRC by Sector 2000 to 2018 [USD, Constant Pricing 2021][664]

5.4 The Impact of Development Assistance on DRC

The case of the DRC serves as an important example of aid effectiveness being crippled by domestic struggles and that perhaps a developing nation like the DRC is not in the position to lead its own development. This case study outlines that developing nations have a role in their own development and their opinion and desires matter but that they may be incapable of executing their development policies. The following, Figure 40, shows a timeline of the DRC's HDI score. This figure is used to visually demonstrate the DRC's progress regarding their

[664] Ibid.

development since 1990. Moreover, the HDI score serves as a basis of argumentation regarding the West's and PRC's development assistance policies impacts on the DRC's human development. The objective for this section is to lay out the policies and try to map them and their impacts onto the HDI and CPIA scores in order to conduct a comparative analysis of the three case studies in the following chapter.

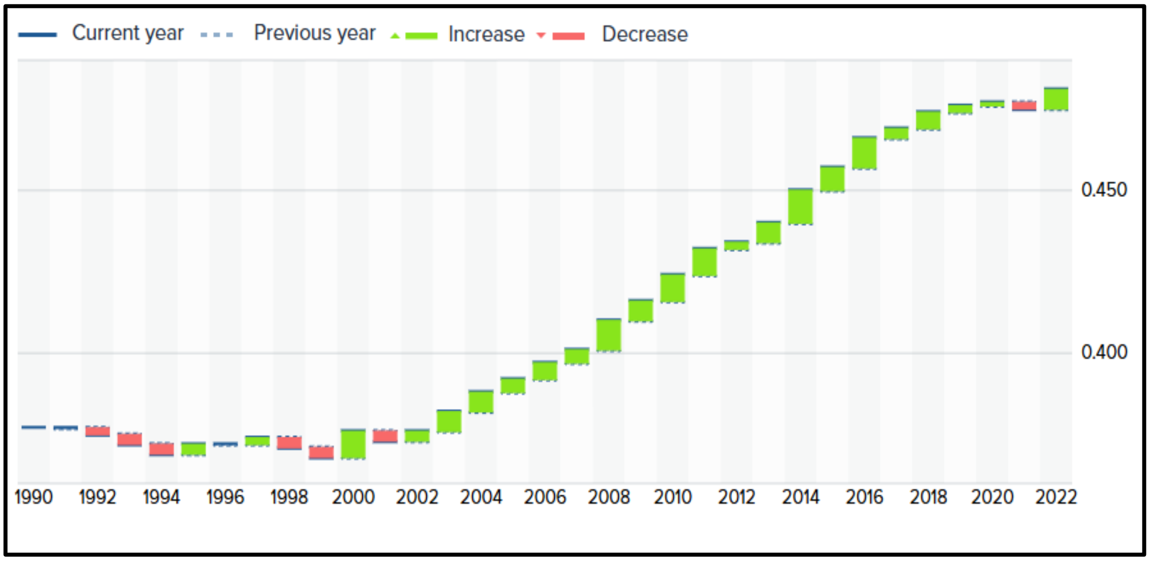

Figure 40: DRC HDI Scores (1990 to 2022)[665]

The DRC's history of development through external aid has been somewhat positive. This fact is expressed in Figure 40 which shows that the DRC has had continuous rise in their HDI score since 2002. Despite said success following 2002, the data in the aforementioned figure for the 1990s contextualises the development seen following the Second Congo War. For instance, the DRC had a higher GNI per capita in 1990 than it did in 2018 by a significant margin. In 1990 the DRC's GNI was $1,634 which went down to $662 in 2001 where it then went up to $716 in 2004, $849 in 2012 and then ultimately in 2018 it was $1,007. This fact insinuates two things. First based on just GNI the DRC is worse off in 2018 than it was in 1990. One can view the DRC's inability to bounce back to the 1990s level of GNI as development assistance falling short. But this thesis views the progress, albeit slow, regarding development of the DRC moving in an upwards trajectory in their GNI factor as a testament to the impact of development assistance from both the PRC and the West largely over the last decade as internal conflict has declined. As a result, the DRC has been able to see success in improving scores in life expectancy from 48.6 years in 1990 to 59.9 years in 2018.[666] Similarly, expected and mean years of schooling in the DRC has also increased from 6.2 years in 1990 to 9.5 years in 2018 and from 3.5 years in 1990 to 7 years in 2018 respectively.[667]

The DRC's education system has seen progress insofar as increasing their HDI score since 1990. Most of the gains seen in education have been through the expansion of free public

[665] United Nations Development Programme, "Human Development Index - Democratic Republic of the Congo 1990 to 2022," accessed March 2025, https://hdr.undp.org/data-center/specific-country-data#/countries/COD
[666] Ibid.
[667] Ibid.

education starting in 2010.[668] According to World Bank statistics, the number of children enrolled in school grew from around five million in 2002 to 11.9 million in 2010-11 to 16.1 million in 2018-19.[669] Despite such rapid growth in enrollment, issues of quality remain. For one, more than 50 percent of children that enroll in first grade drop out while there is less than five percent of students who enroll that matriculate to university.[670] Issues of school infrastructure continue to be challenges. For example, in 2010, only 35 percent of school structures in the DRC were solid buildings resulting in the vast majority of schools being deemed unsafe.[671] In addition, the DRC education has had trouble finding enough teachers to keep up with ballooning enrolments. The DRC national curriculum mandates that children learn in their local language, but often there are no teachers to teach in one of the 200 languages spoken in the DRC resulting in the use of the DRC's lingua franca French which teachers do not know well either.[672] In addition, the economic problems of the DRC means that about a third of teachers in the DRC are not paid and this statistic worsens when assessing the difference between urban and rural regions.[673] Such conditions and restrictions in language capabilities has led to dismal performance achievements as the "average sixth grader can read only 28 words per minute" and "50% of second graders cannot read a single word from a grade-level text."[674] These results worsen when adjusted for gender as girls vastly underperform compared to boys thus highlighting major gender discrepancies.

When assessing Western aid in total to the DRC it has remained consistent at over a billion dollars of ODA annually since 2003 - with the exception of 2007 and 2008.[675] Despite such a large amount of ODA, Western development assistance projects consistently come to a dramatic halt, particularly in the education sector, following a rise in tension or spark of violence.[676] This creates an unstable learning environment for children as Western aid to school stops due tensions in a neighboring village or the DRC's governments inability to quell violence and maintain peace and security, as a few examples. Moreover, Western aid projects were funded in short increments, typically spanning one to five years.[677] This form of aid is unreliable and

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668 International Monetary Fund and World Bank Group, "Democratic Republic of the Congo: Poverty Reduction Strategy Paper," IMF Country Report No. 13/226 (July 2013), 75 https://www.imf.org/external/pubs/ft/scr/2013/cr13226.pdf

669 World Bank Group, "Primary education, pupils - Congo, Dem. Rep," *UNESCO Institute for Statistics (UIS). UIS.Stat Bulk Data Download Service. Accessed September 30, 2024* [apiportal.uis.unesco.org/bdds], accessed April 2025, https://data.worldbank.org/indicator/SE.PRM.ENRL?locations=CD

670 Nathalie Louge, "Practitioners Caught in the Middle: Evidence from the Democratic Republic of Congo," in *The Practice of International Development* First Edition edited by Michael Gubser, and Jerrold Keilson, (New York: Routledge, 2018), 134.

671 Ibid.

672 Ibid., 135.

673 Ibid.

674 Ibid., 137.

675 Organization for Economic Co-operation and Development, "Aid (ODA) disbursements to countries and regions [DAC2A]," *OECD Data Explorer,* accessed March 2025, [Filters (1) Donor: DAC Countries (2) Recipient: Democratic Republic of the Congo (3) Measures: Official Development Assistance Disbursements; ODA Grants Disbursements; Debt Forgiveness; Technical Cooperation Disbursements; Development Food Aid; Humanitarian Aid (4) Unit of Measure: US Dollar (5) Price Base: Constant Prices (6) Time Period: 2000-2018] https://data-explorer.oecd.org/vis?fs[0]=Topic%2C1%7CDevelopment%23DEV%23%7COfficial%20Development%20Assistance%20%28ODA%29%23DEV_ODA%23&pg=0&fc=Topic&bp=true&snb=11&df[ds]=dsDisseminateFinalDMZ&df[id]=DSD_DAC2%40DF_DAC2A&df[ag]=OECD.DCD.FSD&df[vs]=1.0&pd=2000%2C2018&dq=DAC.COD.201%2B206%2B207%2B212%2B213%2B216.USD.Q&to[TIME_PERIOD]=false&vw=tb

676 Nathalie Louge, "Practitioners Caught in the Middle: Evidence from the Democratic Republic of Congo," in *The Practice of International Development* First Edition edited by Michael Gubser, and Jerrold Keilson, (New York: Routledge, 2018), 141

677 Ibid., 139.

lacks the timeframe necessary to have lasting development. This trend by the West did not continue for long as eventually in 2005 following the Paris agreement on aid effectiveness, Western aid started to be more reliable and coordinated. This is reflected in the fact that the DAC alone sent over one billion in development assistance to the DRC's education sector between 2002 and 2018 (see Appendix D). Moreover, it was following 2005 when the DAC's aid to the DRC increased nearly 50 percent.

With regards to the DRC's health metrics in its HDI score, it is clear that progress has been made even though overall health care in the DRC remains precarious. Since 1990 life expectancy has increased from 48.6 years to 59.9 years in 2018.[678] Western ODA has largely been the DRC's lifeline for its health care sector. The overall health sector of the DRC is policy guided by the government but is largely funded by external actors through development assistance using the SWAp. The DRC sets the regulations and guidelines along with providing human resource management, creating health zones, some financing, and crafting national health policy.[679] The main source of the DRC's health sector financing is from Western development assistance. Unlike in Ghana and Ethiopia the PRC has provided marginally significant aid to the DRC's health sector since 2000 totaling 240 million dollars (USD constant 2021). By contrast, there has only been one major health project from the PRC, which was the $175 million (USD constant 2021) loan for the construction of a 450-bed hospital in Kinshasa.[680]

The DRC government recognized the importance of a national health policy and has sought out to create and execute their policy since the early 1990s. However, it was not until 2001 that the DRC developed a coherent health policy by signing onto "a number of international declarations, such as the Alma Ata Declaration on Primary Health Care (1978), the African Charter for Health Development (1980) and the Bamako Initiative (1987)."[681] The DRC was mainly concerned with a considerable portion of its citizenry not using health services resulting in low immunization rates and avoidance of prenatal services, attended delivery, or curative services.[682] Despite such desires to remedy these issues, the DRC government needed Western aid to finance its health sector.

Health challenges remain substantial in the DRC. The DRC is plagued with several health concerns. Diseases such as HIV/AIDS, polio, cholera, malaria, Ebola, typhoid, yellow fever, and extensive insect-borne illnesses continue to have significant impacts on DRC, particularly in its rural regions.[683] In 2012, according to the AfDB, 700 children under the age of

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[678] United Nations Development Programme, "Human Development Index - Democratic Republic of the Congo 1990 to 2022," accessed March 2025, https://hdr.undp.org/data-center/specific-country-data#/countries/COD

[679] Aembe Bwimana, "Heath Sector Network Governance and State-Building in South Kivu, Democratic Republic of Congo," *Health Policy and Planning* 32 no. 10 (2017): 1477-1478, and 1482.

[680] S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "[Sino-Congolese Programme] China Eximbank provides $114.9 million loan for 50th Anniversary Hospital Construction Project," *Aid-Data: A Research Lab at William and Mary*, accessed March 2025, https://china.aiddata.org/projects/59478/

[681] Aembe Bwimana, "Heath Sector Network Governance and State-Building in South Kivu, Democratic Republic of Congo," *Health Policy and Planning* 32 no. 10 (2017): 1478.

[682] Elise Huillery, and Juliette Seban, "Financial Incentives, Efforts, and Performances in the Health Sector: Experimental Evidence from the Democratic Republic of Congo," *Economic Development and Cultural Change* 69 no. 3 (2021): 1115–1116.

[683] Nathalie Louge, "Practitioners Caught in the Middle: Evidence from the Democratic Republic of Congo," in *The Practice of International Development* First Edition edited by Michael Gubser, and Jerrold Keilson, (New York: Routledge, 2018), 132.

five die each day.[684] As noted by several scholars, the DRC health system was and continues to be "not resilient enough to prepare for, effectively respond to, learn from, and recover from these crises."[685] The IMF also acknowledged in a 2013 report that HIV/AIDS continue to be one of the biggest impediments to the DRC's development as HIV infection has been the leading cause of morbidity and mortality among the most productive age group, 20 to 49 years.[686] The result of such a health system has been a lack of effectiveness and the persistence of major management shortcomings.[687]

Effectively the DRC lacks the ability to financially support its health sector to the level required to combat the problems it faces. As Aembe Bwimana puts bluntly, "DRC is a weak state"; having to rely on Western development assistance to fill the gap left by the government of the DRC.[688] The use of Western aid ought not be viewed as a solution rather a necessary support mechanism until the DRC can uphold its own system. Progress is being made as the DRC has been spending a comparable proportion of its GDP on health expenditures when compared to Ghana and Ethiopia all the while steadily increasing – with the exception of 2016 and 2017 – its health expenditure per capita, a feat that ought to be recognized (see Figures 41 and 42). This demonstrates the DRC's commitment to improving its health sector but also highlights its reliance on Western development assistance. Between 2000 and 2018 the West spent just over $2 billion of ODA on the health sector; when one includes the AfDB and WB the new total is $3 billion.[689] Nevertheless, progress has been made despite some setbacks; the DRC's life expectancy is continuing to rise and with the aid from the West it has managed to quell some of the aforementioned diseases which used to run rampant and unopposed. Western support to the DRC's health sector has been unwavering and in fact has steadily been increasing since 2000, particularly after 2008 and 2011 (see Appendix D). 2008 was the PRC's entry into the DRC and 2011 preceded the end of the UN mission MONUC in 2010.[690] As such, the PRC seems to have little to no impact on Western development assistance regarding the health sector in the DRC. If anything, the PRC's presence in the developing nations seems to have only increased Western dedication to this social sector.

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684 Ibid.

685 Samuel Bosongo, Zakaria Belrhiti, Faustin Chenge, Bart Criel, Bruno Marchal, and Yves Coppieters, "How Does the Context Shape the Technical Support from the Provincial Health Administration to District Health Management Teams in the Democratic Republic of Congo? A Realist Evaluation," *International Journal of Environmental Research and Public Health* 21 no. 12 (2024): 2.

686 International Monetary Fund and World Bank Group, "Democratic Republic of the Congo: Poverty Reduction Strategy Paper," IMF Country Report No. 13/226 (July 2013), 29. https://www.imf.org/en/Publications/CR/Issues/2016/12/31/Democratic-Republic-of-the-Congo-Poverty-Reduction-Strategy-Paper-40814

687 Aembe Bwimana, "Heath Sector Network Governance and State-Building in South Kivu, Democratic Republic of Congo," *Health Policy and Planning* 32 no. 10 (2017): 1482.

688 Ibid., 1476.

689 Organization for Economic Co-operation and Development, "CRS: Creditor Reporting System (flows) [cloud replica]," *OECD Data Explorer,* accessed March 2025, [Filters (1) Donor: DAC Countries; African Development Bank; International Monetary Fund; World Bank (2) Recipient: Democratic Republic of the Congo (3) Sector: All Sectors; Health (4) Measure: Official Development Assistance (5) Channel: All Channels (6) Modality: All Modalities (7) Flow type: Disbursements (8) Price Base: Constant Prices (9) Time Period: 2002-2018] https://data-explorer.oecd.org/vis?tm=oda&pg=0&snb=62&vw=tb&df[ds]=dsDisseminateFinalCloud&df[id]=DSD_CRS%40DF_CRS&df[ag]=OECD.DCD.FSD&df[vs]=1.3&dq=5AFDB0%2B5WB0%2B5IMF0%2BDAC.COD.120%2B1000.100._T._T.D.Q._T..&pd=2000%2C2018&to[TIME_PERIOD]=false&isAvailabilityDisabled=false&mdc[SECTOR]=110&mdc[TIME_PERIOD]=2002&mdc[DONOR]=DAC&mdc[RECIPIENT]=ETH&mdc[MEASURE]=100&mdc[CHANNEL]=_T&mdc[MODALITY]=_T&mdc[FLOW_TYPE]=D&mdc[PRICE_BASE]=Q

690 Ibid.

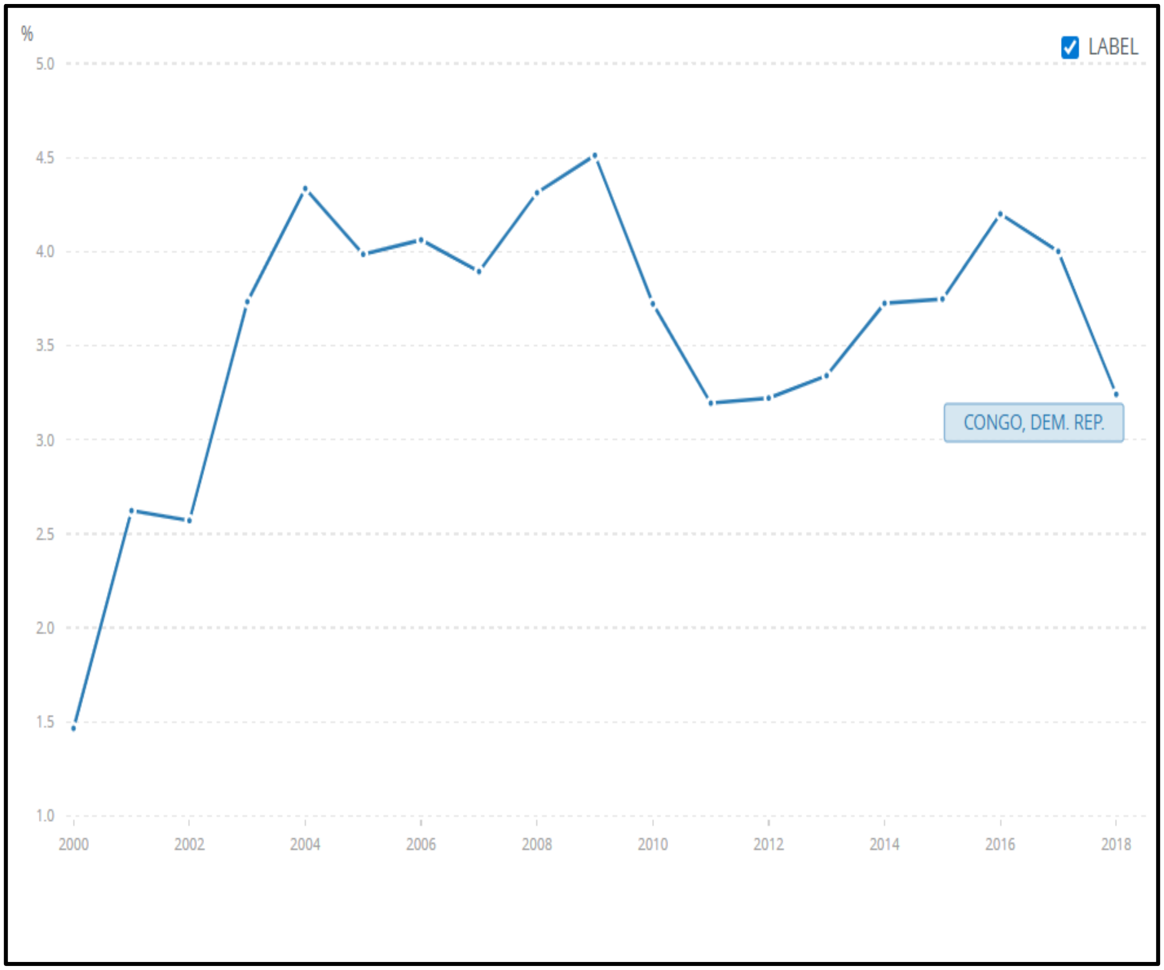

Figure 41: DRC Current Health Expenditure GDP-Percentage (2000 to 2018)[691]

[691] World Bank Group, "Current health expenditure (% of GDP) - Congo, Dem. Rep.," *World Health Organization Global Health Expenditure database [(apps.who.int/nha/database). The data was retrieved on April 15, 2024]* accessed April 2025, https://data.worldbank.org/indicator/SH.XPD.CHEX.GD.ZS?end=2018&locations=CD&start=2000

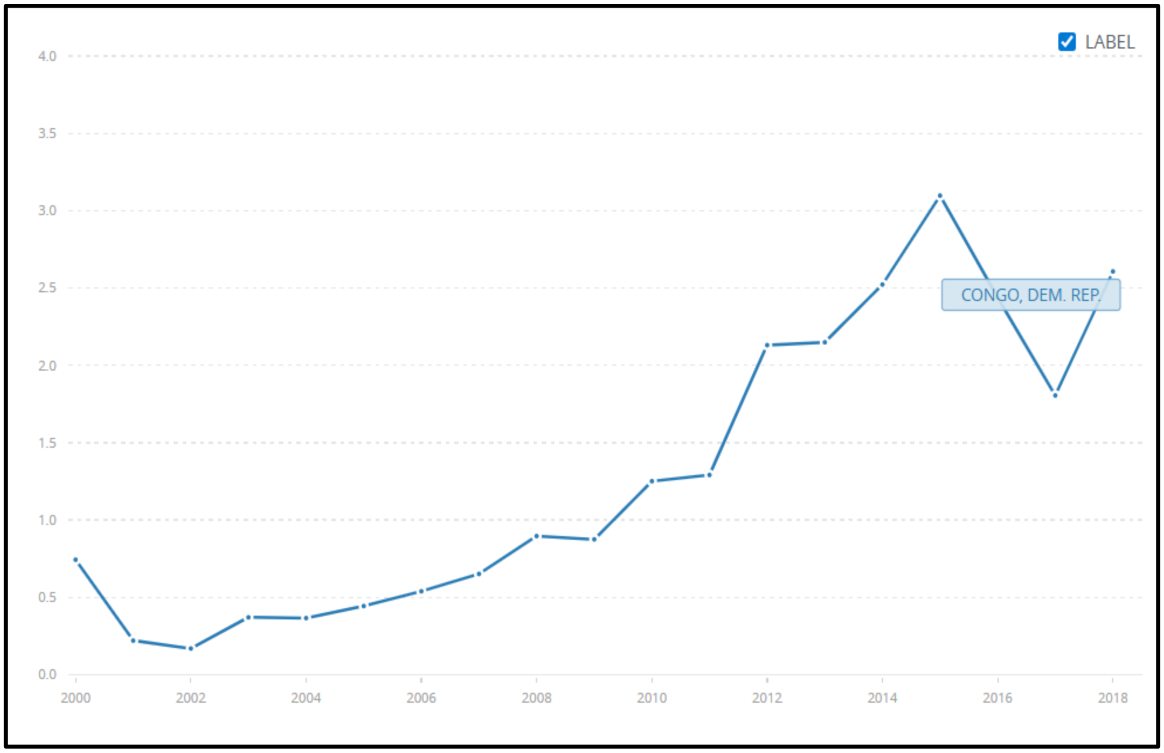

Figure 42: DRC Current Government Health Expenditure - Per-Capita [USD, Current 2000 to 2018][692]

With regards to the DRC's economic HDI score the development has been slow. In 1990 the GNI per capita was $1,634 (USD Constant 2017) whereas in 2018 it was $1,007 (USD Constant 2017).[693] As noted above, over most of this period the DRC has been plagued by serious internal conflicts which have regularly interrupted economic activity and development. As a result, Western development assistance to economic infrastructure was little to none (see Appendix D). The only major impact the West had in respect to the DRC's economy is that Belgium and the US were the largest export locations for the DRC with both having a share of 75 to 85 percent depending on the year.[694] Lastly the PRC did not have much involvement in the DRC economy, rather they were merely expanding diplomatic relations throughout Africa in the 1990s, setting the stage for their eventual emergence in the 2000s.

Despite the massive hurdles of development, Western aid partners did not completely give up. One of their biggest concern over this period was operation of illegal mines by rebel

[692] World Bank Group, "Domestic general government health expenditure per capita (current US$) - Congo, Dem. Rep.," *World Health Organization Global Health Expenditure database [(apps.who.int/nha/database). The data was retrieved on April 15, 2024],* accessed April 2025, https://data.worldbank.org/indicator/SH.XPD.GHED.PC.CD?end=2018&locations=CD&start=2000

[693] United Nations Development Programme, "Human Development Index - Democratic Republic of the Congo 1990 to 2022," accessed March 2025, https://hdr.undp.org/data-center/specific-country-data#/countries/COD

[694] Alex Simoes, and Cesar A. Hidalgo, "The Economic Complexity Observatory: An Analytical Tool for Understanding the Dynamics of Economic Development," Workshops at the Twenty-Fifth AAAI Conference on Artificial Intelligence, 2011, accessed March 2025 https://oec.world/en/profile/country/cod?yearlyTradeFlowSelector=flow0&yearSelector1=1999&depthSelector1=HS4Depth&exportServicesYearsSelector=2000&importServicesYearsSelector=2000

commanders including the widespread use of forced and child labour.[695] Western development organizations feared that any assistance to the Congolese mining sector would be perceived as condoning such activities.[696] Even with valid concerns, the West carefully tried to remain in the mining sector throughout the 1990s and through both Congo wars by FDI and ODA.[697] The reasoning being two-fold. First, it was clear that mining the DRC's natural abundance of minerals was the correct direction for its economy. More importantly, however, the second reason was that the DRC controlled nearly 80 percent of the World's cobalt, which has become increasingly important for developed nations' economies in advanced technology.[698]

As such, Western development projects in the DRC were small in scale and focussed on core trade infrastructure and facilities. Other projects included airport improvement projects; expanding electricity services to an additional three million individuals; construction of 450 water points providing three million people with clean drinking water; and the construction of key agriculture centred bridges and warehouses.[699] Despite these investments Western firms believed the mining industry to be too risky and unstable following the 2006 export ban on some ores and minerals and the launch of a series of government reviews into more than 60 mining contracts in the DRC; both of which directly impacted Western mining companies.[700] These factors pressured Western companies to diversify their investments beyond DRC's mining sector in the early 2000s.[701] Such decisions were not made lightly and in part were the fault of the DRC government as they cancelled Kolwezi Tailings project contact with a Canadian company sparking concerns among other Western investors regarding the DRC's accountability, transparency, and reliability.[702] The result was the loss of Western investment in a key economic sector thus leaving a critical gap which the PRC was more than happy to fill as they started to invest heavily in African minerals with its going out strategy (see Figures 38 and 39).[703]

Western reluctance to provide development assistance to the DRC's mining sector left it open for the PRC to exploit. This move into the DRC mineral sector was one of the core goals of the PRC's going out strategy was "to secure minerals in Africa and Asia that were critical to

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695 Kazuyo Hanai, "Conflict Minerals Regulation and Mechanism Changes in the DR Congo," *Resources Policy* 74 (2021): 1.
696 Rachel Perks, "'Can I Go? Exiting the Artisanal Mining Sector in the Democratic Republic of Congo," *Journal of International Development* 23 no. 8 (2011): 1123
697 Andrew L. Gulley, "One Hundred Years of Cobalt Production in the Democratic Republic of the Congo." *Resources Policy* 79 (2022): 2-3.
698 Ibid., 2.
699 The World Bank in the DRC, *World Bank Group*, accessed April 2025, https://www.worldbank.org/en/country/drc/overview#3; "DRC Electricity Access & Services Expansion (EASE)," *World Bank Group*, accessed April 2025, https://projects.worldbank.org/en/projects-operations/project-detail/P156208; "DRC Urban Water Supply Project," *World Bank Group*, accessed April 2025, https://projects.worldbank.org/en/projects-operations/project-detail/P091092; "DRC - Goma Airport Safety Improvement Project," *World Bank Group*, accessed April 2025, https://projects.worldbank.org/en/projects-operations/project-detail/P153085; and "DRC Eastern Recovery Project," *World Bank Group*, accessed April 2025, https://projects.worldbank.org/en/projects-operations/project-detail/P145196.
700 Andrew L. Gulley, "One Hundred Years of Cobalt Production in the Democratic Republic of the Congo." *Resources Policy* 79 (2022): 3.
701 Gracelin Baskaran, "Building Critical Minerals Cooperation Between the United States and the Democratic Republic of the Congo," *Center for Strategic and International Studies*, March 2025, https://www.csis.org/analysis/building-critical-minerals-cooperation-between-united-states-and-democratic-republic-congo#h2-the-history-of-u-s-and-chinese-engagement-in-the-drc-mining-industry; and Andrew L. Gulley, "One Hundred Years of Cobalt Production in the Democratic Republic of the Congo." *Resources Policy* 79 (2022): 2-3.
702 Andrew L. Gulley, "One Hundred Years of Cobalt Production in the Democratic Republic of the Congo." *Resources Policy* 79 (2022): 3.
703 Ibid.

China's strategic development plans."[704] China's more aggressive strategy led the Kabila Jr government to seek out a new partnership to replace the loss of billions of dollars in aid from the West.[705] As Western companies appeared increasingly reluctant to invest in the DRC's mining sector the PRC stepped in to help it grow its advanced battery manufacturing. [706] To make matters worse for Western development policy, there was a series of commitments of up to four billion dollars for reconstruction and development of the DRC's war-torn infrastructure which failed to materialize.[707] The DRC government did not just take the PRC on as a new partner but rather started to initially reconsider their partnership with the West by reviewing key contracts with Western investors and donors.[708] This manoeuvre by the DRC did not last long when it became evident to the DRC that the PRC was not interested nor committed to its education or health sector. While the West and the DRC's partnership was in question, the PRC did not waste any time. In 2008 the PRC bought two cobalt mines in the DRC with another two in 2010.[709] Moreover, between 2007 and 2010 the PRC oversaw an increase of cobalt mine production from 25,400 tons to 60,000 tons.[710]

As with the previous two case studies, DAC aid focussed on DRC's health and education sectors whereas the PRC focused its development assistance efforts towards the infrastructure and productivity sectors of the DRC. Both the PRC and the West aided the DRC in improving its HDI score. As such one can make the argument that human development is occurring in the DRC and that at the very least development overall is occurring. However, as noted by Malte Brosig and Norman Sempijja "reliable and adequate pay reduces the risks of insufficient health care and better training, and education increases the chances of promotion and earning a higher salary[;] … the example of the DRC indicates that the link between education, pay, and health is broken."[711] The point being highlighted is that DRC has made progress but has a long way to go as they are still a low-human developed nation and rank amongst the worst in the world. In 1998 the DRC ranked 152/174 whereas 20 years of 'development' later in 2018 the DRC ranked 179/189.[712] These results demonstrate while the DRC has been able to progress in their individual score they have been outpaced by the international community and still remain one of the worst human developed nations in the world.

5.4.1 The Impact on the DRC's Country Policy and Institutional Assessment

As per Figure 43 the DRC experienced some progress in terms of the key factors of aid effectiveness measured by the CPIA index. When assessing the DRC's CPIA scores from 2004 to 2012 it is clear that the DRC lacked on all fronts, which is why they scored 26/37 of all African

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[704] Ibid.
[705] Ibid.
[706] Ibid.
[707] Ibid.
[708] Ibid.
[709] Ibid., 7.
[710] Ibid., 7.
[711] Malte Brosig, and Norman Sempijja, "Human Development and Security Sector Reform: The Examples of Liberia and the Democratic Republic of Congo," *African Security* 11 no. 1 (2018): 77
[712] United Nations, *Human Development Report 2000*, United Nations Development Programm*e*, (New York, 2000), 160, https://hdr.undp.org/system/files/documents/hdr2000en.pdf; and Pedro Conceição and United Nations, *Human Development Report 2019: Beyond income, beyond averages, beyond today: Inequalities in human development in the 21st century*, United Nations Development Programm*e*, (New York, 2019), 302 https://hdr.undp.org/system/files/documents/hdr2019.pdf

nations for their 2004 scoring (see Figures 44 through 47).[713] In large part the progress between 2004 and 2012 can be attributed to Western development assistance, namely in governance and economic management. Most important in this regard was the debt relief provided by DAC, World Bank, and the IMF. As seen in Table 8 DAC members provided $5.95 billion in debt forgiveness in 2003. In addition to another $800 million in debt forgiveness in 2004. The DRC had about 75 percent of its debt wiped away to manageable levels; allowing the DRC to develop and to do so with itself as the guiding force not needing to rely on debt rescheduling and or having fear of a debt trap situation.[714] This was one of the largest single debt forgiveness efforts by the DAC and acted as a means to sustainable development in the DRC.

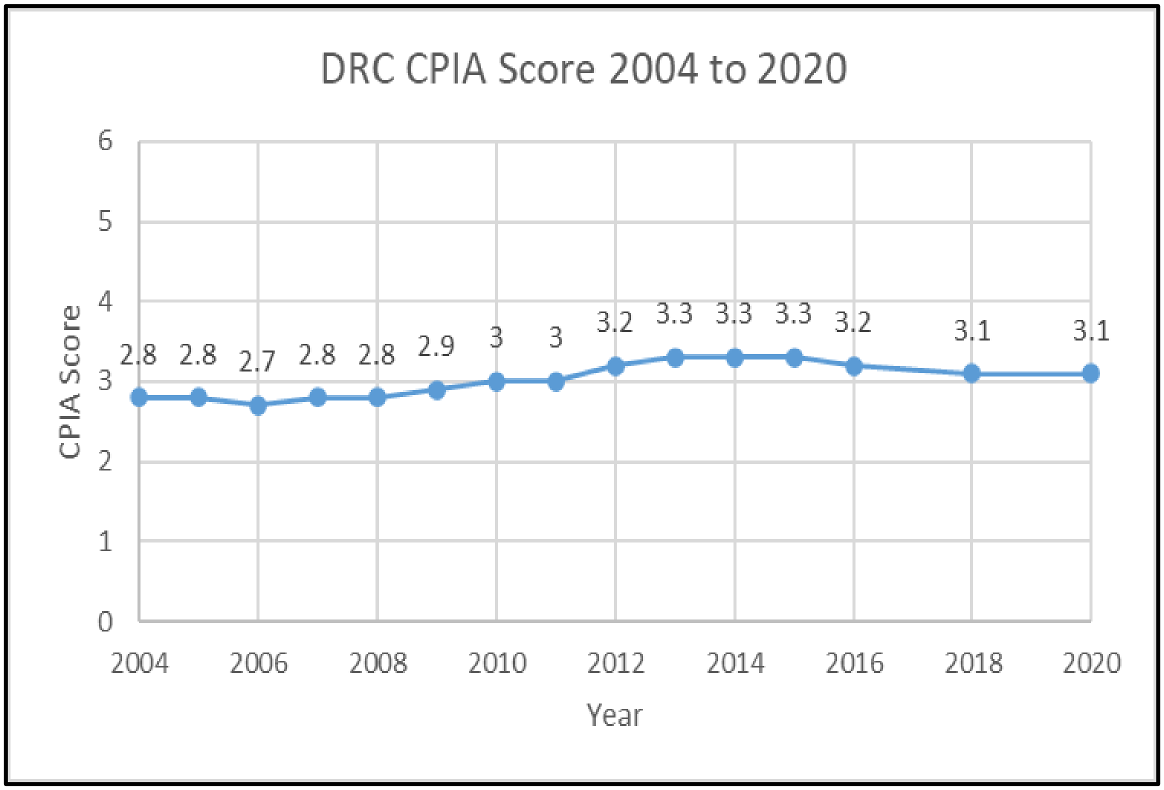

Figure 43: DRC's CPIA Scores (2004 to 2020)[715]

[713] African Development Bank Group: Country Policy and Institutional Assessment - Democratic Republic of Congo 2004 Score Overview, accessed March 2025, https://cpia.afdb.org/?page=results&subpage=profile&indicator_id=A-D_&country_id=CD&year=2004; and African Development Bank Group: Country Policy and Institutional Assessment - Democratic Republic of Congo 2012 Score Overview, accessed March 2025, https://cpia.afdb.org/?page=results&subpage=profile&indicator_id=A-D_&country_id=CD&year=2012

[714] "Democratic Republic of Congo: Completion Point Document Under the Enhanced HIPC Initiative," *African Development Bank* (April 2011), 30-31. https://www.afdb.org/sites/default/files/documents/financial-information/drc-completion_point-en1ifm_final.pdf

[715] Data collected from African Development Bank Group: Country Policy and Institutional Assessment at the following links https://cpia.afdb.org/ and https://cpia.afdb.org/?page=results&subpage=profile&indicator_id=A-E_&country_id=CD&year=2004

Table 8: DAC Official Development Assistance to DRC 2000 to 2018 [USD, Millions, 2022 Constant Pricing][716]

Time period	Official Development Assistance (ODA), Disbursements	ODA Grants, Disbursements	Debt Forgiveness	Technical Cooperation, Disbursements	Development Food Aid	Humanitarian Aid
2000	173.84	184.81	18.44	68	8.69	60.59
2001	242.03	248.39	17.11	77.45	5.42	98.08
2002	562.34	580.32	203.78	107.65	34.83	160.28
2003	6,758.84	6,426.34	5,956.44	151.9	5.65	201.68
2004	1,365.44	1,326.47	815.06	177.51	19.34	200.85
2005	1,056.12	783.56	161.57	216.46	12.9	253.49
2006	1,892.73	1,875.55	1,152.53	213.58	16.56	337.47
2007	829.63	843.17	133.15	109.98	14.99	304.84
2008	993.88	989.23	6.54	145.81	36.9	443.22
2009	1,167.76	1,167.35	13.96	146.07	47.71	506.29
2010	2,429.03	2,441.07	1,266.7	202.88	42.21	389.92
2011	4,245.38	5,898.05	4,623.74	185.98	35.56	318.83
2012	1,685.25	1,694.86	555.01	146.99	62.38	322.71
2013	1,202.65	1,213.25	0.58	239.61	25.78	368.3
2014	1,192.99	1,224.52	25.04	245.1	59.15	340.03

[716] Organization for Economic Co-operation and Development, "Aid (ODA) disbursements to countries and regions [DAC2A]," *OECD Data Explorer,* accessed March 2025, [Filters (1) Donor: DAC Countries (2) Recipient: Democratic Republic of the Congo (3) Measures: Official Development Assistance Disbursements; ODA Grants Disbursements; Debt Forgiveness; Technical Cooperation Disbursements; Development Food Aid; Humanitarian Aid (4) Unit of Measure: US Dollar (5) Price Base: Constant Prices (6) Time Period: 2000-2018] https://data-explorer.oecd.org/vis?fs[0]=Topic%2C1%7CDevelopment%23DEV%23%7COfficial%20Development%20Assistance%20%28ODA%29%23DEV_ODA%23&pg=0&fc=Topic&bp=true&snb=11&df[ds]=dsDisseminateFinalDMZ&df[id]=DSD_DAC2%40DF_DAC2A&df[ag]=OECD.DCD.FSD&df[vs]=1.0&pd=2000%2C2018&dq=DAC.COD.201%2B206%2B207%2B212%2B213%2B216.USD.Q&to[TIME_PERIOD]=false&vw=tb

Time period	Official Development Assistance (ODA), Disbursements	ODA Grants, Disbursements	Debt Forgiveness	Technical Cooperation, Disbursements	Development Food Aid	Humanitarian Aid
2015	1,605.61	1,647.47	0.68	186.93	46.96	857.93
2016	1,095.13	1,129.81	0.29	176.17	26.76	296.17
2017	1,322.62	1,360.54	5.01	140.72	61.17	413.35
2018	1,459.15	1,471.79	0.21	91.1	99.06	483.52

Between 2004 and 2010 there was an increase in the DRC's score for economic management, structural policies, and social inclusion and equity. The most gains were made in economic management suggesting that Western debt relief measures had an important impact. Governance score of the DRC's CPIA score remained stagnant at 2.7 with slight increases and decreases over the aforementioned period of time. Given the precarious condition of the DRC's government this score is unsurprising. As per the CPIA score the main issues for the DRC were rule-based governance, quality of public administration, social protection and labour, gender equality, business regulatory environment, and fiscal and debt policies. These sectors of the CPIA score highlight the core problems facing the DRC, particularly following initial development efforts after the end of the Second Congo War in 2003.

The inability to quell conflict in the DRC has led the West to shift its priorities from development to stabilisation.[717] The PRC also joined in on stabilisation efforts but only because they had economic interest in the DRC mines running and to prove themselves as a capable state with international reach.[718] The point of importance on the subject of instability in the DRC is to underline that both the West and the PRC believe the DRC's economy is the key to solving the DRC's development issues.[719] The West believes human capital is the solution whereas the PRC views direct economic development and investments in infrastructure as the best way forward. The idea is economic prosperity is congruent with human capital development, thus if the West and the PRC can improve economic prosperity, perhaps joining a rebel group for survival would no longer be necessary; in turn reducing the shortcomings in governance and human right abuses.

[717] Devon Curtis, "China and the Insecurity of Development in the Democratic Republic of the Congo (DRC)," *International Peacekeeping (London, England)* 20 no. 5 (2013): 554-555.
[718] Ibid., 552-554.
[719] Ibid., 565.

Clusters / Criteria	Score	Change*	Center	Africa
Overall CPIA	**2.8**	—	3.1	3.2
Economic Management	**3.2**	—	3.3	3.4
Monetary Policy	3.0	—	3.4	3.6
Fiscal Policy	3.0	—	3.3	3.5
Debt Policy	3.5	—	3.1	3.3
Structural Policies	**2.8**	—	3.3	3.2
Economic Cooperation, Regional Integration and Trade	3.0	—	3.5	3.4
Financial Development	2.5	—	3.0	3.1
Business Regulatory Environment	3.0	—	3.2	3.2
Social Inclusion/Equity	**2.5**	—	3.0	3.2
Gender Equality	2.5	—	3.0	3.3
Equity of Public Resource Use	3.0	—	3.1	3.2
Building Human Resources	2.5	—	3.0	3.2
Social Protection and Labor	2.0	—	2.8	3.1
Environmental Policies and Regulations	2.5	—	2.9	3.3
Governance	**2.7**	—	2.9	3.1
Property Rights and Rule-based Governance	2.5	—	2.9	3.0
Quality of Budgetary and Financial Management	3.0	—	3.0	3.2
Efficiency of Revenue Mobilization	3.0	—	3.0	3.2
Quality of Public Administration	2.0	—	2.8	3.1
Transparency, Accountability and Corruption in the Public Sector	3.0	—	2.6	3.1

*Nominal change as compared to the 2003 score.

Figure 44: DRC's CPIA Score Tabular Overview (2004)[720]

[720] African Development Bank Group: Country Policy and Institutional Assessment - Democratic Republic of Congo 2004 Score Overview, accessed March 2025, https://cpia.afdb.org/?page=results&subpage=profile&indicator_id=A-E_&country_id=CD&year=2004

Clusters / Criteria	Score	Change*	Center	Africa
Overall CPIA	**2.8**	+0.1	3.2	3.4
Economic Management	**2.7**	+0.2	3.5	3.7
Monetary Policy	2.5	+0.5	3.8	3.9
Fiscal Policy	3.0	+0.5	3.5	3.7
Debt Policy	2.5	-0.5	3.2	3.6
Structural Policies	**3.0**	—	3.3	3.4
Economic Cooperation, Regional Integration and Trade	3.0	—	3.5	3.6
Financial Development	3.5	+0.5	3.3	3.4
Business Regulatory Environment	2.5	-0.5	3.1	3.3
Social Inclusion/Equity	**2.7**	-0.1	2.9	3.3
Gender Equality	2.5	—	3.0	3.5
Equity of Public Resource Use	2.5	-0.5	3.0	3.5
Building Human Resources	3.0	—	3.1	3.4
Social Protection and Labor	2.5	—	2.8	3.2
Environmental Policies and Regulations	3.0	—	3.0	3.4
Governance	**2.7**	+0.2	3.0	3.3
Property Rights and Rule-based Governance	2.5	—	2.8	3.2
Quality of Budgetary and Financial Management	3.0	+0.5	3.1	3.5
Efficiency of Revenue Mobilization	3.0	—	3.1	3.5
Quality of Public Administration	2.0	—	2.8	3.2
Transparency, Accountability and Corruption in the Public Sector	3.0	+0.5	2.9	3.2

*Nominal change as compared to the 2006 score.

Figure 45: DRC's CPIA Score Tabular Overview (2007)[721]

[721] African Development Bank Group: Country Policy and Institutional Assessment - Democratic Republic of Congo 2007 Score Overview, accessed March 2025, https://cpia.afdb.org/?page=results&subpage=profile&indicator_id=A-D_&country_id=CD&year=2007

Clusters / Criteria	Score	Change*	Center	Africa
Overall CPIA	**3.0**	+0.1 ^	3.2	3.5
Economic Management	**3.3**	+0.3 ^	3.6	3.9
Monetary Policy	3.5	+0.5 ^	3.8	4.0
Fiscal Policy	3.0	—	3.4	3.8
Debt Policy	3.5	+0.5 ^	3.6	3.8
Structural Policies	**3.0**	—	3.2	3.5
Economic Cooperation, Regional Integration and Trade	3.0	—	3.4	3.7
Financial Development	3.5	—	3.3	3.4
Business Regulatory Environment	2.5	—	2.9	3.3
Social Inclusion/Equity	**2.8**	+0.1 ^	2.9	3.4
Gender Equality	2.5	—	3.0	3.5
Equity of Public Resource Use	3.0	+0.5 ^	3.1	3.6
Building Human Resources	3.0	—	3.1	3.4
Social Protection and Labor	2.5	—	2.8	3.3
Environmental Policies and Regulations	3.0	—	3.1	3.5
Governance	**2.7**	—	2.9	3.4
Property Rights and Rule-based Governance	2.5	—	2.8	3.2
Quality of Budgetary and Financial Management	3.0	—	3.3	3.6
Efficiency of Revenue Mobilization	3.0	—	3.1	3.6
Quality of Public Administration	2.0	—	2.8	3.2
Transparency, Accountability and Corruption in the Public Sector	3.0	—	2.8	3.1

*Nominal change as compared to the 2009 score.

Figure 46: DRC's CPIA Score Tabular Overview (2010)[722]

[722] African Development Bank Group: Country Policy and Institutional Assessment - Democratic Republic of Congo 2010 Score Overview, accessed March 2025, https://cpia.afdb.org/?page=results&subpage=profile&indicator_id=A-D_&country_id=CD&year=2010;

Clusters / Criteria	Score	Change*	Center	Africa
Overall CPIA	**3.2**	+0.2	3.3	3.5
Economic Management	**3.8**	+0.2	3.8	3.9
Monetary Policy	4.5	+0.5	4.1	4.0
Fiscal Policy	4.0	+0.5	3.6	3.9
Debt Policy	3.0	-0.5	3.7	3.8
Structural Policies	**3.2**	+0.2	3.3	3.4
Economic Cooperation, Regional Integration and Trade	3.0	—	3.5	3.6
Financial Development	3.8	+0.3	3.3	3.4
Business Regulatory Environment	2.8	+0.3	2.9	3.3
Social Inclusion/Equity	**2.9**	+0.1	3.1	3.4
Gender Equality	2.5	—	3.0	3.5
Equity of Public Resource Use	3.2	+0.2	3.0	3.5
Building Human Resources	3.2	+0.2	3.1	3.4
Social Protection and Labor	2.7	+0.2	2.9	3.2
Environmental Policies and Regulations	3.0	—	3.5	3.6
Governance	**2.9**	+0.2	3.0	3.4
Property Rights and Rule-based Governance	2.4	-0.1	2.7	3.3
Quality of Budgetary and Financial Management	3.3	+0.3	3.2	3.6
Efficiency of Revenue Mobilization	3.3	+0.3	3.3	3.7
Quality of Public Administration	2.3	+0.3	2.7	3.2
Transparency, Accountability and Corruption in the Public Sector	3.3	+0.3	3.0	3.2

*Nominal change as compared to the 2011 score.

Figure 47: DRC's CPIA Score Tabular Overview (2012)[723]

The DRC's CPIA scores from 2004 through to 2012 show steady progress within the overall economic management subset of the CPIA. The DRC started in 2004 with an overall score in economic management with 3.2. However in 2005 and 2006 the DRC's score decreased due to internal security problems.[724] The result was increased military expenditures in addition to the increased expenditures leading to a depreciation of the Congo franc, which led to higher

[723] African Development Bank Group: Country Policy and Institutional Assessment - Democratic Republic of Congo 2012 Score Overview, accessed March 2025, https://cpia.afdb.org/?page=results&subpage=profile&indicator_id=A-D_&country_id=CD&year=2012

[724] African Development Bank Group: Country Policy and Institutional Assessment - Democratic Republic of Congo 2005 Score Overview, accessed March 2025, https://cpia.afdb.org/?page=results&subpage=profile&indicator_id=A-D_&country_id=CD&year=2005; and African Development Bank Group: Country Policy and Institutional Assessment - Democratic Republic of Congo 2006 Score Overview, accessed March 2025, https://cpia.afdb.org/?page=results&subpage=profile&indicator_id=A-D_&country_id=CD&year=2006

inflation.[725] The downward trend on the DRC's economy management score did not last long as Western debt relief from 2003 and 2006 started to take effect on the DRC's monetary policy (see Table 8 and Figures 45 through 47). More specifically between 2007 and 2010 the DRC was able to improve both governance and financial capabilities with the assistance from the West, namely the DAC and the IMF which resulted in recurring budget monitoring reports allowing the DRC to start to, somewhat accurately, track their revenues and expenditures and properly budget.[726] Moreover the DRC worked to improve its financial sector along with shifting support to its economic development, namely in natural resources and in agriculture.[727] The development assistance from both the West and the PRC aided the DRC in improving their economic management score. China assisted namely in the increasing of cobalt production from their development assistance being allocated to the DRC's cobalt mines whereas Western assistance was directed in large part, by the DAC and IMF, towards governance conditions improving accountability, transparency, and overall effectiveness of the DRC's government. With regards to the financial crisis of 2008 to 2009 the DRC did experience a decrease in mining exports and lower economic activity but this was largely mitigated by "the first tranche of funds under the Sino-Congolese arrangement" and other emergency international aid.[728] While development assistance can be linked to getting the DRC through the financial crisis largely unscathed, the DRC sought to increase macroeconomic buffers to strengthen its economy by aiming "to eliminate inefficient public investment financed by external resources and which accentuate the high debt risk."[729] Lastly, as noted in the DRC's 2012 CPIA score, its economic management score rose to from 3.2 in 2004 to 3.8 in 2012 (see Figures 44 and 47). However, the DRC did experience a decline in its debt policy score to 3.0 due to an increase in domestic debt between 2010 and 2011.[730] Nevertheless the DRC economic management saw positive development from 2004 to 2012 with debt continuing to be a worry for both donors and the DRC. Western aid tried addressing this concern from 2004 to 2012 mainly through the use of debt relief (see Table 8).

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[725] Prepared by the African Department and Approved by Michael Nowak and Anthony Boote "Democratic Republic of the Congo: 2005 Article IV Consultation, Fifth Review Under the Three-Year Arrangement Under the Poverty Reduction and Growth Facility, Requests for Waiver of Performance Criteria, Additional Interim Assistance Under the Enhanced Initiative for Heavily Indebted Poor Countries, and Request for an Extension of Arrangement—Staff Report; Staff Statement; Public Information Notice and Press Release on the Executive Board Discussion; and Statement by the Executive Director for the Democratic Republic of the Congo, *IMF Country Report No. 05/374* (October 2005), 39, https://www.imf.org/external/pubs/ft/scr/2005/cr05374.pdf.

[726] Prepared by the authorities of the Democratic Republic of the Congo, "Democratic Republic of the Congo: Poverty Reduction Strategy Paper— Progress Report," *IMF Country Report No. 10/328* (October 2010), 29. https://www.elibrary.imf.org/view/journals/002/2010/328/article-A001-en.xml

[727] Prepared by the authorities of the Democratic Republic of the Congo, "Democratic Republic of the Congo: Poverty Reduction Strategy Paper— Progress Report," *IMF Country Report No. 10/328* (October 2010), 31-37. https://www.elibrary.imf.org/view/journals/002/2010/328/article-A001-en.xml and Jan Walliser, Eric Bell, and Johannes Herderschee, "DRC Economic Report," *Poverty Reduction and Economic Management 3 Africa Region* (February 2010), 8. https://congomines.org/system/attachments/assets/000/000/669/original/WB-DRC-economic-report-2010.pdf?1430929551#:~:text=Economic%20growth%20is%20projected%20to,projects%20launched%20two%20years%20ago.&text=The%20monthly%20consumer%20inflation%20fell,%2D0.7%20%25%20in%20June%202009.

[728] Prepared by the authorities of the Democratic Republic of the Congo, "Democratic Republic of the Congo: Poverty Reduction Strategy Paper— Progress Report," *IMF Country Report No. 10/328* (October 2010), 18. https://www.elibrary.imf.org/view/journals/002/2010/328/article-A001-en.xml

[729] Michael Atingi-Ego and Christian Mumssen, "Democratic Republic of the Congo Staff Report for the 2012 Article IV Consultation," *International Monetary Fund* (September 2012), 2. https://www.imf.org/external/pubs/ft/scr/2013/cr1394.pdf

[730] AfDB, OECD, UNDP, UNECA, "Congo, Democratic Republic," *African Economic Outlook* (2012), 8-9. https://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/Congo%20Democratic%20Republic%20Full%20PDF%20Country%20Note.pdf

Shifting focus to another sector of the DRC's CPIA score, it can be viewed that there was development of the DRC's social inclusion and equity sector from 2004 through to 2012 (see Figures 44 through 47). The CPIA score in the aforementioned sector in 2004 was 2.5 which increased up to 2.9 in 2012. This sector is of note as it measures the state of equitability particularly if state services are reaching the poorest of poor.[731] In 2006 the DRC established their new constitution which stipulates in article 14 that "in all the domains, notably in the civil, political, economic, social and cultural domains, all the measures appropriate to assure the total realization and full participation of women in the development of the Nation."[732] Despite constitutional protections for women in the DRC, the development of this CPIA sector has been slow and as of 2012 is still behind the average of Africa (see Figure 47). The main source of poor scoring is a result of the lack of equity between men and women in education and in the labour force, particularly in rural areas.[733] The lack of infrastructure has also exacerbated this disparity in equity and social inclusion with, as of 2012, "only 47% of the population have access to drinking water and only 9% access to electricity."[734] The World Bank has been actively trying to improve this CPIA score for the DRC through increased enrollment and retention of girls in primary education.[735] Western and PRC development assistance both impact the development of the social inclusion and equity sector insofar as their respective development strategies in the DRC. From 2004 and 2012, Western aid was more predominant in this sector as their aid is directed at the center of the issues surrounding this sector such as education, health, and governance all with focus on gender parity and equality. However, the DRC lacks core infrastructure which hinders DRC development in health and education thus prolonging the gender disparity. This is where PRC development assistance fills a gap in Western aid, namely in large infrastructure projects such as power generation and the construction of roads, and highways (e.g. the 150MW Zongo II Hydroelectric Dam Construction and 700 km new line between the river port of Ilebo and Kinshasa).[736] This is to say that when viewing development

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[731] See, "2015 Country Policy and Institutional Assessment (CPIA) Questionnaire," *African Development Bank* (2015), 27-33 and 37. https://cpia.afdb.org/documents/public/cpia2015-questionnaire-en.pdf

[732] Ghislaine N. Gurhahoza, Frederick Kakwata, "Gender parity: legal foundations and theological issues in the Democratic Republic of the Congo," *In Die Skriflig: Tydskrif van Die Gereformeerde Teologiese Vereniging*, *54* no. 1 (2020): 2; and Government of the Democratic Republic of Congo, "Article 14," in *Congo (Democratic Republic of the) 2005 (rev. 2011),* English Translation by William S. Hein & Co., Inc. (2011) https://constituteproject.org/constitution/Democratic_Republic_of_the_Congo_2011

[733] AfDB, OECD, UNDP, UNECA, "Congo, Democratic Republic," *African Economic Outlook* (2012), 13-14. https://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/Congo%20Democratic%20Republic%20Full%20PDF%20Country%20Note.pdf

[734] Ibid., 13.

[735] The United Nations Educational, Scientific and Cultural Organization "Congo, Democratic Republic (DRC): Education Country Brief," (January 2024), https://www.iicba.unesco.org/en/congo-democratic-republic-drc#:~:text=Equity%20and%20Inclusion/Leaving%20No,to%20lack%20access%20to%20education

[736] S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "China Eximbank provides $360 million preferential buyer's credit for 150MW Zongo II Hydroelectric Dam Construction and a 220 kV Transmission Line Project," *Aid-Data: A Research Lab at William and Mary*, accessed March 2025, https://china.aiddata.org/projects/460/; S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "Chinese Government provides $97.5 million for SNCC for acquisition of construction materials for track works," *Aid-Data: A Research Lab at William and Mary*, accessed March 2025, https://china.aiddata.org/projects/58763/; and S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An*

assistance from both the PRC and the West in regards to social inclusion and equity, the aid is complementary.

Governance continues to be a challenge in the DRC as Figures 44 through 47 demonstrate. Over this period the DRC saw no overall improvement in its governance score from 2004 to 2010 and only a small increase of 0.2 to 2.9 in 2012. The main source of governance development came from the West in their aid to the DRC. The DAC from 2002 to 2012 sent $1.7 billion in ODA to the DRC's government and civil society sector in order to improve state governance (see Appendix D). Moreover the IMF sought to set conditions on their development assistance to the DRC with the specific goal of making the DRC "more attractive for the emergence of a private sector" to support publicly funded and managed development efforts.[737] It is clear that the progress made by the DRC can be attributed to the West given their extensive push for the DRC to make improvements through the use of conditions and influx of funds designated for improvement of governance. Moreover, Western aid towards this sector was not merely in 'good governance.' Rather the goal by the West was seeking improvements in security, defence, judicial, financial, administrative and economic governance.[738] The notion from the West was that a holistic approach to improving governance in the DRC would also assist the other sectors of development such as education, health, social equity while also reducing prevalence of corruption and instability. However, the issue of governance development from the donor perspective is merely a concern from the West as the PRC is principally opposed to state interference thus their concern is with stability over good governance. A result of the five principles of peaceful coexistence. Nevertheless, the DRC's slow development of governance led to a push in community-driven reconstruction towards capacity building due to the DRC government's inability to govern across all of the DRC.[739] Tom De Herdt and Kristof Titeca outline the importance of Western development assistance to the DRC when they state: "governance is about enlisting others in one's projects, and therefore it is crucial to be able to act on authority or […] on a mandate by those who 'acquiesce in their subordination.'"[740]

The other aspect that has held back the DRC's development is its informal economy. Both the West and the PRC have acknowledged this problem but there is no evidence that the situation is improving. In fact, there is evidence to suggest that PRC presence is contributing to the problem as news reports have noted "450 mining companies in the South Kivu Province, mostly run by Chinese nationals […] operating illegally due to a lack of compliance with current Congolese mining codes."[741] This need by the PRC to succeed in the DRC is political in nature as they want to be viewed as a capable development partner on the international stage but also because they rely on consistent access to the DRC's cobalt mines and other minerals.[742] As such

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Application of AidData's TUFF 3.0 Methodology. (Williamsburg, VA: AidData at William & Mary 2023), "[Sino-Congolese Programme] China Eximbank provides $13 million loan for Phase 1 of the 55.5 km Bukavu-Nyangezi-Kamanyola-Uvira Segment of Route Nationale 5 (RN5) Construction and Modernization Project," *Aid-Data: A Research Lab at William and Mary*, accessed March 2025, https://china.aiddata.org/projects/46231/

[737] Denis Sassou Nguesso, *Republic of Congo: Poverty Reduction Strategy Paper,* First edition. International Monetary Fund (2012), 355.

[738] Ibid.

[739] Patrick Milabyo Kyamusugulwa, Dorothea Hilhorst; and Gemma Van Der Haar, "Capacity builders for governance: community-driven reconstruction in the eastern Democratic Republic of Congo," *Development in Practice*, *24* no. 7 (2014): 824-825.

[740] Tom De Herdt and Kristof Titeca, "Governance with Empty Pockets: The Education Sector in the Democratic Republic of Congo," *Development and Change*, *47* no. 3 (2016): 477.

[741] Amani Matabaro Tom, "China's Illegal Mining Operations in the Democratic Republic of Congo," Harvard Kennedy Center - CARR Center for Human Rights Policy, (2025). https://www.hks.harvard.edu/centers/carr/publications/chinas-illegal-mining-operations-democratic-republic-congo

[742] Ibid.

the PRC started to outright buy the DRC mines and become the controlling party of the majority share of mines in the DRC due to the instability that the informal economy of the DRC was causing.[743] The PRC went on to buy out eight of the 14 largest cobalt mines in the DRC which account for nearly 50 percent of the DRC's Cobalt output.[744] So what development impact has this informal economy had on the DRC?

The DRC informal economy has become this quasi-official sector of the DRC's government. The issue is that the DRC government cannot control this sector through regulations. Moreover, much of this informal sector does not abide by laws, nor pays taxes, and constantly avoids accountability.[745] The government has tried to solve this problem but due to corruption, lack of resources, and insecurity across the DRC - particularly in the east - the informal economy has grown and continues to impede the DRC's development process.[746] The presence of rebel groups in the eastern provinces has been exacerbating the problems of control over this informal economy. As seen in Figures 44 through 47 the business regulatory environment score of the CPIA had remained constantly low until 2012. The informal sector for the DRC has been a place of refuge for citizens of the DRC as access to the formal economy such as policing, education, health, public administration, and the private sector has been made extremely difficult to attain.[747]

The main reason for there being a lack of accessibility into the formal economy is due to both the lack of infrastructure, poor health care, and lack of education, along with the instability from consistent conflict. Both are a result of a weak central government managing the DRC's development. As noted by the international labour organization people in the DRC are "unable to realize their productive potential" forcing them to work in the informal economy sector that is known for low or irregular incomes, poor working conditions, and lack of any social protection and often dangerous and illegal.[748] People are pushed away from the formal economy because, simply put, it is not functioning. Infrastructure and pay issues have caused those in education and health to seek work elsewhere. The informal economy makes up 75 percent of the DRC's economy.[749] And because of the lack of regulations, the barrier to entry in the informal economy

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[743] Andrew L. Gulley, "China, the Democratic Republic of the Congo, and artisanal cobalt mining from 2000 through 2020," *Proceedings of the National Academy of Sciences - PNAS*, *120* no. 26 (2023), 1-11; https://www.reuters.com/markets/deals/chinas-norinco-sweetens-bid-congo-copper-mines-deal-stalls-sources-say-2025-02-21/; Hearing, "From Cobalt to Cars: How China Exploits Child and Forced Labor in the Congo," Congressional Executive Commission on China, (November 2023) https://www.cecc.gov/events/hearings/from-cobalt-to-cars-how-china-exploits-child-and-forced-labor-in-the-congo; and Farrell Gregory and Paul J. Milas, "China in the Democratic Republic of the Congo: A New Dynamic in Critical Mineral Procurement," *Strategic Studies Insitute US Army War College* (October 2024) https://ssi.armywarcollege.edu/SSI-Media/Recent-Publications/Article/3938204/china-in-the-democratic-republic-of-the-congo-a-new-dynamic-in-critical-mineral/.

[744] Luca Maiotti and Benjamin Katz, "Interconnected supply chains: a comprehensive look at due diligence challenges and opportunities sourcing cobalt and copper from the Democratic Republic of the Congo," *OECD Centre for Responsible Business Conduct* (2019), 5. https://mneguidelines.oecd.org/Interconnected-supply-chains-a-comprehensive-look-at-due-diligence-challenges-and-opportunities-sourcing-cobalt-and-copper-from-the-DRC.pdf

[745] Toé Messrs, Maino Koulet-Vickot, Hellwig Melhado, *Democratic Republic of the Congo: Selected Issues.* First edition, Washington, D.C: International Monetary Fund (2015), 72. https://www.elibrary.imf.org/view/journals/002/2015/281/002.2015.issue-281-en.xml

[746] Amani Matabaro Tom, "China's Illegal Mining Operations in the Democratic Republic of Congo," Harvard Kennedy Center - CARR Center for Human Rights Policy, (2025). https://www.hks.harvard.edu/centers/carr/publications/chinas-illegal-mining-operations-democratic-republic-congo

[747] International Labour Organization, "State of Skills: The Democratic Republic of the Congo," (2019), 11. https://www.ilo.org/sites/default/files/wcmsp5/groups/public/@ed_emp/@ifp_skills/documents/genericdocument/wcms_742204.pdf

[748] Ibid., 14.

[749] Ibid.

does not require educated workers. The formal sector, however, does require education of high-skill individuals. This is why the underemployment rate in the DRC is over 50 percent.[750] The vast majority of the citizens are forced into the informal economy but the ones who choose to join the informal economy do so knowing their treatment will be worse; but what can one expect when survival is the conflicting factor. An informal economy such as the one in the DRC is detrimental to any development nation as it often becomes a self-perpetuating problem.

Following the PRC entry into the DRC, the trajectory for the DRC's development seemed to be moving in the right direction. As per Figures 48 and 49 this was the case. Part of the DRC was stable enough for FDI, signifying improvements in governance to finally start.[751] The DRC had its first free and fair election in 2006, and development assistance finally started to be coordinated and directed to the right places. The PRC development assistance policy in the DRC is very traditional insofar as the PRC invests in both the DRC's economic and infrastructure sectors. As noted above the PRC in their early development efforts in the DRC focused their aid on securing their position in cobalt extraction and production thus investing lower sums of aid into 'traditional' infrastructure projects as seen in Ethiopia and Ghana. Despite overall progress being made in the DRC's CPIA score from 2004 to 2012 an issue of debt instability started to reoccur which would go on to affect the DRC's development and CPIA scores from 2012 to 2018.

As with Ethiopia and Ghana the DRC has struggled greatly with debt. As with those nations, this has also been impacted by the PRC's increased presence in the development system. As seen in Table 8 DAC ODA efforts were mainly directed towards debt forgiveness in 2003, 2004, and following the general election in 2006. The goal was to set the DRC up for success in sustainable debt efforts. But following the introduction of PRC loans the DRC concerns of debt instability grew among Western donors. While it is true the issue of debt stability cannot solely fall onto the PRC as the DRC struggled with its revenue system due to its informal economy, it can be said that PRC development assistance did not help alleviate the issue of debt for the DRC. It was clear that the PRC aid to the DRC was harmful insofar as the PRC's control of the cobalt mines hindered the DRC's economic development. When compounded with the aforementioned governance issues the debt situation was beyond a crisis and in fact could be deemed to be fatal to the DRC's development. As such, and as noted in Table 8, Western aid towards debt forgiveness spiked again in 2010, 2011, and 2012. In 2011 alone, DAC ODA towards debt forgiveness totaled $4.6 billion (USD constant 2022). However, as per the data in Table 8, the DRC has not received sizable debt relief from the West since 2012. A link can then be made that, at the very least, the reduction in debt relief from the West compared to the stagnant debt policy score, outlined in Figures 48 and 49, shows that the shift in policy by the West did not harm DRC debt policy but also did not result in improvements. Moreover, Western aid post 2008 started to transition away from development assistance and more towards humanitarian ODA (see Table 8). When assessing Table 8 one can note that in 2015 of the $1.6 billion DAC ODA $850 million was in humanitarian aid.

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[750] Ibid.

[751] World Bank Group, "Foreign direct investment, net inflows (% of GDP) - Congo, Rep," *International Monetary Fund, International Financial Statistics and Balance of Payments databases, World Bank, International Debt Statistics, and World Bank and OECD GDP estimates,* accessed April 2025, https://data.worldbank.org/indicator/BX.KLT.DINV.WD.GD.ZS?end=2018&locations=CG&start=1991

Clusters / Criteria	Score	Change*	Center	Africa
Overall CPIA	**3.2**	-0.1	3.3	3.5
Economic Management	**3.7**	-0.2	3.7	3.7
Fiscal Policy	4.0	—	3.8	3.7
Monetary Policy	3.5	-0.5	3.8	3.9
Debt Policy	3.5	—	3.6	3.6
Structural Policies	**3.1**	-0.1	3.2	3.4
Financial Sector Development	3.0	-0.2	3.1	3.4
Trade Policy	3.1	—	3.4	3.5
Business Regulatory Environment	3.3	—	3.0	3.3
Social Inclusion/Equity	**3.1**	—	3.2	3.4
Gender Equality	2.7	+0.2	3.2	3.4
Equity of Public Resource Use	3.3	-0.2	3.2	3.4
Building Human Resources	3.2	-0.2	3.3	3.6
Social Protection and Labor	2.8	—	2.9	3.3
Environmental Policies and Regulations	3.5	—	3.6	3.5
Governance	**3.1**	-0.1	3.0	3.4
Property Rights and Rule-based Governance	2.9	-0.1	2.8	3.3
Quality of Public Administration	2.6	—	2.8	3.1
Quality of Budgetary and Financial Management	3.4	—	3.2	3.6
Efficiency of Revenue Mobilization	3.3	-0.3	3.5	3.8
Transparency, Accountability and Corruption in the Public Sector	3.3	—	2.9	3.2
Infrastructure & Regional Integ.	**3.2**	—	3.2	3.3
Infrastructure Development	3.4	—	3.2	3.3
Regional Integration	2.8	—	3.1	3.3

*Nominal change as compared to the 2015 score.

Figure 48: DRC's CPIA Score Tabular Overview (2016)[752]

[752] African Development Bank Group: Country Policy and Institutional Assessment - Democratic Republic of Congo 2016 Score Overview, accessed March 2025, https://cpia.afdb.org/?page=results&subpage=profile&indicator_id=A-D_&country_id=CD&year=2016

Clusters / Criteria	Score	Change*	Center	Africa
Overall CPIA	**3.1**	—	3.1	3.5
Economic Management	**3.5**	—	3.5	3.7
Fiscal Policy	3.5	—	3.6	3.6
Monetary Policy	3.5	—	3.6	3.9
Debt Policy	3.5	—	3.4	3.5
Structural Policies	**3.1**	—	3.1	3.5
Financial Sector Development	2.8	—	3.1	3.4
Trade Policy	3.0	—	3.2	3.5
Business Regulatory Environment	3.3	—	3.0	3.4
Social Inclusion/Equity	**2.9**	—	3.0	3.4
Gender Equality	2.7	—	3.1	3.4
Equity of Public Resource Use	3.2	—	3.0	3.4
Building Human Resources	2.8	—	3.1	3.5
Social Protection and Labor	2.7	—	2.8	3.3
Environmental Policies and Regulations	3.0	—	3.2	3.6
Governance	**2.9**	—	2.8	3.4
Property Rights and Rule-based Governance	2.9	—	2.7	3.3
Quality of Public Administration	2.5	—	2.6	3.2
Quality of Budgetary and Financial Management	3.1	—	2.8	3.6
Efficiency of Revenue Mobilization	3.3	—	3.4	3.8
Transparency, Accountability and Corruption in the Public Sector	2.8	—	2.7	3.1
Infrastructure & Regional Integ.	**3.2**	—	3.2	3.4
Infrastructure Development	3.4	—	3.2	3.4
Regional Integration	2.8	—	3.2	3.3

*Nominal change as compared to the 2017 score.

Figure 49: DRC's CPIA Score Tabular Overview (2018)[753]

Following 2012, there was a shift in development for the DRC, particularly from the West. It was clear that the PRC was having an impact on infrastructure development, as outlined in the projects mentioned above, and thus has a major role in the improvement of the DRC's national infrastructure. While this trend is the same as seen in Ethiopia and Ghana, the PRC manages to assist the DRC in achieving an infrastructure development CPIA score of 3.4 – one of two scores of the DRC CPIA to meet the African average in 2018 (see Figure 49). However, as noted in Appendix D Western development assistance in infrastructure increased notably in 2008, the same year when the PRC sent over $5 billion in development assistance to the DRC. The aid from the West towards infrastructure in the DRC was focused on smaller projects compared to

[753] African Development Bank Group: Country Policy and Institutional Assessment - Democratic Republic of Congo 2018 Score Overview, accessed March 2025, https://cpia.afdb.org/?page=results&subpage=profile&indicator_id=A-E_&country_id=CD&year=2018

those done by the PRC. This was both intentional and by virtue of the current state of the DRC. As such Western investment in infrastructure focused on smaller more manageable projects that supported the DRC's health and education sectors.[754] The difference in infrastructure aid between the PRC and the West to the DRC can be best described as the PRC being more "willing to take on much more risk than their Western counterparts."[755] The West that was once cautious in infrastructure aid "woke up" resulting in the DRC being able to secure more financing from both the PRC and the West.[756] The DRC continues to have problems with its infrastructure particularly "road and rail infrastructure are in dilapidated condition, while the latter has also fallen into disuse" making both PRC and Western efforts more important.[757] Nevertheless the DRC's CPIA score shows that while development of the infrastructure sector is still needed it is the best performing sector as per the CPIA for the DRC.

By 2018 DRC's CPIA economic management score worsened to 3.5 from 3.8 in 2012 (see Figures 47 and 49). Much of the DRC's economic problems are a result of poor governance and this is no different for the DRC's CPIA economic management score. The first issue comes from the fact that non-resource revenues, the bulk of budget revenues, are low in the DRC compared to other developing nations. This is a result of "road and rail infrastructure [having been] in dilapidated condition, and the rail network [having] fallen into disuses."[758] Such issues increase the risk of corruption. Thus, leading to the second issue in the DRC's economic management, the rule of law is weak in DRC; meaning FDI is actively discouraged which is representative in the DRC between 2012-2018.[759] Moreover some argue that the DRC has fallen victim to the resource curse. In 2019 a report by the IMF on the DRC argues that the impact of the resource curse on the DRC is intensified by:

> the country's sheer size—it is as large as Western Europe and is bordered by nine countries—and the diversity of the natural resources create additional challenges, necessitating a well-developed management machinery. The vast terrain also makes it difficult to police the resources and prevent smuggling.[760]

Such factors have also made Western development assistance difficult to implement in the DRC as Western aid, proper economic management and good governance, all interrelate with one another, particularly towards economic outcomes. Moreover, the PRC has made the DRC's

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754 "The World Bank in the DRC," *The World Bank Group*, accessed April 2025, https://www.worldbank.org/en/country/drc/overview#3; and "From Footpaths to modern roads in DRC," *UNOPS*, accessed April 2025, https://www.unops.org/news-and-stories/stories/from-footpaths-to-modern-roads-in-drc#:~:text=This%20article%20was%20published%20more,Democratic%20Republic%20of%20the%20Congo;

755 David G. Landry, "The Risks and Rewards of Resource-for Infrastructure Deals: Lessons from the Congo's Sicomines Agreement," *China-Africa Research Initiative Working Paper*, no. 16 (May 2018), 18. https://int.nyt.com/data/documenttools/01911-sicomines-workingpaper-landry-v6/fd147a81df0bb6b9/full.pdf

756 Ibid.

757 Vivien Foster and Daniel Alberto Benitez, "The Democratic Republic of Congo's Infrastructure: A Continental Perspective," *Africa Infrastructure Country Diagnostic The International Bank for Reconstruction and Development / The World Bank* (March 2010), 1. https://www.infrastructureafrica.org/library/doc/807/democratic-republic-congo-country-report/

758 Victor Davies, Claire Gicquel, and Philippe Egoumé Bossogo, "Democratic Republic of the Congo: Selected Issues," *International Monetary Fund Country Reports*, (August 2019), 4. https://www.imf.org/en/Publications/CR/Issues/2019/09/04/Democratic-Republic-of-the-Congo-Selected-Issues-48649

759 Ibid., 3-11.

760 Victor Davies, Claire Gicquel, and Philippe Egoumé Bossogo, "Democratic Republic of the Congo: Selected Issues," *International Monetary Fund Country Reports*, (August 2019), 10. https://www.imf.org/en/Publications/CR/Issues/2019/09/04/Democratic-Republic-of-the-Congo-Selected-Issues-48649

resource curse and economic fixation - lack of diversity - worse.[761] For instance "the contribution of natural resource extraction to GDP has been rising steadily from 11 percent in 2005-08 to 24 percent in 2012-13, and to 25-26 percent in 2014-17. Natural resources generate 95 percent of export earnings."[762] The issue with a lack of economic diversification is if there is a commodity price crash, as seen with Ghana and oil crash in 2014, then state revenues crash as well which for the DRC - who has had revenues problems - would be fatal.[763] But as noted by Andrew L. Gulley, "the DRC government has been one of many who adopted the Washington Consensus" resulting in "a stable, nearly continuous expansion of DRC cobalt mine production since privatization began in 2002."[764] All this demonstrates that Western development assistance helps bolster the DRC economy through their condition-based aid and debt relief whereas PRC aid has increased the risk of economic instability delaying economic diversification. This tug and pull by both the PRC and West, in addition to the other issues laid out above, has resulted in the DRC's overall economic management score to drop while its debt policy score has increased from a 3 in 2012 to a 3.5 in 2018 (see Figure 49).

As noted above economic management is very much intertwined with governance. Therefore, it is important to delve into the DRC's CPIA governance sector score in 2018. As noted in Figures 44 through 49 the DRC's governance score in 2004 was 2.7 whereas in 2018 it is 2.9 suggesting slow development. But when one views the DRC's 2016 CPIA score, Figure 48, one can see that in fact the DRC's development of governance has not been entirely positive and has in fact been a case of growth and regression. Western development assistance, both ODA and conditions on aid, towards governance has been largely ineffective thus far. Some argue that this is a result of PRC aid to the DRC perpetuating a resource curse effect on the DRC.[765] Moreover, the DRC:

> simply fails to address the deeper and larger causal problem of governance, 'namely the sector's perpetual informality, brought about by an excessively-bureaucratic legalisation process and failure, on the part of the government and donors, to deliver adequate and appropriate support to desperate operators.'[766]

The DRC's overall development has been in the midst of a development competition between the PRC and the West and as such PRC aid has been in opposition to, whether intentional or not, to the Western aid agenda. Despite this, the DRC's governance score has increased since 2004. This suggests that while Chinese investment and aid may not be making things worse, it does not necessarily seem to be making things better. This net-neutral impact on the DRC's development and CPIA score will seemingly continue as the 2007 Sino–Congolais des Mines agreement resulted in Chinese mining companies receiving a full tax exemption until 2040; continuing to

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761 Makhura. B. Rapanyane, "China's involvement in the Democratic Republic of Congo's resource curse mineral driven conflict: an Afrocentric review," *Contemporary Social Science*, *17* no. 2 (2022): 125.
762 Victor Davies, Claire Gicquel, and Philippe Egoumé Bossogo, "Democratic Republic of the Congo: Selected Issues," *International Monetary Fund Country Reports*, (August 2019), 11. https://www.imf.org/en/Publications/CR/Issues/2019/09/04/Democratic-Republic-of-the-Congo-Selected-Issues-48649
763 Christian S. Otchia, "Commodity booms will not last forever: Implications and recommendations for the Democratic Republic of Congo," *The Extractive Industries and Society*, *6* no. 2 (2019), 279–292.
764 Andrew Gulley, "One hundred years of cobalt production in the Democratic Republic of the Congo," *Resources Policy*, *79* (2022), 8.
765 Neil Renwick, Jing Gu, and Son Hong, "China and African Governance in the Extractive Industries," *Revue Internationale de Politique de Développement*, *10* no. 1 (2020).
766 Ibid.

deprive the debt-laden DRC from consequential revenue.[767] Moreover, the worries of corruption in the DRC by the West will continue as "the Beijing-Kinshasa relationship came under international scrutiny as "evidence emerged that Chinese capital—intended for infrastructure investment as repayment for mining rights—was being funneled to Joseph Kabila and his associates."[768] All of this highlights the importance of continued Western development assistance and governance-based conditioned aid to the DRC. The DRC's governance sector is in need of significant development as it is one of the nation's worst CPUA scores well behind African average.

In addition to slow governance development, the DRC has also continued to have slow social inclusion and equity development as noted in the DRC's CPIA scores. In 2004 the DRC held a score of 2.4 in social inclusion and equity whereas in 2018 it was 2.9 down from 3.1 in 2016 (See Figures 44, 48, and 49). Therefore, this sector has seen a similar trajectory to that of the DRC's governance sector with some development and regression occurring (see Figures 44 through 49). While progress has been made, as outlined above, the DRC continues to see setbacks in social inclusion and equity. The DRC continues to suffer from "political uncertainty at the national level and tensions at the provincial and local level are further impacted by socio-economic insecurities, ethnic tension, education and health inequity, economic contraction, poverty, and unemployment."[769] Moreover, linking the above-mentioned issues with the DRC's governance and its economic management, one can note that the redistributive capacity of the mining revenues by the government of the DRC is poor resulting in "the fractured character of the country, with enduring poverty, growing inequality, and social deprivation."[770] As with the DRC's governance sector Western development assistance has been fixated on improving the social inclusion and equality sector through its work on health and education and directly with its conditioned based aid. Yet due to a myriad of reasons outlined above, the DRC remains one of the worst performing nations on the Gender Inequality Index despite the improving CPIA score.[771] Again, while Chinese investment and aid may not be making things worse, it does not seem to be making things better.

The case of the DRC has highlighted interesting deviations and shifts in both PRC and Western development policies. There are some early signs that the West may have started to shift assistance away from development aid and more towards humanitarian efforts all the while maintaining significant resources towards health and education. Despite such diversity in aid, and unlike in Ghana and Ethiopia, DAC members have started to slowly move towards infrastructure

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767 Gracelin Baskaran, "Building Critical Minerals Cooperation Between the United States and the Democratic Republic of the Congo," *Center for Strategic and International Studies*, (March 2025), 7. https://www.csis.org/analysis/building-critical-minerals-cooperation-between-united-states-and-democratic-republic-congo#h2-the-history-of-u-s-and-chinese-engagement-in-the-drc-mining-industry

768 Center for Preventive Action, "Conflict in the Democratic Republic of Congo," *Council on Foreign Relations Global Conflict Tracker,* March 2025, accessed March 2025, https://www.cfr.org/global-conflict-tracker/conflict/violence-democratic-republic-congo#:~:text=Over%20the%20past%20two%20decades,involved%20in%20the%20Congolese%20conflict

769 USAID, "Gender Equality & Social Inclusion Analysis: USAID/DRC Integrated Youth Development Activity (IYDA)," Education Development Center and United States Agency for International Development, (December 2021), 7. https://www.edc.org/sites/default/files/GESI-USAID-DRC-IYDA.pdf

770 Neil Renwick, Jing Gu, and Son Hong, "China and African Governance in the Extractive Industries," *Revue Internationale de Politique de Développement*, *10* no. 1 (2020).

771 United Nations, Gender Inequality Index (GII)," United Nations Development Programme, accessed March 2025, https://hdr.undp.org/data-center/thematic-composite-indices/gender-inequality-index#/indicies/GII; and USAID, "Gender Equality & Social Inclusion Analysis: USAID/DRC Integrated Youth Development Activity (IYDA)," Education Development Center and United States Agency for International Development, (December 2021), 7. https://www.edc.org/sites/default/files/GESI-USAID-DRC-IYDA.pdf

projects as their necessity has become increasingly clear (see Appendix D). The shift by the West was two-fold. First the West realized they needed to invest in infrastructure projects if their aid in DRC's education and health sectors hoped to have a sustainable future, particularly if social inclusion and equity is a goal for the west (see Appendix D).[772] Second, the PRC's development policy towards the DRC raised concerns in the West regarding the DRC's debt situation. Therefore, the West thought it best to alleviate debt pressures from 2003 to 2006 and again from 2010 to 2012. Moreover, Western development policy was influenced by the DRC insofar as the West was unable to conduct their aid as they normally would due to the inability of the DRC to govern at a basic level. The example being low levels of governance and the influx of illegally operated Chinese mines in the DRC, particularly in the east. Moreover, Western development assistance changed following 2012 when the DAC largely stopped providing debt relief to the DRC.

When assessing the development of the DRC it is difficult to see a path forward for the state. The issues facing the DRC and its development are in some cases seemingly insurmountable. The fragile state index has ranked the DRC consistently between second and sixth on its scale making it one of the most fragile states in the world.[773] Some even go as far as referring to the DRC as a failed state.[774] One that is being propped by external funding in the form of development and humanitarian assistance. Of the ODA from DAC, as outlined in Table 8, an increasing share of aid has been going towards humanitarian aid since 2015, signifying the setbacks in development and the dire situation for the DRC. All of this is not to suggest that no progress has been made. As laid out clearly in the DRC's CPIA and HDI scores there has been improvement in all metrics of scoring. The issue however, that is being highlighted in this case study is that when a developing state has poor governance, corruption runs rampant; and foreign countries abuse the situation for their own benefit. Governance is the foundation of any developing state and between 1990 and 2018 the DRC has lacked strong governance. It was not until 2010 when the DRC's government started to somewhat effectively lead development policy. But being able to create policy is different from being able to manage and execute it.

The history of the DRC has proven economic and social development was all but impossible without external development assistance. Clashes of violence and the presence of rebel groups continue to displace people and impede development efforts.[775] The DRC is governed by a system of corruption and disorder, civil servants are not motivated and have become a drain on the system.[776] This top-down corruption can be linked back to Mobutu with his call to his people "to do whatever it needed to survive."[777] It is this 'self before nation' attitude that sets the DRC back. Furthermore, the divide among the DRC people goes beyond just race, language, and rural versus urban. The DRC has become, both on purpose and by practice, a

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[772] Isaac K. Ofori, Nathanael Ojong, Emmanuel Y. Gbolonyo, "Foreign Aid, Infrastructure, and the Inclusive Growth Agenda in Sub-Saharan Africa," *Growth and Change*, *55* no. 4 (2024); and David G. Landry, "The risks and rewards of Resource-for Infrastructure deals: Lessons from the Congo's Sicomines Agreement," *China-Africa Research Initiative Working Paper*, no. 16 (May 2018), 18. https://int.nyt.com/data/documenttools/01911-sicomines-workingpaper-landry-v6/fd147a81df0bb6b9/full.pdf

[773] "Fragile state Index - Congo Democratic republic," The Fund for Peace, accessed April 2025, (Filters (1) Select Country: Congo Democratic Republic), https://fragilestatesindex.org/country-data/

[774] "Bertelsmann Transformation Index 2018 Democracy Report: Political transformation Growing numbers living in unfree societies," Bertelsmann Transformation Index (2018), 21. https://bti-project.org/fileadmin/api/content/en/downloads/reports/global/BTI_2018_Democracy_Report.pdf

[775] Nathalie Louge, Jerrold Keilson, and Michael Gubser, "Practitioners Caught in the Middle: Evidence from the Democratic Republic of Congo," In *The Practice of International Development*, First edition, (United Kingdom: Routledge 2018), 132.

[776] Ibid., 133.

[777] Ibid., 134.

decentralised system of governance with no prior experience or system in place to be able to ensure equitable health and education development if left to provincial/regional control.[778] If the West or the PRC were to pull out of the DRC's development would most likely regress.

All hope is not lost on the DRC as there have been recent developments which favor the DRC. Since 2014 the international community recognizes both the struggles facing the DRC and the importance of this nation. As such efforts have been made to coordinate development assistance resulting in more effective aid and distribution of recourse in areas in more need.[779] Western aid has been directed towards the health and education sector with notable progress being made as seen in the HDI scores. While the DRC economy has suffered, it has slowly been recovering when assessing the GNI per capita. When assessing overall GDP growth the DRC has seen great success from having a GDP of $7.4 billion in 2001 to $47.5 billion in 2018.[780] Despite the selfish decision behind the PRC's growing monopolisation of the DRC's main source of economic growth, its ownership has offered stability in a period of instability allowing the cobalt and copper market to operate and grow.[781] The main focus on the DRC ought to be on governance and regional integration as these two factors are the biggest outliers for the DRC, in addition to gender equality and social protection and labour scores (see Figure 49). If the DRC can manage to quell the violence in the east of its territory, further its regional integration with development projects such as roads, bridges, communication, and transportation along with rooting out corruption, the DRC can become a self-sustaining developing nation. The reliance on the 'if' being of note. These issues are not simple to solve and have been the biggest reasons for setbacks in developing nations.

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778 Ibid., 136.

779 Ibid., 140.

780 World Bank Group, "GDP (constant 2015 US$) - Congo, Dem. Rep," *World Bank national accounts data, and OECD National Accounts data files,* accessed April 2025, https://data.worldbank.org/indicator/NY.GDP.MKTP.KD?locations=CD

781 Andrew L. Gulley, Erin A. McCullough, and Kim B. Shedd, "China's Domestic and Foreign Influence in the Global Cobalt Supply Chain," *Resources Policy* 62 (2019): 319-320, and 322; and Gracelin Baskaran, "Building Critical Minerals Cooperation Between the United States and the Democratic Republic of the Congo," *Center for Strategic and International Studies*, (March 2025), 4. https://csis-website-prod.s3.amazonaws.com/s3fs-public/2025-03/250325_Baskaran_Minerals_Cooperation.pdf?VersionId=itx7b8T6tjwEd1HYxLKTy_xRPW62tdEQ

Chapter Six: Comparative Analysis

This chapter assimilates some of the main findings of each of the case studies examined in Chapters Three through Five to provide answers to this thesis' two research questions. First, has the entry of the PRC into the development assistance domain in Africa affected the aid strategies of the West. By no longer being the sole dominant provisioners of developmental assistance on the continent, how has the increased competition from Chinese aid sources affected the amount of aid, the types of aid, and the channels through which aid from the West is delivered? In short, has the increasing presence of China in the development assistance field in Africa altered Western developing assistance strategies? Second, this thesis seeks to understand the impacts of the increased competition in the delivery of development aid in Ghana, Ethiopia, and the DRC. Has increased competition in the field of development assistance allowed developing African nations to improve their economic and social development without having to submit to Western conditions on governance, human rights (including gender), and the environment? To measure these effects the United Nations' Human Development Index (HDI) and the Country Policy and Institutional Assessment (CPIA) of the African Development Bank (AfDB) are employed. These tools have enabled this thesis to answer the question of whether the presence of Chinese development assistance - in the aforementioned three states - is providing an alternative path to development and/or enabling African developing states to avoid the conditionality of Western development assistance.

Each case assessed above has provided unique insights into the development process of Ghana, Ethiopia, and the DRC since international development assistance became a regular feature of global geopolitics in the aftermath of World War II. Each case study has demonstrated that there are three major overlapping themes as to the role and impact of growing Chinese development assistance in the twenty-first century:

1. Western Sector-Wide Approach (SWAp) vs Chinese infrastructure investment and Other Official Flows (OOF)
2. The role of debt and possible debt trapping
3. The impact of conflict and corruption on development

The West's chief approach to aid over the last two decades has been to focus on basic social needs first, governance second, and direct economic development (i.e. infrastructure) projects third. It has done so largely through a SWAp that allows developing nations to plan and administer aid through their own channels and programs. By contrast, PRC development assistance has almost overwhelmingly focussed on infrastructure and economic assistance. PRC development assistance to health, education and governance capacity has been extremely limited, particularly in comparison to the West. Even in these sectors most of PRC aid has focussed on providing infrastructure, such as medical centres and schools, largely through projects built entirely by Chinese firms and labour.[782] Evidence garnered in each of the case studies suggests that there is little overlapping aid between Western development assistance organizations (DAC, WB, and IMF) and that offered by the PRC. It appears that developing nations thus approach aid donors for different needs and utilize such assistance to meet their development needs in different ways. The Western SWAp has allowed countries like Ghana, Ethiopia, and to a lesser degree the DRC, to address important human capital elements of development measured by HDI, while simultaneously making progress in the metrics of development ownership and effectiveness

[782] Evidence of this claim is outlined through Chapters 3 through 5.

measured by the CPIA process. Equally important, both the West and the PRC can claim that their types of aid contribute to effective development and do so in ways that respect the sovereignty of these respective states; however, the West and the PRC would disagree with such a sentiment.

The second theme concerns the rising debt levels of Ghana, Ethiopia, and the DRC since 2010 and whether the increased presence of PRC development assistance and financial investment might be luring them back into a position of debt instability which each has faced historically. Uncontrolled debt, as the literature has overwhelmingly shown, is a key threat to sustainable development.[783] Each of these nations has experienced various IMF bailouts and other debt forgiveness programs which helped alleviate the shrinking of public programming in key areas of social and economic development, measured by the HDI process.[784] Similarly, CPIA scores are also vitally affected by a developing nation's current debt levels and domestic policies towards maintenance and reduction of debt. With respect to the specific metrics assessed by the CPIA, debt plays a role in almost all of them in some form and manner, some more than others (e.g. fiscal policy and quality of budgetary, financial management, and debt policy). The issue of debt and debt trapping also raises important questions about the more sinister use of development assistance even by realpolitik standards. Western nations and development institutions have expressed concerns that the PRC's Belt and Road initiative has saddled many African nations

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783 Xiaoyang Tang, and Shuai Pan, "Impact of Market-Based Financing on Africa's Debt and Development," *China International Strategy Review* 6 no. 1 (2024): 122–138; Helen Hughes, "Debt and Development: The Role of Foreign Capital in Economic Growth," *World Development* 7 no. 2 (1979): 95–112; Yu Ye, "The G20 Reciprocal Socialization for Global Coordination on Sovereign Debt and Development: Perspective of China," *International Politics* (Hague, Netherlands 2023), 1–22; Elliott Harris and Chris Lane, "Debt as an Obstacle to the Sustainable Development Goals, United Nations Department of Economic and Social Affairs, (2018); and Liu Zhenmin "Financing For Development: Progress and Prospects 2018," *Report of Inter-agency Task Force on Financing for Development* (United Nations New York, 2018).

784 Press Release, "Press Release: IMF and the World Bank Support Ethiopia's Completion Point and Approve Topping-Up of Debt Relief Under the Enhanced HIPC Initiative," *International Monetary Fund Press Release no. 04/82* (April 2004),https://www.imf.org/en/News/Articles/2015/09/14/01/49/pr0482#:~:text=Total%20debt%20service%20relief%20under,%243.3%20billion%20in%20nominal%20terms; Press Release, "Press Release: Ghana to Receive $3.7 Billion in Debt Service Relief: The IMF and World Bank Support Debt Relief for Ghana Under the Enhanced HIPC Initiative," *International Monetary Fund Press Release no. 02/11* (February 2002), https://www.imf.org/en/News/Articles/2015/09/14/01/49/pr0211; International Monetary Fund. "Ghana: Enhanced Initiative for Heavily Indebted Poor Countries: Completion Point Document," *IMF Staff Country Reports* 2004, 209 (August 2004), https://www.imf.org/en/Publications/CR/Issues/2016/12/31/Ghana-Enhanced-Initiative-for-Heavily-Indebted-Poor-Countries-Completion-Point-Document-17548; International Monetary Fund, "Democratic Republic of the Congo: Enhanced Initiative for Heavily Indebted Poor Countries: Completion Point Document and Multilateral Debt Relief Initiative Paper," *IMF Staff Country Reports* (December 2010), https://www.imf.org/en/Publications/CR/Issues/2016/12/31/Democratic-Republic-of-the-Congo-Enhanced-Initiative-for-Heavily-Indebted-Poor-Countries-24500#:~:text=Summary,including%20a%20challenging%20security%20situation; Press Release, "Press Release: IMF and World Bank Announce US$12.3 billion in Debt Relief for the Democratic Republic of the Congo," *International Monetary Fund Press Release no. 10/274* (July 2010), https://www.imf.org/en/News/Articles/2015/09/14/01/49/pr10274; and Prepared by the Staffs of the IMF and IDA, "International Monetary Fund And International Development Association - Ethiopia: Decision Point Document for the Enhanced Heavily Indebted Poor Countries (HIPC) Initiative," International Monetary Fund And International Development Association, (October 2001) https://documents1.worldbank.org/curated/en/100801583527837054/pdf/Ethiopia-Enhanced-Heavily-Indebted-Poor-Countries-HIPC-Debt-Initiative.pdf; and " Ethiopia: History of Lending Commitments as of February 29, 2020, *International Monetary Fund* accessed April 2025), https://www.imf.org/external/np/fin/tad/extarr2.aspx?memberKey1=290&date1key=2020-02-29

with economic assistance projects that lack financial transparency and government accountability.[785]

The third theme hits on the related note of the impact of PRC development assistance on government accountability and transparency. Considering that prominent opponents of international development assistance, such as William Easterly and Dambisa Moyo, believe that IDA fuels corruption this is a key theme to address.[786] The fact that PRC assistance comes with 'no conditions' attached has been linked to issues of governance as scholars, such as Mitchell Watkins, have opined that PRC aid lowers compliance of developing nations with agreements on aid conditionality and aid effectiveness.[787] While Ghana is a relatively stable democracy, the country has struggled throughout its existence with issues of corruption and a lack of government transparency that crucially affect issues of equity in development.[788] In states such as Ethiopia and the DRC which have been wracked by years of both inter and intra state conflicts the ability of their governments to assert their central authority has been severely weakened. Both states have often run afoul of preventing widespread smuggling as well as labour and environmental protections. However, following 2012 Ethiopia has seemed to stabilize and their governance sector has been developing since whereas the DRC has not managed such a feat by 2018.

6.1 Project-Based Aid or Sector Wide Approach: PRC and the West

Western aid, as noted throughout this thesis, has become fixated on a sector-wide approach (SWAp) with an emphasis on the use of official development assistance (ODA) over other official flows (OOF) of aid; whereas the PRC has narrowed their development assistance on project-based aid with an emphasis on OOF and vague aid over ODA with the specific focus on developing nations' economic and infrastructure sectors. This divergence in aid strategy between the West and the PRC outlines the core of this thesis' analysis as it highlights critical factors within the field of development assistance within Africa. This section of the chapter aims to delve into both SWAp and project-based aid in relation to the three case studies on Ghana, Ethiopia, and the DRC. Moreover, this section seeks to analyse the impact of both strategies with the aim of addressing the two research questions presented in this thesis (see Chapter One).

While the SWAp has been defined earlier in this work and it has been discussed throughout the case studies, it is important to highlight the key aspects of the SWAp, the West's chief aid strategy in contemporary development assistance. In the simplest terms, the SWAp is when donors, both bilateral and multilateral, direct their aid towards a general pool of funds for a designated sector in order for the developing nation to direct the pooled resources towards a

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785 Eleanor Atkins, Taylor M. Fravel, Raymond Wang, Nick Ackert, Sihao Huang, "Two Paths: Why States Join or Avoid China's Belt and Road Initiative," *Global Studies Quarterly*, *3* no. (2023): 9; Mykyta Simonov, "The Belt and Road Initiative and Partnership for Global Infrastructure and Investment: Comparison and current status," *Asia and the Global Economy*, *5* no. 1 (2025): 3; and Lauren A. Johnston, "The Belt and Road Initiative: What is in it for China?" *Asia & the Pacific Policy Studies*, *6* no. 1 (2019): 53; and

786 See the following work, Dambisa Moyo, *Dead Aid: Why Aid is not Working and How There is a Better Way for Africa.* First edition. Farrar, Straus and Giroux, (2009).

787 Mitchell Watkins, "Undermining Conditionality? The effect of Chinese Development Assistance on Compliance with World Bank Project Agreements," *Review of International Organizations*, 17 no. 4 (2022): 667–690.

788 Ernest Harsch, "Ghana's poor are the ones who suffer most from corruption: history offers some ideas about fighting back," *The Conversation*, (March 2025). https://theconversation.com/ghanas-poor-are-the-ones-who-suffer-most-from-corruption-history-offers-some-ideas-about-fighting-back-250821 and Jean-Luc Lemahieu, Angela Me, and Enrico Bisogno, "Corruption in Ghana People's Experiences and Views," *United Nations Office on Drugs and Crime*, (Vienna 2022). https://www.unodc.org/documents/data-and-analysis/statistics/corruption/Ghana/UN_ghana_report_v4.pdf

specific sector in accordance with their domestically crafted development strategy.[789] This typically involves both the donor and recipient having formal agreements that require recipient states to report where and how the funds are used.[790] The main intent behind the SWAp is to "reduce the burden of managing donors, strengthen relationships between government and donor partners" while also allowing the domestic government of the developing nations to better guide sector growth.[791] In essence, the SWAp is the manifestation, and natural development assistance policy outcome, of the high-level fora on aid effectiveness, particularly the 2005 and 2008 fora in Paris and Accra respectively. It was during these fora when issues of ownership of development were deliberated; resulting in the West providing the aid but recipient countries deciding how to use it under certain parameters.[792]

SWAp was introduced and largely accepted as early as the 1990s to combat disparities and inequalities in different developing countries that had yet to be resolved through the use of project-based aid. The driving force behind the SWAp method was actually due to the unsatisfactory impact the West viewed it had against the eradication of poverty in Africa and Asia throughout the 1990s and the early 2000s.[793] Thus sparking the need for reforms on aid effectiveness which resulted in four high-level fora being held from 2003 up to 2011. The SWAp method allows developing nations to take the lead on development through their own domestically crafted development strategies while also negating the micromanaging of donor states and organisations; thus resulting in better development outcomes.[794] With regards to the three nations assessed in this work, all have benefited from a SWAp, but with differing results as can be seen in their respective CPIA and HDI scores.

The natural question then becomes, why do developing nations choose the SWAp in addition to project-based aid? Simply put project-based aid has been under scrutiny since the late 1980s as it was deemed to have been an "ineffective means of delivery" because project-based aid reflects donor priorities rather than the priorities of the developing nation.[795] Moreover, the use of project-based aid is often uncoordinated which results in duplication of effort and inefficient use of vital development resources.[796] The solution to this was then the SWAp as a means of delivering development aid as it prompted "consultation in the design of a coherent sector programme" which the West could support further through their expertise while still allowing the developing nation to add in their own expertise - themselves - and have the final

[789] Rohan Sweeney, and Duncan Mortimer, "Has the Swap Influenced Aid Flows in the Health Sector?" *Health Economics* 25 no. 5 (2016): 561.
[790] Ibid.
[791] Ibid.
[792]OECD, "Paris Declaration on Aid Effectiveness," *OECD Publishing* (2005), 2, 6, 7, and 10 http://dx.doi.org/10.1787/9789264098084-en; and OECD, "Accra Agenda for Action," *OECD Publishing* (2008), 2-4 http://dx.doi.org/10.1787/9789264098107-en
[793] Geeta Sinha, and Bhabani Shankar Nayak, "Sector-Wide Approaches and Mainstreaming Gender in Education in Ghana: A Study of Its Implementation and Effectiveness," *Journal of Asian and African Studies (Leiden)* 43 no. 3 (2008): 337.
[794] Eckhard Deutscher and Sara Fyson, "Improving the Effectiveness of Aid," *International Monetary Fund Finance and Development*, Volume 45, no. 3 (September 2008) https://www.imf.org/external/pubs/ft/fandd/2008/09/deutscher.htm; and George Ingram, "Locally driven development Overcoming the obstacles," *Brookings Global Working Paper* no. 173 (May 2022).
[795] Rohan Sweeney, and Duncan Mortimer, "Has the Swap Influenced Aid Flows in the Health Sector?" *Health Economics* 25 no. 5 (2016): 559.
[796] Ibid.

say.[797] However, some of the problems with project-based aid of the past seem to not apply to the PRC. For instance, issues of miscoordination between donors does not apply in this case as the PRC is not a part of a conglomerate of donors such as the DAC. Moreover, the PRC seems to be, based on the three case studies, using their aid in a manner that gains an advantage when employed alongside Western SWAp development assistance.

Nevertheless, the increase in the use of the SWAp has resulted positively in Ghana's, Ethiopia's, and the DRC's HDI and CPIA scores. That is because when the SWAp was introduced in the 1990s it was most focused on the health and education sectors thus linking the use of the SWAp to the increased scores seen in the HDI and CPIA.[798] Western donors deemed these two sectors as the most influential factors that would promote passive and generational development. As outlined in their respective case studies, the West supported Ghana's national health insurance scheme and its free compulsory universal basic education strategy. In Ethiopia, Western SWAp was used towards Ethiopia's education sector development programs and their health sector development plans along with their overarching growth transformation plan. In the DRC, the SWAp was utilized towards the DRC's national health sector strategy and their most recent 2019 national strategic development plan.[799]

Moreover, educational and health needs are vast in all developing nations. Using the health sector as an example, Ghana, Ethiopia, and the DRC have all seen massive success within this sector. Using the HDI metric of life expectancy, all three developing nations have seen staggering success ranging from an increase of 10 years on the low end, Ghana and DRC, and fifteen years on the high end, Ethiopia, between 1990 and 2018. This is because developing nations, in addition to guidance from donor states and organisations, came to realise project-based aid in the health sector typically was reactive in nature whether it be a hospital built, or emergency medicine and medical teams sent. This realization, and through the use of the SWAp in Ghana, Ethiopia, and the DRC resulted in an increase in preventative health development, namely in vaccinations, the education and promotion of sexual education, and through domestic capacity building as noted throughout the case studies.[800] Shifting to education as being an example of the SWAp having success – when assessing the education metrics of the HDI – as noted in their respective case study, Ghana, Ethiopia, and the DRC all saw improvement in their scores for the expected and mean years of education. Some more than others, but development nevertheless.

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[797] Geeta Sinha, and Bhabani Shankar Nayak, "Sector-Wide Approaches and Mainstreaming Gender in Education in Ghana: A Study of Its Implementation and Effectiveness," *Journal of Asian and African Studies (Leiden)* 43 no. 3 (2008): 337-338.

[798] Rohan Sweeney, and Duncan Mortimer, "Has the Swap Influenced Aid Flows in the Health Sector?" *Health Economics* 25 no. 5 (2016): 559.

[799] Sophie Witter, Maria Paola Bertone, Justine Namakula, Pamela Chandiwana, Yotamu Chirwa, Aloysius Ssennyonjo, and Freddie Ssengooba, "(How) Does RBF Strengthen Strategic Purchasing of Health Care? Comparing the Experience of Uganda, Zimbabwe and the Democratic Republic of the Congo," *Global Health Research and Policy* 4 no. 1 (2019): 1-13; Hyppolite Kalambay Ntembwa Wim Van Lerberghe, "Improving Health System Efficiency: Health Systems Governance & Financing Democratic Republic of the Congo - Improving aid coordination in the health sector," *World Health Organisation* (2015): 14-15. https://iris.who.int/bitstream/handle/10665/186673/WHO_HIS_HGF_CaseStudy_15.4_eng.pdf?sequence=1#:~:text=The%20process%20of%20revitalizing%20the%20health%20sector,of%20the%20health%20sector%20and%20the%20health; and "Democratic Republic of the Congo Multi-year Strategy 2022 – 2026, *United Nations High Commissioner for Refugees* (2025), 3. https://reporting.unhcr.org/sites/default/files/2025-01/Democratic%20Republic%20of%20the%20Congo%20-%20Strategy%202022%20%E2%80%93%202026.pdf

[800] Nigel O'Farrell, "Sector-Wide Approaches and STI Control in Africa," *Sexually Transmitted Infections* 77 no. 3 (2001): 156.

While the positives of the SWAp have been outlined above, one ought not believe that there are no deficiencies with this method of aid delivery. In fact, there is a major issue with the SWAp that is quite obvious once highlighted. As noted by Paul Garner et.al “the potential benefit [of the SWAp] is that money is spent on priorities set by the country, not external agencies, and aid is more efficiently managed through the country's existing structures, with only one set of monitoring and accounting mechanisms.”[801] The takeaway from the prior quote is ‘existing structures’. The SWAp is only as effective if the developing nation has the administrative and technical capacity to run such programs. Developing nations with poor governance, lack of institutional structures, and that are rife with corruption are not better off with SWAp than they are with project-based aid. In this case study, the DRC is the case in point. Ethiopia has also struggled in this regard, but as its CPIA scores have shown it has made tremendous strides. Ghana by contrast to the other two has had such structures in place to benefit from SWAp for a longer period. Rohan Sweeney, Duncan Mortimer also find that the SWAp is best suited for developing nations with high levels of poverty, aid dependence, and struggles with donor fragmentation, but that “some minimum level of government capacity is required to manage the SWAP process.”[802] The problem for SWAp then becomes that it is most effective in developing nations where government capacity is most likely lacking; somewhat of a paradoxical situation. This lends some credence to the PRC’s project-based aid as having a more influential impact than Western SWAp in specific instances (e.g. infrastructure and economic aid). Looking at the DRC’s CPIA score in 2018 its debt policy and infrastructure development scores are the only two to match the average in Africa. The latter sector was influenced more by the PRC by virtue of the sheer amount of development assistance to this sector by the PRC over that from the West during the same time period (see Chapter Five and Appendix D).

The three case studies demonstrate, as noted throughout the literature, that the PRC purposefully directs its aid towards infrastructure and economic development leaving the health, education, and governance sectors to be supported predominantly by the West. This is because health, and education are main priorities for the West, and the PRC stands little chance of competing against Western dominance and influence in these sectors. This is not to insinuate that the PRC has no role in these two sectors, rather that they let the West and the developing nations set the terms and pace while providing assistance where they can most effectively, typically through small ODA projects - at least in comparison to their infrastructure aid. In fact, it is the PRC’s use of small ODA project-based aid that stands out. As one can note below with Figures 50 through 55 the PRC’s aid is predominantly OOF by a significant margin whereas the types of development projects to Ghana, Ethiopia, and the DRC are predominantly classified as ODA funded rather than through OOF. This insinuates that the PRC relies on OOF to push large influential infrastructure project-based aid while using ODA as a means to push meaningful development projects in sectors they otherwise avoid. Nonetheless, with regards to governance, the PRC has little interest in this sector as it is not pertinent to the ideological underpinning of its development assistance strategy. The PRC’s interest is in the stability of the developing nation, nothing more. Moreover, these three sectors, health, education, and governance typically require immense amounts of resources on a recurring basis therefore potentially dissuading the PRC from these sectors.

[801] Paul Garner, Walter Flores, and Shenglan Tang, “Sector Wide Approaches in Developing Countries: The Aid Given Must Make The Most Impact,” *BMJ (Online)* 321 no. 7254 (2000): 129–130.
[802] Rohan Sweeney, and Duncan Mortimer, “Has the Swap Influenced Aid Flows in the Health Sector?” *Health Economics* 25 no. 5 (2016): 560.

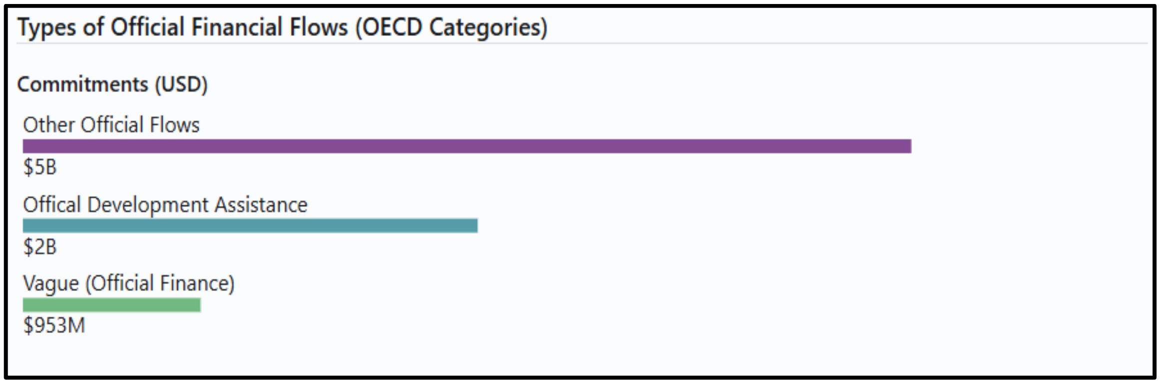

Figure 50: PRC Development Assistance to Ghana 2000 to 2018 (Financial Flows)[803]

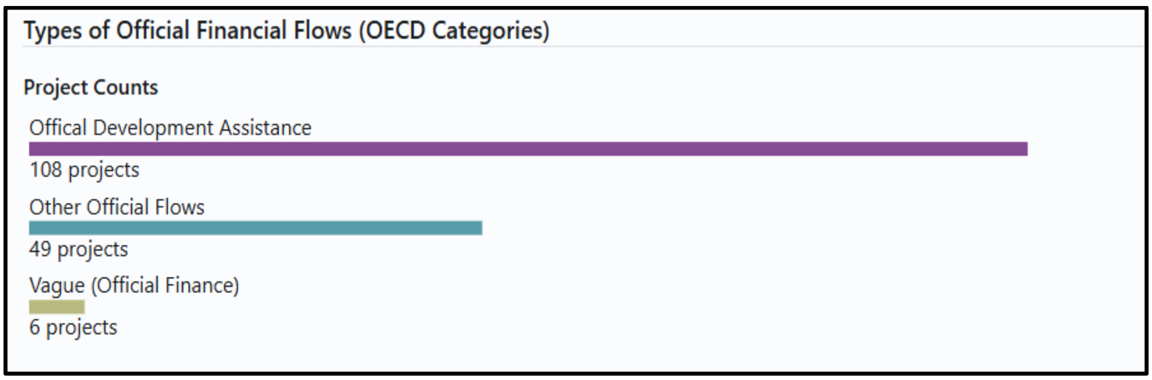

Figure 51: PRC Development Assistance to Ghana 2000 to 2018 (Project Type)[804]

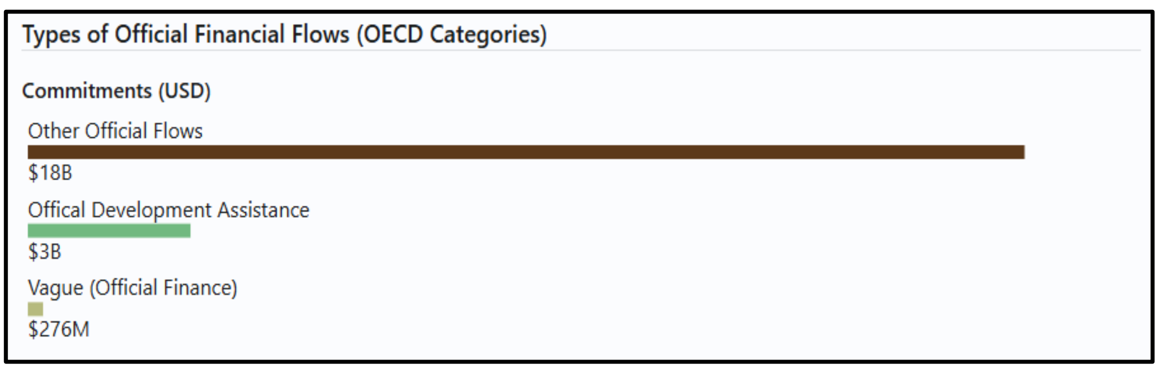

Figure 52: PRC Development Assistance to Ethiopia 2000 to 2018 (Financial Flows)[805]

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[803] S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "Global Chinese Development Finance," (filters used: (1) Country: Ghana, (2) Commitment year: 2000-2018), accessed March 2025, https://china.aiddata.org/

[804] Ibid.

[805] S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William

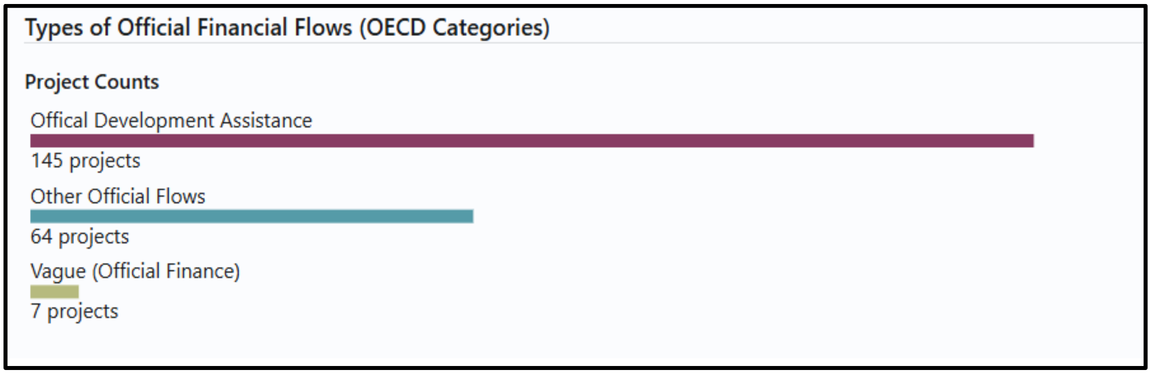

Figure 53: PRC Development Assistance to Ethiopia 2000 to 2018 (Project Type)[806]

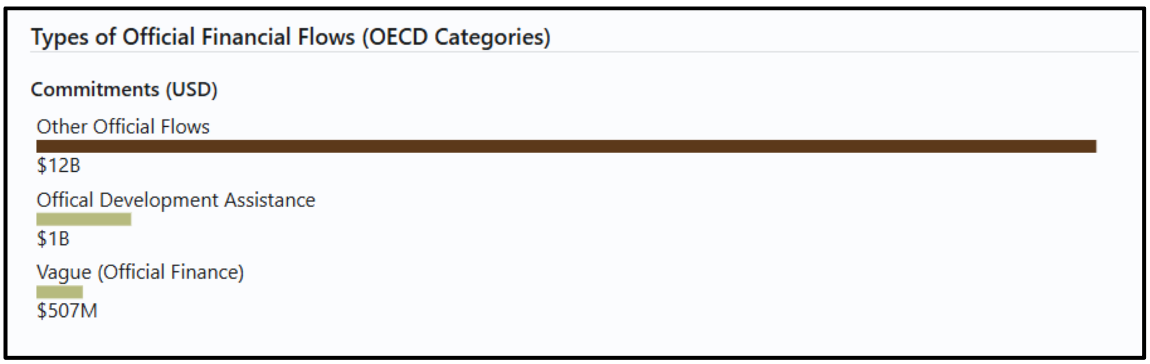

Figure 54: PRC Development Assistance to DRC 2000 to 2018 (Financial Flows)[807]

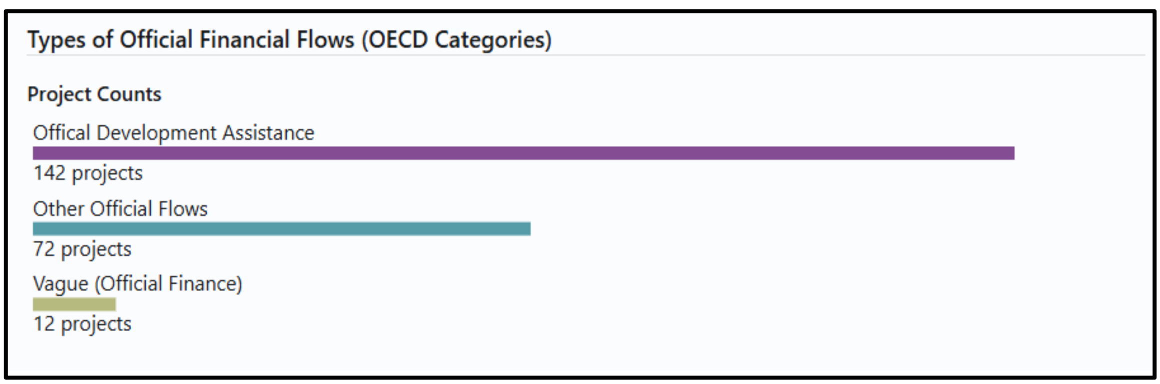

Figure 55: PRC Development Assistance to DRC 2000 to 2018 (Project Type)[808]

& Mary 2023), "Global Chinese Development Finance," (filters used: (1) Country: Ethiopia, (2) Commitment year: 2000-2018), accessed March 2025, https://china.aiddata.org/

806Ibid.

807 S. Custer, A. Dreher, T.B. Elston, B. Escobar, R. Fedorochko, A. Fuchs, S. Ghose, J. Lin, A. Malik, B.C. Parks, K. Solomon, A. Strange, M.J. Tierney, L. Vlasto, K. Walsh, F. Wang, L. Zaleski, and S. Zhang, *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology.* (Williamsburg, VA: AidData at William & Mary 2023), "Global Chinese Development Finance," (filters used: (1) Country: Democratic Republic of Ghana, (2) Commitment year: 2000-2018), accessed March 2025, https://china.aiddata.org/

808 Ibid.

To best assess if Chinese aid has been diverting developing nations away from Western development assistance - conditioned based aid through the SWAp - one need not look further than the respective development strategies employed by Ghana, Ethiopia, and the DRC. As such, one ought to be able to delineate after assessing each case study that they, Ghana, Ethiopia, and the DRC, utilize the SWAp by the West through the development of their own sector specific development strategies. Many of these sector level strategies were discussed above and in the respective case studies but for clarity sake are outlined again here. For Ghana, there was its 1997 national health policy established through its Ghana health service.[809] There was also Ghana's Health Sector Programme of Works which started in 1997.[810] For education Ghana launched its free compulsory and universal basic education in 1995 as an effort to realize a SWAp in education.[811] Ghana also had overarching development policies established to act as a foundation to sector development throughout Ghana. This initially took form as *Ghana Vision 2020* which was launched in 1995. This was followed by its *Ghana Beyond Aid* policy launched in 2019. Ethiopia began a number of education and training policies as early as 1994. In addition, they also initiated a series of health sector development plans starting in 1997 (see Appendix A). Ethiopia has also developed a Sustainable Development Goals Performance Fund; an agricultural development-led industrialization strategy (1993); and more recently Growth and Transformation Plans 1 and 2 between 2010 to 2020.[812] Lastly, the DRC's experience with SWAp has been limited due to chronic political instability until the 2010s. As such their development strategy has been largely influenced by external organisations such as the IMF. This can be seen with the DRC's Interim Poverty Reduction Strategy Paper in 2002 with the first official Poverty Reduction Strategy Paper releasing in 2007.[813] Also in 2006 was the start of the DRC's health sector strategic plan.[814] In regards to education the DRC's interim education plan launched in 2011 with its sector strategic plan released in 2014.[815] The point of highlighting all of these sector development strategies by Ghana, Ethiopia, and the DRC is to underscore the finding that all three developing nations have largely continued to adhere to conditionality and aid effectiveness regimes; meaning these three developing nations are not backing away from Western development assistance and means of development because they have another donor, the PRC, in

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[809] Ministry of Health, "The Health of the Nation: Reflections on the First Five Year Health Sector Programme of Work 1997- 2001," Ministry of Health Government of Ghana (August 2001), 2. https://www.moh.gov.gh/wp-content/uploads/2016/02/5yr-POW-1997-2001.pdf

[810] Ibid.

[811] Geeta Sinha, and Bhabani Shankar Nayak, "Sector-Wide Approaches and Mainstreaming Gender in Education in Ghana: A Study of Its Implementation and Effectiveness," *Journal of Asian and African Studies (Leiden)* 43 no. 3 (2008): 341.

[812] See Chapter Four and the following sources which were not present, Government of Ethiopia, "Education and Training Policy," *Federal Democratic Republic Government of Ethiopia*, (1994). https://www.cmpethiopia.org/content/download/3558/14550/file/Education%20and%20training%20policy,%20Ethiopia,%201994.pdf; *Ethiopia - Education Sector Development Program Project* (English). Washington, D.C. : World Bank Group. http://documents.worldbank.org/curated/en/644951468744299682

[813] Prepared by the authorities of the Democratic Republic of the Congo, "Democratic Republic of the Congo - Interim Poverty Reduction Strategy Paper," *International Monetary Fund,* (March 2002), https://www.imf.org/External/NP/prsp/2002/cod/01/index.htm; and Prepared by the authorities of the Democratic Republic of the Congo, "Democratic Republic of the Congo: Poverty Reduction Strategy Paper," *International Monetary Fund,* (September 2007), https://www.imf.org/external/pubs/ft/scr/2007/cr07330.pdf

[814] Bettina Brunner, Virginie Combet, Sean Callahan, Jeanna Holtz, Emily Mangone, Jeff Barnes, Cathy Clarence, Auguste Assi, and Stephanie Gober, "The Role of the Private Sector in Improving the Performance of the Health System in the Democratic Republic of Congo," *World Bank Group* (2018), 7.

[815] International Monetary Fund, "Democratic Republic of the Congo: Poverty Reduction Strategy Paper," *IMF Country Report* No. 13/226 (July 2013), 75. https://www.elibrary.imf.org/view/journals/002/2013/226/article-A001-en.xml?utm_source=chatgpt.com

play. This is not to suggest that aid received from either the West or the PRC is mutually exclusive and thus requires a developing nation to choose one over the other; rather, what this does suggest is that the increase of Chinese aid and its influence has not resulted in developing nations to defy Western conditionality.

Shifting to the PRC's project-based aid strategy, one can start to see how the divergence in aid delivery to developing nations has impacted both the developing nations and the donor's respective aid strategies. As explained in detail throughout the case studies, China's aid in Africa can be depicted as "a policy of minimal conditions."[816] The PRC believes that this allows for developing nations to expedite Chinese funded projects as there are no barriers to implementation, just pen, ink, and paper. Despite such expediency, there is common consensus that such project-based aid without conditions has rendered "Chinese aid vulnerable to corruption" by both Chinese officials and by the recipient state.[817] Hence, validating the West's decision to move away from project-based aid in the late twentieth century. The reasoning behind the PRC choosing such an aid strategy was outlined in Chapter Two. Nevertheless, it bears repeating that PRC aid comes with no conditions – at least no Western form of conditions – as the PRC adheres to its policy of non-interference and mutual benefit.[818] However, as discussed in the case studies, the PRC had discovered that non-interference is not possible if they are to achieve their ends with their development assistance in Africa. More recently the PRC has discovered that it has to micromanage its aid and investments due to a lack of administrative capacity of recipient states and recipient companies. The PRC allows for little domestic-led development in Africa with the small exception of when developing nations bring forward development project requests to the PRC directly, the case of the Gilgel Gibe III hydropower project in Ethiopia serving as an example. For all three cases assessed in this work the PRC near-exclusively directed their aid towards economic and infrastructure assistance. This decision to do so was two-fold. The PRC aims to prove itself on the international stage as a comparative power in international relations to that of the US and the West.[819] As such the PRC uses development aid in a manner to try and replicate their own experience with development which was done through their economic modernization and mass infrastructure projects. They simply believe in the 'stick with what you know best' approach. Second, the PRC seeks to leverage their aid in a manner in which they get a return of greater value – not just financial value but whatever aids in their goal of garnering power and influence on the global stage – than their investment itself.

Traditionally, based on the West's historical experience with project-based aid, particularly infrastructure assistance, there is a belief that such aid consists of aid fragmentation and lack of coordination in aid. The PRC, however, does not have this problem so much as they are alone in their development assistance program and centralised its aid in sectors that are typically avoided by the West (see Appendix D). There is also the issue of sustainability, this can be seen in the Addis Ababa–Djibouti Railway project as the PRC has come to seemingly regret this project and has slowly pushed the future of this project onto Ethiopia and Djibouti.[820] Project-based aid also weakens local ownership and capacity to maintain said projects – the PRC

[816] Abreham Adera, "Chinese Aid Projects and Local Tax Attitudes: Evidence from Africa," *European Journal of Development Research* 36 no. 1 (2024): 102.
[817] Ibid., 102.
[818] Ibid., 123.
[819] Salvador Santino F. Regilme, Jr, and Obert Hodzi, "Comparing US and Chinese Foreign Aid in the Era of Rising Powers," *The International Spectator* 56 no. 2 (2021): 116-120.
[820] Global Times, "Ethiopia-Djibouti railway injects strong impetus into local development: FM," *Global Times* (May 2024), https://www.globaltimes.cn/page/202405/1312286.shtml; and Noah Bovenizer, "China hands over control of Ethiopia-Djibouti railway," *Railway Technology* (May 2024), https://www.railway-technology.com/news/china-hands-over-ethiopia-djibouti-railway/?cf-view

is guilty of this as demonstrated in the case studies where they provide little experience sharing technical assistance in their projects since the 2000s.[821] The issue of donor driven priorities is ever present in project-based aid and the PRC could not be any more of a clear case of this as demonstrated in the case studies. The PRC's use of aid-for-resources loans and agreements is a donor priority that is not necessary - proven by Western aid lacking resource-for-aid conditions being in place. Lastly, there is the issue of aid dependency. As states, such as the PRC, use project-based aid, there is a growing dependency on such aid as there is usually a lack of capacity transfer; albeit SWAp also has this issue of aid dependency in practice but usually is a result of a lack of ability to govern effectively as seen in the case study of the DRC. In sum, project-based aid has many shortcomings, and the PRC has come to realize this in recent years resulting in some shifts to occur such as China renegotiating more favourable terms for developing nations to reduce the overall risk of these projects and the establishment of the China International Development Co-operation Agency in 2018.[822]

This raises the question if the SWAp has influenced PRC aid development strategies and if PRC project-based aid has influenced Western development assistance strategies. In regard to there being any movement on PRC development aid strategy the answer is largely no with some notable exceptions. When assessing the PRC development aid strategy within the confines of the three case studies little adjustments have been made by the PRC. In Ghana, the PRC did not shift its project-based aid policy. The PRC focused its aid to Ghana through massive OOF loans which held resource-for-aid clauses. The PRC maintains this trajectory of development assistance up to 2018 despite Ghana seeking IMF relief in 2015. The PRC also utilized smaller ODA projects to better establish relations with Ghana towards a closer partnership with the hopes of becoming strategic. The PRC has been the leading donor in economic and infrastructure assistance, namely being Ghana's number one source of imports and through building up Ghana's power generation capabilities when Western donors, both bilateral and multilateral, turned their back on Ghana in this sector.[823] In respect to the DRC, the development aid policy of the PRC did shift between 2000 to 2018 but was not due to SWAp from the West. Rather the shifts seen in policy by the PRC was due to its inability to rely on the DRC government to maintain its cobalt mines and the PRC's investments in these critical sectors along with the instability in the DRC. These two critical issues led to the PRC to insert itself further into the development process of the DRC further than it normally would. In Ethiopia, the PRC did shift its policy in part because of Western SWAp. The main shift from project-based aid towards some quasi-SWAp aid was in part due to the partnership the PRC wanted to build with Ethiopia. As such the PRC started to mimic some of Western aid, namely in economic transformation towards manufacturing on the back of governance changes and the liberalisation of Ethiopia's market.[824] In sum, the PRC

821 Justyna Szczudlik-Tatar, "Soft Power in China's Foreign Policy," *The Polish Quarterly of International Affairs*, *19* no. 3 (2010): 59.
822 Rolf Schwarz and Marina Rudyak, "China's Development Co-operation," *OECD Development Co-operation Working Paper* 113 (December 2023); and Yun Sun "Can China fill the void in foreign aid?" *The Brookings Institution*, March 2025, https://www.brookings.edu/articles/can-china-fill-the-void-in-foreign-aid/
823 Alex Simoes, and Cesar A. Hidalgo, "The Economic Complexity Observatory: An Analytical Tool for Understanding the Dynamics of Economic Development," Workshops at the Twenty-Fifth AAAI Conference on Artificial Intelligence, 2011, accessed March 2025, https://oec.world/en/profile/country/gha?yearlyTradeFlowSelector=flow1&yearSelector1=2018&depthSelector1=HS2Depth
824 Linda Calabrese, Zhengli Huang and Rebecca Nadin, "The Belt and Road and Chinese enterprises in Ethiopia Risks and opportunities for development," ODI report, (August 2021), 5, 13, 19, and 25-27. www.odi.org/en/publications/the-belt-and-road-and-chinese-enterprises-in-ethiopia-risks-andopportunities-for-development

shifted its policy due to the reality of their situation with Ethiopia, but willingly chose to adopt Western forms of aid perhaps as an acknowledgement of the West's success or merely just a pragmatic approach by China to further its partnership with Ethiopia.

When assessing the same situation but from the perspective of PRC project-based aid influencing Western SWAp, the answer is somewhat. In all three case studies Western aid remained focused on the SWAp through ODA, but there were some shifts in each case which can be argued to be a result of PRC project-based aid influence. In Ghana, Western aid remained to its core focused on basic needs using SWAp through conditional ODA. However, following the PRC's efforts on power generation in Ghana Western donors started to reevaluate their lack of participation in Ghana's infrastructure sector and began to reinvest in the sector.[825] This shift can be seen starting in 2009 - following the introduction of the PRC - as the amount of aid sent to Ghana's economic infrastructure by the DAC increased to being frequently above $100 million (see Appendix D) And with regards to Ghana's economy, following bad-loans issued to Ghana from the PRC, Western donors worked harder towards the improvement of Ghana's governance through IMF emergency loans and aid towards governance (see Appendix D). Ghana's governance score in its CPIA increased from 3.7 in 2004 to 4.2 in 2018.

For Ethiopia, Western donors noticed the success the PRC was having in Ethiopia and did not want to lose a key ally in the region. Both the PRC and the West viewed Ethiopia as a key strategic nation for their own respective geopolitical goals. As such Western aid took note of major infrastructure projects such as the Addis Ababa Djibouti railway project among several transportation and power generation projects. The result was Western donors starting to move towards infrastructure projects by the end of 2018, albeit on a smaller scale than that of the PRC (see Appendix D).[826] Specifically, DAC aid to the economic infrastructure sector spiked in 2013 - the same year PRC aid to Ethiopia spiked - above $100 million and remained at this level for the most part through to 2018. In fact, "DAC officials recognize some positive influence of Chinese practices, such as increased awareness of the need to speed up the implementation of projects and support the structural transformation of the Ethiopian economy."[827] Lastly, in regard to the DRC, the same can be said for the shift in Western aid that was seen in the shift of PRC aid in the DRC. It is largely due to instability and lack of governance. However, there is a slight shift that can be linked to the PRC. This is mainly in the cobalt sector of the DRC. Western nations have noticed

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[825] International Labour Office, "Background Studies on Infrastructure Sector In Ghana," *Strengthen Publication Series* (June 2017), 12 and 39, https://www.ilo.org/sites/default/files/wcmsp5/groups/public/@ed_emp/@ifp_skills/documents/publication/wcms_673143.pdf; Agence Française de Développement, "Ghana Receives a Grant of €44.7M from the European Union and France to Build Irrigation Infrastructure in Northern Ghana," (April 2022) https://www.afd.fr/en/actualites/communique-de-presse/ghana-european-union-and-france-build-irrigation-infrastructure-northern-ghana; and Deutsche Bank, "Deutsche Bank and Investec arrange financing to revitalise Ghana's railways," (June 2021), https://www.db.com/news/detail/20210629-deutsche-bank-and-investec-arrange-financing-to-revitalise-ghana-s-railways?language_id=1.

[826] Jason Saundalkar, "Ethiopia sources $720mn in financing for road infrastructure project," *ME Construction News*, (August 2023), https://meconstructionnews.com/57799/ethiopia-sources-720mn-in-financing-for-road-infrastructure-project; *Ethiopia - Urban Institutional and Infrastructure Development Program Project (English).* Washington, D.C. World Bank Group (2018), http://documents.worldbank.org/curated/en/402291521252069584; H.E. Hiroyuki Kishino, Ambassador of Japan to Ethiopia, "Ambassador's Speech: at the Signing Ceremony of the Exchange of Notes for Two Grant-in-Aid Projects at MOFED," June 2013, https://www.et.emb-japan.go.jp/as13610.html; and World Bank, "World Bank Approves US$90 Million Additional Financing for Djibouti Regional Economic Corridor," World Bank Group Press Release, September 2024, https://www.worldbank.org/en/news/press-release/2024/09/19/world-bank-approves-us-90-million-additional-financing-for-djibouti-regional-economic-corridor

[827] Mario Esteban, and Iliana Olivié, "China and Western Aid Norms in the Belt and Road: Normative Clash or Convergence? A Case Study on Ethiopia," *The Journal of Contemporary China* 31 no. 132 (2022): 284.

the monopolisation of this sector by the PRC. As such, the West, namely DAC nations, want to reinvest in the DRC's cobalt sector as there is fear that PRC dominance in this sector will be used against the West to the DRC's detriment.[828] Albeit, this shift is based in the interest of the West and not necessarily for the DRC; nevertheless a shift based on PRC development aid to the DRC. Moreover, Western development assistance to the DRC economic infrastructure sector spiked in 2008 - the same time when PRC aid spiked in the DRC - to about $50 million where it has since remained at such a level of aid.

The economic impact of the PRC's development assistance to Ghana, Ethiopia, and the DRC is a prominent feature in the dichotomy between the West's SWAp and the PRC's project-based aid. For the West, their SWAp seeks to allow the developing nation to take charge of their own development with the hopes that, one day, said developing nation no longer requires aid and is self-reliant and has a prosperous social sector and internationally integrated economy. The issue, however, arises when one considers the PRC's project-based aid. The PRC targets their aid in a manner which maximizes its influence on the developing nation, namely by avoiding placing conditions on their aid.[829] This is why the PRC conducts small scale ODA projects in sectors that the West are heavily invested in while targeting their larger development assistance to infrastructure and economic sectors which have been traditionally avoided by the West (see Appendix D). This has resulted in the PRC being able to contribute towards debt instability - through large infrastructure projects - while garnering additional influence and growth in partnerships - through small ODA projects - within the same developing nation. The endgame for the PRC being the interlinking of its economy to the developing nation's economy mainly through FDI.[830] This means that the PRC is leveraging their development assistance to form an economic dependency between the developing nation's economy and the PRC, similar to that of the colonial empires of the 18th and 19th centuries.

Interestingly both the SWAp and project-based economic and infrastructure aid draw a clear connection to some of the theoretical lenses mentioned in Chapter 2. Both means of development assistance are an expression of, and used as means of, soft power by the West and the PRC, respectively. The West provides assistance to the development of human capital while allowing developing nations to build their own systems of how to deliver such assistance. The PRC on the other hand gives assistance to economic development that allows these nations to become economically self reliant like China - while not imposing conditions on that aid. Therefore, both the West's and the PRC's actions and use of their development assistance fit within the confines of soft power and constructivism as their development assistance is aiding both towards their desired outlook on the international community and how they believe it ought to be. With regards to the PRC they leverage soft power in Africa through their use of

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[828] Congressional Research Service, "Democratic Republic of Congo: Background and U.S. Relations," *United States Congressional Research Service* (Updated March 2022), 13-14. https://www.congress.gov/crs-product/R43166; U.S. Embassy Kinshasa, "U.S. Joins Partnership to Promote Responsibly Sourced Artisanal Cobalt," US Embassy in the Democratic Republic of the Congo, January 2025, https://cd.usembassy.gov/u-s-joins-partnership-to-promote-responsibly-sourced-artisanal-cobalt/#:~:text=Kinshasa%2C%20DRC%20%E2%80%93%20On%20January%2014,new%20model%20for%20legal%20and; and Eric Lipton, "Seeking Access to Congo's Metals, White House Aims to Ease Sanctions," *The New York Times* (May 2024), https://www.nytimes.com/2024/05/16/us/politics/congo-cobalt-us-sanctions.html.

[829] Abreham Adera, "Chinese Aid Projects and Local Tax Attitudes: Evidence from Africa," *European Journal of Development Research* 36 no. 1 (2024): 123.

[830] Chido Munyati, "Why strong regional value chains will be vital to the next chapter of China and Africa's economic relationship," *World Economic Forum* (June 2024), https://www.weforum.org/stories/2024/06/why-strong-regional-value-chains-will-be-vital-to-the-next-chapter-of-china-and-africas-economic-relationship/#:~:text=Over%20the%20last%2020%20years,or%20$134%20billion%2C%20by%202021.

development assistance as they push themself as a "form of 'exceptionalism' . . . informed by a discourse of difference and similitude" pushing the notion of them having "parallels with African countries by combining the rhetoric of a common past with that of a shared and glorious future."[831] With regards to Western development assistance utilizing soft power, Axel Dreher, Valentin Lang, and Bernhard Reinsberg best describe the phenomena. As they note "recipient populations with long experience of aid are suspicious of donor motives and therefore prefer domestically-financed programs."[832] As such, the West's use of the SWAp has allowed for developing nations to finance their development programs and claim authorship all the while the West can claim influence through funding said programs. Perhaps the best explanation is when one thinks of the blue helmets with the acronym 'UNHCR' plastered everywhere they think of the UN and international assistance. The same can be said for the infamous USAID symbol and its motto 'From the American people.'

The final note on the debate between SWAp and project-based aid is to do with their respective impacts on Western condition-based aid. The PRC's aid simply acts as an alternative and thus results in being an alternative avenue for developing nations to take when they want to avoid Western conditions. However, this alternative option is largely limited to economic and infrastructure sectors thus leaving developing nations to succumb to Western conditions on aid for education, health, and governance. Interestingly with the rise in prominence of the SWAp in Ghana, Ethiopia, and the DRC the issue of conditions has been slightly changed in favor of the developing nation. The West, through the SWAp, has pushed for developing nations to take charge of their own development sector by sector through the use of pooled funds. This allows the developing nation to set its own conditions to follow and targets to reach. Thus, demonstrating a shift in leverage towards the developing nation away from Western donors. However, this only works typically for bilateral aid, country to country. And even bilateral aid still has the issue of conditions but not as much as prior to the rise of SWAp. Multilateral aid, namely through the WB and the IMF, is still relied on and is heavily condition based. This is because when a developing nation seeks aid from the IMF or WB they are typically in a poor state and thus are in no real position to deny the conditions set. Moreover, these conditions are still used by the IMF and the WB as these conditions are being used to try and avoid a similar situation in the future. They are being used to help the struggling developing nations - at least that is the argument put forth by the WB and IMF. Ghana's IMF relief in 2015 being the case in point. To put it simply, Western SWAp addresses the issues of ownership as laid out in the various aid effectiveness fora, which sought to establish commitments from donors towards continuous and reliable flows of aid at the direction of recipient states.[833] This study demonstrates the West followed these guidelines but did so by establishing certain parameters, namely by setting conditions (e.g. governance and economy conditions) on aid and assisting the recipient state with narrowing development targets.

[831] Martina Bassan, "China's Soft Power in Africa Promoting Alternative Perspectives," in *Soft-power internationalism: competing for cultural influence in the 21st-century global order*, edited by Burcu Baykurt, and Victoria De Gracia, (Columbia University Press 2021), 190-191.
[832] Axel Dreher, Valentin Lang, and Bernhard Reinsberg, "Aid effectiveness and donor motives," *World Development*, *176* (2024): 10.
[833] OECD, *Paris Declaration on Aid Effectiveness*, OECD Publishing, (Paris 2005), 5. https://doi.org/10.1787/9789264098084-en.

6.2 Debt and Debt Trapping:

While debt has been a consistent pressure among developing nations, as of 2018, progress has been made in all three cases when one views the progression of overall debt versus debt to GNI ratio of Ghana, Ethiopia, and the DRC (see Figures 56 and 57). As of 2018 Ghana currently has $35.6 billion in debt whereas Ethiopia holds $29.8 billion, and the DRC holds $5.84 billion. When assessing debt to GNI Ghana has a percentage of 55.4; Ethiopia has 35.6; and the DRC has 12.7. All three nations have made progress towards reducing debt, but as discussed below external pressures can spiral a developing nation into absolute debt instability (e.g. 2008 financial crisis, or Ghana's 2014 economic trouble due to the 2014 oil price drop). Therefore, while progress has been made it is important to assess how such progress was made, where mistakes occurred, and future risks of debt instability by using these three case studies as the means of analysis.

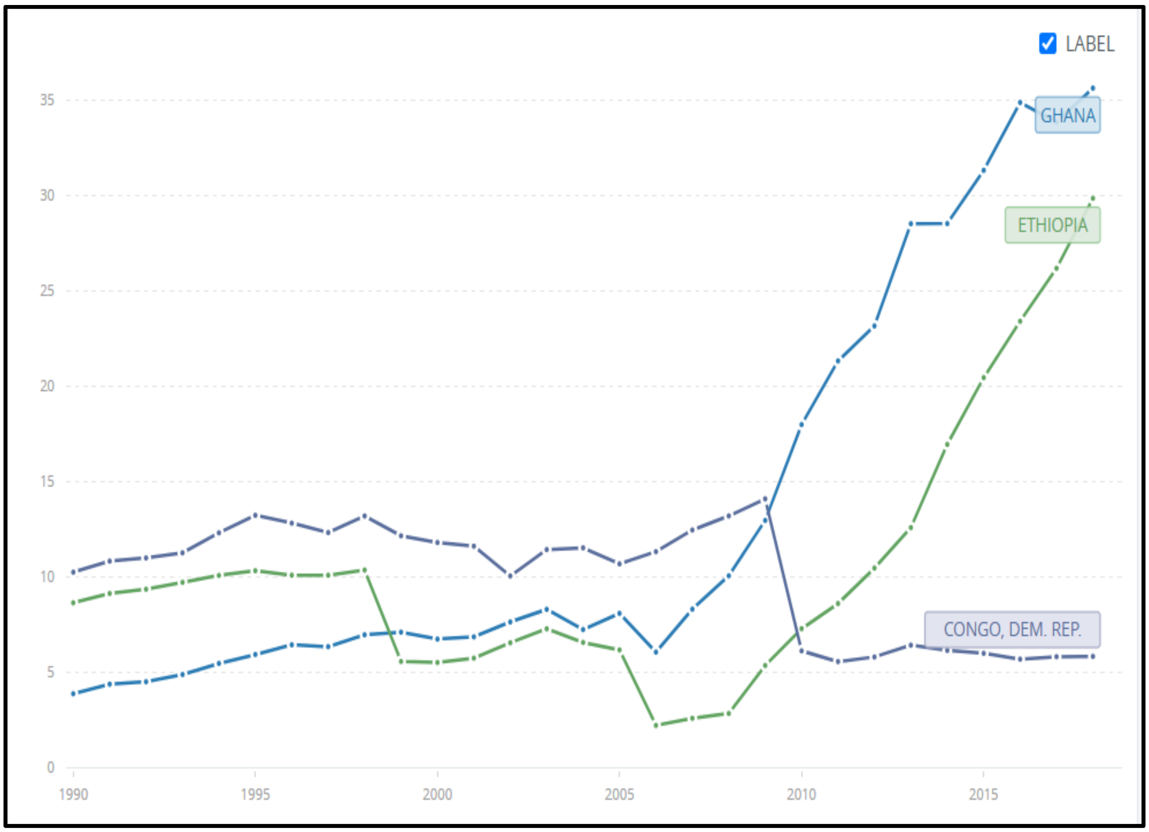

Figure 56: Total External Debt Stocks - Ghana, Ethiopia, DRC 1990 to 2018 [USD, Billions, Current][834]

[834] World Bank Group, "External debt stocks, total (DOD, current US$) - Ghana, Ethiopia, Congo, Dem. Rep," *World Bank, International Debt Statistics*, accessed April 2025, https://data.worldbank.org/indicator/DT.DOD.DECT.CD?end=2018&locations=GH-ET-CD&start=1990&view=chart

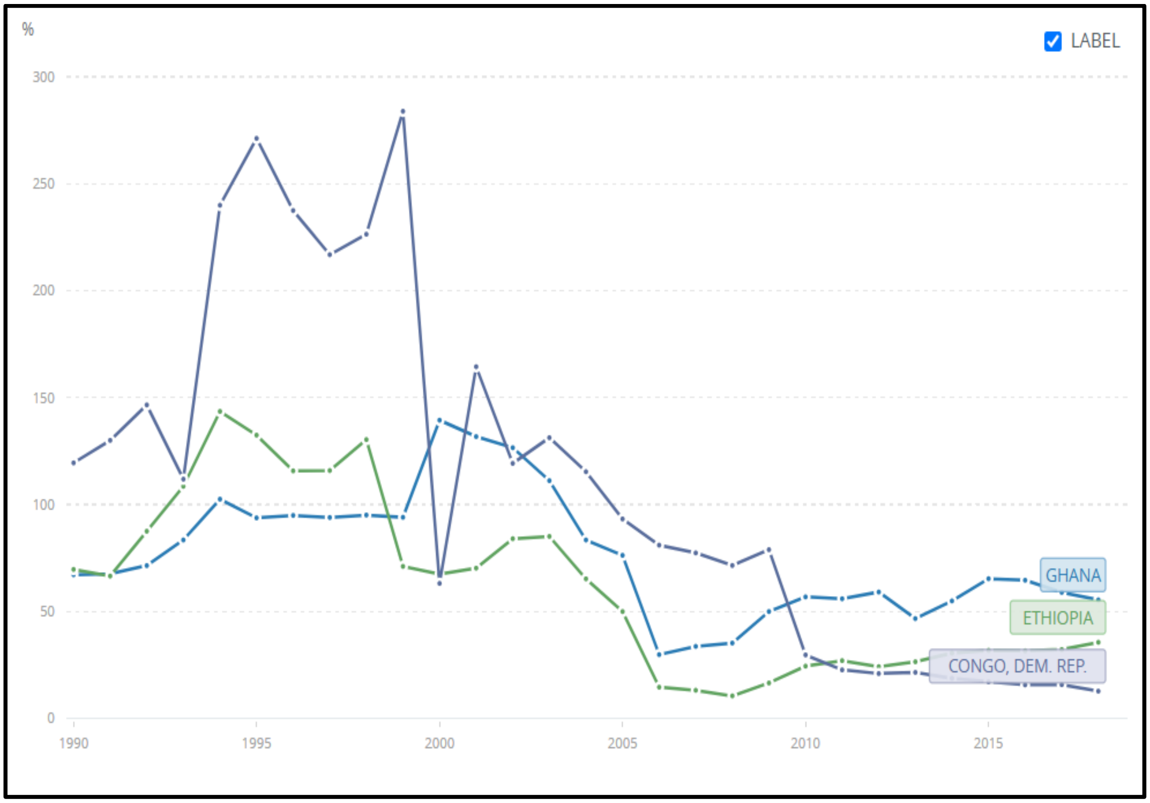

Figure 57: External Debt Stocks (% of GNI) - Ghana, Ethiopia, DRC 1990 to 2018[835]

As noted in the case studies, Ghana, Ethiopia, and the DRC have all participated in the IMF's heavily indebted poor countries (HIPC) program. Prior to the 1990s each of them also experienced crippling levels of debt that required financial bailouts from various international monetary and development organizations. These cycles of debt were the instigators of the various programs of Western aid conditionality and development effectiveness systems that now dominate the international development field, and which bind all participants including the PRC. However, the PRC's rapid emergence into the IDA system after the 2000s has also coincided in growing debt levels in developing nations again. Such rising debt levels have led scholars and observers of the rise of PRC development assistance in Africa to raise questions about Chinese intentions in this regard.[836] In short, the concern is that China may be attempting to trap African

[835] World Bank Group, "External debt stocks (% of GNI) - Ghana, Ethiopia, Congo, Dem. Rep," *World Bank, International Debt Statistics*, accessed April 2025, https://data.worldbank.org/indicator/DT.DOD.DECT.GN.ZS?end=2018&locations=GH-ET-CD&start=1990&view=chart

[836] Kathleen J. Brown, "Why Hide? Africa's Unreported Debt to China: Why Hide? Africa's Unreported Debt to China," *Review of International Organizations* 20 no. 1 (2025): 1–32; Chris Alden, and Jiang Lu, "Brave New World: Debt, Industrialization and Security in China–Africa Relations," *International Affairs* 95 no. 3 (2019): 641-657; Noah Mutai, Cheruiyot, Nguyen Manh Cuong, Valdrin Dervishaj, Joyce Wangui Kiarie, Peter Misango, Lawrence Ibeh, Olufunke Mercy Popoola, and Muniruddeen Lallmahamood, "Examining the Sustainability of African Debt Owed to China in the Context of Debt-Trap Diplomacy." *Scientific African* 24 (2024): 1-13; Deborah Brautigam, "A Critical Look at Chinese 'Debt-Trap Diplomacy': The Rise of A Meme," *Area Development and Policy*, *5* no. 1(2020): 1–14; Pádraig Carmody, "Dependence not debt-trap diplomacy," *Area Development and Policy*, *5* no. 1 (2020): 23–31; Kerry

and other developing nations in a new round of debt crisis so as to increase their dependency on the PRC. When it comes to directly answering why a developing nation chooses PRC aid in addition to Western aid, it is that PRC aid tends to be focused in areas which the West has avoided while also lacking the governance conditions typically attached to Western ODA. Ghana's Bui Dam and Ethiopia's Gilgel Gibe III being cases of this.[837] Moreover, the PRC appears to have a higher risk tolerance than the West when it comes to infrastructure development. This higher tolerance for risk often makes PRC aid appear more concessional in the eyes of developing nations.

To ensure absolute clarity, there has yet to be conclusive evidence in this study, and in the relevant literature, that the PRC consciously debt traps developing nations.[838] Rather the argument being put forth is that through the use of PRC's project-based aid - which is issued predominantly as OOF - the issue of debt becomes an inherent aspect to the PRC's development assistance strategy in Africa, conscious or not. The role of this paper is to outline the issues regarding increased debt in developing nations. As detailed in this subsection, debt is not intrinsically a sign of poor development, but when there are issues with fiscal health, debt management, revenue generation, and overall instability within a developing nation, debt becomes an influencing factor towards debt instability resulting in development regression. The PRC's project-based aid within the three case studies increased the risk of debt sustainability, particularly with Ghana and the DRC. All this to say that project-based aid is not an unmitigated good for developing nations. This dilemma around increased aid causing increased debt was something in which the West confronted in the 1960s to 1980s particularly regarding infrastructure aid.[839] As with then, and now with the PRC, the mere fact exists that aid through loans and the accumulation of such debt is only viable if the recipient is capable of servicing the debt. Any increase in debt poses a threat to development. As noted by Deborah Brautigam, "history has taught us that, if not managed carefully, infrastructure investments can lead to a problematic increase in debt" and that such aid should not just go where it is needed but rather where it is sustainable to do so.[840] If developing nations cannot meet their loan obligations, someone must bear the cost. The PRC demonstrated in the case studies - which is reflected the literature - that they do not prioritize good development practice which is to take consistent account of "rule of law, fiscal health, or any [other] requirements (e.g. good governance) that would normally be considered essential" by Western donors.[841] As such perhaps the greatest risk

Liu, "The Chinese Debt Trap Diplomacy Narrative: An Empirical Analysis," *Statistics, Politics, and Policy*, *14* no. 1 (2023): 19–44; Meredith J. DeBoom, "Who is Afraid of "Debt-Trap Diplomacy"? Geopolitical Narratives, Agency and the Multiscalar Distribution of Risk," *Area Development and Policy*, *5* (2020), 15–22; and Xiaoyang Tang, and Shua iPan, "Impact of Market-Based Financing on Africa's Debt and Development," *China International Strategy Review*, *6* no. 1 (2024), 122–138.

[837] Charles Amo-Agyemang, "The Role of the State in Sino-Ghanaian Relations: The Case of Bui Hydroelectric Dam," *Cogent Social Sciences* 7 no. 1 (2021): 11-12; Roger Gocking, "Ghana's Bui Dam and the Contestation over Hydro Power in Africa," *African Studies Review* 64 no. 2 (2021): 339-362; and Emanuele Fantini and Luca Puddu, "Ethiopia and international aid: development between high modernism and exceptional measures," in *Aid and Authoritarianism in Africa: Development Without Democracy*, edited by Tobias Hagmann, Filip Reyntjens (Nordiska Afrikainstitutet Zed Books 2021), 109.

[838] Deborah Brautigam, "A Critical Look at Chinese 'Debt-Trap Diplomacy': The Rise of a Meme," *Area Development and Policy* 5 no. 1 (2020): 1-14; and Michal Himmer, and Zdeněk Rod, "Chinese Debt Trap Diplomacy: Reality or Myth?" *Journal of Indian Ocean Region* 18 no. 3 (2022): 264.

[839]Deborah Brautigam, "A Critical Look at Chinese 'Debt-Trap Diplomacy': The Rise of a Meme," *Area Development and Policy* 5 no. 1 (2020): 5-6.

[840] Ibid.

[841] Michal Himmer, and Zdeněk Rod, "Chinese Debt Trap Diplomacy: Reality or Myth?" *Journal of Indian Ocean Region* 18 no. 3 (2022): 264.

from the PRC's project-based aid is not inherently the debt, rather it is the PRC's lack of care in governance development; prioritizing stability in the name of non-interference. The impact of debt is real and cannot be swayed, thus the PRC's ignorance towards governance standards, through the use of project-based aid, is perhaps the greatest gambit yet.

Developing nations had few significant alternatives to Western aid until the PRC entered Africa in the early 2000s. And when the PRC did enter they did so in a targeted manner directing their aid flows into gaps left by the West, namely economic and infrastructure aid.[842] Second, developing nations have long resented, and tried to resist Western conditionality on development assistance.[843] The PRC's offer of 'sovereignty first' aid - which seeks to not set conditions on economic management, governance, and social practices but simply ask for a piece of the pie, a share in the developing states resources - appears more flexible. Time and time again developing states, such as Ghana, Ethiopia, and the DRC, are able to avoid Western conditions and still get aid from both the West and the PRC thus demonstrating the PRC's ability to "[reduce] the power of traditional aid donors."[844] Developing nations avoided some condition-based aid from the West by taking on PRC aid, but only in economic and infrastructure projects which the West would not support as demonstrated in the case studies (e.g. Ghana's Bui Dam and Ethiopia's Gilgel Gibe III).

With regards to the PRC's use of project-based aid through OOF and the West's SWAp through ODA an interesting phenomenon has occurred across all three case studies. It is clear that ODA is a better form of aid than that of OOF and vague aid (see Chapter 2). Interestingly, much of PRC aid – in terms of dollars – to Ghana, Ethiopia, and the DRC has been through OOF. It is this use of OOF that has worried the international community regarding the potential malfeasance by the PRC with the possibility of debt trapping at one end or at the very least the use of OOF increasing the risk of debt instability occurring.[845] The argument by the West is that ODA necessitates stringent concessionary terms on loans and pushes grants to developing nations which act as a guardrail against debt instability. Thus, the predominant use of project-based aid through OOF by the PRC in Ghana, Ethiopia, DRC, and other developing nations has prompted investigation within academia and Western governments. Moreover, it is peculiar to see that the PRC in Ghana, Ethiopia, and the DRC has a notably higher percentage of ODA projects than that of OOF development projects (see Figures 50 through 55). At first glance, this seems to be paradoxical. However, when one considers the entirety of the PRC's strategy throughout the three case studies, an answer seems to become clear. The PRC's entire development aid strategy hinges on its ability to grow and maintain good political relations with developing nations. Therefore, if the PRC were only injecting massive amounts of OOF through project-based aid into developing nations that result in debt instability, relations would deteriorate quickly and would have been observed consistently and with conviction. The PRC, however, leverages some ODA as project-based aid "to facilitate Chinese monopolisation of exports in resource rich

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842 Esubalew Alehegn Tiruneh, and Evelyn Wamboye. (Eds.) *Foreign Capital Flows and Economic Development in Africa: The Impact of BRICS versus OECD* First edition, (Palgrave Macmillan US. 2017), 463.

843 Getachew Fentahun, "Foreign Aid in the Post-Colonial Africa: Means for Building Democracy or Ensuring Western Domination?" *Cogent Social Sciences* 9 no. 1 (2023): 1-15; Godfrey N. Uzoigwe, "Neocolonialism Is Dead: Long Live Neocolonialism," *Journal of Global South Studies* 36 no. 1 (2019): 59–87; and Mark Langan, *Neo-Colonialism and the Poverty of "development" in Africa*. (Cham, Switzerland: Palgrave Macmillan 2018).

844 Shaquille Ifedayo Gilpin, "China, Africa and the International Aid System: A Challenge to (the Norms Underpinning) the Neoliberal World Order?" *Journal of Asian and African Studies (Leiden)* 58 no. 3 (2023): 277-279.

845 Michal Himmer and Zdeněk Rod, "Chinese Debt Trap Diplomacy: Reality or Myth?" *Journal of the Indian Ocean Region*, 18 no. 3 (2022): 250-272; and Deborah Brautigam, "A Critical Look at Chinese 'Debt-Trap Diplomacy:' The Rise of a Meme," *Area Development and Policy*, *5* no. 1 (2020): 1–14.

countries" through smaller projects with great impact and influence on developing nations.[846] Such projects come in the form of sending medicine, medical teams, granting education scholarships, and building cultural spaces in key city centers to name just a few. This is how the PRC manipulates aid in developing nations to garner influence and maintain good relations. In essence the PRC leverages both soft and hard power in order to achieve their desired ends through its development assistance in Africa, all the while being able to maintain such partnerships despite the increased risk of debt instability. One might also argue the West's avoidance of infrastructure project-based aid (see Appendix D) in Ghana, Ethiopia and the DRC has benefited the PRC as China has become the predominant provider of such aid to all three nations. Therefore, forming a kind of dependency on Chinese project-based aid as there is no viable Western alternative SWAp infrastructure aid available to Ghana, Ethiopia, and the DRC.

The African states examined in this study have obviously sought out PRC assistance in vital infrastructure, energy production and direct economic assistance to mining, oil, and gas production, because they believe such investments are vital to economic growth. Such economic growth is vital to producing the revenues essential to maintain public services such as health and education. However, the issue of revenue generation highlights a key distinction between Western development assistance policies vis-à-vis the PRC's. That is the West's chief concern with debt sustainability is that the developing nation can manage current levels of debt with its current revenue generation levels; whereas the PRC's policy is based on the premise that a developing nations current revenue level is irrelevant as the PRC seeks to expand and grow the developing nation's economy thus necessitating greater revenue generation.[847] As Jakkie Cilliers notes, revenue generation is the chief problem facing developing nations regarding their debt issues. She specifically cites the governments of Ghana and Ethiopia who struggle to gather revenues through taxation on their natural resources is what inevitably results in a spiralling debt issue.[848] This supports the data collected in Chapter Three and Four as both Ghana and Ethiopia struggled with economic management and growth in their CPIA scores. For instance, Ghana in 2004 had an economic management score of 4 whereas in 2018 it was 3.7; this is in addition to Ghana's debt policy score being lower in 2018 at 3.5 than in 2004 when it was 4.0. For Ethiopia, their growth in economic management is negligible given the 14 years of time to develop. Their economic management score in their CPIA went from 4.0 in 2004 to 4.3 in 2018 with a reduction in debt policy score the same as seen in Ghana. In addition, these problems have also rebounded on PRC assistance policies in Africa. For example, Ethiopia's slow economic growth and revenue generation has recently resulted in the PRC having to negotiate the terms of its loans to Ethiopia.[849] Similarly in the DRC, the PRC has seen its economic instability as a risk to further investment and commitment, forcing it to abandon development policies that typically place PRC policies of 'control from a far.'[850] For the DRC their economic management saw little development from 2004 and 2018. Their overall economic management CPIA score was 3.2 in 2004 whereas in 2018 it was 3.5. In fact, the DRC's CPIA debt score in 2004 was 3.5 while in

[846] Tarek M. Harchaoui, Robbert K J. Maseland, and Julian A. Watkinson, "Carving Out an Empire? How China Strategically Uses Aid to Facilitate Chinese Business Expansion in Africa," *Journal of African Economies* 30 no. 2 (2021): 185.
[847] Peter Kragelund, *South-South Development*, First edition (Abingdon, Oxon; Routledge 2019), 122.
[848] Jakkie Cilliers, *The Future of Africa: Challenges and Opportunities*, First edition. (Cham: Springer International Publishing 2021), 35.
[849] Edson Ziso, "The Political Economy of the Chinese Model in Ethiopia," *Politics & Policy* 48 no. 5 (2020): 924.
[850] Tianyi Wu, "The Political Economy of Variations in Energy Debt Financing by Two Chinese Policy Banks in Africa," *Development and Change* 55 no. 6 (2024): 1284.

2018 it remained at 3.5. As such the PRC has had to take much greater control over the DRC's cobalt mines due to the rebel groups and informal economy that run rampant in the DRC.

When trying to link all three of the case studies together there is an interesting trend that occurs. Across all three of these developing nations, Ghana, Ethiopia, and the DRC, they all have one thing in common - beyond the involvement of PRC development assistance - uncontrollable external pressures exacerbating debt pressure. How these external pressures transpire across all three cases are different. For Ghana, their main sources of external pressure were the 2008 oil and financial crisis in conjunction with their high expenditures on a blotted public sector; all of which culminated in 2014 with another oil price crash, resulting in a debt crisis for Ghana. For Ethiopia their pressures came from years of successive droughts that caused economic hardship. For the DRC their main source of pressure came from the continuous conflicts and instability that have crippled the government's ability to assert its authority over DRC territory and its economy. To reiterate, the PRC's development assistance policies in conjunction with these pressures, as outlined in their respective chapters, influenced the debt problems in Ghana, Ethiopia, and the DRC. While the exact influence of PRC aid has yet to be determined, based on the three case studies one can make the argument that their aid did not positively develop the debt policy sector of Ghana, Ethiopia, and the DRC.

The link between debt and debt trapping to dependency theory is quite strong. The PRC's development aid strategy is best understood through the lens of dependency theory in conjunction with international political economy. The concern is that the use of loans by the PRC is masquerading as a genuine effort on the part of the PRC to aid the developing nations economy through critical infrastructure projects. While there is truth behind the fact that such projects move towards the goal of developing a nation's economy, it is also true that any potential gains will not be felt for years thus making the PRC aid a long term gambit on the part of the developing nation while the benefit for the PRC is felt from the start whether it be through public display of international reach, through Chinese FDI and expansion into new markets, through resource-for-aid terms, and/or through the use of Chinese materials and labour. As noted in all three case studies, and within the literature, the PRC tends to use Chinese based companies and workers to execute their aid projects in Ghana, Ethiopia, and in the DRC, among other developing nations, thus suggesting a reliance on assistance starting to form.[851]

With all this said, how did this issue of debt impact Ghana's, Ethiopia's, and the DRC's HDI and CPIA scores? With regards to the HDI scores the answer is very much qualitative. For Ghana their HDI score increased, and they were the only one of the three case studies to move from low to medium human development classification. However, when one looks at the HDI period of 2014 to 2016 and sees that Ghana's 16th emergency loan, from the IMF, was issued in 2015 it is clear that Ghana debt negatively impacted its HDI and has slowed down its potential development. Particularly in the education and GNI metrics of the HDI Ghana experienced some regression between 2014 and 2017. Ethiopia's relationship with debt in relation to its HDI score is unique as China largely shielded a debt crisis in Ethiopia at least as much as the PRC could with its issued loans. That being said Ethiopia has struggled with debt but largely due to its own domestic pressures and difficulties generating additional revenue.[852] For the DRC it technically does not have a debt problem in the traditional sense - a high debt to GDP ratio. Rather the DRC's issue with debt is with the resource grab from the PRC in illegal mining operations throughout the DRC along with the DRC's inability to overcome its informal economy and

[851] Justyna Szczudlik-Tatar, "Soft Power in China's Foreign Policy," *The Polish Quarterly of International Affairs*, *19* no. 3 (2010): 59.

[852] Esmael Abdu, Mohammd Adem, Tax Compliance Behavior of Taxpayers in Ethiopia: A Review Paper," *Cogent Economics & Finance*, *11* no. 1 (2023): 1.

generate sufficient revenues to service existing debts.[853] Therefore, for Ethiopia, its HDI - while low - had little impact from a traditional debt crisis as seen with Ghana. The same can be said for the DRC's relation between its HDI and debt following the start of the 2003 HIPC program in the DRC. Prior to 2003 the DRC's economy, territorial and security instability led to mass inflation currency devaluation, among other critical governance failures which correlates with the poor development performance of the DRC in the HDI from 1990 to 2003; therefore, debt cannot be argued as being the principal causal factor. However, one can view debt instability as an important influence insofar as the DAC conducted one of the largest debt relief measures in the DRC between 2003 and 2006 and again between 2010 and 2012, particularly when one compares the DAC debt relief measures in the DRC to similar debt relief measures in Ghana and Ethiopia, or lack thereof.

Regarding the three case studies and their respective CPIA scores – in relation to the issue of debt and debt trapping – some interesting inferences can be made. Starting with Ghana, the economic management sector of the CPIA scoring system demonstrates a gradual improvement in scores from 2004 up to 2013 when those scores started to decrease, which it has not recovered from as of 2018.[854] In 2013 Ghana had a score of four across all three factors within the economic management cluster of the CPIA scoring system. However, in 2014 Ghana saw a major decrease in all three factors of economic management (see Figure 58). This coincides with their growing debt issues between 2013 and 2015 when they then sought their 16th IMF relief loan. As of 2018 Ghana's fiscal policy went up to a score of four whereas its monetary policy only went up to 3.5. Its debt policy has remained stagnant at 3.5. All of this is indicative of debt and perhaps debt trapping hampering Ghana's CPIA progress. With regards to Ethiopia's CPIA score and its relation to debt and debt trapping, the data highlights interesting trends. Again, the PRC has maintained a special partnership with Ethiopia and as such they have been able to manage their bilateral debt with the PRC via loan renegotiation. Thus, debt trapping is not necessarily a concern. Nonetheless, the CPIA has still ranked Ethiopia's debt policy quite low with a score of 3.5.[855] Therefore, while debt is an issue for Ethiopia it is of their own doing, namely through a lack of economic expansion and an inability to effectively generate revenue through taxation.[856] Lastly, for the DRC their debt policy score for 2018 was 3.5 but as with Ethiopia, this poor debt performance is largely self-made. However, the PRC's monopolization of the DRC's natural resources such as cobalt and copper, has further limited the revenues gained from such resources by tax exceptions and thus hamper the DRC's ability to service its limited

[853] International Monetary Fund, "African Department, Domestic Revenue Mobilization in the Democratic Republic of the Congo," *International Monetary Fund* issue 227 (July 2024) 8-10. https://www.elibrary.imf.org/view/journals/002/2024/227/article-A001-en.xml

[854] African Development Bank Group: Country Policy and Institutional Assessment - Ghana 2013 Score Overview, accessed March 2025, https://cpia.afdb.org/?page=results&subpage=profile&indicator_id=A-D_&country_id=GH&year=2013; and African Development Bank Group: Country Policy and Institutional Assessment - Ghana 2018 Score Overview, accessed March 2025, https://cpia.afdb.org/?page=results&subpage=profile&indicator_id=A-E_&country_id=GH&year=2018

[855] The decreases in score are based on the performance of Ghana in these sectors of CPIA economic management from 2013. African Development Bank Group: Country Policy and Institutional Assessment - Ghana 2018 Score Overview, accessed March 2025, https://cpia.afdb.org/?page=results&subpage=profile&indicator_id=A-E_&country_id=ET&year=2018

[856] Esmael Abdu, Mohammd Adem, Tax compliance behavior of taxpayers in Ethiopia: A review paper," *Cogent Economics & Finance*, *11* no. 1 (2023): 1-13; and United Nations, "Productive capacities development: Challenges and opportunities - Ethiopia," *United Nations Conference on Trade and Development Technical and Statistical Report* (2024), 6.

debt.[857] This in conjunction with the DRC's inability to overcome their informal economy and generate sufficient revenue is what has positioned the DRC's poor debt performance as noted in their CPIA score.

Economic Management	**3.3**	-0.7
Fiscal Policy	3.5	-0.5
Monetary Policy	3.0	-1.0
Debt Policy	3.5	-0.5

Figure 58: Ghana's CPIA - Tabular Overview - Economic Management (2014)[858]

As noted by Peter Kragelund in his work *South-South Development* PRC aid left the West two options, "either they impose more/stricter conditionalities to their loans to counteract the lack of requirements […] thereby ensure that the recipient countries change their policies in the direction the international financial institutions want, or they impose fewer conditions to make their loans attractive to recipient countries."[859] When assessing the three case studies there were differences across all three cases. For Ethiopia, Western aid remained true to form and consistent, there was little shift from the West in general and especially because of the PRC.

With regards to Ghana, Western aid continued to repeat its prior trends of focus in both bilateral and multilateral aid to key sectors, health, education, and governance, but little attention was given to debt on a bilateral level - with the slight exception of $830 million in ODA for debt forgiveness between 1990 and 1991 and again between 2004 and 2005 with another $1.75 billion in debt forgiveness. In fact, it seems that the DAC stopped all ODA debt forgiveness following 2009, coincidentally the same time PRC aid was both significant and becoming increasingly influential. In respect to Western policy impacting PRC development assistance policy in Ghana, there seems to be little to no change as the PRC is still signing resource-for-aid loans with Ghana including resources such as oil, cocoa, and bauxite despite the debt instability Ghana experienced between 2014 to 2016 in which the IMF had to step in and resolve.[860] For the DRC, this was the one case when the DAC put forth a significant amount of resources towards debt reduction. However, following 2012 the DAC did not provide a meaningful amount of IDA towards debt relief thus leaving such aid to the IMF loans which are stricter and more conditional than the bilateral agreements between donors and developing nations. Therefore, one can make the argument that the West did shift its aid away from debt relief in 2012 towards more infrastructure aid but not one-for-one (see Appendix C and D). One can make the argument, however, that in Ghana, Ethiopia, and the DRC development assistance from the PRC did not worsen the debt

857 Gracelin Baskaran, "Building Critical Minerals Cooperation Between the United States and the Democratic Republic of the Congo," *Center for Strategic and International Studies*, (March 2025), 7. https://www.csis.org/analysis/building-critical-minerals-cooperation-between-united-states-and-democratic-republic-congo#h2-the-history-of-u-s-and-chinese-engagement-in-the-drc-mining-industry

858 African Development Bank Group: Country Policy and Institutional Assessment - Ghana 2014 Score Overview, accessed March 2025, https://cpia.afdb.org/?page=results&subpage=profile&indicator_id=A-E_&country_id=GH&year=2014

859 Peter Kragelund, *South-South Development*, First edition (Abingdon, Oxon; Routledge 2019), 121.

860 Angela Benefo & Michael Addaney, "Promises and Pitfalls: China's Financing of the Atewa Bauxite Mining Project in Ghana," *School of Foreign Service: The Georgetown Journal of International Affairs* (July 2021), https://gjia.georgetown.edu/2021/07/11/promises-and-pitfalls-chinas-financing-of-the-atewa-bauxite-mining-project-in-ghana/

situation but also did not help improve the debt situation. An important finding insofar as homing in on PRC's influence in developing nations in relation to debt instability.

The issue of debt has been and continues to be an ongoing issue facing many developing nations and has in fact become a norm of development.[861] All donor states ought to be mindful of the loans they issue and coordinate with one another along with the developing nation to ensure that such debt does not surpass to a point of pure volatility into destabilisation. The PRC, however, has made it clear that they follow the China first policy and take consideration of the fiscal well-being of the developing nation second. This has led to the rise in fears by the West on debt trapping done by the PRC in developing nations. But not all the blame can be given to the PRC as they do not typically hold the majority share of debt. Perhaps the West needs to reconsider its use of loans and placing debt in developing nations as the PRC has clearly demonstrated in these three cases studies that they prefer the use of OOF and loans. Therefore, perhaps the onus is on the developing nation to manage the debt it incurs and the debt it avoids. But to do so they need to be willing to sacrifice large, and sometimes, necessary infrastructure projects from the PRC or be more willing to take on additional Western condition-based aid (e.g. Ghana's Bui Dam and Ethiopia's Gilgel Gibe III). Perhaps developing nations ought to take note that the conditions from the West are there for a reason.

The second notable factor across the three case studies regarding debt in relation to Western and PRC development assistance is that the PRC tries to position itself in a manner where they always have the upper hand. The typical playbook taken by the PRC is that they provide aid-for-resource loans which ensure payment to the PRC sometimes at the detriment of the recipient state.[862] This results in the PRC getting what they want, a return on investment. Using the Sino-Congolais des Mines (Sicomines) agreement in the DRC as an example. The PRC starting in 2007 "invested roughly $3 billion into infrastructure development in exchange for Chinese firms receiving mining rights to deposits valued at $93 billion."[863] This example is a direct manifestation of the SSC mutual benefit tenet and highlights the 'win-win but China always wins' scenario. The PRC's success in Ghana, Ethiopia, and the DRC, among other African nations, is a result of the PRC tying aid to national resources of the recipient states thus

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[861] Benno J Ndulu, and Stephen A. O'Connell, "Africa's Development Debts." *Journal of African Economies* 30 no. 1 (2021): 68-70; Ebenezer Obadare, The Truth About Africa's "Debt Crisis," *Council on Foreign Relations* (September 2024), https://www.cfr.org/blog/truth-about-africas-debt-crisis-0; Ricardo Soares de Oliveira and Olivier Vallée, "The Republic of Congo Is a 'Dark Debt' Pioneer," *foreign Policy* (May 2021). https://foreignpolicy.com/2021/05/21/the-republic-of-congo-is-a-dark-debt-pioneer/; and Duncan Miriri and Karin Strohecker, "Debt crisis hits new highs in developing nations, relief deal needed, says UN," *Reuters* (February 2025) https://www.reuters.com/world/debt-crisis-hits-new-highs-developing-nations-relief-deal-needed-says-un-2025-02-25/

[862] Yun Sun, "China's Aid to Africa: Monster or Messiah?" *The Brookings Institution* (February 2014, accessed March 2025) https://www.brookings.edu/articles/chinas-aid-to-africa-monster-or-messiah/; Priscilla Roberts, "Economic Statecraft with Chinese Characteristics: Strange, New, and Different, or Old Wine in New Bottles?" *Journal of Current Chinese Affairs*, *50* no. 3 (2021): 267–293; Hongying Wang, "Regime Complexity and Complex Foreign Policy: China in International Development Finance Governance," *Global Policy*, *12* no. 4 (2021): 69–79; Justyna Szczudlik-Tatar, "Soft Power in China's Foreign Policy," *The Polish Quarterly of International Affairs*, *19* no. 3 (2010): 45–68; Eun Mee Kim, Barbara Stallings, "China as a Non-Traditional Asian Donor," In *Promoting Development*, (Springer Singapore Pte. Limited 2017): 117–162; David Mihalyi, Jyhjong Hwang, Diego Rivetti, and James Cust, "Resource-Backed Loans in Sub-Saharan Africa," *World Bank Group Policy Research Working Paper;* No. 9923 (2022); and Zainab Usman, "What Do We Know About Chinese Lending in Africa?" *The Carnegie Endowment for International Peace*, June 2021 accessed March 2025, https://carnegieendowment.org/research/2021/06/what-do-we-know-about-chinese-lending-in-africa?lang=en

[863] Gracelin Baskaran, "A Window of Opportunity to Build Critical Mineral Security in Africa," Center for Strategic and International Studies, October 2023 accessed March 2025, https://www.csis.org/analysis/window-opportunity-build-critical-mineral-security-africa#:~:text=The%20Sino%2DCongolais%20des%20Mines,mining%20or%20protect%20local%20communities.

'ensuring' some form of payment and/or return on investment. While this policy is not without risk, tying aid-for-resources helps lessen the potential burden that comes with large infrastructure loans to developing nations. It is the tying of aid-for-resources which impacts developing nations revenue generation and thus their debt policy as noted in the CPIA.

As noted in the case studies it is the West that typically steps in to quell debt instability; the exception to this trend being Ethiopia as the PRC has treated them as a strategic partner and thus has renegotiated their debt and developing assistance terms with Ethiopia. Nevertheless, the West intervenes in debt burdened nations as letting debt instability become fatal would result in economic ruin and set Western development assistance policy back. Moreover, such an action by the West is antithetical to contemporary Western development values. Ghana is the case in point. As of 2015 Ghana has sought 16 bail outs from the IMF since 1966 with the 17th happening in 2023.[864] Of these seventeen, the last four have occurred since the PRC introduction in Ghana with the last bail out in 2023 being valued at $3 billion.[865] In essence, the PRC offers large amounts of money in a developing nation to gain access to its key economic sector while it is the West that typically assists debt burdened nations without the tying of aid to resources. Rather the West ties aid to conditions. This results in Western bailouts to place strict and harsh conditions on the recipient states as with the IMF's emergency loans to Ghana and its other loans to the DRC and Ethiopia.[866] Such loans are similar to the SAPs experienced by all three developing nations in the 1990s and early 2000s. As such one can make the argument that the West has the greater positive influence on Ghana, Ethiopia, and the DRC's economic management sector of their respective CPIA scores as some form development has occurred from 2004 to 2018 in all three cases, some more than others. As noted in each case study following 2012 it seems that the DAC is no longer providing debt relief outright as a first course of action, rather they are demanding the developing nation renegotiate their debts with the PRC; and this has had some recent success such as in Ethiopia and in the DRC.[867] All this points to a key finding within this study: DAC assistance,

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[864] Patricia Cohen, "Crisis and Bailout: The Tortuous Cycle Stalking Nations in Debt," *The New York Times* (September 2023), https://www.nytimes.com/2023/09/18/business/economy/ghana-debt-imf.html; International Monetary Fund, Ghana: History of Lending Commitments as of May 31, 2018, *International Monetary Fund*, accessed April 2025, https://www.imf.org/external/np/fin/tad/extarr2.aspx?memberKey1=350&date1key=2018-05-31; and Akolgo, I. Abotebuno, "Ghana's Debt Crisis and the Political Economy of Financial Dependence in Africa: History Repeating Itself?" *Development and Change*, *54* no. 5 (2023): 1265.

[865] International Monetary Fund, "IMF Executive Board Approves US$3 Billion Extended Credit Facility Arrangement for Ghana," *International Monetary Fund Press Release* no.23/151 (May 2023), https://www.imf.org/en/News/Articles/2023/05/17/pr23151-ghana-imf-executive-board-approves-extended-credit-facility-arrangement-for-ghana

[866] International Monetary Fund, "Five Takeaways from Democratic Republic of the Congo's IMF Program," *IMF News* (December 2019), https://www.imf.org/en/News/Articles/2019/12/20/na122019five-takeaways-from-the-democratic-republic-of-the-congos-imf-program, International monetary Fund, "IMF Reaches Staff-Level Agreement with the Democratic Republic of Congo on An Extended Credit Facility and A Resilience and Sustainability Facility," *International Monetary Fund Press Release* no. 24/416 (November 2024), https://www.imf.org/en/News/Articles/2024/11/13/pr-24416-drc-imf-reaches-agreement-on-ecf-and-rsf#:~:text=%E2%80%9CThe%20DRC%20authorities%20and%20the,of%20about%20US%24%201.1%20billion%2C, International Monetary Fund, "IMF Survey: Democratic Republic of the Congo Gets $551 Million IMF Loan," *IMF News* (December 2009), https://www.imf.org/en/News/Articles/2015/09/28/04/53/socar121109a, Fasika Tadesse, "IMF Support Helps Ethiopia Unlock $16.6 Billion From World Bank," *BNN Bloomberg* (July 2024), https://www.bnnbloomberg.ca/investing/2024/07/30/ethiopia-imf-program-unlocks-166-billion-world-bank-package/, International Monetary Fund, "IMF Executive Board Completes the Second Review under the Extended Credit Facility (ECF) Arrangement for Ethiopia," *International Monetary Fund Press Release* no. 25/006 (January 2025), https://www.imf.org/en/News/Articles/2025/01/17/pr25006-ethiopia-imf-executive-board-completes-second-review-ecf-arrangement#:~:text=The%20ECF%20was%20approved%20by,of%20the%20Fund%2Dsupported%20program

[867] Edson Ziso, The Political Economy of the Chinese Model in Ethiopia. *Politics & Policy*, *48* no. 5 (2020): 924; Devon Curtis, "China and the Insecurity of Development in the Democratic Republic of the Congo (DRC),"

over the period of study outlined in this work, has included less and less debt forgiveness suggesting that Western aid organizations are no longer including debt relief as part of their ODA to African states for taking on too much debt. Thus, the evidence is that Western development assistance policies are not generally changing due to the entrance of the PRC, rather the West is maintaining conditionality, not weakening it.

Up to this point this section has highlighted debt in relation to development assistance towards developing nations, namely the three assessed in Chapters Three through Five. The main point being drawn out is not just debt but rather the PRC's continuous use of aid-for-resource loans to inflict a form of dependency on a developing nation with high debts. Using Ethiopia as an example and harkening back to Chapter Four, the PRC's aid to Ethiopia is strategic in nature with its key development project in the country being Addis Ababa Djibouti railway connecting Ethiopia to its main port access in Djibouti. Moreover, this railway links Ethiopia to the PRC's sole overseas military base located in Djibouti. Up to 2018 this railway was owned and operated by two Chinese companies meaning Ethiopia was reliant on the PRC for economic port access giving China great control and influence over Ethiopia.[868] When assessing the PRC's aid in the DRC the point of dependency is clearer. The PRC holds the controlling share of the DRC's cobalt mines and currently operates hundreds of illegal mines in eastern DRC which the government of the DRC has been incapable of fixing. The PRC's controlling share and operation of cobalt mines in the DRC has been a growing leverage and presence of Chinese aid in the DRC. This is done all for resources which is made worse given the DRC's troubles with revenue generation and thus problems servicing their current debt which the PRC owns 45 percent.[869] And in case the point isn't clear enough, when one looks at Djibouti as an example, the PRC loaned large amounts of aid to Djibouti. As noted by Amsalu Addis et.al the overall amount to Djibouti was higher than what Djibouti could pay back and now China has built a large overseas military base in Djibouti.[870] The premise being that the PRC lends development assistance to such a level where the recipient state risks defaulting on their loans triggering conditions set by the PRC; running the risk of the West not intervening, or the recipient state capitulates entirely to the PRC. In the case of Ghana, the PRC links their aid to Ghana's oil and cocoa. For Ethiopia it was their agricultural products, with the notable exception that the PRC clearly spared Ethiopia from any risk of debt trapping due to its strategic partnership that the PRC desires to maintain. And for the DRC their oil, cobalt, copper, and diamonds were all put up as collateral for a series of loans.

The PRC's development aid strategy has both soft and hard power aspects. For instance, PRC loans are structured in a way where they are linked to the developing nation's economy through both loan terms and collateral for the loaned aid. This means Chinese FDI follows the PRC aid; and this bears out in the data as in 2012 Chinese FDI to developing countries totaled

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International Peacekeeping (London, England), *20* no. 5 (2013): 556-557; Reuters, "Democratic Republic of Congo says China has Granted Pandemic-Linked Debt relief," Reuters (January 2021), https://www.reuters.com/article/world/democratic-republic-of-congo-says-china-has-granted-pandemic-linked-debt-relief-idUSKBN29B1VG/ International Finance, "China writes off Ethiopia's loan interest until 2018 end," International Finance (April 2019), https://internationalfinance.com/sector-insight/china-writes-off-ethiopias-loan-interest-debt-until-2018-end/

[868] Noah Bovenizer, "China Hands Over Control of Ethiopia-Djibouti Railway," *Railway Technology* (May 2024), https://www.railway-technology.com/news/china-hands-over-ethiopia-djibouti-railway/

[869] Noah Mutai, "China's Debt to Africa: A Balancing Act Between Development and Dependency," *Democracy in Africa* (2025), https://democracyinafrica.org/chinas-debt-to-africa-a-balancing-act-between-development-and-dependency/

[870] Amsalu K. Addis, Simplice Asongu, Zhu Zuping, Hailu Kendie Addis, and Eshetu Shifaw, "Chinese and Indian Investment in Ethiopia: Infrastructure for 'Debt-Trap Diplomacy' Exchange and the Land Grabbing Approach," *International Journal of Emerging Markets* 16 no. 6 (2021): 1015.

$70 billion compared to just $13 billion to advanced economies.[871] Therefore, if a developing state's economy improves due to PRC aid, Chinese companies are rewarded financially. And if the economy worsens then either the PRC risks relying on Western intervention or the PRC attempts to recoup its investment with resources tied to the development project loans. This is not to suggest that there is no risk to the PRC's development assistance strategy, rather that the PRC has gone to great lengths to mitigate such risk with their interest in mind, a diverging factor between PRC and Western aid. Additionally, there is the soft power aspect where the stress of debt is enough to place the influence of the PRC over that of the influence from the West. This is because if the developing nation wants to lessen their debt burden they have two main options. Take on Western debt relief which comes with its own set conditions, those that are typically avoided by developing nations, or go to the PRC and renegotiate interest and term length usually for greater resources set as collateral. There is a third option of austerity, but this is typically avoided and only ever considered as a last resort. As Amsalu K. Addis et.al express, "excessive debt impairs the government's ability to deliver fundamental services to its citizens" thus promoting a decision to be made on one of the two aforementioned options, if not option three.[872] Interestingly, however, this study did not find excessive debt 'impairing' the delivery of basic services such as education and health. Rather in each case study, when one assesses the HDI the health, education, and economic sectors improved by 2018 compared to 1990. And in regard to the CPIA the same is largely true with some exceptions such as Ghana's economic management score being lower in 2018 than in 2004 and in the DRC's scores in quality of public administration and transparency, accountability, and corruption in the public sector being lower in 2018 than in 2004. Additionally, both Ghana and Ethiopia had lower scores in debt policy in 2018 than in 2004. There are other instances of this occurring among all three case studies, but the one listed above are the most notable and relatable for this study. And nevertheless, all three case studies have a greater overall CPIA score in 2018 than in 2004 suggesting that development has occurred in all three developing nations despite some regression in certain sectors and in spite of increased total external debt stocks for Ethiopia and Ghana (see Figure 56).

Moreover, sometimes developing nations chose PRC aid because there was no alternative as the West has pulled out of aid projects or not offered aid in certain sectors due to debt, corruption, governance, and/or environmental issues within developing nations.[873] Examples from the case studies include the funding behind Ghana's Bui Dam and Ethiopia's Gilgel Gibe III. In the case of the DRC, in 2006 President Kabila needed large-scale infrastructure investments in order to retain popularity among voters. However, an IMF loan programme to the DRC had recently been terminated and, due to the IMF's position as gatekeeper, the DRC was not in a position to access finance from its 'traditional' donors. Kabila Jr, therefore, turned to China, which was interested in the resource-rich Katanga Province. The result was the Sicomines agreement.[874] It is this type of opportunity-based aid from the PRC that makes it distinct and attractive to developing nations as it is not the ideal form of aid, but it is one of the easier forms of aid to acquire. The prior excerpt demonstrating the deal between President Kabila and the PRC was viewed as a win-win as President Kabila needed the deal at a crucial

[871] Evelyn Wamboye, and Esubalew Alehegn Tiruneh, eds. *Foreign Capital Flows and Economic Development in Africa: The Impact of BRICS versus OECD*. First edition (New York: Palgrave Macmillan US 2017), 461.
[872] Amsalu K. Addis, Simplice Asongu, Zhu Zuping, Hailu Kendie Addis, and Eshetu Shifaw, "Chinese and Indian Investment in Ethiopia: Infrastructure for 'Debt-Trap Diplomacy' Exchange and the Land Grabbing Approach," *International Journal of Emerging Markets* 16 no. 6 (2021): 1015-1016.
[873] Xiaoyang Tang, "Bulldozer or Locomotive? The Impact of Chinese Enterprises on the Local Employment in Angola and the DRC," *Journal of Asian and African Studies* 45 no. 3 (2010): 352.
[874] Peter Kragelund, *South-South Development*, First edition (Abingdon, Oxon; Routledge 2019), 122-123.

time for elections and the PRC got their cobalt mines; however if one were to ask the citizens of the DRC about this deal, differing opinions may arise.[875] Similar examples exist with Ghana and its oil wells and Ethiopia and its need for coastal access resulting in the Addis Ababa–Djibouti Railway.

Nevertheless, the issue of debt instability and the risk of debt trapping by the PRC is an ongoing debate in the literature.[876] While it cannot be said debt trapping, whether it happens or not, in a developing nation is a conscious decision by the PRC it can be said based on the three cases studies conducted that the PRC's involvement in Ghana, Ethiopia, and the DRC did not help alleviate debt troubles. The slight exception to this being the PRC being a reliable partner to Ethiopia regarding the major renegotiation of loans. The lack of clear and direct intervention in Ghana and the DRC debts by the PRC correlates with their position on stability over 'good' governance. In fact, the lack of conclusiveness on this issue has seemingly reinforced Western development efforts insofar as the West having continued to rely on, and use, condition-based aid in developing nations as a form of 'counterbalance' to the perceived risk and threat of Chinese aid, warranted or not.

6.3 Corruption and Conflict:

The last theme focuses on corruption and conflict in the three nations in the case studies. This assessment is best done using the data collected from an organization called Transparency International and comparing the data to Dambisa Moyo book, *Dead Aid: Why Aid is not Working and How There is a Better Way for Africa* which is heavily influenced by William Easterly. Both Moyo and Eastlery hold the belief that development assistance to Africa is not just ineffective but actively perpetuates corruption in African countries. Therefore, they both argue that it is in fact aid that has "hampered, stifled and retarded Africa's development."[877] According to Transparency International, as of 2018, Ghana held a corruption score of 41 whereas Ethiopia's score was 34 and the DRC's 20 (see Figures 59 through 61).[878] According to the data, from 2012 to 2018 Ghana's corruption score went up until 2014 when it then declined to its trough in 2017, increasing slightly back up in 2018 (see Figure 59). Moreover, when one traces this trend along Ghana's CPIA score one can accurately track Ghana's issues in corruption. In correlating with Figure 59, Ghana's CPIA score in transparency, accountability and corruption in the public sector decreased in 2016 from 4.5 to 4.3. For Ethiopia their corruption score was stagnant from 2012 to 2015, when it then started to increase slightly in 2016 (see Figure 60). This correlates with Ethiopia's CPIA score as from 2012 to 2018 their score in transparency, accountability and

[875] Devon Curtis, "China and the Insecurity of Development in the Democratic Republic of the Congo (DRC)," *International Peacekeeping (London, England)*, *20* no. 5 (2013): 557.
[876] Deborah Brautigam, "A Critical Look at Chinese 'Debt-Trap Diplomacy': The Rise of a Meme," *Area Development and Policy*, *5* no. 1(2020): 1–14; Pádraig Carmody, "Dependence not debt-trap diplomacy," *Area Development and Policy*, *5* no. 1 (2020): 23–31; Kerry Liu, "The Chinese Debt Trap Diplomacy Narrative: An Empirical Analysis," *Statistics, Politics, and Policy*, *14* no. 1 (2023): 19–44; Meredith J. DeBoom, "Who is afraid of "debt-trap diplomacy"? Geopolitical narratives, agency and the multiscalar distribution of risk," *Area Development and Policy*, *5* (2020): 15–22; and Xiaoyang Tang, and Shua iPan, "Impact of market-based financing on Africa's debt and development," *China International Strategy Review*, *6* no. 1 (2024): 122–138.
[877] Dambisa Moyo, *Dead Aid: Why Aid is Not Working and How There is a Better Way for Africa* First edition. Farrar, Straus and Giroux (2009), 23.
[878] The following is a brief explanation of the corruption score: "A country's score is the perceived level of public sector corruption on a scale of 0-100, where 0 means highly corrupt and 100 means very clean." see Transparency International, "The ABCs of the CPI: How the Corruption Perceptions Index is calculated," updated last February 2025, accessed March 2025, https://www.transparency.org/en/news/how-cpi-scores-are-calculated.

corruption in the public sector remained at 3.7 but in 2020 it jumped to 4.2.[879] For the DRC their corruption score was stagnant from 2012 to 2015 where it then started to decrease in 2016 (see Figure 61). This trend also correlates with its CPIA score, as from 2012 to 2016 their transparency, accountability and corruption in the public sector was 3.3 but in 2018 it dropped to 2.8.[880]

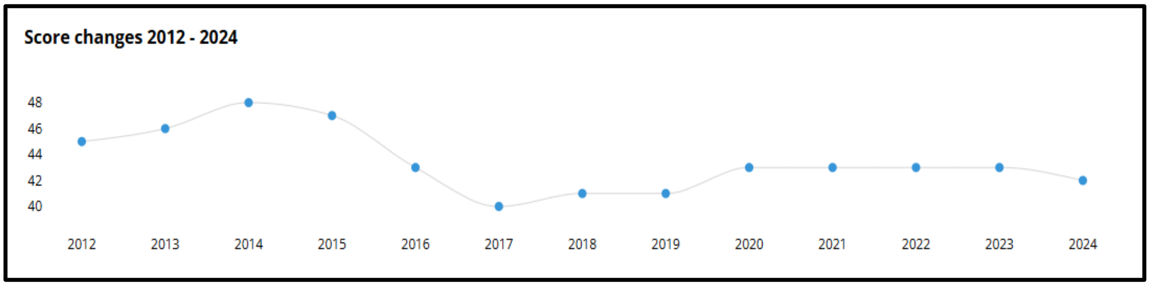

Figure 59: Ghana's Corruption Score (2012 to 2024)[881]

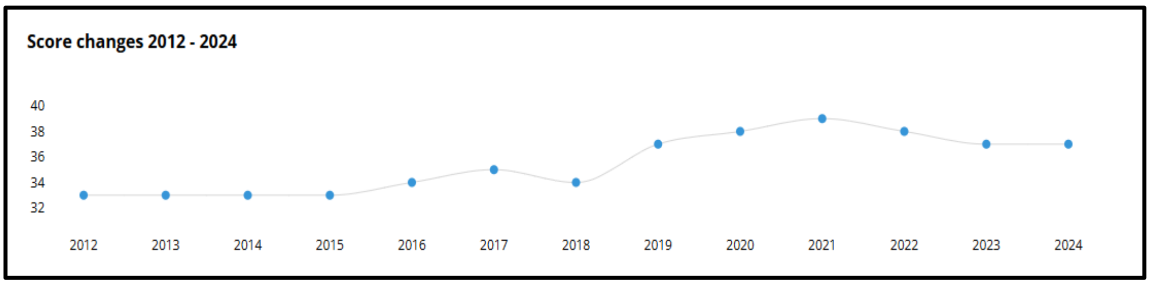

Figure 60: Ethiopia's Corruption Score (2012 to 2024)[882]

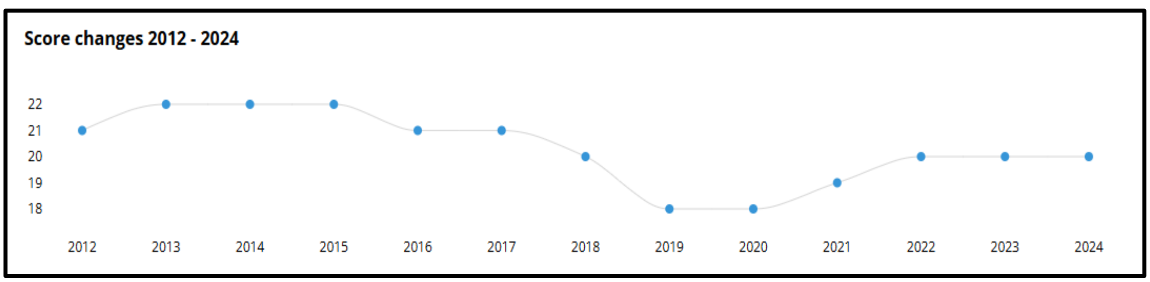

Figure 61: DRC's Corruption Score (2012 to 2024)[883]

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[879] African Development Bank Group: Country Policy and Institutional Assessment - Ethiopia 2020 Score Overview, accessed March 2025, https://cpia.afdb.org/?page=results&subpage=profile&indicator_id=16_&country_id=ET&year=2020
[880] African Development Bank Group: Country Policy and Institutional Assessment - Ethiopia 2018 Score Overview, accessed March 2025, https://cpia.afdb.org/?page=results&subpage=profile&indicator_id=16_&country_id=CD&year=2018
[881] Transparency International, "Corruption Perceptions Index," *Transparency International* (filters: (1) Country: Ghana), accessed April 2025, https://www.transparency.org/en/cpi/2024/index/gha
[882] Transparency International, "Corruption Perceptions Index," *Transparency International* (filters: (1) Country: Ethiopia), accessed April 2025, https://www.transparency.org/en/cpi/2024/index/eth
[883] Transparency International, "Corruption Perceptions Index," *Transparency International* (filters: (1) Country: Democratic Republic of the Congo), accessed April 2025, https://www.transparency.org/en/cpi/2024/index/cod

The aforementioned corruption scores from both Transparency International and the CPIA raise an important question, is there any correlation between increased Chinese assistance and declining transparency/CPIA governance scores? Some studies suggest there is.[884] However, these studies relate to the whole of Africa. As such one cannot make the conclusive argument that the PRC has alleviated or aggravated the issues of corruption or poor governance in Ghana, Ethiopia, and the DRC. One can denote that PRC's development assistance does not include conditions based on governance as this would be against the SSC and its international ideological underpinnings of non-interference. Moreover, PRC aid is concerned with state stability insofar as a means to securing their development investments. Therefore, the PRC largely cares about corruption only insofar as it impacts their gains within the mutual benefit framework. The only claim one can make based on the data presented thus far is that while the PRC has not definitively worsened the state of corruption and governance in Ghana, Ethiopia, and the DRC it certainly has not helped in these sectors. In each of the nations under study the PRC has been accused of corruption or corrupt business practices which can only exacerbate poor governance in some form and manner.[885] Huawei Technologies, suspected of having concealed ties with the PRC government, being accused of illegally being involved in Ghana's politics serves as one example.[886] The DRC serving as another example as in 2006 Kabila Jr. was in the midst of an election and after the West backed out of billions in aid Kabila Jr. needed a source of assistance to help with his election chances. The PRC then stepped in and filled the development gap left by the West and subsequently Kabila Jr. won his election - perhaps signaling Chinese foreign interference.[887] However such examples and claims cannot be directly placed alongside the downward shift in corruption and governance scores of Ghana, Ethiopia, and the DRC.

Moreover, throughout this entire thesis the notion of corruption, conflict, and governance have all been highlighted. Each of three developing nations assessed in this work have had history with these three issues, namely corruption and conflict. Each of these two problems are one side of the same coin. Where there is one the other tends to follow. The issue with corruption and conflict which makes development of a nation nearly impossible is that they both thrive on and further exacerbate instability. It is this instability which leads to poor governance which then worsens corruption and then leads to conflict. This is the cycle of poor development, and it can be easy for a developing nation to fall into and extremely difficult to get out of. Now without touching on the obvious, or the points already touched on in depth throughout the thesis, the point of highlighting corruption, conflict, instability, and poor governance is because it highlights an earlier point mentioned in the chapter on debt and project-based aid. That is that these four issues impact a developing nation's ability to generate revenue through taxation and are then exacerbated by the PRC's project-based aid. This concern of loans exacerbating debt instability

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884 Ann-Sofie Isaksson, and Andreas Kotsadam, "Chinese aid and local corruption," *Journal of Public Economics*, *159* (2018): 146–159; Sujin Cha, "Chinese aid and corruption in African local governments," *Journal of International Development*, *36* no. 1 (2024): 587–605; Abreham Adera, "Chinese Aid Projects and Local Tax Attitudes: Evidence from Africa," *European Journal of Development Research*, *36* no. 1 (2024): 102–134 and Philip A. Atitianti, and Samuel K. Asiamah, "Aid and Governance: Impact of Chinese Aid on the Evaluation of Government Performance in Sub-Saharan Africa," *Afrikaspectrum*, *58* no. 1 (2023): 64–88.

885 With regards to possible corruption in Ethiopia by the PRC see, Amsalu K. Addis, Simplice Asongu, Zhu Zuping, Hailu Kendie Addis, and Eshetu Shifaw, "Chinese and Indian Investment in Ethiopia: Infrastructure for 'Debt-Trap Diplomacy' Exchange and the Land Grabbing Approach," *International Journal of Emerging Markets* 16 no. 6 (2021): 1005-1006.

886 Colin Hawes, "Why is Huawei's ownership so strange? A case study of the Chinese corporate and socio-political ecosystem," *The Journal of Corporate Law Studies*, *21* no. 1 (2021): 9.

887 Devon Curtis, "China and the Insecurity of Development in the Democratic Republic of the Congo (DRC)," *International Peacekeeping (London, England)*, *20* no. 5 (2013): 557.

can be directly linked to the aid the West provides, particularly from the DAC. Between 2000 to 2018 the DAC's ODA to Ghana, Ethiopia, and the DRC was exceedingly in the form of grants and not loans (see Appendix C and D) suggesting an active effort on the part of the West to avoid being a, willing or not, contributor to debt instability in these three developing nations.[888] This also links to the West's desire to ensure stability, good governance, and a reduction in corruption.

The social impact of the PRC project-based aid to Ghana, Ethiopia, and the DRC is largely predictable and straightforward yet links to the idea of poor governance and corruption. The PRC cares little for the social development of developing nations beyond its impact on the economic sector. This, however, has resulted in a big gambit on the part of the PRC as they have overlooked a key aspect in development aid. Most development assistance is given to the recipient government to disperse and/or allocate as they see fit; rarely does development aid be sent directly to individuals. As such, the citizenry of a developing nation becomes quite attentive and critical of its government's use of such aid.[889] Therefore, instances of corruption in PRC's project-based aid are not conducive towards economic or social development in Ghana, Ethiopia, and the DRC.[890]

Equally important to the issues of corruption and governance is how it can erode revenue generation of states. The IMF has been a prominent advocate for improvement in taxation and revenue generation since the 1990s through their structural adjustment programs and later on in their heavily indebted poor countries initiative. The IMF notes that the building of close partnerships between donor states and the developing nation is an important aspect in tax revenue mobilisation thus linking the support for SWAp over project-based aid.[891] Giulia Mascagni makes the clear argument of the importance of taxation in development when she states:

> The relation between aid and taxation sits at the core of the sustainability of development efforts and is crucial to ensure independence from foreign aid in the long run. Taxation is the main source of development finance in most countries … If aid does not support tax mobilisation or, even worse, crowds out taxation, its sustainability and effectiveness can be seriously undermined. Importantly, taxation is also a key arena for government-citizen relations, whereby the latter pay taxes and expect the government to provide goods and services in return. This social contract is at the core of the development of democratic institutions and inclusive states[892]

As noted by Mascagni, taxation and revenue generation is the make or break for developing nations towards sustainable growth. The goal of development after all is for the developing nation to attain the ability to maintain their own state affairs without the need of external funding or technical assistance; thus, being able to withstand crises on their own.

To be clear, poor taxation control and revenue generation is a by-product of corruption and conflict. This is because corruption and conflict undermine confidence in rule of law,

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888 Organization for Economic Co-operation and Development, "DAC2A: Aid (ODA) disbursements to countries and regions," *OECD Data Explorer,* accessed March 2025, https://data-explorer.oecd.org/vis?tm=ODA&pg=0&snb=84&df[ds]=dsDisseminateFinalDMZ&df[id]=DSD_DAC2%40DF_DAC2A&df[ag]=OECD.DCD.FSD&df[vs]=1.2&dq=5WBG0%2B5IMF0%2BDAC.COD%2BETH%2BGHA%2BF.204%2B201%2B206.USD.Q&pd=2000%2C2018&to[TIME_PERIOD]=false&vw=tb

889 Abreham Adera, "Chinese Aid Projects and Local Tax Attitudes: Evidence from Africa," *European Journal of Development Research* 36 no. 1 (2024): 124.

890 Jiang Hongli, and Prince Asare Vitenu-Sackey, "Assessment of the Effectiveness of Foreign Aid on the Development of Africa," *International Journal of Finance and Economics* 28 no. 1 (2023): 90.

891 Giulia Mascagni, "Aid and Taxation in Ethiopia," *The Journal of Development Studies* 52 no. 12 (2016): 1755.

892 Ibid., 1744.

democracy, and the social contact between the governments and their citizenry. And as a result, developing nations struggle to regulate industries, prevent smuggling, effectively tax citizens which then affects the state's bottom line of its finances – if one cannot generate sufficient revenue to pay its loans then it cannot collect enough money to spend on health and education thus hampering development. Hence the importance of the HDI and CPIA scores to track this phenomenon. Using the HDI scores of Ghana and the DRC one can see the impact of corruption, conflict, and debt instability. For the DRC their HDI scores throughout the 1990s were poor and regressive due to the conflicts and economic collapse of the country. This was then followed by vast amounts of DAC debt relief to the DRC. For Ghana, their HDI saw a slight negative downward trend in 2014 due to the 2014 oil price drop. As such the IMF supported Ghana with another bailout in debt restructuring in 2015 alongside pushing for improved taxation generation.[893] As for the CPIA scores Ghana saw a reduction in their transparency, accountability, and corruption in the public sector in 2016 from 4.5 to 4.3.[894] For Ethiopia their transparency, accountability, and corruption in the public sector score improved since 2004 which is supported by Transparency International corruption scores. However, Ethiopia's debt policy score is lower in 2018 than it was in 2004. That along with a poor regional integration score of 3.0 in 2018 highlights Ethiopia's shortcomings with taxation.[895] The DRC has the most clear data in relation to corruption and poor governance as their financial sector development score decreased from a 3.0 in 2004 to 2.8 in 2018 along with a decrease of environmental policy regulations score of 3.0 to 2.5.[896] Both these scores are directly linked to the DRC's poor governance and inability to govern its eastern territory which is rife with illegal mining operations led by the PRC. Lastly, the DRC's transparency, accountability, and corruption in the public sector score is worse in 2018 at 2.8 than in 2004 when it was 3.0.[897] All this points to the DRC being impacted most by conflict, corruption, and instability.

Furthermore, the DRC could not be any more of a clear case on the cycle of corruption, conflict, instability, and poor governance, resulting in poor development and an inability to generate sufficient revenues. In regards to leveraging their own natural resources and in their ability to tax their citizenry, the DRC has suffered from the PRC monopolising of their cobalt mining sector along with tying their other natural resources, oil and copper, to other development

[893] Government of Ghana and the IMF, "Ghana: Letter of Intent, Memorandum of Economic and Financial Policies, and Technical Memorandum of Understanding," *International Monetary Fund* (December 2015), 8. https://www.imf.org/external/np/loi/2015/gha/122315.pdf

[894] African Development Bank Group: Country Policy and Institutional Assessment - Ghana 2016 Score Overview, accessed March 2025, https://cpia.afdb.org/?page=results&subpage=profile&indicator_id=A-E_&country_id=GH&year=2016

[895] African Development Bank Group: Country Policy and Institutional Assessment - Ethiopia 2018 Score Overview, accessed March 2025, https://cpia.afdb.org/?page=results&subpage=profile&indicator_id=A-E_&country_id=ET&year=2018

[896] African Development Bank Group: Country Policy and Institutional Assessment - Democratic Republic of the Congo 2004 Score Overview, accessed March 2025, https://cpia.afdb.org/?page=results&subpage=profile&indicator_id=A-E_&country_id=ET&year=2004; and African Development Bank Group: Country Policy and Institutional Assessment - Democratic Republic of the Congo 2018 Score Overview, accessed March 2025, https://cpia.afdb.org/?page=results&subpage=profile&indicator_id=A-D_&country_id=ET&year=2018

[897] African Development Bank Group: Country Policy and Institutional Assessment - Democratic Republic of the Congo 2004 Score Overview, accessed March 2025, https://cpia.afdb.org/?page=results&subpage=profile&indicator_id=A-E_&country_id=ET&year=2004; and African Development Bank Group: Country Policy and Institutional Assessment - Democratic Republic of the Congo 2018 Score Overview, accessed March 2025, https://cpia.afdb.org/?page=results&subpage=profile&indicator_id=A-D_&country_id=ET&year=2018

assistance loans as collateral with some loans stipulating a tax free condition until 2040.[898] Additionally, due to the DRC's informal economy making up a vast amount of its labour force, the DRC has been incapable thus far to properly tax its citizenry. Consequently, the series of conflicts within the DRC since 2003 has hampered the DRC's development. All this highlights that the problems facing the DRC are debilitating alone, but when all are present as they currently are, no wonder why the PRC and the West have refocused their development assistance towards stabilisation rather than development. Moreover, the inability of the DRC to mobilise its taxation system is the reason why the DRC is considered to have a debt issue despite the DRC's relatively good debt to GDP ratio. When corruption is widespread and as prevalent as it is in developing nations there is a severe lack of rule of law. This leads to both public officials and civilians not abiding by the rules set within civil society, thus causing regression and stagnation in the state's development and a loss in public trust in their government. Corruption is a debilitating problem.

Not all the blame can be placed on the DRC however, development partners hold a large share of the culpability, the West included. Michael Gubser and Jerrold Keilson - international development worker and scholar - have put forth the argument that the DRC's has fallen short in large part due to the narrow objectives set by Western development partners like the World Bank, IMF, and the DAC.[899] The global push towards across the board development objectives for developing nations as if they are a monolith was a major problem. For instance, the MDG was voted on and applied to all states. Some met the goals, some exceeded the goals and others, such as the DRC fell extremely short. The international community set unattainable goals for developing nations and the result was radical policies being pushed by developing nations with no actual means to achieve the objectives set. The same issue arises in the 2005 Paris Declaration as the standards for donors and recipient states were applied to all across the board despite the fact that all developing nations are all different and thus possess different capabilities. Letting the DRC manage its own development, despite how well intended, was shortsighted by the international community and put the DRC's development at risk.

Linking all this back to the core argument, both the West and the PRC have been increasing their presence in Africa through the use of development assistance yet the impact on Ghana's, Ethiopia's, and the DRC respective issues regarding corruption has been negligible at best, with the slight exception of Ethiopia. This lack of progress suggests as to why Africa has remained resource rich yet economically poor – development assistance gets allocated to officials and other elites who use the national treasury and national resource royalties as their own private bank account.[900] As such, the issues of conflict and corruption go right to the heart of what aid can and cannot do and whether it can ever be "effective" despite all efforts made with the aid effectiveness fora, the MDGs, and SDGs. It goes without saying that less corruption leads to better development but then the question becomes: has Chinese aid made states less or more corrupt? Again, the fear by the West is that Chinese aid is worsening the corruption issue in Africa – or at the very least the preponderance of evidence thus far suggests the increased risk of

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[898] Gracelin Baskaran, "Building Critical Minerals Cooperation Between the United States and the Democratic Republic of the Congo," *Center for Strategic and International Studies*, (March 2025), 7. https://www.csis.org/analysis/building-critical-minerals-cooperation-between-united-states-and-democratic-republic-congo#h2-the-history-of-u-s-and-chinese-engagement-in-the-drc-mining-industry

[899] Nathalie Louge, "Practitioners Caught in the Middle: Evidence from the Democratic Republic of Congo," in *The Practice of International Development* First Edition edited by Michael Gubser, and Jerrold Keilson, (New York: Routledge, 2018), 135-138.

[900] Dambisa Moyo, *Dead Aid: Why Aid is Not Working and How There is a Better Way for Africa* First edition. Farrar, Straus and Giroux (2009), 56-60.

further corruption - hence the labeling of PRC development assistance as 'rogue aid'.[901] As the literature has demonstrated thus far, state corruption is not a barrier to Chinese aid and investment – rather the PRC's interest in corruption only goes as far as their desire for stability in the developing nation they invest in. However, the literature is not conclusive as to whether PRC development assistance has an impact on corruption.[902] This study finds – by using the data laid out in the case studies and from Transparency International while correlating said data to the CPIA scores to each respective developing nation – that PRC development assistance may not be making the issues of corruption worse, it is in fact not making it any better. Ethiopia being a small outlier requiring further investigation. While Ethiopia is the outlier insofar as experiencing progress on quelling corruption, albeit slowly, the DRC serves as the opposing outlier as the DRC has yet to be able to quell the instability, conflict, and issues of corruption with the most recent example being "Rwandan-backed M23 rebels [capturing] Goma, the provincial capital of North Kivu, which marks the most significant escalation in the conflict in the eastern DRC since the group last seized Goma in 2012."[903]

The impact that the West and the PRC has had on Ghana's, Ethiopia's, and the DRC's human rights track record is diverse, sharing little similarities. It ought to be understood that "in order to achieve a high growth rate, the political environment should be stabilized, which could translate into sustainable economic growth, deeper democracy and governments' effectiveness."[904] Political stability being key to the issue of human rights in these developing nations. Western donors tend to push for liberal peacebuilding and development whereas the PRC views development as a means of "trade and 'no-strings attached' economic exchange" resulting in broad ignorance to human right abuses in developing nations.[905] The issue of human rights in Ghana is largely considered positive, particularly when compared to Ethiopia and the DRC. While there are issues prevalent regarding human rights issues in Ghana, development assistance through condition-based aid has seen improvements in Ghana.[906] With regards to Ethiopia, the issue of human rights in this developing nation has garnered significant attention from the international community while also being able to avoid any meaningful progress. This is in large part, as noted in Chapter Four, due to the PRC 'shielding' Ethiopia from making any major changes to its governance model. Despite any major positive shifts by Ethiopia, some progress has been made over the years as outlined in its CPIA scores. Nevertheless Ethiopia is

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[901] Anke Hoeffler, and Oliver Sterck, Is Chinese aid different? *World Development*, *156* (2022): 1-16; and Axel Dreher, and Andreas Fuchs, Rogue aid? An empirical analysis of China's aid allocation. *The Canadian Journal of Economics*, *48* no. 3 (2015): 988–1023.

[902] Anke Hoeffler, and Oliver Sterck, Is Chinese aid different? *World Development*, *156* (2022): 9; Ngaire Woods, Whose aid? Whose influence? China, emerging donors and the silent revolution in development assistance, *International Affairs (London)*, *84* no. 6 (2008): 1210-1211; Pierre Mandon, Martha Tesfaye Woldemichael, "Has Chinese Aid Benefited Recipient Countries? Evidence from a Meta-regression Analysis," *World Development*, *166* (2023): 6; and Deborah Bräutigam, "China, Africa and the International Aid Architecture," *African Development Bank Group Working Paper* 107 (April 2010): 25, 37-39, and 42-44.

[903] Liam Karr and Yale Ford, "Africa File Special Edition: M23 March Threatens Expanded Conflict in DR Congo and Regional War in the Great Lakes," *Institute for the Study of War*, January 2025, accessed March 2025, https://www.understandingwar.org/backgrounder/africa-file-special-edition-m23-march-threatens-expanded-conflict-dr-congo-and-regional

[904] Jiang Hongli, and Prince Asare Vitenu-Sackey, "Assessment of the Effectiveness of Foreign Aid on the Development of Africa," *International Journal of Finance and Economics* 28 no. 1 (2023): 90.

[905] Devon Curtis, "China and the Insecurity of Development in the Democratic Republic of the Congo (DRC)," *International Peacekeeping (London, England)*, *20* no. 5 (2013): 551.

[906] United States Department of State "Ghana Human Rights Report," *Bureau of Democracy, Human Rights, and Labor* (2018), https://www.state.gov/wp-content/uploads/2019/03/Ghana-2018.pdf; and Amnesty International, "Amnesty International Report: The State of the World's Human Rights," (2018), 176-177; https://www.amnesty.org/en/wp-content/uploads/2021/05/POL1067002018ENGLISH.pdf

still seen as a developing nation that suffers from lack of governance and lack of rights being upheld.[907] And finally with regards to the DRC, its unregulated and informal economy in addition to instability throughout the DRC, particularly in the east, has resulted in some of the worst corruption and governance scores in the CPIA.[908] The DRC has made some progress but their inability to quell violence and instability throughout their territory has made development an increasingly difficult endeavour as noted by the 'progress' made in their CPIA scores from 2004 to 2018.[909]

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[907] United States Department of State "Ethiopia Human Rights Report," *Bureau of Democracy, Human Rights, and Labor* (2018), https://www.state.gov/wp-content/uploads/2019/03/Ethiopia-2018.pdf; and Amnesty International, "Amnesty International Report: The State of the World's Human Rights," (2018), 162-163. https://www.amnesty.org/en/wp-content/uploads/2021/05/POL1067002018ENGLISH.pdf

[908] Amnesty International, "Amnesty International Report: The State of the World's Human Rights," (2018), 144-147. https://www.amnesty.org/en/wp-content/uploads/2021/05/POL1067002018ENGLISH.pdf

[909] United States Department of State "Democratic Republic of the Congo Human Rights Report," *Bureau of Democracy, Human Rights, and Labor* (2018), https://www.state.gov/wp-content/uploads/2019/03/Democratic-Republic-of-the-Congo-2018.pdf

Chapter Seven: Conclusion

The clash of Eastern and Western aid regimes in Africa is a testament to rising international tensions. One side is fighting to maintain the current liberal international world order established in 1945 whereas the other side is vying for power and international influence aiming towards establishing an international order based on old principles of Westphalian state sovereignty. While the conflict between these two principal actors has remained non-kinetic, the impact on those stuck in the middle is just as real and lasting. Both the West and the PRC are vying for political dominance through the use of soft and hard power, namely in the form of development assistance. The trajectory of this conflict in Africa has been on the rise since 2000 when the PRC defied all expectations and became the US' economic rival. Emphasis ought to be put on 'economic' as both sides are actively avoiding a kinetic conflict rather opting for a Cold War-esque conflict where the goal is garner influence not casualties. Developing nations caught in the middle of this East-West conflict have tried to negotiate their own place in the game. How well they have fared by playing one power off against the other have been demonstrated in this thesis to be inconclusive so far. While the main effort of this competition in Africa is through development assistance, it is clear that this is a byproduct of desire rather than altruism. Assessing this all in a constructivist lens paints a clear likeness to past events such as the Cold War and the era of colonialism of the 18th and 19th century. Moreover, putting up such a lens to this competition for influence one ought to see how the international community got to this point. Both PRC and the West, more so the West, have a long-standing history with Africa, but this history was quite acute thus aiding in explaining the trajectory of Ghana's, Ethiopia's, and the DRC's development between 1990 and 2018.

This thesis set out to answer two key questions. First, to determine if the PRC's entry into the field of development assistance in Africa affected the aid strategies of Western nations. Namely, how has increased competition from Chinese aid sources affect the amount, types, and channels of Western aid? Second, the thesis sought to understand the impacts of the aid competition on Ghana, Ethiopia, and the DRC. Specifically, this thesis has sought to seek out if increased aid competition affected the economic and social development of the aforementioned three African nations for the better. Moreover, has Chinese aid affected the governance and human rights records of Ghana, Ethiopia, and the DRC? The HDI and CPIA were used to collect and compare data in order to assess these issues. Taking the data collected from Chapters Two through Five and using the comparative analysis in Chapter Six, a conclusive line of thought has emerged regarding the two key research questions along with their subsequent issues.

The matter of whether increased Chinese aid has impacted Western development assistance strategies is the first issue to be addressed. It is now clear that the answer on balance is no; at least not yet. As of 2018, the West has continued to deliver aid in the same sectors as it did prior to the PRC's entry. These sectors are health, education, governance, capacity building, gender equity, and economic management through ODA condition-based aid. The West, namely the DAC, still disproportionately utilizes ODA rather than OOF or vague aid as their main means of development assistance to developing nations and this disparity has increased exponentially since 2000.[910] Africa is the largest recipient of DAC ODA over Asia, Europe, America, and

[910] Using both charts one will be able to take the total official flows (ODA + OOF) from the first chart and subtract the ODA from the second chart to get the totals used to make the argument. See, Organization for Economic Co-operation and Development, "Official flows by country and region," *OECD Data Explorer,* accessed March 2025, [Filters (1) Donor: DAC Countries (2) Recipient: Developing Countries; Europe; Africa; America; Asia; Oceania (3) Official Flows Gross (4) Price Base: Constant Prices (5) Time Period: 2000-2018] https://data-explorer.oecd.org/vis?tm=ODA%20OOF&pg=0&snb=5&df[ds]=dsDisseminateFinalDMZ&df[id]=DSD_DAC2%40D

Oceania.[911] Aid from the PRC has largely focused on infrastructure projects and in the development of developing nations' economies - albeit with a Chinese focus of impact. Despite the influx of PRC development assistance in infrastructure and economic development, the West has remained largely focused on their SWAp in social sectors of development with little attention, in relative terms, given to economic and infrastructure development. An asterisk ought to be placed at the end of the prior claim because while it is true the West SWAp has remained steadfast in the social sectors, the West has also started to slowly increase their investments in large infrastructure projects again as outlined in Chapters Three through Six (see Appendix D).

The issue then becomes, why? This thesis finds that the reason behind the expansion of aid by the West in infrastructure and economic sectors is largely due to domestic circumstances of the developing nations and the West trying to make up for its own shortcomings. Now with that said, it is important to note that the West is taking cues from the PRC as to the types of projects that seem increasingly similar. Hence the asterisk. All this is not to suggest that infrastructure projects or economic development were never invested in by the West, rather they were just on a notably smaller scale than that of the basic needs of social sectors which the West focus their efforts in. The PRC's aid to Ghana, Ethiopia, and the DRC demonstrated to the West that there is in fact value in taking on large infrastructure projects aimed towards economic revitalization despite the complications and risks which come with such projects. After all it was these risks and complications that deterred Western aid away from large infrastructure projects in the past. The PRC's success in this sector of development has lent credit to such projects as the impact these projects are monumental and generational in effect. Take for instance the Addis Ababa Djibouti railway project that connected Ethiopia to an oversea port access; or Ghana's power generation projects which brought electricity and new forms of quality of life across many regions in Ghana that it had lacked prior. These projects are cost intensive and are long term projects that require years of commitment through technical cooperation. These are aspects of aid that the West has traditionally avoided since the 1980s but have willingly decided to venture into again as one cannot deny the positive impacts these PRC projects have had – despite minor setbacks and excluding the issues surrounding debt. This shift by the West is in fact in the interest of the developing nations as there is now a growing alternative to PRC aid; thus, granting developing nations a choice to avoid the risk of debt instability or possible debt trapping resource-tied loans from the PRC. Moreover, this shift by the West allows for the breakdown in the dependency the PRC has tried to force onto Ghana, Ethiopia, and the DRC. And through the use of SWAp by the West, developing nations, such as Ghana with its ministry of roads and

F_OFFICIAL&df[ag]=OECD.DCD.FSD&df[vs]=1.2&ly[cl]=TIME_PERIOD&isAvailabilityDisabled=false&dq=DAC.DPGC%2BO%2BS%2BA%2BF%2BE.966.USD.Q&pd=2000%2C2018&to[TIME_PERIOD]=false&vw=tb; and Organization for Economic Co-operation and Development, "DAC2A: Aid (ODA) disbursements to countries and regions" *OECD Data Explorer,* accessed March 2025, [Filters (1) Donor: DAC Countries (2) Recipient: Developing Countries; Europe; Africa; America; Asia; Oceania (3) Official Development Assistance Disbursements; Gross ODA (4) Unit of Measure: US Dollar (5) Price Base: Constant Prices (5) Time Period: 2000-2018] https://data-explorer.oecd.org/vis?lc=en&df[ds]=dsDisseminateFinalDMZ&df[id]=DSD_DAC2%40DF_DAC2A&df[ag]=OECD.DCD.FSD&df[vs]=1.2&dq=DAC.DPGC%2BS%2BO%2BA%2BF%2BE.240%2B206.USD.Q&pd=2000%2C2018&to[TIME_PERIOD]=false&vw=tb

911 Organization for Economic Co-operation and Development, "DAC2A: Aid (ODA) disbursements to countries and regions" *OECD Data Explorer,* accessed March 2025, [Filters (1) Donor: DAC Countries (2) Recipient: Developing Countries; Europe; Africa; America; Asia; Oceania (3) Official Development Assistance Disbursements; Gross ODA (4) Unit of Measure: US Dollar (5) Price Base: Constant Prices (5) Time Period: 2000-2018] https://data-explorer.oecd.org/vis?lc=en&df[ds]=dsDisseminateFinalDMZ&df[id]=DSD_DAC2%40DF_DAC2A&df[ag]=OECD.DCD.FSD&df[vs]=1.2&dq=DAC.DPGC%2BS%2BO%2BA%2BF%2BE.240%2B206.USD.Q&pd=2000%2C2018&to[TIME_PERIOD]=false&vw=tb

highways strategy, have been able to take charge in their infrastructure sector while not needing to rely on aid based on donor interest.[912]

All this to say that Western development assistance has been extremely resilient to PRC aid in Ghana, Ethiopia, and the DRC. Apart from the aforementioned shift, Western aid has remained steadfast in its approach. Interestingly when one views the PRC's experience in Ghana, Ethiopia, and the DRC regarding their development assistance to these nations one ought to see a glaring similarity. The PRC's experience has thus far been very similar to that of Western development assistance throughout the latter half of the 20th century. All the problems the West encountered, the PRC has seemingly rediscovered yet again. While one cannot make the case that it is a one-to-one trend; one can however point to the fact that the shortcomings faced by the PRC regarding project-based aid were the same issues the West confronted decades prior. This begs the question, did the PRC fall short due to its own hubris? The answer is yes. The PRC purposefully took a different approach from the West by avoiding state building efforts in developing nations which led to the PRC to decide that its development assistance would be heavily focused on development aid through loans directed towards economic growth, avoiding the social sector of basic needs, through the use of mass infrastructure projects. This pretty well mirrors Western development assistance of the 20th century. Therefore, looking back on the PRC's experience in Ghana, Ethiopia, and the DRC, it should not be surprising to see the same issues then for the West reemerge now for the PRC. Interestingly however, the PRC has fared better than the West did. This is for three main reasons. First the PRC is a Global South partner which seeks to avoid infringing on the sovereignty rights of developing nations by avoiding condition-based aid. Second, the PRC has benefited greatly from pre-existing and existing Western development assistance programs. The West has shifted its focus to a SWAp on basic needs of Ghana, Ethiopia, and the DRC which has resulted in notable improvements in their development as outlined by each of their HDI and CPIA scores. As such, the PRC has ridden the coattails on Western development by letting the West handle the social sector thus freeing up the PRC's finite resources for infrastructure and economic development through somewhat coercive dependency aid to developing nations. Third, the progress made by the international community on aid effectiveness has expanded domestic ownership of development to Ghana, Ethiopia, and the DRC thus freeing up additional resources of the PRC letting these developing nations take the burden of strategic planning and execution of aid while the PRC simply fronts the money and manpower to see the project through. In essence, the PRC has managed to avoid one of the largest burdens of development assistance; a burden that neither the West nor development nations themselves can avoid.

When it comes to this aid competition in Ghana, Ethiopia, and the DRC their respective development in both their economies and their social sector vary greatly. In Ghana, their economy has grown and expanded in part due to the development assistance it received from both the PRC and the West. The PRC enabled Ghana with its work on regional integration while Western aid helped support and maintain Ghana's crucial health and education sectors throughout its development. But in truth, the most influential aid came from the multilateral donors such as the AfDB, IMF, and WB with their condition-based aid. It was the IMF's aid since the 1980s that has pushed Ghana through condition-based aid to expand its economy beyond agriculture and to liberalise its markets to open up for FDI. But most importantly, the IMF pushed Ghana towards reinventing their revenue generation through its economic revitalization and through mobilisation of taxation. The main obstacles and barriers to success for

[912] Ministry of Roads and Highways, "Medium Term Expenditure Framework (MTEF) for 2023-2026," *Government of Ghana* (2023), https://mofep.gov.gh/sites/default/files/pbb-estimates/2023/2023-PBB-MORH.pdf

Ghana were of their own making, such as the increase in public workforce thus resulting in increased expenditures or international phenomena which they had no direct control over (e.g. the international financial and oil crisis of 2008 and 2014 respectively). Nevertheless, it was Western institutions that acted as a crash pad for Ghana allowing it to regain its footing and continue its development journey.

The development of Ghana's social sector enabled economic growth whether it be through gender equality, primary education, or equitable health care. These successes are inherently linked to Western development assistance. Such success in social and economic development - despite some setbacks - has resulted in improved governance and human rights within Ghana. While work is still needed to be done Ghana ought to be viewed as a story of success as it was the only one of the three developing nations being assessed in this thesis, to move from being a low human development nation to a medium human development nation. Such progress was done in a collective manner. Despite the PRC's use of soft and hard power for its own interest and despite the PRC's use of debt towards a new form of aid dependency, Ghana was able to overcome such barriers albeit with the help of Western donors, namely the DAC and the IMF. Ghana is still a developing nation but is moving in the right direction towards becoming a self-sustaining state; increasingly able to withstand internal and external pressures.

For Ethiopia, its economic development was made complicated by its geographical situation, thus leaving Western and PRC aid to the side insofar as their influence. Ethiopia being landlocked left it in a poor state forcing the government to remain reliant on an agricultural sector constantly teetering on the brink of collapse. The PRC aided Ethiopia both with its agricultural sector and with its economy by building necessary infrastructure which allowed Ethiopia to gain access to international markets. A benefit to both the PRC and Ethiopia. With regards to Western development assistance, Ethiopia has seen the most consistent amount of ODA from the DAC accounting for tens of billions of dollars since 2013 (see Appendix C and D). This aid was sent to Ethiopia's education and health sector but also to its economy through FDI. The issue of Ethiopia, however, came with its social sector. The Ethiopian government treated their development poorly by trying to accomplish too much in a short period of time resulting in the developing nation trying to check more boxes rather than ensuring sustainable development. This can be seen in both its education and health sector where advancements in quantity (i.e. years of schooling/patients treated) over quality (years of higher education) has been common practice. Western aid struggled to curb this trend as the PRC shielded Ethiopia from Western condition-based aid. As such, Ethiopia's development issues persisted as there was no means of correction from the West through its SWAp domestically led development. All of this was a result of both the PRC and the West being more concerned with the strategic value of Ethiopia over the value of effective development. Moreover, Ethiopia also bears some responsibility as they themselves chose to skirt Western conditions through the use of PRC development assistance.

Ethiopia's struggles in its social sector translated to governance and human rights issues. Such problems persisted as Ethiopia sought to maintain its focus on poverty reduction instead of putting in the time, resources, and effort in economic expansion until the mid-2010s. This shift towards economic expansion was when progress in both Ethiopia's economy and social sector saw the most development. The result of all this development through quality and not quantity brought about some interesting data. When assessing both the HDI and CPIA scores of Ethiopia, it is clear that Ethiopia sought out fast-paced gains at the expense of sustainability. This is why Ethiopia has seen great 'development' when one sees their CPIA scores since 2004. However, despite the 'success' in the CPIA, Ethiopia's HDI relative to its start in 2000 to where it is in 2018 is poor as the rate of growth is significantly lower than that of the global average. Ethiopia still maintains some of the worst HDI scores globally yet is hailed as a beacon of development capacity in Africa. This misallocation of praise can be detrimental to others as replicating Ethiopia's history with development is not a well-advised endeavour. The developing nation still has a poor record of human rights and lacks effective governance, particularly regarding revenue generation through taxation. The saving grace for Ethiopia has been its innate strategic values which has offset some of the setbacks more than what would have been otherwise.

With respect to the DRC this case study stood out the most as the DRC's development shortcomings made for this case study to be the most demonstrative of the impacts of poor development assistance. Economically, the problems facing the DRC development in this sector can be best understood as an overreach on the part of the PRC. Typically, the PRC uses soft power to establish a viable economy in a developing nation to the point of being sufficient enough to extract the desired natural resource. In this case the PRC sought out the DRC's cobalt, copper, and oil. However, the PRC was unable to overcome the domestic instability through its traditional means of development assistance. This resulted in the PRC transitioning to a hard power means of resource extraction. Western donors did little to stop this resource grab by the PRC. As a result, the DRC came to be dependent on the PRC for cobalt mining operations and grew a dependency on Western aid as they now lacked the means for revenue generation sufficient for effective SWAp development in health and education. All this to say that the PRC used hard power to economically seize the DRC's natural resources which crippled the DRC ability to develop their social sector without the help of the West. This is, in part, why the DRC has yet, as of 2018, been able to fully recover from its economic collapse in the early 1990s.[913] Moreover, the social development of the DRC has been tame due to the government's inability to mobilise one of its most profitable economic sectors, cobalt. This sector has either been bought out by the PRC or has fallen into an informal economy which has resulted in the inability for the DRC to generate revenue from either the cobalt sector or through taxation. The impact of this has been a reliance of Western and PRC development assistance by the DRC to sustain the current societal systems in place. Despite such a position the DRC has experienced progress in both its CPIA and HDI scores, but both were predictably insignificant. Interestingly both the DRC and Ethiopia have extremely low HDI scores when compared to the world average but also when compared to Ghana. Moreover, the DRC's progress with its HDI score is seemingly stagnate compared to that of Ethiopia (see Figure 62).

For the DRC's record on human rights and governance. This work has found that the DRC has been incapable of maintaining its governance over its whole territory while also continuing to perpetuate its human right violations. Some of these violations include "armed conflict in eastern DRC and parts of the Kasai regions" and "unlawful killings by government and armed groups; forced disappearances and abductions by government and armed groups; torture by government; arbitrary detention by the government; harsh and life-threatening prison conditions; [and] political prisoners" to name just a few.[914] These issues have been present in the DRC since the 1990s and despite Western development assistance much work is still needed. The main issue the DRC faces is that its development is stuck in a continuous cycle of corruption, conflict, instability, and poor governance; this has been making the DRC's development slowly teeter towards being untenable. The DRC is truly in a position where perhaps additional international intervention is required in the form of a transitional administration led by the

[913] United Nations Development Programme, "Human Development Index - Democratic Republic of the Congo 1990 to 2022," accessed March 2025, https://hdr.undp.org/data-center/specific-country-data#/countries/COD
[914] United States Department of State "Democratic Republic of the Congo Human Rights Report," *Bureau of Democracy, Human Rights, and Labor* (2018), 1. https://www.state.gov/wp-content/uploads/2019/03/Democratic-Republic-of-the-Congo-2018.pdf

international community to stabilise the region because as things currently stand for the DRC development is increasingly becoming untenable.

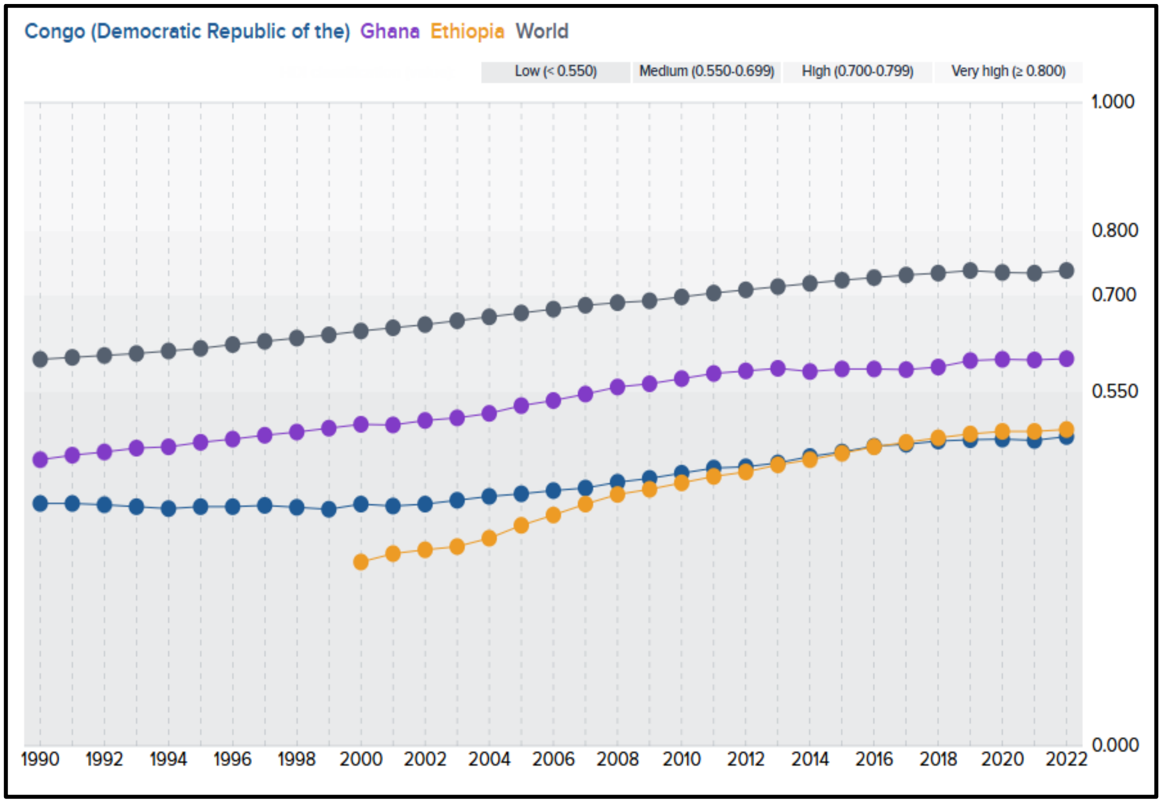

Figure 62: HDI in Comparison - Ghana, Ethiopia, DRC, and World (1990 to 2022)[915]

7.1 Limitations

This section of the paper is meant to highlight limitations within this thesis in order to guide future work to take on and challenge thus expanding the overall knowledge and comprehension of this field of study. While one can find limitless limitations in any work they come across, this thesis seeks to lay out key limitations which, if confronted later, pose the most benefit to this field of study.

The first limitation that ought to be mentioned is the lack of inclusion of the third sector. Initial drafts of this work included analysis and assessment on the inclusion and work of the third sector, namely civil society organisations and non-governmental organisations. However, due to constraints set on this work the inclusion of the third sector would have increased the overall content well beyond what is acceptable. Therefore, any future studies on this topic, as presented, should introduce the third sector and an analysis ought to be conducted. The third sector plays one of the most critical parts in development assistance within all developing nations. Despite this being the case, there was no overwhelming evidence presented when conducting initial

[915] United Nations Development Programme, "Human Development Index - Democratic Republic of the Congo 1990 to 2022," (Filters: "HDI in comparison 1990 – 2022" (1) Add a Country: Ghana and Ethiopia), accessed March 2025, https://hdr.undp.org/data-center/specific-country-data#/countries/COD

research for this paper regarding the third sector impacting either Western or PRC development aid strategies beyond the inclusion or exclusion of civil society organisations and non-governmental organisations in developing nations. However, this work implores additional studies to be conducted in order to establish valid conclusions. Nevertheless, no work is truly complete, the author must decide where and when to finish. That being the case, future work in this field with the inclusion of the third sector will make a more comprehensive analysis.

Second, the timeline chosen for this thesis can be understood as a limitation to this work. Similar to that of the exclusion of the third sector, the decision was made to have a condensed timeline of analysis from 1990 to 2018. This was done in part due to practical constraints set on this work and also in part due to the limitation of the HDI and CPIA scoring systems. The former having data only dating back to 1990 (excluding Ethiopia) and the latter dating back to 2004. Despite the limits on the data, future studies ought to view the evolution of Western development assistance, namely ODA, from the 1950s to now, 2025. This is because there have been major strides and setbacks in development aid from 1950 to now (e.g. the rise of other global south nations as donors such as India and Saudi Arabia). Chapter Two sought to include the necessary aspects of this time period into this work. The history prior to 1990 is deserving of a more comprehensive inclusion in the analysis. Moreover, there was a deliberate decision to limit the thesis analysis up to 2018. This choice was made to avoid the pandemic, COVID-19. The decision to avoid this event was made due to the practical limitations set on this work and also due to the distinct shifts in development assistance strategies from the West and the PRC during this period of time. Furthermore, the reactions and actions taken by developing nations in Africa were so complex and rich with nuance during COVID-19 that it justifies its own exclusive analysis. Lastly, as of today, March 2025, President Trump has changed Western development assistance for generations to come undoing decades of progress under a misleading reason of fiscal responsibility with the closure of USAID - perhaps permanently harming the US' soft power internationally. Therefore, further research into this field of study is not just wise but necessary.

Another limitation that arose due to the practical limits set on this work by the program was the number of case studies that could be conducted. The choice of only three was made to have complete and thorough case studies thus allowing for a proper comparative analysis to be conducted. Much thought went into the selection of the three developing nations chosen for assessment. Moreover, the intent of this work was to take already existing conclusions and theories within the field of study and to use the case studies to test said theories and conclusions. As such, the decision was made to focus on three thorough case studies over several smaller in scope case studies, Nevertheless, further work on this subject matter and field of study ought to analyse additional developing nations in Africa, with the ideal outcome being all developing nations in Africa being assessed so that a comprehensive meta-analysis can be conducted. The choice of three and not four or five or six case studies was made as anything beyond three ought to be reserved for a higher level of work.

7.2 Final Thoughts:

The aid strategy of the People's Republic of China (PRC) is significantly changing the global landscape of aid. This thesis sought to address two main problems: First, what has been the impact of China's entry into development assistance on the strategies employed by Western countries concerning the amounts, forms, and methods of aid provided? Second, what have been the results of increased aid competition by China on the economic and social development of Ghana, Ethiopia, and the Democratic Republic of Congo (DRC)? By using concepts such as soft and hard power, dependency theory, international political economy, liberalism, and constructivism the following conclusions were made.

The increasing role of Chinese aid in Africa, particularly since the early 2000s, has had implications for Western development aid strategies. Prior to the entry of the PRC, Western development assistance, particularly from the DAC, the IMF, and the WB, was framed within a liberal economic and political lens. Western development assistance often emphasizes promoting democracy, free-market reforms, and good governance, with conditionalities attached to its aid in order to attain these goals. The PRC's approach emphasizes non-interference in internal political affairs of the developing nation, an idealistic approach that focuses primarily on infrastructure development and economic growth rather than political reforms. The PRC has been able to manipulate their development assistance in a manner which rides the coattails of Western aid while also being able to lure developing nations into loans which can risk debt-trapping them or forcing upon them resources-for-aid conditions on the loans they sign on to. This stark difference in development assistance between the PRC and the West has created competition which has, as of 2018, resulted in Western donors to reconsider small parts of their aid strategies. Moreover, this new scramble for Africa has pitted the liberal international world order against the bygone international order of spheres of influence and non-interference.

The entry of the PRC in Africa has shifted the dynamics of aid distribution. Soft power competition has emerged as a core aspect of PRC development assistance, where economic diplomacy through aid and investments in infrastructure and economic growth serves to expand the PRC's political influence. PRC aid often comes with little to no conditions attached compared to Western aid, making it somewhat more desirable to developing nations, particularly to those that are cautious of the political conditions set by Western donors due to their history with the West, particularly with colonialism. As a result, Western aid has increasingly been directed toward more large-scale infrastructure projects, and greater focus has been placed on economic growth rather than just basic needs-based aid. An example of this being the Lobito Corridor which seeks to create an economic route from the DRC and Zambia to the port of Lobito in Angola via 1300 kilometers of railroad.[916] Western countries have started to adapt to PRC aid through competing for influence in strategically important regions; shifting their attention to a balance between economic and geopolitical interests, reminiscent of the Cold War competition between the East and West; but now the Global-North and Global-South. However, in this contemporary competition, development is the weapon of choice rather than proxy wars of the past.

The competition between the PRC and Western development assistance has had differing ramifications for Ghana, Ethiopia, and the DRC. In the case of Ghana, the influx of PRC aid has led to much-needed infrastructure projects, particularly in the transportation, energy, and agriculture sectors of development. PRC loans in Ghana have facilitated noteworthy urbanization and economic growth, contributing to its progress in poverty reduction. These loans, however, have also raised concerns about debt sustainability. As dependency theory suggests, reliance on external aid, whether sourced from the PRC or Western donors, can create a cycle of dependence, limiting Ghana's ability to fully control its economic future. This dependency also limits Ghana's ability to diversify its economy beyond natural resources, an issue that has impeded Ghana's development.

In regard to Ethiopia, PRC development assistance has contributed to Ethiopia's industrialization and infrastructure development, particularly in the areas of transportation and

[916] Organisation for Economic Co-operation and Development, "Background Note – The Lobito Corridor: Draft," *OECD Emerging Markets Forum* (April 2025), 1-2.

energy. Ethiopia's government has followed the PRC's lead as the aid the PRC provides has been a means of advancing their domestically crafted agricultural development-led industrialization strategy. Ethiopia's dependence on PRC development aid has not come without setbacks. PRC development assistance has been less likely to promote democratization and human rights reforms that Western development aid prioritizes. Ethiopia's authoritarian regime has benefited from the PRC as they act as a shield to Ethiopia's governance shortcomings. Lastly, the PRC's involvement in Ethiopia has resulted in Western aid expansion into uncommon sectors for the West as Ethiopia is a strategic partner in the region that the West desires to maintain.

In the Democratic Republic of Congo, Chinese aid has largely focused on resource extraction and infrastructure, with significant investments in the mining sector. While some economic growth has occurred, PRC involvement has seemingly not supported the DRC's ability to govern effectively. As with Ethiopia, the DRC has come to discover that the PRC is willing to overlook human rights violations and authoritarian practices in exchange for access to its cobalt mines. As a result, human rights and democratic development in the DRC have seen little development which has resulted in a cyclical state of instability. Such results reinforce concerns that the PRC development assistance strategy perpetuates poor governance as there is an overall lack of accountability.

One of the most significant theoretical frameworks used to best understand the PRC's development assistance strategy is soft power. The PRC's aid strategy serves as an example of soft power as it leverages large-scale infrastructure projects, trade agreements, and development assistance to garner influence in African developing nations. Unlike Western development assistance the PRC's approach projects itself as being largely non-political and tries to stress mutual benefit and economic growth through development. By focusing on infrastructure development, particularly in sectors like energy, transportation, and agriculture, the PRC positions itself as the chief partner in economic development in the region all while not pushing political changes that undermine the sovereignty of developing nations. This is distinct to Western development assistance as the West typically combines soft power with hard power. Western donors such as the DAC, WB and IMF tie conditions to their aid demanding that developing nations implement liberal democratic reforms, expand human rights, and transition towards liberal market-driven economic policies. The combination of soft and hard power in Western aid strategies reflects an underlying belief in liberal values, where the promotion of democracy and free markets is seen as essential to sustainable development. However, this approach can sometimes strain relationships with developing nations, particularly those with non-democratic regimes or authoritarian leaders as they typically view such conditions from the West as a transgression on their sovereignty. This is a key difference between Western and Chinese development assistance. The former provides aid based on an agenda guided by the democratic peace theory whereas the latter is agnostic to what manner of government a developing nation is, thus not being constrained in how it interacts with any developing state.

An important framework to understand both PRC and Western aid in Africa is dependency theory. Both Chinese and Western aid contribute to this dependency in different ways. PRC development assistance is often presented as South-South cooperation and non-interference. Yet their aid still promotes a form of dependency, particularly through resource-for-aid loans and infrastructure investments that benefit China in the long run. The project-based aid put the PRC's interest first over the developing nations priorities. For instance, PRC development loans frequently force the use of Chinese labor and materials, creating a Chinese development ecosystem in which recipient countries remain reliant on PRC companies and capital for the execution and maintenance of development projects. Western development assistance has historically resulted in a push away from dependency by linking conditions that force developing nations to adopt liberal economic policies and political reforms. They do so through the use of the SWAp, letting the developing nation take charge in their development. However, this can sometimes have an adverse effect as demonstrated in the DRC.

The international political economy framework provides further insight into how both the PRC and Western donors use aid as a strategic tool for advancing their broader political and economic objectives. In the case of the PRC, it is clear that their goal is to foster economic growth and infrastructure development in exchange for political influence and access to developing nations resources whether it be Ghana's oil and cocoa or Ethiopia's coffee and oilseeds, or the DRC's cobalt, copper, and oil. This PRC aid strategy is pragmatic in achieving mutual benefit, aligning with its broader foreign policy goals through its Belt and Road Initiative of expanding trade, and strengthening diplomatic ties with African countries. By investing in large-scale infrastructure projects, the PRC offers some tangible benefits to developing nations. Western aid has been used as a means of advancing liberal economic policies and ensuring political stability through democratic reforms and human rights. However, the Western approach to development assistance has driven their broader geopolitical interests by promoting their values and asserting influence in key regions of the international community to maintain and expand the global economic system. All of this creates a competitive dynamic in which the PRC, through the Beijing consensus, and the West, through its Washington consensus, vie for influence in Africa, each leveraging their aid to achieve broader strategic goals.

Liberalism and constructivism offer important insights into the PRC's and the West's development aid strategies. Liberalism, as seen throughout this study, underpins Western aid strategies. Western donors see aid as a means to promote democracy and economic liberalization in developing nations, believing that these liberal values have led to long-term stability and prosperity. As seen in the case studies the Western liberal approach to development assistance has created tension with the developing nations Ghana, Ethiopia, and the DRC, especially those with authoritarian tendencies, as these nations take issues with the condition-based aid due to its contradicting nature against recipient led development. In contrast, constructivism emphasizes the role of ideas, norms, and identity shaping the PRC's aid strategy. Development assistance by the PRC prioritises sovereignty, non-interference, and mutual benefit; principles which resonate with Ghana, Ethiopia, and the DRC who all seek to avoid the ideological pressure of Western aid. The PRC's development assistance provides, as it bears out in the case studies, a viable alternative to the West's liberal, conditional development assistance, particularly in the sectors which the West has somewhat abandoned - namely infrastructure and economic development sectors. The PRC has manipulated the past of Africa to its advantage along with its *de facto* status as the lead nation in the Global South.

In conclusion, the rise of Chinese development assistance in Africa has reshaped the aid landscape, introducing new competition for Western donors. The result has been PRC aid influencing the development paths of Ghana, Ethiopia, and the DRC. While China's aid has led to economic growth, infrastructure development, and increased the PRC's geopolitical influence, it has also renewed concerns regarding dependency, governance, and human rights issues in development assistance that had largely been thought to have been solved in the 1990s and 2000s with the work on aid effectiveness. The competition between the PRC and Western aid strategies reflect tensions in global power dynamics gambling the economic sovereignty and political autonomy of Ghana, Ethiopia, and the DRC among other developing nations. Ultimately, while increased aid competition has brought tangible benefits in terms of development outcomes, as assessed through the HDI and CPIA, it has also brought about challenges to governance, long-term sustainability, and the shaping of political norms in recipient countries. The weaponization of aid and development has been done to avoid a kinetic conflict while still being able to gain power and influence. The only issue is that developing nations have become the unwilling casualties in a conflict unknown to most in the world; a conflict in which billions of lives are at stake all without a single shot needing to be fired by either the West or the PRC – manifesting soft power to its absolute extreme.

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Appendices

Appendix A: Ethiopia's Health Sector Development Plan I, II, II, IV & Health Sector Transformation Plan[917]

Plan	Goals, priority areas	Policy alignment (national development plans and global aid effectiveness agenda)	Outputs
HSDP-I (1997/98–2001/02)	**Goals:** Coverage and quality health services, decentralizing health service delivery, financial stability **Components/priorities:** Service delivery, rehabilitation and expansion, human resource development, pharmaceutical supply, information, education, and communication (IEC) materials, health management information system (HMIS), healthcare financing, monitoring and evaluation, and research	• Interim Poverty Reduction Paper (IPRP) from 2000/01–2002/03 • Health SWAp (1997/98) • Millennium Development Goals (MDGs) agenda • Global Health Initiative (during the early 2000s) • African Union Abuja Declaration (2001)	• From 6- to 4-tier healthcare delivery system • Coordination platforms: Joint Steering Committee (JSC); Joint Consultation Forum (JCF); Joint Core Coordination Committee (JCCC); Health, Population, & Nutrition (HPN) donor group; Joint Review Mission (JRM); and Annual Review Meeting (ARM)
HSDP-II (2002/03–2004/05)	Same as for HSDP-I plus those for the Health Extension Program (HEP)	• Sustainable Development and Poverty Reduction Program (SDPRP) (2002/03–2004/05) • Monterrey Conference (2002) • Rome Declaration on Harmonization (2003)	• HEP (2003)
HSDP-III (2005/06–2009/10)	**Goals**: Improving maternal health, reducing child mortality, combating HIV/AIDS, malaria, tuberculosis (TB) and other diseases **Priorities/components**: Same as for HSDP-I and HSDP-II	• Plan for Accelerated and Sustainable Development to End Poverty (PASDEP) (2005/06–2009/10) • Paris Declaration on Aid Effectiveness (2005) and the Accra Agenda for Action (2008) • IHP+ (2007)	• *Woreda*-based health sector planning (WBHSP) • HSDP Harmonization Manual (2007) • Country IHP+ Compact (2007) with 'One Plan, One Budget, One Report' scheme • HMIS (2008) • MDG Performance Fund • Healthcare Financing Strategy (community-based health insurance and social health insurance) • National Reproductive Health Strategy (2005–2015) • 3-tier healthcare delivery system • Woreda joint steering committee (WJSC) established
HSDP-IV (2010/11–2014/15)	**Goals/strategic themes**: Excellence in health delivery and quality, leadership and governance, health infrastructure and finance **Priorities**: Maternal and new-born health, child health, HIV/AIDS, TB, malaria, nutrition	• Growth and Transformation Plan-I (GTP-I) (2009/10–2014/15) • Busan Global Partnership for Development Cooperation (2011) • Deli Declaration (2010)	• Maternal, neonatal and child health flagship program • Public-private partnership in health (2013)
HSTP (2015/16–2019/20)	**Goals/strategic themes**: Same as for HSDP-IV + excellence in health system capacity **Transformation agenda**: Quality, equity, universal health coverage (UHC) **Priorities**: Reproductive health, maternal and newborn health, child health, adolescent health, nutrition	• GTP-II (2009/10–2014/15) • Sustainable Development Goals (SDG) agenda (2015) • Addis Ababa Action Agenda (2015)	• National Healthcare Quality Strategy (2016–2020)

[917] Shumey B. Teshome, and Paul Hoebink. "Aid, ownership, and Coordination in the Health Sector in Ethiopia." Development Studies Research, 5 no. 1 (2018): Page 43

Appendix B: China's Foreign Aid Schemes Outline.[918]

Table 1. China's foreign aid schemes.

Scheme	Institutions	Budget item	Description
(1.1) Grants	China International Development Cooperation Agency (CIDCA) through implementing agencies under the Ministry of Commerce (MOFCOM)	Foreign aid	Complete projects, provision of goods and materials, technical cooperation, Global Development and South-South Cooperation Assistance Fund (denominated in RMB)
(1.2) Interest-free loans (Public and publicly guaranteed (PPG))	CIDCA through the Agency for International Economic Cooperation (AIECO) under MOFCOM	Foreign aid	A tenure of 20 years, including 5 years of use, a 5-year grace period, and a 10-year repayment period (denominated in RMB)
(1.3) Interest subsidies of Government concessional loans (GCL)	Ministry of Finance (MOF)	Foreign aid	Deducted from the total amount of aid (denominated in RMB)
(1.4) Grants managed by other departments	National Health Commission,	Foreign aid	-
(1.5) CIDCA'S Administrative expense	CIDCA	International development cooperation	Could be recorded as ODA
(1.6) Government scholarships	Ministry of Education	International education in China	Scholarships for students from developing countries could be recorded as ODA
(1.7) COVID-19 cooperation outside of the existing scheme	-	-	-
(1.8) Debt relief	Ministry of Finance, etc.	-	-
Export-Import Bank of China			
Public and publicly guaranteed (PPG)			
Two Concessional Facilities			
(2) Government concessional loans (GCL)	China Eximbank based on the framework agreement between two countries and overseen by CIDCA, the Ministry of Finance (MOF), the Ministry of Foreign Affairs (MFA), the People's Bank of China (PBOC)	-	Interest rates of between 2% and 3% (less than 2% on a case-by-case basis) and a 15- to 20-year repayment period, including a 5- to 7-year grace period, up to 100% of the contract amount (denominated in RMB)

(Continued)

[918] Naohiro Kitano, and Yumiko Miyabayashi, "China's Foreign Aid as a Proxy of ODA: Preliminary Estimate 2001-2022.," *Journal of Contemporary East Asia Studies* 12 no. 1 (2023): 269.

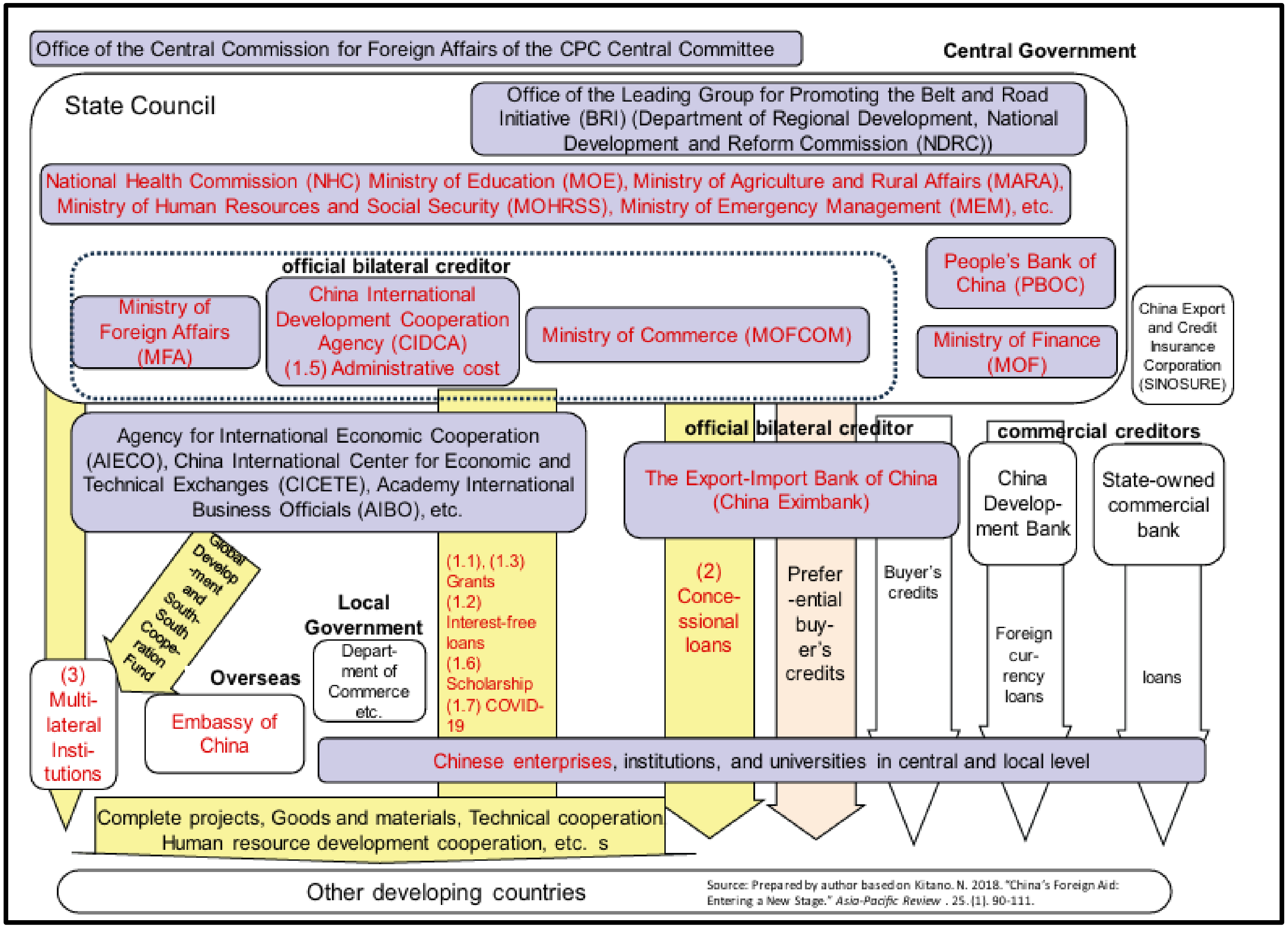
Appendix B (continued): China's Foreign Aid Schemes Outline.[919]

Table 1. (Continued).

Scheme	Institutions	Budget item	Description
Preferential buyer's credits (PBC)	China Eximbank overseen by MOFCOM, MOF, MFA, PBOC, China Export and Credit Insurance Corporation (SINOSURE)	-	State special loans to meet political and diplomatic needs and to promote economic and trade cooperation with priority countries, export credit with loan terms equivalent to concessional loans, up to 85% of the contract amount (denominated in USD)
Buyer's credit, etc.	China Eximbank, SINOSURE	-	Buyer's credit with loan terms based on market interest rates, state special loans other than PBC, including resource-backed loans, etc. (in some cases granted on preferential terms, denominated in USD)
Private non-guaranteed debt (PNG)	China Eximbank, SINOSURE	-	Loans to PPP projects
China Development Bank (CDB)'s loans (PPG/PNG)	CDB	-	Foreign currency loans, cross-border RMB loans, resource-backed loans with loan terms based on market interest rates (in some cases granted on preferential terms)
State-owned commercial banks' loans (PPG/PNG)	State-owned commercial banks	-	In some cases, borrowed or guaranteed by developing country governments
(3.1) Subscriptions and contributions to international organizations	MOF, MFA, PBOC etc.	International organizations	World Bank, ADB, AIIB, UN agencies, African Development Bank (AfDB)etc.
(3.2) Co-financing facility with international organizations (AGTF)	PBOC	-	African Development Bank

[919] Naohiro Kitano, and Yumiko Miyabayashi, "China's Foreign Aid as a Proxy of ODA: Preliminary Estimate 2001-2022.," *Journal of Contemporary East Asia Studies* 12 no. 1 (2023): 270.

Appendix B (continued): China's Foreign Aid Schemes Outline.[920]



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[920] Naohiro Kitano, and Yumiko Miyabayashi, "China's Foreign Aid as a Proxy of ODA: Preliminary Estimate 2001-2022.," *Journal of Contemporary East Asia Studies* 12 no. 1 (2023): 271.

Appendix C:
Aid (ODA) Disbursements to Countries and Regions
[Millions, US dollar, Constant Pricing 2022][921]

Donor: DAC Countries				
Time Period	Africa	Ethiopia	Democratic Republic of the Congo	Ghana
1990	24,829.88	779.6	919.28	379.1
1991	25,309.79	724.24	512.9	628.05
1992	23,334.55	673.95	240.46	451.92
1993	19,972.96	646.05	146.8	434.45
1994	20,789.94	853.12	133.91	406.33
1995	17,065.17	711.8	142.73	419.13
1996	16,823.02	600.62	137.89	419.86
1997	16,433.13	553.58	154.1	394.92
1998	16,409.38	555.32	119.59	468.36
1999	15,048.6	495.53	133.25	453.08
2000	15,990.35	611.72	173.84	513.44
2001	15,947.7	573.9	242.03	598.72
2002	20,491.59	737.52	562.34	596.4
2003	25,789.41	1,470.88	6,758.84	627.71
2004	23,531.58	1,332.78	1,365.44	1,035.7
2005	28,695.56	1,533.36	1,056.12	698.88

[921] "DAC2A: Aid (ODA) disbursements to countries and regions," *Organisation for Economic Co-operation and Development*, accessed March 2025 [Filters (1) Donor: DAC Countries; International Monetary Fund; World Bank Group (2) Recipient: Ghana; Ethiopia; Democratic Republic of the Congo; Africa (3) Official Development Assistance Disbursements (4) Unit of Measure: US Dollar (5) Price Base: Constant Prices (5) Time Period: 1990-2018] https://data-explorer.oecd.org/vis?tm=ODA&pg=0&snb=84&df[ds]=dsDisseminateFinalDMZ&df[id]=DSD_DAC2%40DF_DAC2A&df[ag]=OECD.DCD.FSD&df[vs]=1.2&dq=5WBG0%2B5IMF0%2BDAC.COD%2BETH%2BGHA%2BF.206.USD.Q&pd=1990%2C2018&to[TIME_PERIOD]=false&vw=tb

Time Period	Africa	Ethiopia	Democratic Republic of the Congo	Ghana
2006	35,355.96	1,198.42	1,892.73	657.55
2007	26,041.16	1,340.84	829.63	721.22
2008	28,263.46	2,057.75	993.88	709.65
2009	30,057.35	2,037.09	1,167.76	862.25
2010	30,762.06	2,099.55	2,429.03	949.82
2011	32,921.32	2,022.04	4,245.38	941.24
2012	31,362.65	1,919.7	1,685.25	850.85
2013	30,887.29	2,002.57	1,202.65	723.74
2014	29,670.19	1,970.08	1,192.99	606.53
2015	29,855.58	2,057.49	1,605.61	696.11
2016	30,556.1	2,332.05	1,095.13	700.11
2017	32,953.71	2,490.13	1,322.62	651.91
2018	32,344.28	2,215.57	1,459.15	663.37

Appendix C (continued):
Aid (ODA) Disbursements to Countries and Regions
[Millions, US dollar, Constant Pricing 2022][922]

Donor: International Monetary Fund				
Time Period	Africa	Ethiopia	Democratic Republic of the Congo	Ghana
1990	657.12	-1.68	-7.11	94.79
1991	717.46	-0.21	-0.81	234.58
1992	513.03	27.84		
1993	174.86	42.44		-16.49
1994	631.01	27.6		-59.7
1995	1,882.95			-56.22
1996	202.33	27.77		-79.34
1997	20.22			-163.67
1998	362.56	22.8	-0.34	8.59
1999	62.27	-13.41		-21.02
2000	210.57	-18.76		-2.55
2001	382.31	49.35		2.26
2002	1,022.13	48.7	529.82	93.61
2003	-22.2	8.1	99.16	94.04
2004	-118.53	26.58	98.11	18.77

[922] "DAC2A: Aid (ODA) disbursements to countries and regions," *Organisation for Economic Co-operation and Development*, accessed March 2025 [Filters (1) Donor: DAC Countries; International Monetary Fund; World Bank Group (2) Recipient: Ghana; Ethiopia; Democratic Republic of the Congo; Africa (3) Official Development Assistance Disbursements (4) Unit of Measure: US Dollar (5) Price Base: Constant Prices (5) Time Period: 1990-2018] https://data-explorer.oecd.org/vis?tm=ODA&pg=0&snb=84&df[ds]=dsDisseminateFinalDMZ&df[id]=DSD_DAC2%40DF_DAC2A&df[ag]=OECD.DCD.FSD&df[vs]=1.2&dq=5WBG0%2B5IMF0%2BDAC.COD%2BETH%2BGHA%2BF.206.USD.Q&pd=1990%2C2018&to[TIME_PERIOD]=false&vw=tb

Time Period	Africa	Ethiopia	Democratic Republic of the Congo	Ghana
2005	-142.93	-3.18	48.56	11.55
2006	143.75	0	0.98	132.86
2007	95.48		-68.25	
2008	547.8		-138.98	
2009	2,187.55	173.84	162.55	109.95
2010	1,245.05	127.6	19.66	129.64
2011	1,040.69		153.8	168.77
2012	844.81			151.56
2013	510.67			-31.95
2014	241.69	-5.06		-31.9
2015	397.46	-39.12	-42.28	189.83
2016	25.73	-57.65	-86.77	184.34
2017	262.5	-56.33	-99.67	19.2
2018	112.03	-55.17	-97.62	81.56

Appendix C (continued):
Aid (ODA) Disbursements to Countries and Regions
[Millions, US dollar, Constant Pricing 2022][923]

Donor: World Bank Group				
Time Period	Africa	Ethiopia	Democratic Republic of the Congo	Ghana
1990	2,925.36	106.18	107.72	283.15
1991	2,840.38	79.68	92.96	287.73
1992	2,819.71	148.6	71.23	234.9
1993	3,082.09	322.39	64.73	288.91
1994	3,858.3	213.49	1.87	234.79
1995	2,856.04	93.55		285.79
1996	3,264.62	165.91		304.09
1997	3,305.74	69.05		311.91
1998	2,754.55	78.77		345.5
1999	2,422.84	190.07		275.92
2000	2,541.42	166.38		257.56
2001	3,506.84	662.3		242.26
2002	4,254.17	686.24	434.1	137.71
2003	3,859.59	324.55	250.49	319.77
2004	4,689.78	578.69	277.68	350.01

[923] "DAC2A: Aid (ODA) disbursements to countries and regions," *Organisation for Economic Co-operation and Development*, accessed March 2025 [Filters (1) Donor: DAC Countries; International Monetary Fund; World Bank Group (2) Recipient: Ghana; Ethiopia; Democratic Republic of the Congo; Africa (3) Official Development Assistance Disbursements (4) Unit of Measure: US Dollar (5) Price Base: Constant Prices (5) Time Period: 1990-2018] https://data-explorer.oecd.org/vis?tm=ODA&pg=0&snb=84&df[ds]=dsDisseminateFinalDMZ&df[id]=DSD_DAC2%40DF_DAC2A&df[ag]=OECD.DCD.FSD&df[vs]=1.2&dq=5WBG0%2B5IMF0%2BDAC.COD%2BETH%2BGHA%2BF.206.USD.Q&pd=1990%2C2018&to[TIME_PERIOD]=false&vw=tb

Time Period	Africa	Ethiopia	Democratic Republic of the Congo	Ghana
2005	4,260.84	291.86	502.16	375.57
2006	4,022.18	404.05	313.1	302.22
2007	5,177.41	402.89	234.17	254.83
2008	4,099.81	554.25	295.11	276.9
2009	5,364.73	1,093.49	423.01	260.33
2010	5,422.62	693.24	307.83	332.23
2011	4,715.12	700.57	387.9	415.69
2012	4,832.57	766.77	387.08	368.6
2013	6,051.94	952	520.69	315.54
2014	6,356.25	873.33	474.79	310.84
2015	6,873.64	761.12	382.25	570.78
2016	6,474.19	1,304.06	369.56	313.11
2017	7,434.5	1,174.64	348.54	384.05
2018	8,401.82	2,167.08	483.81	111.57

Appendix D: ODA Disbursements by Sector from DAC to Africa, Ethiopia, DRC, and Ghana [Millions, US dollar, Constant Pricing 2022][924]

Time Period	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Sector: All sectors																	
Africa	20009	26517	24844	30327	37893	27664	30678	31855	32739	36662	33858	34274	32248	32489	33292	35967	35136
Ethiopia	626.8	1454.2	1265.2	1558.0	1171.4	1322.3	1998.9	2021.8	2096.6	2030.9	1941.4	2032.1	2002.6	2085.7	2371.4	2543.5	2242.2
Democratic Republic of the Congo	537.4	6821.9	1379.8	1181.3	1894.0	825.6	995.2	1159.0	2444.4	5912.3	1697.1	1227.0	1236.2	1647.5	1131.4	1361.7	1472.6
Ghana	526.1	568.8	1714.3	1079.0	674.5	684.1	706.3	935.8	970.7	958.2	920.0	747.5	619.4	714.1	715.1	677.3	693.7

Time period	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Sector: Social Infrastructure and Services																	
Africa	5397.7	7063.1	8001.3	8169.8	9936.6	11218	12927	14295	14973	14948	15740	15900	15258	14910	15862	17178	17340
Ethiopia	141.1	253.0	301.9	315.2	478.0	620.1	596.0	870.1	904.1	1029.4	1029.1	1033.7	1038.9	877.6	1017.0	1012.6	956.1
Democratic Republic of the Congo	135.2	175.2	209.3	318.1	316.1	310.9	412.2	478.0	522.5	615.0	573.8	652.5	614.6	539.5	596.9	668.0	699.5
Ghana	124.0	185.6	265.2	230.4	277.1	295.1	301.4	297.7	402.1	338.0	406.1	386.2	356.8	371.0	350.5	326.9	319.8

[924] "CRS: Creditor Reporting System (flows) [cloud replica], *Organisation for Economic Co-operation and Development*, accessed March 2025, [Filters (1) Donor: DAC Countries (2) Recipient: Ghana; Ethiopia; Democratic Republic of the Congo; Africa (3) Sector: All Sectors; Social Infrastructure and Services; Education; Health; Government and Civil Society; Economic Infrastructure and Services; Transport and Storage; Communications; Energy; Production Sectors (4) Measure: Official Development Assistance (5) Channel: All Channels (6) Modality: All Modalities (7) Flow type: Disbursements (8) Price Base: Constant Prices (9) Time Period: 2002-2018] https://data-explorer.oecd.org/vis?tm=oda&pg=0&snb=62&vw=tb&df[ds]=dsDisseminateFinalCloud&df[id]=DSD_CRS%40DF_CRS&df[ag]=OECD.DCD.FSD&df[vs]=1.3&dq=DAC.COD%2BGHA%2BF%2BETH.100%2B110%2B120%2B150%2B200%2B210%2B220%2B230%2B300%2B1000.100._T._T.D.Q._T..&pd=1995%2C2018&to[TIME_PERIOD]=false&isAvailabilityDisabled=false&mdc[RECIPIENT]=ETH&mdc[SECTOR]=230&mdc[TIME_PERIOD]=2006&mdc[DONOR]=DAC&mdc[MEASURE]=100&mdc[CHANNEL]=_T&mdc[MODALITY]=_T&mdc[FLOW_TYPE]=D&mdc[PRICE_BASE]=Q

Appendix D (Continued): ODA Disbursements by Sector from DAC to Africa, Ethiopia, DRC, and Ghana [Millions, US dollar, Constant Pricing 2022][925]

Time period	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Sector: Education (a subset within the totals given in Social Infrastructure and Services)																	
Africa	1817.3	2483.6	2549.5	2333.3	2700.7	3187.6	2946.9	3368.4	3383.8	2780.1	2856.3	2811.8	2628.8	2636.5	2932.2	3037.2	3137.1
Ethiopia	20.4	73.7	87.3	75.6	149.1	255.3	116.2	300.6	242.5	262.9	246.7	241.8	294.6	173.4	223.8	154.2	143.5
Democratic Republic of the Congo	22.3	24.1	39.2	28.5	35.7	44.6	45.5	71.3	70.9	72.9	63.3	59.6	59.3	52.1	84.8	111.3	123.7
Ghana	23.5	58.9	53.8	60.6	58.0	54.6	45.9	85.1	84.6	77.5	74.0	111.9	68.4	90.5	63.1	68.5	71.2

Time period	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Sector: Health (a subset within the totals given in Social Infrastructure and Services)																	
Africa	933.2	1114.9	1115.5	1244.9	1455.4	1445.1	1762.4	1995.7	2162.1	2349.3	2589.8	2886.4	2879.3	3174.1	3106.4	2943.4	2729.9
Ethiopia	40.7	83.8	49.5	61.3	88.3	76.3	82.7	99.4	145.6	190.2	223.4	297.7	247.9	206.0	193.5	206.8	204.6
Democratic Republic of the Congo	30.4	32.0	40.7	58.6	69.4	59.4	115.4	96.1	106.2	159.7	159.6	195.3	215.8	160.2	194.8	172.6	180.6
Ghana	56.1	62.6	62.5	58.9	82.1	68.1	88.8	99.8	125.1	107.1	124.5	73.1	123.3	91.3	99.1	83.7	92.0

[925] "CRS: Creditor Reporting System (flows) [cloud replica], *Organisation for Economic Co-operation and Development*, accessed March 2025, [Filters (1) Donor: DAC Countries (2) Recipient: Ghana; Ethiopia; Democratic Republic of the Congo; Africa (3) Sector: All Sectors; Social Infrastructure and Services; Education; Health; Government and Civil Society; Economic Infrastructure and Services; Transport and Storage; Communications; Energy; Production Sectors (4) Measure: Official Development Assistance (5) Channel: All Channels (6) Modality: All Modalities (7) Flow type: Disbursements (8) Price Base: Constant Prices (9) Time Period: 2002-2018] https://data-explorer.oecd.org/vis?tm=oda&pg=0&snb=62&vw=tb&df[ds]=dsDisseminateFinalCloud&df[id]=DSD_CRS%40DF_CRS&df[ag]=OECD.DCD.FSD&df[vs]=1.3&dq=DAC.COD%2BGHA%2BF%2BETH.100%2B110%2B120%2B150%2B200%2B210%2B220%2B230%2B300%2B1000.100._T._T.D.Q._T..&pd=1995%2C2018&to[TIME_PERIOD]=false&isAvailabilityDisabled=false&mdc[RECIPIENT]=ETH&mdc[SECTOR]=230&mdc[TIME_PERIOD]=2006&mdc[DONOR]=DAC&mdc[MEASURE]=100&mdc[CHANNEL]=_T&mdc[MODALITY]=_T&mdc[FLOW_TYPE]=D&mdc[PRICE_BASE]=Q

Appendix D (Continued): ODA Disbursements by Sector from DAC to Africa, Ethiopia, DRC, and Ghana [Millions, US dollar, Constant Pricing 2022][926]

Time period	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Sector: Government and civil society (a subset within the totals given in Social Infrastructure and Services)																	
Africa	1116.4	1456.1	1537.8	1796.9	2179.5	2417.0	2699.2	2851.5	3052.6	2955.2	3104.0	2855.9	2744.7	2867.5	2854.0	3399.7	3428.8
Ethiopia	39.0	37.7	50.0	63.1	58.4	78.2	79.8	77.2	75.1	67.4	79.5	56.0	46.5	53.1	37.6	45.8	75.9
Democratic Republic of the Congo	60.1	84.1	100.9	162.4	145.2	124.2	174.3	209.1	214.8	242.5	181.5	193.7	153.6	157.1	143.4	148.2	181.5
Ghana	12.1	22.0	37.1	33.9	31.0	44.5	53.1	53.6	83.7	51.8	84.7	77.5	54.6	63.0	61.4	58.2	79.8

Time period	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Sector: Economic Infrastructure and Services																	
Africa	1017.6	1252.2	1595.7	1535.9	1718.1	2346.6	3037.4	2940.7	3049.2	3274.0	3076.4	3724.6	3730.4	3819.8	4102.5	3861.3	3857.2
Ethiopia	35.9	43.3	30.8	127.6	163.7	150.2	102.4	91.7	30.9	34.9	32.8	100.1	102.3	62.0	87.5	117.8	94.1
Democratic Republic of the Congo	2.7	4.8	9.7	9.5	14.8	16.4	32.0	44.5	57.7	59.4	60.7	50.7	43.0	30.4	28.6	51.1	32.1
Ghana	53.9	76.6	91.3	98.7	85.9	85.8	96.6	116.4	154.2	195.0	178.1	83.5	84.2	78.7	144.4	122.9	137.3

[926] "CRS: Creditor Reporting System (flows) [cloud replica], *Organisation for Economic Co-operation and Development*, accessed March 2025, [Filters (1) Donor: DAC Countries (2) Recipient: Ghana; Ethiopia; Democratic Republic of the Congo; Africa (3) Sector: All Sectors; Social Infrastructure and Services; Education; Health; Government and Civil Society; Economic Infrastructure and Services; Transport and Storage; Communications; Energy; Production Sectors (4) Measure: Official Development Assistance (5) Channel: All Channels (6) Modality: All Modalities (7) Flow type: Disbursements (8) Price Base: Constant Prices (9) Time Period: 2002-2018] https://data-explorer.oecd.org/vis?tm=oda&pg=0&snb=62&vw=tb&df[ds]=dsDisseminateFinalCloud&df[id]=DSD_CRS%40DF_CRS&df[ag]=OECD.DCD.FSD&df[vs]=1.3&dq=DAC.COD%2BGHA%2BF%2BETH.100%2B110%2B120%2B150%2B200%2B210%2B220%2B230%2B300%2B1000.100._T._T.D.Q._T..&pd=1995%2C2018&to[TIME_PERIOD]=false&isAvailabilityDisabled=false&mdc[RECIPIENT]=ETH&mdc[SECTOR]=230&mdc[TIME_PERIOD]=2006&mdc[DONOR]=DAC&mdc[MEASURE]=100&mdc[CHANNEL]=_T&mdc[MODALITY]=_T&mdc[FLOW_TYPE]=D&mdc[PRICE_BASE]=Q

Appendix D (Continued): ODA Disbursements by Sector from DAC to Africa, Ethiopia, DRC, and Ghana [Millions, US dollar, Constant Pricing 2022][927]

Time period	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Sector: Transportation and storage (a subset within the totals given in Economic Infrastructure and Services)																	
Africa	360.1	423.7	456.9	517.1	581.3	626.6	762.1	1018.6	1310.3	1553.1	1392.7	1685.4	1355.6	1033.7	908.1	855.0	861.5
Ethiopia	32.4	32.3	23.7	17.5	26.4	40.7	16.9	19.5	2.5	13.8	13.1	42.9	31.1	13.7	34.7	16.8	43.5
Democratic Republic of the Congo	0.6	1.4	5.6	6.2	9.1	7.9	11.1	30.7	41.2	42.6	44.0	41.1	28.4	16.2	18.0	18.0	9.2
Ghana	29.6	40.2	48.3	71.3	59.5	45.7	57.2	64.8	93.7	160.1	109.5	41.1	25.6	18.0	8.8	8.2	40.7

Time period	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Sector: Communications (a subset within the totals given in Economic Infrastructure and Services)																	
Africa	66.7	84.6	61.1	137.0	125.4	80.1	86.9	113.1	126.7	88.9	68.7	82.5	141.1	107.1	84.9	91.3	44.8
Ethiopia	1.1	2.8	1.0	1.4	2.2	1.8	2.2	1.5	1.8	1.0	2.0	1.5	1.9	1.7	2.6	3.2	6.4
Democratic Republic of the Congo	0.4	0.4	1.7	1.0	0.3	1.3	3.0	1.8	1.7	2.0	0.2	0.1	0.0	0.1	0.1	0.4	0.2
Ghana	0.9	0.9	0.3	0.7	0.6	1.6	1.1	0.2	5.4	0.8	17.3	1.3	1.8	2.0	4.9	6.8	0.6

[927] "CRS: Creditor Reporting System (flows) [cloud replica], *Organisation for Economic Co-operation and Development*, accessed March 2025, [Filters (1) Donor: DAC Countries (2) Recipient: Ghana; Ethiopia; Democratic Republic of the Congo; Africa (3) Sector: All Sectors; Social Infrastructure and Services; Education; Health; Government and Civil Society; Economic Infrastructure and Services; Transport and Storage; Communications; Energy; Production Sectors (4) Measure: Official Development Assistance (5) Channel: All Channels (6) Modality: All Modalities (7) Flow type: Disbursements (8) Price Base: Constant Prices (9) Time Period: 2002-2018] https://data-explorer.oecd.org/vis?tm=oda&pg=0&snb=62&vw=tb&df[ds]=dsDisseminateFinalCloud&df[id]=DSD_CRS%40DF_CRS&df[ag]=OECD.DCD.FSD&df[vs]=1.3&dq=DAC.COD%2BGHA%2BF%2BETH.100%2B110%2B120%2B150%2B200%2B210%2B220%2B230%2B300%2B1000.100._T._T.D.Q._T..&pd=1995%2C2018&to[TIME_PERIOD]=false&isAvailabilityDisabled=false&mdc[RECIPIENT]=ETH&mdc[SECTOR]=230&mdc[TIME_PERIOD]=2006&mdc[DONOR]=DAC&mdc[MEASURE]=100&mdc[CHANNEL]=_T&mdc[MODALITY]=_T&mdc[FLOW_TYPE]=D&mdc[PRICE_BASE]=Q

Appendix D (Continued): ODA Disbursements by Sector from DAC to Africa, Ethiopia, DRC, and Ghana [Millions, US dollar, Constant Pricing 2022][928]

Time period	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Sector: Energy (a subset within the totals given in Economic Infrastructure and Services)																	
Africa	312.2	390.5	332.5	499.9	593.6	662.6	747.1	816.4	823.3	836.6	793.8	1247.8	1195.7	1808.8	2218.9	1788.3	1785.3
Ethiopia	1.2	3.7	2.0	87.1	84.3	57.2	45.0	45.6	11.6	1.9	7.8	32.7	42.2	25.5	23.2	69.7	24.5
Democratic Republic of the Congo	0.1				0.2	1.4	0.8	1.5	4.0	7.9	7.9	2.9	0.4	1.2	5.8	13.4	8.3
Ghana	3.8	5.0	3.5	1.0	1.7	5.3	7.0	3.4	10.7	4.7	7.0	3.7	24.8	34.1	86.9	79.6	64.9

Time period	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Sector: Production Sectors																	
Africa	1402.5	1323.7	1057.1	1153.0	1158.5	1421.6	1408.7	1713.0	2388.3	2790.3	2738.6	2989.8	2973.1	3105.5	3125.5	3086.7	2948.1
Ethiopia	34.3	45.4	26.8	36.1	48.7	66.7	58.9	88.3	148.0	122.9	145.0	199.0	243.4	268.2	296.4	235.0	243.0
Democratic Republic of the Congo	4.1	3.9	7.6	5.9	12.7	14.4	23.0	29.3	40.2	42.3	56.2	57.0	53.1	49.5	55.8	56.4	70.0
Ghana	24.4	23.6	39.9	64.0	59.3	77.6	99.0	139.8	170.2	179.2	141.6	132.5	124.1	125.8	144.8	133.9	163.2

[928] "CRS: Creditor Reporting System (flows) [cloud replica], *Organisation for Economic Co-operation and Development*, accessed March 2025, [Filters (1) Donor: DAC Countries (2) Recipient: Ghana; Ethiopia; Democratic Republic of the Congo; Africa (3) Sector: All Sectors; Social Infrastructure and Services; Education; Health; Government and Civil Society; Economic Infrastructure and Services; Transport and Storage; Communications; Energy; Production Sectors (4) Measure: Official Development Assistance (5) Channel: All Channels (6) Modality: All Modalities (7) Flow type: Disbursements (8) Price Base: Constant Prices (9) Time Period: 2002-2018] https://data-explorer.oecd.org/vis?tm=oda&pg=0&snb=62&vw=tb&df[ds]=dsDisseminateFinalCloud&df[id]=DSD_CRS%40DF_CRS&df[ag]=OECD.DCD.FSD&df[vs]=1.3&dq=DAC.COD%2BGHA%2BF%2BETH.100%2B110%2B120%2B150%2B200%2B210%2B220%2B230%2B300%2B1000.100._T._T.D.Q._T..&pd=1995%2C2018&to[TIME_PERIOD]=false&isAvailabilityDisabled=false&mdc[RECIPIENT]=ETH&mdc[SECTOR]=230&mdc[TIME_PERIOD]=2006&mdc[DONOR]=DAC&mdc[MEASURE]=100&mdc[CHANNEL]=_T&mdc[MODALITY]=_T&mdc[FLOW_TYPE]=D&mdc[PRICE_BASE]=Q