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China's Role in African Infrastructure Development through FOCAC.



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In the realm of global geopolitics and economic development, the relationship between China and Africa has emerged as one of the most dynamic and consequential of the 21st century. Central to this relationship is the Forum on China-Africa Cooperation (FOCAC), a platform established in 2000 that has become the cornerstone of Sino-African relations. At its core, FOCAC aims to foster cooperation across a wide range of fields, with infrastructure development standing out as a pivotal area where China's involvement has been particularly profound and impactful.

Understanding FOCAC: A Framework for Cooperation

FOCAC represents a unique model of South-South cooperation, emphasizing equality, mutual benefit, and non-interference in internal affairs—a departure from traditional Western aid models. Since its inception, FOCAC has held regular ministerial meetings and summits, alternating between China and African countries, to set the agenda for collaboration. The 2024 FOCAC summit will be the ninth edition since its inception, and it aims to reaffirm commitments to deepen Africa-China cooperation in infrastructure development, among other areas.

The Scope and Scale of Chinese Investment in African Infrastructure

The establishment of FOCAC has further spurred China's involvement in African infrastructure across diverse sectors critical to economic development and regional integration. Key areas include transportation, energy, telecommunications, and industrial parks, each contributing to Africa's efforts to modernize and expand its economic base.

Transportation Infrastructure

Transportation projects have been central to enhancing intra-African connectivity and facilitating trade. Notable examples include the construction of railways, highways, ports, and airports. The Addis Ababa-Djibouti Railway in Ethiopia, completed in 2016 with Chinese financing and construction, is a testament to China's capability to deliver large-scale transport projects in Africa.

This railway has significantly reduced travel time and costs for both passengers and freight between landlocked Ethiopia and the port of Djibouti, bolstering regional economic integration and stimulating economic growth along its route.

Similarly, the Mombasa-Nairobi Standard Gauge Railway (SGR) in Kenya, inaugurated in 2017, represents another landmark project underwritten by Chinese financing and expertise. This modern railway line has improved freight logistics and passenger transport between Kenya's major port and its capital, setting a new standard for railway infrastructure in East Africa.

Energy Infrastructure

Energy infrastructure development has also been a priority for Chinese investment in Africa. With many African countries facing energy deficits, China has supported the construction of hydroelectric dams, thermal power plants, and renewable energy projects across the continent.

The Grand Ethiopian Renaissance Dam (GERD), financed partially by Chinese loans, is one of the largest infrastructure projects in Africa. Located on the Blue Nile River, GERD has the potential to transform Ethiopia into a regional power hub and enhance energy security for both Ethiopia and neighbouring countries in East Africa. Despite geopolitical challenges and environmental concerns, the dam represents a significant stride towards harnessing Africa's immense hydroelectric potential with Chinese support.

Telecommunications and Digital Infrastructure

China's engagement in Africa's telecommunications sector, primarily through companies like Huawei and ZTE, has been instrumental in expanding access to mobile and internet services. Chinese firms have played a crucial role in building and upgrading Africa's digital infrastructure, laying fibre optic cables, and establishing telecommunications networks in remote and underserved areas. This connectivity has not only facilitated economic activities but has also fostered social development and digital inclusion across the continent.

Industrial Parks and Special Economic Zones

In addition to the traditional infrastructure that China, through FOCAC, has helped establish in Africa, the country has also invested in developing industrial parks and special economic zones (SEZs). These zones aim to attract foreign investment, promote manufacturing, and create job opportunities for local populations. Chinese-built SEZs in countries like Ethiopia and Zambia have attracted investments from Chinese and international firms, contributing to industrialization efforts and economic diversification.

Impacts of Chinese Infrastructure Investments

Economic Growth and Development

The impacts of Chinese infrastructure investments in Africa are multifaceted and far-reaching. Improved transportation networks have reduced logistics costs, facilitated the movement of goods and people, and boosted intra-regional trade. Energy infrastructure projects have alleviated power shortages, supported industrial growth, and enhanced productivity across various sectors. Telecommunications infrastructure has expanded access to communication technologies, driving digital innovation and entrepreneurship in diverse fields.

Social Benefits and Human Development

Beyond economic gains, Chinese-funded infrastructure projects have brought significant social benefits to African communities. Improved access to healthcare facilities, educational institutions, and clean water sources has enhanced living standards and contributed to human development outcomes. Better infrastructure has also promoted cultural exchange, tourism, and regional integration, fostering a sense of connectivity and shared prosperity among African nations. A recent study revealed that Chinese projects improve the wealth of locals.

Geopolitical Dimensions

China's growing footprint in African infrastructure development has significant geopolitical implications. It has strengthened China's influence in the region, positioning China as a critical partner for African countries seeking development assistance and investment.

At the same time, it has raised concerns among the West and international institutions about China's expanding global influence and its implications for global governance norms. Recent Afrobarometer surveys reveal that most Africans identify China as the country with the most significant influence on their economy. The survey results also show that China's infrastructure investment in Africa has improved its image among Africans.

Challenges and Criticism

While Chinese infrastructure investments in Africa have yielded significant benefits, they have also faced criticism and scrutiny on several fronts:

Debt Sustainability and Financial Risks

One of the primary concerns revolves around debt sustainability. Critics argue that Chinese loans for infrastructure projects in Africa often come with unfavourable terms and conditions, leading to concerns about debt distress and dependency among African countries. These critics argue that unsustainable debt burdens could compromise African countries' fiscal sovereignty and long-term economic stability.

However, even if such criticisms hold, the short end of the stick is not *imposed* on these recipient countries; they *choose* to sign up for what they deem mutually beneficial to the parties involved. Hence, any debt distress allegations that paint China as an undefeatable prey while commiserating with recipient countries as defenceless victims are erroneous.

Governance and Transparency

Transparency in the implementation of Chinese-funded projects has been another point of contention. There have been instances of opaque contracting processes, environmental concerns, and allegations of corruption surrounding some projects, raising questions about governance standards and accountability.

Socio-economic Impacts and Local Content

Critics have also highlighted the limited integration of local labour and businesses in Chinese-led projects, with concerns about job creation, skills transfer, and technology sharing. Efforts to promote local content and capacity building in infrastructure projects have been uneven, limiting the broader socio-economic benefits for African economies and communities.

Future Prospects and Recommendations

Looking ahead, there are opportunities to enhance the effectiveness and sustainability of China's infrastructure investments in Africa:

Enhancing Debt Management and Financial Sustainability

African governments and international financial institutions can work together to strengthen debt management practices, enhance transparency in loan agreements, and negotiate favourable terms for infrastructure financing. This includes exploring debt restructuring mechanisms and diversifying funding sources to mitigate financial risks.

Promoting Local Participation and Skills Development

There is a need to prioritize local participation in infrastructure projects, including skills development, technology transfer, and job creation for African workers. This can be achieved through targeted capacity-building programs, vocational training initiatives, and policies that incentivize hiring local labour and material procurement while implementing Chinese-funded projects.

Local experts can be prominently involved in project implementation processes to ensure they are adequately equipped to handle repair or maintenance works after completion.

Emphasizing Sustainable Infrastructure Development

As Africa pursues sustainable development goals, there is growing interest in promoting green infrastructure projects, renewable energy initiatives, and climate-resilient infrastructure. China can play a pivotal role in supporting Africa's transition to a low-carbon economy by investing in environmentally sustainable infrastructure projects and promoting best practices in environmental management.

Strengthening Governance and Institutional Capacity

Improving governance standards, promoting transparency in project procurement and implementation, and enhancing regulatory frameworks can help address concerns about corruption and ensure that infrastructure investments contribute to inclusive growth and development. Collaboration between African governments, China, civil society, and international partners is crucial.

Conclusion

China's role in African infrastructure development through FOCAC represents a transformative partnership that has reshaped the socio-economic landscape of the continent. While challenges and criticisms persist, the overall impact has been substantial, contributing to economic growth, social development, and regional integration across Africa.

As China continues to expand its global influence, its approach to infrastructure investment in Africa will play a critical role in shaping the continent's future trajectory and its place in the global economy.

By addressing governance issues, promoting sustainability, and enhancing local participation, Africa and China can maximize the mutual benefits of their partnership and create a more resilient and prosperous future for all stakeholders involved.

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