

**Statement of Christopher Maloney, Acting Administrator for Africa before
the
U.S.-China Economic and Security Review Commission
on
May 8, 2020**

Dr. Cleveland, Ms. Bartholomew, and fellow commissioners, thank you for the opportunity to present on behalf of USAID on the engagement of malign actors in Africa.

The U.S. Agency for International Development's (USAID) work illustrates the stark difference between the financing tools authoritarian governments and the approach that we and our allied donor nations take towards international development.

Our approach is to provide assistance that helps communities in our partner nations build their own self-reliance, rooted in a more dynamic, private enterprise-driven future and transparent, citizen-responsive governance systems. The American model of development assistance builds country capacity and trains individuals who are experienced and institutions that can take on their own challenges. We help partner governments, civil society, and the private sector recognize the costs of alternative development models, that can weaken confidence in democracy and free-market systems, burden countries with unsustainable debt, erode sovereignty, lead to the forfeiture of strategic assets, overlook the needs and concerns of local communities, and further the militaristic ambitions of authoritarian actors.

In Africa, the People's Republic of China (PRC) has embarked on a four-fold strategy. First, it seeks a market for its goods and services. The leadership of the Chinese Communist Party in Beijing understands that to continue economic growth, it must create new demand for Chinese goods and labor. The PRC is using predatory economic diplomacy in Africa, particularly through the lure of large, often debt-financed, infrastructure projects often built by Chinese laborers using Chinese materials, to create these new markets while also strengthening their ability to extract financial and political concessions from debt-burdened African

governments. These inroads then create new consumers for Chinese technology through companies such as Huawei and the PRC Communications Construction, and new opportunities for state surveillance.

Second, the PRC is looking for political allies who are sympathetic, whether by ideology or situation, to rewriting the rules of the international order. By using the carrot-and-stick model, which includes the collateralization of debt, political pressure and favorable contracts, the PRC has brought a number of African states closer in its attempt to reshape global governance. A striking example is the October 2019 support for The PRC's policy in Xinjiang that was delivered at the U.N. Human Rights Council, through a statement signed by several African governments. This follows a recent pattern of strong African support for the PRC in international institutions.

Third, the PRC sees Africa as a source of raw materials, including strategic minerals. For several years, the PRC has sought to gain a monopoly on rare earth elements and vital minerals for the renewable energy industry, the largest sources of which are in Africa. The PRC already leads the world in the production of rare earth metal, and supplies 90 percent of the world's export market. Africa is richly endowed with other mineral reserves, and ranks first or second in the world's reserves of bauxite, cobalt, industrial diamonds, and platinum.

Fourth, the PRC views Africa as a proving ground for its model of authoritarian governance. This model promotes corruption, a lack of human rights and environmental and social safeguards, increased authoritarianism and a lack of mobility for much of the population. The United States and other like-minded donor partners stress that this model will do long-term damage to the development objectives of African nations, and will undercut U.S. development efforts -- including our partnerships to promote democratic values in Africa.

The PRC's development engagement with Africa differs vastly from that of other donors, including the United States. While traditional development models focus on capacity and institution-building as a way to promote self-reliance, the PRC focuses on PRC-led projects and investments that utilise imported Chinese

technicians and labor and do not develop institutional or technical expertise in host countries.

The PRC concentrates its assistance in infrastructure such as roads, railroads, ports, and large public projects, including presidential palaces, ministerial buildings, stadiums, and industrial parks owned and operated by Chinese nationals. Many of these projects are driven by Chinese state-owned enterprises, use Chinese labor and materials, and are tied to Chinese financing and political capital. Corruption with these projects is often a problem. The PRC often will use these projects to bolster its political standing within the country and erode confidence in Western donors.

The United States model of development has, at its core, self-reliance; the PRC's model encourages long-term dependency. USAID's Journey to Self-Reliance strategy aims to work toward a time when foreign assistance is no longer necessary. The United States offers independence and aims to bolster sovereignty, while the Chinese undermine it, often by collateralizing strategic assets, which, in many cases, rob an emerging generation of young people of the birthright of their natural resources.

For example, when USAID launches a program in Africa, we target key sectors that we and stakeholders in the host nation have prioritized for development, such as education or healthcare. The U.S. Government then provides funding that will not leave the host country in debt or economic distress. We are increasingly employing and engaging African partners to develop sustainable in-country expertise. The U.S. Government also focuses on transparency and accountability, as well as resilience. Our approach is to work with host-country governments, implementing partners, civil society, and the private sector while providing transparency on the impact of our joint programming.

The PRC's approach to development poses several challenges for USAID and like-minded donors. The Chinese development model often serves to enrich the PRC and expand its perceived sphere of influence. The PRC uses methods and tactics not employed by traditional donor nations, such as bribery of local and national officials. Such actions affect the ability of USAID and American business partners

to secure critical contracts. The United States prides itself on upholding the highest ethical standards in international development and deplores condone such actions.

Thanks to the generosity of the American people, the United States continues to demonstrate global leadership through foreign assistance. America has been, and continues to be, a force for good in the world. We will continue to stand with our partners in Africa, and walk with them on their Journey to Self-Reliance.

Thank you for this opportunity to present on this important topic.