Kabila's Sino-HIPC bonanza: How Kinshasa's room for maneuver was maximized in the Sicomines negotiations

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Until the turn of the 21st century, aid, development finance and political support to African countries had mainly been provided by the North and by the former Soviet Union. As a result of the past decade's changes in the global architecture of power, these flows have increasingly come to be complemented with horizontally oriented impulses from the South. The growing political and developmental support provided by emerging economies produces change in African countries in a variety of political, economic and societal spheres. By means of a case study of the Democratic Republic of Congo (DRC), this paper seeks to make a contribution to scholarly debates around how these developments impact on the policy space of African governments. It examines the 2008-2009 negotiations over the Sicomines barter agreement, by means of which the Congolese government would provide a Sino-Congolese mining joint venture with access to considerable copper- and cobalt concessions in exchange for US$ 6 billion worth of infrastructure financed by China Export-Import Bank loans. The negotiations, involving the Congolese government, a consortium of Chinese state-owned companies, the International Monetary Fund and the World Bank, came to be popularly understood as one of the more conspicuous confrontations between an African country's traditional and emerging partners. At stake was access to Highly Indebted Poor Countries (HIPC) debt relief, which the international financial institutions (IFI) would not grant the DRC unless the Sicomines agreement was revised. Eventually, the contract was reduced to US$ 3 billion, and HIPC debt relief was granted in 2010. Based on the author's field work in the DRC in 2008, 2009 and 2011, the paper argues that the Congolese leadership's room for manoeuvre, defined here as its ability to secure access to external financing to pursue its developmental agenda, was maximised as a result of three factors: the country's geostrategic importance, the IFIs' vested interests in keeping the debt relief process on track, and a genuine will on the side of the Western donors to ensure that the DRC could both reach HIPC completion point and benefit from a more equitable and sustainable version of the Chinese contract. The room for manoeuvre enjoyed by the Congolese government in this specific case was thus as much a result of enabling factors in the country's ties to its traditional partners and in the international geopolitical situation as it was due to the leverage provided by the Chinese engagement.