



China's Foreign Policy Experiment in South Sudan

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Executive Summary

China's longstanding principle of non-interference in other states' internal affairs is evolving with its growing global footprint. As Chinese overseas investment and business links grow in scope and depth, Beijing faces increasing threats to its citizens, economic interests and international reputation. That, in turn, has confronted China with the inherent limitations of its traditional hands-off foreign policy posture. How it responds over time will have a profound impact on Beijing's international role. The most prominent test case appears to be Africa and, within the continent, South Sudan, where Chinese measures to protect its citizens and economic interests, coupled with its support for an end to the war and pursuit of humanitarian objectives, seem a calculated trial run for a more proactive global role.

China first experimented with deeper involvement in Sudan in response to powerful international criticism (culminating in calls to boycott the 2008 Beijing Olympics) of its support for Khartoum, which was fighting a brutal counter-insurgency campaign in Darfur. Using its influence with the Sudanese government and in the UN Security Council, China helped ensure deployment of UN peacekeepers to Darfur in 2008. Later, when Libya's civil war erupted in 2012, China's evacuation of its citizens generated national pride and increased both its people's and its investors' expectations about Beijing's global profile. In both instances, China extended the boundaries of its time-honoured diplomacy, suggesting growing willingness to take action when its interests are threatened.

When South Sudan's civil war broke out in late 2013, Chinese advocates of a more flexible interpretation of the non-intervention policy saw an opportunity to try new approaches to protect their nation's interests. Several factors were at play. Huge investments made the state-owned China National Petroleum Corporation (CNPC) both an economic and political actor. At the same time, China's interests were aligned with those of others – mediators and Western powers – seeking to end the conflict. Working together with the Horn of Africa's regional body – the Intergovernmental Authority on Development (IGAD), charged with mediating South Sudan's peace process – and Western actors, Chinese policymakers believed they could intervene constructively while managing reputational risks.

This was a step beyond its traditional approach: Beijing could claim broad adherence to the non-interference principle even as it used its influence to bring warring parties together and bridge differences between Western actors and South Sudanese leaders. It engaged in the peace process held in Ethiopia, hosted discreet talks among warring factions in Sudan, shaped UN Security Council action, sent peacekeepers to the UN peacekeeping mission in South Sudan (UNMISS) and joined the August 2015 peace agreement oversight body.

In short, China might still oppose interference in others' affairs, but its definition has become more elastic. It continues to draw a line at intruding on matters of domestic governance; opposes regime change or unilateral military intervention; and believes that showing respect, rather than exerting pressure or inflicting punishment, is how to elicit cooperation and improvement in governance. Having itself been a victim of sanctions and public opprobrium, it favours more discreet persuasion. But

direct involvement can be justified when civil conflicts cross borders, threaten regional security and stability or create large humanitarian crises, and when regional and local authorities and the UN have granted their imprimatur. In such cases, China tends to support political dialogue without imposing outcomes, save when those directly relate to the safety of its citizens or investments.

If China's steps are tentative, there is good reason. It is aware of its newcomer status to international peace and security efforts, particularly via multilateral institutions, and is careful not to overreach. It is actively learning from its own experiences and the successes and missteps of other would-be peacemakers. Its diplomatic corps is not yet sufficiently staffed or trained. But its considerable economic and political influence mean that, when it steps in, it inevitably brings leverage to the table that traditional mediation efforts – whether in South Sudan or elsewhere – sometimes lack.

Despite differences in approach, so far collaborating in South Sudan has benefited China, Western countries, their African partners and the South Sudanese people. They should continue along this path. This is a crucial time for peacemaking in South Sudan and a crucial time for China to test its newfound role. It's important to get both efforts right.

Beijing/Nairobi/Juba/Brussels, 10 July 2017

China's Foreign Policy Experiment in South Sudan

I. Introduction

China's involvement with Sudan's southern region began when it forged a partnership with Khartoum to develop its oil industry in the late 1990s. For much of the previous decade the West had worked to isolate the Sudanese government for human rights abuses and support for terrorism.¹ U.S. sanctions, and the country's prolonged civil wars (1955-1972 and 1983-2005) – fought in the vicinity of major oil deposits, mostly in the south – deterred investors.²

In March 1997, the state-owned China National Petroleum Corporation (CNPC) and a consortium of mostly Asian oil companies signed an oil development deal with the government.³ Then new to overseas investment and operations and less daunted by security and political risks than most companies, CNPC obtained concessions for largely untapped oil reserves with limited competition. Other Chinese companies followed, leading to closer bilateral political and diplomatic ties.

Khartoum's enemies, particularly the Sudan People's Liberation Movement/Army (SPLM/A) fighting the government in the South, said China was enabling an autocratic regime and tied the Chinese-financed oil investments to mass displacement, gross human rights violations and environmental degradation.⁴ The government sought to prevent Chinese contact with Southern rebels, and Beijing largely obliged.

The 2005 Comprehensive Peace Agreement (CPA), which ended the Second Sudanese Civil War and paved the way for the South's independence, dramatically changed the situation.⁵ Chinese businesses trickled into the South's capital, Juba, soon after the CPA was signed, and, unbeknownst to Khartoum, the China National Petroleum Corporation surreptitiously dispatched employees to learn more about the new government. It took the Chinese government longer to adjust.⁶ Salva Kiir,

¹ For previous reporting on China's involvement in South Sudan, see Africa Reports N°186, *China's New Courtship in South Sudan*, 4 April 2012; N°39, *God, Oil and Country: Changing the Logic of War in Sudan*, 10 January 2002. For recent work on South Sudan, see Africa Reports N°236, *South Sudan's South: Conflict in the Equatorias*, 25 May 2016; N°243, *South Sudan: Rearranging the Chessboard*, 20 December 2016.

² For a summary of U.S. sanctions against Sudan, see "Brief Timeline of Key of Key Sanctions Events in Sudan", Center for Global Development, 6 October 2011; Crisis Group Africa Briefing N°127, *Time to Repeal U.S. Sanctions on Sudan?*, 22 June 2017.

³ Luke Patey, *The New Kings of Crude: China, India, and the Global Struggle for Oil in Sudan and South Sudan* (London, 2014).

⁴ Crisis Group Report N°39, *God, Oil and Country: Changing the Logic of War in Sudan*, 10 January 2002; "The scorched earth: oil and war in Sudan", Christian Aid, 13 March 2001; "Sudan: The Human Price of Oil", Amnesty International, 4 May 2000; "Sudan, Oil, and Human Rights", Human Rights Watch, 24 November 2003.

⁵ Crisis Group Report, *China's New Courtship in South Sudan*, op. cit., p. 2. Also see, *The New Kings of Crude*, op. cit.

⁶ Crisis Group interview, Chinese businessman, Juba, April 2016.

then Sudan's first vice president and now South Sudan's president, bluntly reminded Chinese leaders during his 2007 visit to Beijing that most oil fields lie in the South and the CPA guaranteed its right to secede. Beijing opened a consulate in Juba the following year.⁷

Keen to tap into an underdeveloped market with, at the time, few competitors, Chinese nationals and companies flocked to South Sudan after it achieved formal independence in July 2011. But the region soon proved volatile and risky for businesses.⁸ In January 2012, Juba shut down oil production after negotiations over pipeline fees with Khartoum deadlocked. Production did not restart until April 2013.⁹ Civil war broke out in December that year and disrupted production again. Oil workers had to find shelter in UN bases until companies could airlift them to safety.¹⁰ Chinese nationals scrambled to flee the war zone; their shops were looted and business projects halted.¹¹ Beijing made the unprecedented decision to step in, with three related aims: (1) protect Chinese citizens and economic interests; (2) support an end to the war; and (3) serve humanitarian objectives.¹² Although this was an emergency response, it also became a calculated trial run for a more proactive role in step with China's expanding overseas footprint and international stature.

This report begins with a review of the evolution of China's non-interference principle. It analyses China's motivation, objectives and methods for supporting the South Sudan peace process, as well as its interaction with warring parties and mediators. It studies how China – a relatively new, albeit influential arrival to international peace processes – reinforces, complements, or contradicts traditional diplomatic approaches. It also analyses lessons from the South Sudan experience about China's evolving understanding of its role in the world and its interpretation of non-interference. This report is primarily based on interviews with policymakers, diplomats, company executives and academics in Beijing, Shanghai, Juba, Addis Ababa, Nairobi and Washington. Many requested that their names be withheld.

⁷ Crisis Group Report, *China's New Courtship in South Sudan*, op. cit., p. 3.

⁸ Crisis Group interview, Chinese businessman, Juba, April 2016.

⁹ "Two Sudans' oil disputes deepens as South shuts down wells", *The Guardian*, 26 January 2012; "South Sudan restarts oil production", *Financial Times*, 7 April 2013.

¹⁰ Crisis Group Africa Report N°217, *South Sudan: A Civil War by Any Other Name*, 10 April 2014, pp. 15-17.

¹¹ Crisis Group interviews, Chinese officials, Juba, Beijing, 2016.

¹² Crisis Group interviews, Chinese officials, Juba, 2014-2016.

II. Evolution of Non-interference

China's proactive approach to South Sudan appears to be a significant departure from its longstanding principle of non-interference.¹³ In fact, despite official rhetoric suggesting an unchanging doctrine, China's interpretation of non-interference has evolved in a way that mirrors that of its definition of national interests and objectives.¹⁴ Even as the theoretical debate continues, Beijing has charted a middle path maintaining the broad non-interference principle while stretching its interpretation and experimenting with various ways of applying it.¹⁵

A. *China Goes Out*

Beginning in the 1990s, China became rapidly integrated into the world economy. In 1996, then-President Jiang Zemin first called for companies to "Go Out" and invest; in 1999, the Communist Party of China (CPC) formally adopted the "Go Out" strategy, supported by state financial institutions.¹⁶ Annual overseas direct investment grew from \$2.7 billion in 2002 to \$170.11 billion in 2016.¹⁷ In Africa, Chinese direct

¹³ 安惠候, "不干涉原则与'新干涉主义'", 《外交季刊》 [An Huihou, "Non-Interference Principle and 'neo-interventionism'", Foreign Policy Journal], vol. 104 no.4 (2012); 王嵎生, "中国外交的变与不变(上)", 《解放日报》 [Wang Yusheng, "Changes and continuation of Chinese diplomacy (First Half)", *PLA Daily*, 29 October 2012]. An Huihou is the former Chinese ambassador to Egypt and Wang Yusheng is the former Chinese ambassador to Nigeria.

¹⁴ Proponents of a more flexible approach argue that non-interference must evolve along with China's growing global footprint and expectations it will protect its nationals and investments overseas. Furthermore, if interpreted strictly, non-interference would compel China to accept outcomes deriving from other international actors' interventions that are ineffective or not in China's interests. They also argue that China's "free riding" on global stability supposedly provided by others is neither sufficient nor sustainable. Crisis Group interviews, Chinese officials in the foreign ministry and State Council, diplomats and scholars, Beijing, Shanghai, Juba, and Addis Ababa, February-March 2014, January-April 2016. Also see, 崔洪建, "'不干涉'的安全观该更新了" [Cui Hongjian: "The 'non-interference' security concept should be updated"], *Global Times*, 28 July 2012; 王逸舟, 《创造性介入: 中国外交新取向》 [Wang Yizhou, *Creative Involvement: A New Direction in China's Diplomacy*] (Beijing, 2011). For more on the evolution of the Chinese approach to peacekeeping prior to 2000, see Crisis Group Asia Report N°166, *China's Growing Role in UN Peacekeeping*, 17 April 2009, pp. 3-5.

¹⁵ Crisis Group interviews, Chinese diplomats and scholars, Beijing, Juba and Addis Ababa, January-April 2016.

¹⁶ Financial institutions supporting the "Go-Out" strategy (走出去战略; Pinyin: Zǒuchūqù Zhànlüè) include China Development Bank (CDB), the Export Import Bank of China (China Exim Bank), policy banks such as Bank of China, and the China-Africa Development Fund. 陈杨勇, 江泽民'走出去'战略的形成及其重要意义, 人民网 [Chen Yangyong, "The creation and significance of Jiang Zemin's 'Go Out' strategy"], People's Daily online, 10 November 2008; "China goes global with development banks," Bretton Woods Project, 5 April 2016; Karl P. Sauvart and Victor Zitian Chen, "China's Regulatory Framework for Outward Foreign Direct Investment", Columbia University, 22 February 2014.

¹⁷ The commerce ministry began recording outbound direct investment statistics in 2002. "2010 Statistical Bulletin of China's Outward Foreign Direct Investment", Ministry of Commerce of the People's Republic of China, 16 September 2011. "MOFCOM Department Official of Outward Investment and Economic Cooperation Comments on China's Outward Investment and Cooperation in 2016", Chinese commerce ministry, 18 January 2017. By 2015, nearly 30,000 enterprises had invested overseas. "Report on Development of China's Outward Investment and Economic Cooperation 2015", Chinese commerce ministry, December 2015.

investment grew from \$1 billion in 2004 to \$24.5 billion in 2013.¹⁸ Although the overstretched foreign ministry has no exact tally, the number of citizens residing abroad is believed to be about five million and rising, including some two million in Africa.¹⁹

Driven by energy needs and backed by the state, national oil companies led the “Go Out” march. Because the most readily accessible oil deposits already had been exploited, Chinese companies often ended up in fragile states, taking on political and security risks to outflank competition from better funded, better equipped, more experienced – but also more cautious – Western oil majors. Mining and construction companies joined in, likewise often operating in underdeveloped and unstable regions.²⁰

Even so, when overseas interests were in jeopardy, “rather than trying to influence outcomes in a crisis overseas, Beijing preferred withdrawal”.²¹ From 2006 to 2011, China conducted ten large-scale evacuations of nationals from foreign countries due to riots, wars or natural disasters, typically with minimum military participation.²² The choice to withdraw rather than intervene was dictated by both principle and pragmatism. A former special representative for African affairs said, “Interference has to be backed up with capability. Although China was a big power, its capability to project power was not sufficient”.²³

B. *Darfur: “Cleaning up the Mess”*

China’s initially reluctant engagement with the Sudanese government over the Darfur war represented an early and notable departure from non-intervention and toward engagement with multilateral peace and security efforts.

In 2003, Darfur rebels took up arms against the Sudanese government. Khartoum and allied militia groups responded with a brutal counter-insurgency campaign.²⁴ Beijing’s close economic and political ties with Khartoum, particularly via the oil industry, led to Western accusations that it was bankrolling and protecting a genocidal regime.²⁵ Activists called for a boycott of the 2008 Beijing Olympics, China’s purported

¹⁸ Lihuan Zhou and Denise Leung, “China’s Overseas Investments, Explained in 10 Graphics”, World Resources Institute, 28 January 2015.

¹⁹ Jonas Parello-Plesner and Mathieu Duchâtel, “How Chinese Nationals Abroad Are Transforming Beijing’s Foreign Policy”, East Asia Forum (www.eastasiaforum.org), 16 June 2015.

²⁰ Crisis Group Asia Report N°153, *China’s Thirst for Oil*, 9 June 2008.

²¹ Mathieu Duchâtel, Oliver Bräuner and Zhou Hang, “Protecting China’s Overseas Interests”, Stockholm International Peace Research Institute, June 2014, p. 47.

²² “近年来中国的重大撤侨行动”, 新华网 [“China’s major operations to evacuate nationals in recent years”], Xinhua News online, 31 March 2015.

²³ Crisis Group interview, Liu Guijin, former Chinese special representative for African affairs and on the Darfur issue, Beijing, September 2014.

²⁴ Crisis Group Africa Briefing N°14, *Sudan’s Other Wars*, 25 June 2003; Crisis Group Africa Reports N°76, *Darfur Rising: Sudan’s New Crisis*, 25 March 2004; N°80, *Sudan: Now or Never in Darfur*, 23 May 2004; N°83, *Darfur Deadline: A New International Action Plan*, 23 August 2004.

²⁵ China invested billions of dollars in Sudan’s oil industry and imported 60 per cent of Sudan’s crude oil before 2011. China became Khartoum’s largest arms supplier around 2004 and helped Sudan build its domestic arms manufacturing industry. It was responsible for more than 70 per cent of total small arms and light weapons (SALM) transfers to Sudan between 2001 and 2008. Beijing also was seen as Khartoum’s protector in the UN Security Council. Crisis Group Report, *China’s New Courtship in South Sudan*, op. cit., p. 20; “Arms, Oil, and Darfur: The Evolution of Relations

coming-of-age show. Denying any responsibility for the Darfur war, yet fearing a public relations crisis, Beijing sought to “clean up the mess”.²⁶ In May 2007, it appointed Liu Guijin, a seasoned diplomat, as its special representative for African affairs and the Darfur issue.²⁷

In 2007, through public statements and private messaging, Beijing persuaded Sudanese President Omar al-Bashir to accept UN peacekeepers, hinting that Khartoum's obstinacy could cost it China's support at the UN.²⁸ Chinese diplomats helped broker agreement for an African Union/UN hybrid mission with peacekeepers from developing nations to allay Bashir's fear that Western forces would be used in the service of regime change.²⁹ After the International Criminal Court (ICC) ordered Bashir's arrest in March 2009, the envoy assured him: “China did not support ICC's decision” but also advised him not to expel humanitarians or condone violent attacks against Westerners.³⁰

During the 2005 CPA's implementation, Beijing also supported negotiations over the division of oil revenues between Khartoum and the Southern Sudan regional government.³¹ China acted as an influential party at the table, even as it shied away from full-fledged mediation.³² In the process, Beijing accumulated experience, gained regional and international players' trust and built up capability and confidence in mediation, paving the way for its later engagement in South Sudan.

C. *Libya: Catalyst for Change*

In February 2011, conflict in Libya led to a massive operation to evacuate Chinese nationals working in construction and other sectors. The ten-day evacuation was the

between China and Sudan”, Small Arms Survey, *Sudan Issue Brief*, Number 7, July 2007; “Supply and Demand: Arms Flow and Holdings in Sudan”, Small Arms Survey, *Sudan Issue Brief*, Number 15, December 2009.

²⁶ The foreign ministry argued the Darfur issue dated back to 1916, when it was under British control, and said: “It would be too far-fetched to blame China”. “外交部部长助理翟隽就苏丹达尔富尔问题举行中外媒体吹风会 [“Assistant Foreign Minister Zhai Jun Briefs Chinese and Foreign Media on the Darfur Issue in Sudan”], press release, Chinese foreign ministry, 12 April 2007. Crisis Group interview, Chinese scholar on Africa studies, Shanghai, March 2016.

²⁷ “China appoints Darfur post”, Associated Press, 10 May 2007.

²⁸ This was not an empty threat: abstentions by China and the U.S. on a 2005 UN Security Council vote to refer the situation in Darfur to the International Criminal Court allowed it to pass. Crisis Group Africa Briefings N°28, *The AU's Mission in Darfur: Bridging the Gaps*, 6 July 2005; N°43, *Getting the UN into Darfur*, 12 October 2006; Crisis Group Africa Reports N°105, *To Save Darfur*, 17 March 2006; N°134, *Darfur's New Security Reality*, 26 November 2007; N°152, *Sudan: Justice, Peace and the ICC*, 17 July 2009; Crisis Group Report, *China's Growing Role in UN Peacekeeping*, op. cit.

²⁹ Crisis Group interview, Liu Guijin, former Chinese special representative for African affairs and on the Darfur issue, Beijing, March 2016. Former U.S. Special Envoy to Sudan Andrew Natsios said China's influence was a “critical factor” leading to Sudan relenting. Andrew Natsios, “Statement to the Senate Foreign Relations Committee”, 11 April 2007.

³⁰ Crisis Group interview, Liu Guijin, former Chinese special representative for African affairs and on the Darfur issue, Beijing, March 2016.

³¹ While most oil is in the south, it is exported via a pipeline through Sudan. For detailed analysis of China's role in the oil negotiations, see Crisis Group Report, *China's New Courtship in South Sudan*, op. cit., pp. 26-31.

³² Crisis Group interview, Liu Guijin, former Chinese special representative for African affairs and on the Darfur issue, Beijing, March 2016.

largest in Chinese history: 35,860 nationals. For transport and escort, the People's Liberation Army and Navy (PLA/N) dispatched aircraft and frigates that sailed through the Red Sea and the Suez Canal to the Mediterranean for the first time. A dozen government agencies, nine embassies, commercial airlines and state-owned enterprises participated in the operation; multiple countries in Europe, the Middle East and North Africa facilitated the transit.³³

State media hailed the evacuation as “an unprecedented” display of military might, diplomatic leverage, financial prowess and mobilising skills.³⁴ The impressive operation inspired national pride but also raised expectations that China would protect its citizens elsewhere. Later, this would be cited as a factor justifying intervention in South Sudan.³⁵

The Libya evacuation also exposed the limits of China's ability to protect its investments. Although its citizens were brought home safely,³⁶ Chinese infrastructure projects worth over \$18.8 billion were damaged by fighting, NATO airstrikes, looting and vandalism.³⁷ Oil imports from Libya to China fell from 150,000 barrels per day in 2010 to just 19,000 by 2014.³⁸ Beijing, like many other countries, was convinced that NATO's Libya campaign exceeded the UN Security Council's authorisation (which passed with China's abstention) and resulted in regime change “without any legal or institutional proceedings”.³⁹

Libya focused the attention of Chinese foreign policy decision-makers and thinkers and sharpened the debate on the contours of non-interference. Many began to argue that China needed to engage actively in global security affairs to prevent such chaos from arising in the first place and to shape outcomes.

³³ 马利（主编），《国家行动—利比亚的撤离》[Ma Li (ed.), *National Operation – the great evacuation from Libya*] (Beijing, 2011), pp. 199–201. “外交部：中国撤离在利比亚公民行动实现‘四个第一’”，新华网 [“Foreign Ministry: China's evacuation of nationals in Libya realises ‘four firsts’”], Xinhua News online, 6 March 2011.

³⁴ “特写：‘回家的感觉太好了！’—中国撤离在利比亚人员行动圆满结束”，新华社 [“Special report: ‘It feels too good to be home!’ – Chinese operation to evacuate nationals from Libya ends in perfect success”], Xinhua News, 6 March 2011. 王逸舟，《创造性介入：中国外交新取向》[Wang Yizhou, *Creative Involvement: A New Direction in China's Diplomacy*] (Beijing, 2011), p. 75.

³⁵ Crisis Group interviews, Chinese diplomats, Beijing, March–April 2016.

³⁶ Crisis Group Report, *China's New Courtship in South Sudan*, op. cit., p. 9.

³⁷ 马宁，“利比亚动荡 中国企业利益损失几何？”，新华网，[Ma Ning, “Libya Turmoil: How much did Chinese companies lose?”], Xinhua News, 25 March 2011; “陈德铭：中国在利比亚项目损失严重”，凤凰网，[“Chen Deming: China's projects in Libya suffer severe loss”], Ifeng, 7 March 2012.

³⁸ “China”, U.S. Energy Information Administration, 14 May 2015, p. 10. “Libya is a major energy exporter, especially to Europe”, U.S. Energy Information Administration, 21 March 2011.

³⁹ Crisis Group interview, senior Chinese foreign ministry official, Beijing, February 2014. In May 2011, then-Chinese Ambassador to the UN Li Baodong twice stated China's opposition to the NATO campaign, saying it was based on an “arbitrary interpretation” of UN resolutions. United Nations Security Council 6528th meeting, UN Document S/PV.6528, 4 May 2011. United Nations Security Council 6531st meeting, UN Document S/PV.6531, 10 May 2011. Chinese scholars spoke of a sense of “deception and betrayal” by the West, and blamed Western military intervention for the ensuing chaos in Libya. Zheng Chen, “China and the responsibility to protect”, *Journal of Contemporary China*, vol. 25, no. 101 (2016), p. 693. Ruan Zongze, “Responsible Protection: Building a Safer World”, *China International Studies*, vol. 34 (May/June 2012).

III. South Sudan: The Pilot Project

South Sudan's civil war began in December 2013 with fighting and ethnically-targeted killings in the capital, Juba.⁴⁰ Violence soon spread across the country. Rebels with the Sudan People's Liberation Movement/Army – In Opposition (SPLM/A-IO) targeted and destroyed some oil infrastructure and killed South Sudanese workers on Chinese-owned oil facilities. Chinese workers were evacuated in emergency conditions.⁴¹ The Horn of Africa regional body, the Intergovernmental Authority on Development (IGAD), immediately launched mediation efforts between the government and the rebels in an attempt to stop the war and prevent neighbouring states from being pulled into a regional conflict. Both China and Western states backed these efforts. IGAD's chief mediator, Seyoum Mesfin, a former Ethiopian foreign minister and ambassador to China, provided Beijing a known and credible entry into the mediation. China's interests in South Sudan and strong relations with the regional mediators made South Sudan an ideal testing ground for Beijing's increasingly nuanced approach to non-interference.

A. Chinese Interests on the Ground

Although South Sudan accounts for only 2 to 5 per cent of China's annual oil imports, oil is front and centre among Beijing's concerns.⁴² While the volume may appear small, its political and geopolitical significance is not.

Sudan was the Chinese oil industry's first overseas success and retains symbolic importance. It was there that China's oil corporation and its subsidiaries cut their teeth on international operations, proved their mettle and gained operational experience.⁴³ The China National Petroleum Corporation (CNPC) also demonstrated its ability to enhance China's energy security, winning Beijing's support for further expansion. As oil prices soared between 1998 and 2003, output from Sudan "contributed significantly to the company's growth".⁴⁴ The Khartoum refinery became a frequent stop for visiting Chinese government and party officials.⁴⁵

After the 2005 peace agreement, when it appeared likely South Sudan would gain independence, CNPC deepened its engagement with Juba – at first secretly, for fear of offending Khartoum.⁴⁶ But CNPC and its partners found building relations with South Sudan challenging. Juba drove a hard bargain when it came to restructuring contracts and the volatile political environment undercut production.⁴⁷ As noted, the government shut down operations in January 2012 over deadlocked talks with Sudan on oil transit fees.⁴⁸ Boom-time was over and the immediate loss of almost all govern-

⁴⁰ Crisis Group Report, *South Sudan: A Civil War by Any Other Name*, op. cit.

⁴¹ "97 Chinese workers evacuated from South Sudan to Khartoum", Xinhua, 25 December 2013.

⁴² "China", U.S. Energy Information Administration, updated 14 May 2015.

⁴³ *The New Kings of Crude*, op. cit., p. 111.

⁴⁴ Crisis Group interview, CNPC official, Juba, April 2016.

⁴⁵ *The New Kings of Crude*, op. cit., pp. 101-102.

⁴⁶ Crisis Group interview, Chinese businessman with first-hand knowledge, Juba, April 2016.

⁴⁷ Crisis Group interviews, officials in the petroleum ministry, businesspeople, Juba, 2013-2016.

⁴⁸ Crisis Group Report, *China's New Courtship in South Sudan*, op. cit., pp. 20-31.

ment revenue was partially covered through loans taken against future oil production whose cost continues to be paid.⁴⁹ South Sudan's economic downturn had begun.

Although oil flow resumed in April 2013, the civil war that broke out in December shut down production in three fields in Unity state (the larger Upper Nile state fields remained operational).⁵⁰ The global decline in oil prices in 2014, combined with the war, presented a dual challenge for the oil companies. In January and February 2016, when benchmark crude oil prices dipped to lows below \$30 per barrel, CNPC lost nearly \$2 million a day, although it still is banking on South Sudan stabilising and oil prices have since increased.⁵¹

Although CNPC officials routinely downplay the company's influence on Beijing's decision-making, executives of national oil majors are prominent members of the elite decision-making class. The Communist Party's Central Organisation Department appoints these top executives, who typically hold vice ministerial rank. It is not uncommon for oil company executives to ascend to prominent political positions.⁵² Although CNPC is primarily a profit-seeking corporation, it can be called upon by the party to fulfil policy or political goals such as employment and diplomacy. Diplomats said CNPC was asked to absorb the loss and stay put in South Sudan. The company in turn sought and expected protection from the Chinese state.⁵³

Oil companies were not alone in investing in South Sudan. Other companies followed suit, accompanied by Chinese loans.⁵⁴ Bilateral trade reached \$534 million in 2012; by 2013, roughly 100 Chinese companies were registered in South Sudan, covering energy, engineering, construction, telecommunications, medical services, hotels, restaurants, and retail.⁵⁵ Some saw South Sudan as a "paradise for investors": a country rich in oil income, with huge infrastructure needs, nearly no industry and no Western competition.⁵⁶ Operational costs, with cheap rent and labour, were low and profit margins were as high as 50 per cent before the current economic crisis.⁵⁷

⁴⁹ Crisis Group Report, *South Sudan: A Civil War by Any Other Name*, op. cit.

⁵⁰ Both are near the border with Sudan and near areas where fighting has taken place. "South Sudan restarts oil production", *Financial Times*, 7 April 2013. Crisis Group interview, CNPC managers, Juba, April 2016.

⁵¹ Crisis Group interviews, CNPC managers and Chinese diplomats, Juba, April 2016.

⁵² Crisis Group Asia Report N°275, *Stirring up the South China Sea (IV): Oil in Troubled Waters*, 26 January 2016, p. 5. Zhou Yongkang, CNPC general manager 1996 to 1998, played a crucial role in CNPC's venturing into Sudan. He became a member of the Politburo Standing Committee in 2007 and security czar. In retirement, he was arrested on corruption charges in 2015. "Profile: China's fallen security chief Zhou Yongkang", BBC, 11 June 2015.

⁵³ Crisis Group interviews, Beijing, March 2016; Addis Ababa, April 2016; Chinese scholar, Shanghai, April 2016.

⁵⁴ In January 2012, Kiir received Li Yuanchao, member of the Politburo, in Juba. The two sides discussed additional loans potentially guaranteed against future oil reserves. Crisis Group Report, *China's New Courtship in South Sudan*, op. cit., pp. 10-11.

⁵⁵ "中国和南苏丹合作简介" ["Brief introduction to China-South Sudan Cooperation"], official website of the Economic and Commercial Counsellor's Office of the Chinese Embassy in South Sudan, updated 8 December 2013.

⁵⁶ Crisis Group interview, Zhong Jianhua, then special representative of the Chinese government on African affairs, Beijing, 8 March 2016. Zhong retired from the position in August 2016.

⁵⁷ Crisis interviews, Chinese businessmen, Juba, April 2016; correspondence, Chinese businessmen, July 2016.

Yet risks also are plentiful. Beyond war and political instability, robberies, kidnapping and petty crime threaten property and personal safety. Both government and rebel groups have sought to protect Chinese businesspeople and infrastructure, expecting (and sometimes receiving) financial benefits in exchange.⁵⁸ But the government, which has been running a deficit and mortgaging future oil revenue since 2012, is chronically delinquent on contractual and loan payments. Investors are therefore increasingly hesitant to make substantial investments.⁵⁹

B. *A Pilot Project for Diplomacy*

When civil war broke out in December 2013, CNPC evacuated many employees on company airplanes. Other Chinese citizens fled via self-organised caravans. Although not specifically targeted, Chinese retail shops and restaurants were looted or burned down in the fighting.⁶⁰

Chinese officials debated whether to leave or stay with lessons from Libya fresh in their minds. Another withdrawal would mean leaving oil fields and other investments behind, likely to be damaged by war; it also would mean forfeiting economic and political leverage to influence events.⁶¹ Diplomats said Beijing was also driven by “a sense of responsibility” to preserve South Sudan’s economic future, which lives or dies with the oil industry.⁶² Zhong Jianhua, who replaced Liu as special representative on African affairs in 2012, arrived in Nairobi as IGAD launched its mediation process. In response to IGAD’s request for China’s engagement, Beijing stepped up its involvement. Between 2014 and the signing of a peace agreement in August 2015, China was consistently engaged and supportive of the mediation process.

For Beijing, South Sudan became a real-world laboratory to test the boundaries of its non-interference principle. It did so in what, domestically, was a relatively less contentious arena: unlike conflicts and disputes in Asia, Africa seldom falls under Beijing’s domestic media spotlight or becomes the subject of nationalist passion. A Chinese scholar on African affairs said:

China can afford to stomach the cost of trial-and-error of new approaches in Africa. China hopes to form “Chinese solutions”. In comparison, Myanmar and the South China Sea are much more sensitive and mistakes there are much more costly to China.⁶³

⁵⁸ Crisis Group interviews, South Sudanese government officials and rebel leaders, Juba, Addis Ababa, 2014-2015.

⁵⁹ Crisis Group interviews, Chinese businessmen in construction, telecommunications, and hospitality, Juba, April 2016.

⁶⁰ Crisis Group interviews, CNPC managers and other Chinese businessmen, Juba, April 2016.

⁶¹ Crisis Group interviews, Chinese diplomats and scholars with state-affiliated think-tanks, Beijing, January-March 2016.

⁶² Crisis Group interview, Zhong Jianhua, then special representative of the Chinese government on African affairs, Beijing, 8 March 2016.

⁶³ Crisis Group interview, Chinese scholar on African affairs at a government-affiliated think-tank, Beijing, January 2016.

As a result, the foreign ministry's Africa Department has more room to manoeuvre, undertake policy initiatives and delegate authority and influence to the field.⁶⁴ Diplomats in Juba and Addis Ababa were ready to engage with the South Sudan mediation, which one diplomat described as “a pilot project for Chinese diplomacy”. It was expected that this experience would shape the debate in Beijing about non-interference and thus contribute to formulating “Chinese solutions”.⁶⁵

⁶⁴ Crisis Group interview, Chinese foreign ministry official, Beijing, March 2014.

⁶⁵ Crisis Group interview, Chinese diplomat, Addis Ababa, April 2016.

IV. China in Action

The government sees itself as a newcomer to conflict resolution, and is viewed as such by partners. Though vaguely defined and still evolving, an outline of what “Chinese solutions” might look like is beginning to emerge from its engagement with South Sudan.

A. Chinese Solutions

1. Setting the table, not forcing outcomes

China appears most comfortable in the role of a table-setter, leveraging its political and economic influence to bring parties together. Its flexibility in providing aid has helped ensure the quick release of small in-kind donations covering transportation and accommodation for participants in negotiations.⁶⁶ But Beijing, is only slowly becoming comfortable with directly setting agendas, proposing terms in agreements or drafting documents – and even then tends to do so behind the scenes.⁶⁷

Beijing displayed such table-setting to good effect in January 2015 when Sudan-South Sudan relations were strained over support for one another’s rebels.⁶⁸ Leveraging its longstanding ties with the Sudanese government, Beijing sent Foreign Minister Wang Yi to convene a “special consultation meeting” in Khartoum that included South Sudan’s warring parties, Ethiopia, Sudan and IGAD.⁶⁹ Zhong Jianhua, then special representative of the Chinese government on African affairs said:

We hoped to help elevate Sudan’s international status. Choosing Khartoum gave the Sudanese government considerable recognition and encouragement. We acknowledged Sudan’s role in addressing the conflict and believed that it should play an important role. Sudan very much welcomed the decision and felt that we paid enough respect by making it the host.⁷⁰

The meeting did not produce concrete resolutions, but Beijing secured renewed commitments to oil infrastructure security, melding its economic interests with those of Sudan and South Sudan. It “put Sudan and South Sudan on notice ... China sent a message to the Sudanese government that supporting conflict in South Sudan would

⁶⁶ “During mediation between Darfur and Sudanese government for example, Chinese funding support always came in handy. It allowed people to travel and convene,” said a UN official involved in the process. Crisis Group interview, Addis Ababa, April 2016.

⁶⁷ Crisis Group interview, UN official, Addis Ababa, April 2016.

⁶⁸ Tensions between the two Sudans escalated in December 2014 as Sudan’s defence minister, Abdel Rahim Hussein, and intelligence chief, Mohamed Atta, claimed that Juba had continued to harbour and support Sudanese rebel groups. Atta warned South Sudan that any incursion by rebel forces from its territory would be treated as an “assault”, and threatened to pursue rebels inside South Sudanese territory. In response, SPLA spokesperson Philip Aguer said Khartoum’s comments amounted to a declaration of war. “Khartoum again warns Juba against supporting Sudan’s JEM rebels”, *Sudan Tribune*, 17 December 2014. “Sudan warns South Sudan against ‘hostile moves’ by rebels in its territory”, Reuters, 17 December 2014.

⁶⁹ Crisis Group interviews, Chinese diplomats, Beijing, March 2016, Juba, April 2016.

⁷⁰ Crisis Group interview, Zhong Jianhua, then special representative of the Chinese government on African affairs, Beijing, 8 March 2016.

go against Chinese interests. Western countries were not in a position to do so”.⁷¹ The event also “made IGAD refocus its attention and added new momentum to the peace process”.⁷² Chinese influence encouraged Khartoum to exercise restraint in South Sudan, which also helped set the Sudanese government up in 2016 for its negotiations over sanctions relief from Washington, which was counselling the same approach.

Beijing considered this a “ground-breaking” initiative. “It was the first time that we called upon leaders of countries in the region to discuss conflict resolution in another country”.⁷³ Western and African partners increasingly have urged Beijing to take on more responsibility, given its permanent seat on the UN Security Council and leverage over parties concerned.⁷⁴ According to one UN official: “It can punch way more weight ... China can put its foot down on deadlines. It can be tougher. It can insist on implementation”.⁷⁵

2. Chinese interests as global interests

China was as surprised as the rest of the world when the civil war began, and scrambled to secure its oil infrastructure in the volatile Greater Upper Nile region. Some installations were destroyed in the first weeks of the war and opposition forces threatened to attack and destroy others.⁷⁶

China hedged between the government and SPLM/A-IO (the rebel grouping negotiating with the government), providing financial and other support to both parties conditioned upon their guaranteeing the security of oil infrastructure or, in the case of the rebels, not attacking it. Beijing may have overestimated the SPLM/A-IO’s capabilities after the first few months of war; it was in the rebels’ interests to overstate their ability to threaten the fields, a case they continue to make.⁷⁷

China, alongside most of the international community, also overestimated SPLM/A-IO leader Riek Machar’s command and control over the forces operating in his name. When Johnson Olony, a rebel turned government general in 2013, defected (again) to the opposition in 2015, his first act was to march on the oil fields – flouting Machar’s agreement with the Chinese.⁷⁸ His forces briefly captured Melut town and were poised to launch an offensive on the well-defended Palioch oil fields nearby. Chinese and Western diplomats rushed to avoid an oil shutdown amid calls to pull out foreign workers.⁷⁹ In the end, Olony’s forces were turned back by South Suda-

⁷¹ Crisis Group interview, senior U.S. official, Washington, May 2016.

⁷² Crisis Group interview, UN official, Addis Ababa, April 2016.

⁷³ Crisis Group interview, Zhong Jianhua, then special representative of the Chinese government on African affairs, Beijing, 8 March 2016.

⁷⁴ “South Sudan’s famine is China’s chance to lead”, Bloomberg, editorial, 27 February 2017.

⁷⁵ Crisis Group interview, UN official, Addis Ababa, April 2016.

⁷⁶ The war started in Juba and quickly spread throughout Greater Upper Nile. Crisis Group Report, *South Sudan: A Civil War by Any Other Name*, op. cit.

⁷⁷ Attacking the oil fields again would have put them at odds with Khartoum, which was their primary source of arms. Crisis Group interview, SPLM-IO member, December 2016.

⁷⁸ Crisis Group Africa Report N°228, *South Sudan: Keeping Faith with the IGAD Peace Process*, 27 July 2015, p. 14.

⁷⁹ Crisis Group interviews, U.S. officials, Washington, May 2015.

nese government forces. But the incident demonstrated the limits of China's arrangement with Machar.

The wider international community supported China's efforts to protect oil infrastructure; few could envision war-ravaged South Sudan rebuilding without oil revenue.⁸⁰ However, China was the only actor prepared to provide direct help to keep the oil flowing. Quiet understandings with both the government and rebels offered China the prospect of benefits beyond wartime security – good relations with Juba and, on the ground, with the leadership of oil-producing states that former rebels would have governed had the peace agreement been fully implemented.⁸¹

3. African solutions to African problems

China has called for “African solutions to African problems”, an approach that gives Beijing's policy considerable room to evolve.⁸² In South Sudan, it insists on IGAD's lead role and is reluctant to reach for the reins even when the process falters. “We have to let local people decide their own fate, even though they might end up with nothing”, said a senior diplomat.⁸³ It also can be swayed by African endorsements. In May 2011, following fighting in Abyei, a region disputed between Sudan and South Sudan, an African Union (AU) Peace and Security Council communiqué helped put an end to Beijing's resistance to the idea of intervention by external actors. China subsequently voted at the Security Council in June to authorise peacekeepers for Abyei.⁸⁴

Western diplomats found that the most effective way to win China's (and Russia's) approval of – or acquiescence to – Africa-related UN Security Council resolutions is to obtain backing from the body's African members.⁸⁵ When African council members are divided, for instance over whether to support an arms embargo for South Sudan, China has urged the bloc to find a common position it can support.⁸⁶

That said, there are signs China's approach is evolving. As it becomes more familiar with, and invested in, international peace and security mechanisms, it has begun

⁸⁰ Crisis Group interviews, Western and regional diplomats, Addis Ababa, 2014–2015.

⁸¹ Crisis Group Report, *South Sudan: Rearranging the Chessboard*, op. cit. The 2015 IGAD peace agreement provided that the two major oil-producing states of South Sudan were to be governed by Machar's rebels. “Agreement on the Resolution of Conflict in the Republic of South Sudan”, IGAD, 17 August 2015, pp. 17–18.

⁸² Premier Li Keqiang debuted China's commitment to the concept in May 2014. “第十五届‘蓝厅论坛’在外交部举行, 外交部长王毅发表主旨演讲” [“The 15th ‘Lanting Forum’ takes place in the foreign ministry; foreign minister Wang Yi delivers keynote speech”], press release, Chinese foreign ministry, 26 November 2015; Crisis Group interviews, Beijing, Juba and Addis Ababa, January–April 2016.

⁸³ Crisis Group interview, Beijing, March 2016.

⁸⁴ As one diplomat said: “When China and Russia saw it was African text, they were okay”. Crisis Group interview, EU diplomat, Addis Ababa, April 2016; “Communiqué: The Peace and Security Council of the African Union (AU), at its 280th meeting held on 20 May 2011, in Addis Ababa, considered the implementation status of the Comprehensive Peace Agreement (CPA) in Sudan”, PSC/PR/BR (CCLXXX), 20 May 2011; “Communiqué of the Consultative Meeting between Member of the Council of the United Nations and the Peace and Security Council of the African Union”, United Nations, 21 May 2011. “Resolution 1990 (2011)”, S/RES/1990 (2011), 27 June 2011.

⁸⁵ Crisis Group interview, Western diplomat, Addis Ababa, April 2016.

⁸⁶ Crisis Group interview, Western diplomat, Juba, June 2016.

to try to shape regional positions behind the scenes rather than passively follow them. This has been most notable with respect to Sudan and South Sudan.

4. Persuasion not punishment

China typically resists sanctions, shuns open criticism and prefers behind-the-scene persuasion. Itself once a target of sanctions, Beijing retains an ideological aversion to them, seeing them as instruments of Western coercion.⁸⁷ It also argues sanctions rarely achieve the intended effect and often backfire.⁸⁸ In practice, however, China has often adopted a more nuanced approach.

When sanctions are discussed, China occasionally mediates between the government and Western powers. “The Troika often raised the threat of sanctions”, a Chinese diplomat recounted, “China would play the role of ‘good cop’ to ease tensions”, urging patience from Western partners while counselling the targeted party to make concessions.⁸⁹ Functioning as messenger rather than enforcer allows Beijing to leverage its political influence without risking it.⁹⁰ China has used this approach on several occasions in recent years, including in efforts to secure the release of some of the thirteen senior SPLM members Kiir arrested and accused of plotting a coup in 2013.⁹¹

On 3 April 2014, with four still in custody (and as war and atrocities continued) the U.S. announced a sanctions regime on South Sudan.⁹² Chinese diplomats subsequently met with senior South Sudanese officials, including Kiir, advising flexibility and pragmatism rather than “taking the West head-on”.⁹³ Juba announced the remaining detainees’ release on 25 April “to promote peace and reconciliation”.⁹⁴ Although the U.S. imposed individual sanctions the following month due to alleged involvement in atrocities and for undermining peace negotiations, they targeted lower ranking individuals than initially envisaged.⁹⁵

⁸⁷ Crisis Group interview, Chinese scholar, Beijing, 26 January 2016.

⁸⁸ Crisis Group interview, Chinese diplomat, 21 April 2016.

⁸⁹ Crisis Group interviews, Chinese diplomats, April 2016. The U.S., UK and Norway, have operated as one unit when mediating conflicts in and between the two Sudans, coordinating policymaking and speaking with one voice. The term “Troika” first surfaced in early 2001 as the three countries began to pursue concerted efforts in the Sudan peace process.

⁹⁰ Other governments – including Ethiopia, Japan and Uganda, among others – have played this role with the South Sudanese government in recent years. Crisis Group interviews, Juba, Addis Ababa, 2014-2016.

⁹¹ “S. Sudan releases two political detainees, calls for ceasefire”, Sudan Tribune, 27 December 2013; “Communiqué of the 23rd extra-ordinary session of the IGAD assembly of heads of state and government on the situation in South Sudan”, communiqué, IGAD, Nairobi, 27 December 2013; “Direct talks on South Sudan open in Ethiopia”, BBC, 5 January 2014; “South Sudan rejects call to free detainees as troops defect”, Bloomberg, 6 January 2014.

⁹² “Executive Order – Blocking Property of Certain Persons With Respect to South Sudan”, the White House, 3 April 2014.

⁹³ Crisis Group interview, Chinese diplomat, April 2016.

⁹⁴ “South Sudan frees alleged rebel leaders”, Al Jazeera, 25 April 2014.

⁹⁵ “John Kerry visits South Sudan, warns gov’t and rebels to avert ‘genocide’”, Associated Press, 2 May 2014; “U.S. sanctions both sides of South Sudan conflict”, Reuters, 6 May 2014. The U.S. had threatened to sanction top leaders on both sides but instead sanctioned two operational generals. The number later rose to six, the most senior sector commander.

China's somewhat ambivalent relationship to sanctions is evidenced by its record at the Security Council. On 3 March, China voted in favour of a U.S.-sponsored resolution laying the groundwork for targeted sanctions in advance of a 5 March peace process deadline.⁹⁶ Initially, China objected, due to ongoing negotiations, but it ultimately voted in favour, to "send a unified message".⁹⁷ Subsequently activists called for sanctioning both Kiir and Machar. In talks with the U.S., Beijing agreed not to block Washington's efforts to sanction moderately high-ranking commanders in July 2015 in return for taking more senior officials off the sanctions list.⁹⁸ This allowed Beijing to both stand with the international community and mollify Juba. Before the vote, South Sudan's Vice President James Wani relayed Kiir's "high regards and sincere gratitude" for Beijing's "objective stance" to the Chinese ambassador.⁹⁹

The flexibility also reflects back-and-forth between the capital, more concerned about principles, and the field, more preoccupied with influencing developments on the ground. With intimate knowledge of the conflict, peace process and parties involved and influenced by daily interactions with other international players, front-line diplomats may see the utility of sanctions. "Sometimes in order to have the process moving, you need to show teeth. Ultimately you need some leverage".¹⁰⁰ While never quite identical, the diplomats' views also began to converge with those of counterparts in Beijing in seeing sanctions, or their threat, "as leverage to influence future behaviour instead of punishment for past behaviour".¹⁰¹

5. Development-focused governance vs. liberal democratic governance

Beijing generally sees underdevelopment as the root cause of instability and believes its governance model better suited to cure this than Western democracy.¹⁰² As one diplomat said: "People don't have enough to eat. Most are illiterate. Does Western democracy really work [in South Sudan]?"¹⁰³ Some Chinese analysts believe the West places "too much emphasis" on "procedural legitimacy" at the cost of stability, which they argue requires a strong regime, especially in nation-building's early stage.¹⁰⁴

⁹⁶ UNSC S/2015/2206, 3 March 2015.

⁹⁷ "中国反对通过联合国南苏丹制裁决议" ["China opposes passing UN resolution imposing sanction on South Sudan"], BBC, 27 February 2015; "UN sets up sanctions regime for S. Sudan", VOA News, 3 March 2015. The resolution also established a UN Panel of Experts to provide regular reporting to the Security Council on South Sudan.

⁹⁸ Crisis Group interview, Addis Ababa, 22 April 2016.

⁹⁹ "南苏丹副总统瓦尼紧急约见马强大使" ["South Sudanese Vice President Wani requests emergency meeting with Ambassador Ma Qiang"], Chinese embassy in Juba, 3 March 2015.

¹⁰⁰ Crisis Group interview, Chinese diplomat, Addis Ababa, April 2016.

¹⁰¹ The first round of U.S. and UN sanctions were for past human rights abuses and ceasefire violations, and not designed to shape future behaviour. Crisis Group interview, senior U.S. official, Washington, May 2016.

¹⁰² Crisis Group interviews, Chinese diplomats, Juba and Addis Ababa, April 2016. Liu Guijin, speech, "Protecting Interests and Nationals in Africa: Chinese and European Approaches and Experiences", CICIR-SIPRI, Beijing, 12 September 2014. Also see, "Peacekeeping, Mediation, Assistance, Escort, Development – Wang Yi Talks about Five Keywords of China's Assistance to Peace and Security in Africa", Chinese foreign ministry, 11 August 2016.

¹⁰³ Crisis Group interview, Juba, April 2016.

¹⁰⁴ Crisis Group interview, Chinese analysts of African affairs at a state-affiliated think-tank, Beijing, January 2016.

China believes its own post-Mao model of governance and development – a hybrid of planned and market economy under one-party rule – fits the Horn of Africa and is more appealing than Western democracy.¹⁰⁵ As one scholar put it, African nations (or at least their leaders) are attracted to the Communist Party's ability to make decisions, mobilise resources and speedily launch ambitious endeavours thanks to its concentration of power and absence of effective dissent.¹⁰⁶

Rather than pushing its model, Beijing soft-sells it. An official said: "We don't have slogans like the West does. We only share experiences".¹⁰⁷ Between 2010 and 2013, the Communist Party organised workshops for senior SPLM cadres in Juba and Beijing on topics including poverty alleviation, social and economic development, public opinion guidance and party-building.¹⁰⁸ The embassy also "explained China's governance principle and practice" to South Sudanese officials.¹⁰⁹

B. *China's Assets*

Chinese diplomats and African officials also say Beijing has gained the trust of parties because it is seen as the most neutral among mediators.¹¹⁰ Its interests are clear and, rather than pushing particular paths, it is more focused on the end state of peace and economic stability. Beijing assiduously avoids the appearance of taking sides, shuns public denunciation and is reluctant to resort to pressure or punishment. As its primary concern appears to be protecting its commercial interests, maintaining amicable relations with all sides constitutes a hedge against risks: "keeping a low profile" helps ensure it "makes no enemies".¹¹¹ Moreover, loans and assistance typically come with no strings attached, which governments see as welcome alternatives to Western donations that are tied to human rights conditions or governance standards.

There are historical affinities as well. China shares with many African countries "painful memories" of humiliation and oppression by Western powers,¹¹² a similarity that both helps guide Beijing's approach and appeals to its African counterparts. All in all, this combination of factors provides Chinese diplomats with access to important players, access often appreciated by its Western partners, who are frustrated and concerned about their own lack of leverage.¹¹³

¹⁰⁵ Crisis Group interview, senior Chinese diplomat, Juba, April 2016.

¹⁰⁶ Crisis Group interview, Chinese scholar on Africa Studies, Beijing, January 2016. The Ethiopian People's Revolutionary Democratic Front is among the most enthusiastic African adherents to aspects of the Chinese model. Others include ruling parties in South Africa, Zimbabwe and Namibia. Yun Sun, "Political Party Training: China's Ideological Push in Africa?", *Africa in Focus*, Brookings Institute, 5 July 2016.

¹⁰⁷ Crisis Group interview, Liu Guijin, former special representative for African affairs and on the Darfur issue, Beijing, March 2016.

¹⁰⁸ Zeng Aiping, "China-Africa Governance Exchanges and Experiences", Chinese Institute of International Studies (www.ciis.org.cn), 3 December 2015.

¹⁰⁹ Crisis Group interview, Chinese diplomat, Juba, April 2016.

¹¹⁰ Crisis Group interviews, Beijing, Juba, Addis Ababa, January-April 2016.

¹¹¹ Crisis Group interviews, Chinese diplomats and scholars, Beijing, January-March 2016.

¹¹² Crisis Group interview, Zhong Jianhua, then special representative of the Chinese government on African affairs, Beijing, 8 March 2016.

¹¹³ Crisis Group interviews, Beijing, Juba and Addis Ababa, January-April 2016.

South Sudan is a case in point. Initially, its leaders viewed Beijing with suspicion and resentment due to its support for Khartoum. However, after the 2005 peace agreement, pragmatism drove both Beijing and Juba to establish and solidify political, economic and party ties. Kiir visited Beijing in 2005 and 2007. Even as it deepened ties with Juba, Beijing maintained close relations with Khartoum. Its access to both sides was valuable to the IGAD mediation.¹¹⁴

1. Economic leverage

Oil accounts for almost all South Sudan's exports.¹¹⁵ The consortium led by China's oil corporation accounts for most of the investment in its oil industry; its withdrawal would render it impossible to maintain production levels and could prompt a collapse of the formal economy. Therefore, Beijing's message to Juba was relatively clear-cut, "if you want us to stay, you have to keep us safe In the short run, you must ask the troops to safeguard our oil fields. In the long run, you have to stop fighting and implement the ceasefire".¹¹⁶

Beijing delivered a similar message to the opposition, and secured an unwritten promise that it would not attack the oil fields.¹¹⁷ China's National Petroleum Corporation "at the Chinese government's behest" continued production and, at some points, paid Juba higher-than-market prices, even when running a loss.¹¹⁸

In the same spirit, Beijing leveraged its loan policy. Before the civil war, the Ex-Im Bank had pledged loans and credit for at least three projects; it subsequently held off from disbursing the money because of the conflict and related economic challenges.¹¹⁹ Other loans and investments also are on hold. China insists that: "Without peace, our money would go down the drain".¹²⁰

Ultimately, Beijing's economic clout translates into political influence, and both Juba and the opposition have learned to respect China's interests and messaging.¹²¹

¹¹⁴ Crisis Group interview, U.S. official, Washington, May 2016.

¹¹⁵ At independence, oil accounted for 98 per cent of government revenue. "South Sudan – Overview", World Bank, updated 9 April 2016.

¹¹⁶ Crisis Group interview, Zhong Jianhua, then special representative of the Chinese government on African affairs, Beijing, March 2016.

¹¹⁷ The promise was cemented through ongoing engagement with senior rebel leaders and financial inducements. Crisis Group interviews, Zhong Jianhua, then special representative of the Chinese government on African affairs, Beijing, March 2016; SPLM/A-IO officials, Addis Ababa, 2014-2015; Nairobi, 2016.

¹¹⁸ Crisis Group interviews, Chinese diplomats, Juba and Addis Ababa, April 2016. China was granting such terms in hopes of renewing its contracts and winning future concessions.

¹¹⁹ Crisis Group interview, Chinese businessman, Juba, 12 April 2016; Peter Bashir Gbandi, South Sudanese acting foreign minister, Juba, 13 April 2016. See also, "进出口银行与南苏丹签署融资合作文件" ["Ex-Im bank and South Sudan sign financing cooperation document"], China Ex-Im Bank, 28 July 2014; "Republic of South Sudan Staff Report for 2014 Article IV: Debt Sustainability Analysis", International Monetary Fund (IMF), 2 December 2014; "Even China has second thoughts on South Sudan after violence", *Los Angeles Times*, 20 February 2014.

¹²⁰ Crisis Group interview, Zhong Jianhua, then special representative of the Chinese government on African affairs, Beijing, 8 March 2016.

¹²¹ Crisis Group interviews, Chinese, Western and African diplomats, Juba and Addis Ababa, April 2016.

This extends to Khartoum, according to one UN official: “Whatever China said was listened to very carefully [by] both Sudan and South Sudan”.¹²²

2. Humanitarian assistance

Beijing has skilfully tailored the timing and manner of delivery of modest donations to produce maximum impact. Since the outbreak of civil war, China has provided at least \$49 million in humanitarian assistance, with \$10 million going to the World Food Programme (WFP), other in-kind aid and occasionally as emergency cash.¹²³

While comparatively small,¹²⁴ assistance tends to be free from restrictive regulations, conditionality, or domestic media scrutiny, affording Beijing flexibility and manoeuvring room that OECD Development Assistance Committee member states typically lack; by the same token, China can be more responsive to Juba's requests. For example, China provided food, shelter and water for the temporary SPLA-IO military assembly areas used when its members returned to Juba to form the transitional government. It worked in coordination with Western countries that could not provide such assistance to a military encampment but could transport soldiers to Juba.¹²⁵ “The embassy drew a list of things needed worth about \$1 million. We built prefabricated houses, provided generators, mosquito nets ... [which were] in place just in time for the return of the 1,300 soldiers”.¹²⁶

Juba has been more likely to listen to China – which has turned a blind eye to human rights violations – than to Western countries, whose relationships with the government dramatically deteriorated in recent years. This appears to have been the case with regards to ensuring continued humanitarian access; access to rebel-held areas. The Chinese ambassador secured Juba's consent for China to support UN WFP operations and its agreement to the WFP's sensitive cross-line food deliveries to rebel-held areas. A Chinese diplomat said:

I went to talk with the foreign minister and the minister of humanitarian affairs. I told them that China was going to give the government \$8 million in humanitarian assistance. I also said we can't neglect people in the three northern states and that China wanted to provide them \$5 million of food assistance.¹²⁷

¹²² Crisis Group interview, UN official, Addis Ababa, April 2016.

¹²³ For a breakdown of major pledges totalling \$21 million between December 2013 and July 2014, see Zhou Hang, “China's emergency relief to South Sudan”, *The Diplomat* (<http://thediplomat.com>), 26 October 2014. Additionally, China has pledged or delivered humanitarian assistance of at least \$29 million and 8,750 tons of food since then. “China pledges 10 mln USD aid to South Sudan”, *Xinhua*, 24 August 2016; “China to provide S. Sudan with financial, food aid amid famine; envoy”, *Xinhua*, 26 April 2017; “China contributes US\$5 million to WFP's emergency operation in South Sudan”, press release, World Food Programme, 6 June 2017.

¹²⁴ By comparison, the U.S. – the single largest contributor – has pledged \$2.4 billion in humanitarian assistance since late 2013 for aid to South Sudanese in-country and in refugee camps in neighbouring countries. “South Sudan – Crisis: Fact Sheet #8 Fiscal Year (2017)”, United States Agency for International Development 25 May 2017.

¹²⁵ This was permissible in-line with the Troika's approved mandate to spend funds in support of implementation of the August 2015 peace agreement.

¹²⁶ Crisis Group interview, Chinese diplomat, April 2016.

¹²⁷ Crisis Group interview, Chinese diplomat, April 2016.

C. *China's Limitations*

1. Experience and capability

Compared with its Western counterparts, the Chinese foreign ministry is only in the early stages of building institutional infrastructure, acquiring expertise and establishing its authority on matters related to conflict resolution. “The British and French have been here more than 100 years. We are learning. For many years we were very careful and only interested in economic and trade issues” said a senior diplomat in Addis Ababa.¹²⁸

Beijing also is handicapped by a shortage of field capacity. Embassies across Africa face a dramatic increase in their workload as the number of nationals and companies grows, but without a concomitant increase in staff or resources.¹²⁹ When the civil war broke out in 2013, the Chinese embassy in Juba had about twenty staff, compared with about 300 American and local employees in the U.S. embassy.¹³⁰ Supporting South Sudan's peace efforts placed additional demands on the mission, but it was not given supplementary resources. The Chinese special envoy does not have a dedicated support team; instead, he relies on desk officers at the Western Asia and North Africa Department when in Beijing, and on embassies while in the field.¹³¹

2. Expertise

Chinese diplomats also suffer from a relative paucity of first-hand information. The foreign ministry is one of the very few reservoirs of expertise and field intelligence, yet positions in Africa are less coveted than those in Europe or North America, resulting in a comparatively shallow bench for talent. Diplomats rarely have the freedom, time or authority, to go on fact-finding trips.¹³² Nor does China possess a network of field-based NGOs to complement diplomats' knowledge.¹³³ Western NGOs on the ground are often nervous about engaging China, fearful that sensitive information could be passed on to Juba (a concern many also express about IGAD member states).¹³⁴

Outside the foreign ministry, conflict resolution is a nascent discipline and country-specific expertise remains underdeveloped. Although African studies has gained prominence in recent years in think-tanks, most are state-affiliated and the field is under-

¹²⁸ Crisis Group interview, Addis Ababa, April 2016.

¹²⁹ Crisis Group interview, Liu Haifang, Associate Professor, Peking University, Beijing, January 2016.

¹³⁰ Crisis Group interview, Chinese diplomat, Beijing, March 2016. U.S. figure is from “Report of Inspection Embassy Juba, South Sudan, Report Number ISP-I-13-29A”, United States Department of State and the Broadcasting Board of Governors Office of Inspector General, May 2013.

¹³¹ Crisis Group interviews, Chinese diplomats, Beijing, March 2016, Addis Ababa, April 2016. For a sense of the scope of the U.S. diplomatic effort, see Princeton N. Lyman and Robert M. Beecroft, “Using Special Envoys in High-Stakes Conflict Diplomacy”, Special Report 353, United States Institute of Peace, October 2014.

¹³² Crisis Group interviews, foreign ministry officials, Beijing, March 2014, Addis Ababa, April 2016.

¹³³ Crisis Group interviews, Chinese diplomats, Beijing, March 2016, Addis Ababa, 22 April 2016. Ambassador Liu Guijin said early in his involvement in Darfur he had read everything China had produced on Sudan, but was “shocked” that his Western counterparts “even knew how many concubines each of them [rebel leaders] had and which one was pretty”. Crisis Group interview, Beijing, March 2016.

¹³⁴ Crisis Group interviews, NGO staff, Juba, 2014-2016.

funded and overlooked compared with U.S.-China relations or hot-button issues in Asia. African studies have tended to focus on broad cross-cutting subjects, rather than country-specific analysis. Moreover, field research by scholars faces both funding constraints and bureaucratic hurdles – a trip abroad of more than five days requires special approval.¹³⁵ “China has increasing political will but feels constrained It doesn’t have many experts who truly understand South Sudan. The reservoir of expertise in China is small”.¹³⁶

3. The costs of peacemaking

China has paid a price – both economic and in terms of human lives – as a result of its greater role in peacemaking in South Sudan. In 2014, a \$38 million, multi-year arms contract between the South Sudanese government and the China North Industries Corporation (NORINCO) was made public.¹³⁷ Senior diplomats said the contract was signed before the war began and that NORINCO, although a state-owned enterprise, was seeking profit rather than advancing any state agenda.¹³⁸ The embarrassment caused by the publicity led China to halt the remainder of the contract on grounds it was “inappropriate”.¹³⁹ It was the first public indication that China was willing to sacrifice economic gains – in this case a relatively small contract – in the interest of its peacemaker role. Whether this becomes more standard policy remains to be seen.

China’s peacekeeping role also has security implications. Following rushed evacuations and fearful for its workers’ safety, China included protection of workers on oil installations in the UN peacekeeping mission’s mandate in 2014.¹⁴⁰ Backing this up with action, China deployed its first-ever peacekeeping infantry battalion to South Sudan in January 2015.¹⁴¹ But when fighting broke out in Juba in July 2016, Chinese peacekeepers were caught in the crossfire. Five were wounded and two eventually died.¹⁴² The deaths shocked the nation and the soldiers were publicly mourned.¹⁴³

¹³⁵ Crisis Group interviews, scholars in think-tanks and universities, Beijing, January 2016 and March 2017.

¹³⁶ Crisis Group interview, scholar in a state-affiliated think-tank who specialises in Sudan and South Sudan, Beijing, January 2016.

¹³⁷ “China halts arms sales to South Sudan after NORINCO shipment”, Bloomberg, 30 September 2014.

¹³⁸ Crisis Group interviews, Beijing, March-April 2016. China’s ministry of foreign affairs (MFA) does not have formal authority over state-owned enterprises. The largest, including China North Industries Corporation (NORINCO), are overseen by the State-owned Assets Supervision and Administration Commission (SASAC), which is of equal bureaucratic rank with the MFA.

¹³⁹ “China halts arms sales to South Sudan after NORINCO shipment”, Bloomberg, 30 September 2014.

¹⁴⁰ S/RES/2155 (2014), 27 May 2014.

¹⁴¹ Previously, China had 350 engineers, medical and other non-combatant personnel in the mission. The additional 700-strong battalion made UNMISS home to the largest number of Chinese peacekeepers. “Chinese peacekeepers start deployment in South Sudan”, Reuters, 16 January 2015. “UN Mission’s Contributions by Country”, United Nations, 31 July 2016.

¹⁴² Luo Zheng, “艰难一日，我南苏丹维和步战车遇袭事件始末” [“A hard day: recount of the attack on Chinese peacekeeping infantry fighting vehicle in South Sudan”], China Military, 19 July 2016.

¹⁴³ “维和英雄李磊忠魂归乡 万余群众冒雨相送” [“Peacekeeping hero Li Lei’s soul returns home, thousands brave rain to attend funeral ceremony”], Xinhua, 22 July 2016; “南苏丹维和士兵中秋为

Nonetheless, Beijing subsequently reaffirmed its growing commitment to multi-dimensional peacekeeping operations.¹⁴⁴ China is expanding the peacekeeping categories in which it is deploying troops and making multi-year commitments to seven missions.¹⁴⁵ It also is exploring how it can further develop its role and has set up a task force supported by the \$1 billion UN Peace and Development Fund that President Xi announced in September 2015.¹⁴⁶

两位牺牲战友摆碗筷” [“Peacekeepers in South Sudan set the table for two deceased comrades for Mid-Autumn Festival dinner”], China Central Television, 16 September 2016.

¹⁴⁴ “综述：中国愿为联合国维和事业作出更大贡献” [“Review: China is willing to make greater contribution to UN peacekeeping”], Xinhua, 28 July 2016.

¹⁴⁵ Crisis Group interview, Chinese diplomat, New York, February 2017.

¹⁴⁶ Remarks by H.E. Xi Jinping President of the People’s Republic of China at the United Nations Peacekeeping Summit, 28 September 2015; “China to set up \$1b peace fund”, *China Daily*, 29 September 2015.

V. Road Ahead: Collaboration and Competition

China and the West have largely worked collaboratively on South Sudan and their approaches broadly have complemented each other – providing a model for future cooperation. Beijing's softer, more private forms of persuasion benefit from the contrast with the Troika's (the U.S., UK and Norway) harder line. Both Chinese and U.S. diplomats express optimism regarding prospects for coordinated and complementary efforts and are in close contact. Yet overarching U.S.-China tensions colour this engagement and IGAD and its member states must also ensure they do not get dragged into geopolitical rivalries that could undermine their peace efforts.

A. *Different Approaches on Economic Issues*

Coordination likely will prove more challenging on questions of governance and accountability, and collaboration will coexist with competition. On economic issues, challenge likely will intensify as South Sudan faces a politically-induced economic crisis (prolonged instability has cut oil production by nearly half; international oil prices have fallen; the country experiences hyper-inflation; and corruption is rife)¹⁴⁷ and needs budget support to cover a \$300 million fiscal gap in FY 2016-17.¹⁴⁸ Western donors seek to leverage Juba's requirement for a fiscal bailout to extract commitments to economic reform and fiscal responsibility.¹⁴⁹ While Western nations insist any rescue package "will come with extremely intrusive demands" (which Juba rejects),¹⁵⁰ Beijing is uncomfortable with what it deems direct interference in South Sudan's domestic affairs and demurs on demanding fiscal transparency.¹⁵¹ For now, China generally has hewed the Western line, echoing the IMF's advice to the government and refrained from pledging more credit or loans.¹⁵² But some Western countries fear China could unilaterally help Juba, weakening their leverage.

¹⁴⁷ "Press Release: IMF staff completes 2016 Article IV Mission to South Sudan", International Monetary Fund, 1 June 2016.

¹⁴⁸ Before the civil war, donors almost never provided direct budget support and development aid was administered through the UN, NGOs or private contractors. Very little of this proved effective, making donors even more wary. "South Sudan seeks \$300 mln in external support for budget", Reuters, 29 August 2016.

¹⁴⁹ There are questions as to whether the new U.S. administration will pursue the same policy. In 2012, it was reported that South Sudan's elite had stolen \$4 billion. "South Sudan officials have stolen \$4 billion: president", Reuters, 4 June 2012.

¹⁵⁰ Crisis Group interview, EU official, Addis Ababa, April 2016. These conditions include revenue and spending transparency to ensure a bailout does not line the pockets of corrupt officials or finance more violence. "What we want to see is real-time information on how much the government is getting, how much and where it is spending. We do not want to tell it where to spend. We want to ensure that money is not going into some elite's bank accounts. We can't justify spending our taxpayer dollars that way". Crisis Group interview, senior U.S. official, Washington DC, May 2016.

¹⁵¹ In this, it is shaped by its own unhappy experience, having faced its share of Western criticism over its lack of transparency on military spending. Crisis Group interviews, Chinese diplomats and scholars, Beijing, January-March 2016; Chinese analyst at a state-affiliated think-tank, Beijing, January 2016; senior U.S. official, Washington, May 2016.

¹⁵² Crisis Group interview, senior U.S. official, Washington DC, May 2016.

B. *Strategic Cooperation on Political and Security Issues*

On political and security issues, China prefers to work through regional actors rather than directly with the West. That is the case with South Sudan's Joint Monitoring and Evaluation Committee (JMEC), for instance, which oversees the peace agreement and embodies "three-party [China-Africa-West] cooperation under a multilateral framework" that Beijing feels "comfortable with".¹⁵³ A Chinese representative is present at JMEC meetings, but "only listens", one African diplomat noted.¹⁵⁴ At the same time, China has calibrated its contribution to maintain sway, providing financial and material support, and ensuring Chinese personnel are in influential positions.¹⁵⁵

Mechanisms like JMEC allow China to justify a form of intervention under the mantra of "African solutions for African problems". It likely will continue insisting on IGAD's lead role, even as Western diplomats express doubt about the regional grouping's commitment.¹⁵⁶ This approach enables China to both secure its influence within boundaries acceptable to its African partners and cooperate with the U.S. While this offers prospects for cooperation, it also carries the risk that South Sudan could suffer from any broader deterioration in U.S.-China relations.

¹⁵³ Crisis Group interviews, Chinese diplomats, Juba, April 2016.

¹⁵⁴ Crisis Group interview, African JMEC member, Juba, April 2016.

¹⁵⁵ Crisis Group interview, senior African diplomat and senior Chinese diplomat, Juba, April 2016. "中国政府向JMEC提供30万美元资金支持" ["Chinese government offers \$300,000 financial support to JMEC"], Chinese embassy in Juba, 18 April 2016. Crisis Group interview, UN official, Addis Ababa, April 2016; Chinese diplomat, Juba, April 2016.

¹⁵⁶ China is comfortable working through IGAD, particularly given its close relations with Ethiopia, the organisation's chair. Crisis Group interview, UN official, Addis Ababa, April 2016.

VI. Conclusion: Engagement with Chinese Characteristics

Although China remains largely risk-averse, the degree of its involvement in South Sudan would have been “beyond imagination” even a few years ago.¹⁵⁷ Its experience in the field will continue to inform the debate in Beijing about what level and kind of policy approach is possible, consistent with the non-interference principle.

The new boundaries of Beijing’s interpretation of this principle are yet to be officially delineated, but its rhetoric and actions in South Sudan suggest a rough outline. Specifically, Beijing appears to see direct involvement as legitimate when:

- ❑ Civil conflicts threaten to spill over across borders, jeopardise regional security and stability and cause large-scale humanitarian crises. They are then “no longer internal political affairs but regional security affairs”.¹⁵⁸
- ❑ UN authorisation, regional approval and local consent are obtained.¹⁵⁹
- ❑ Actions are taken to facilitate political dialogue without imposing outcomes. “We would not meddle with ... who should be the president and who should not. We only care about achieving a ceasefire and getting everyone to the table”.¹⁶⁰

In contrast, Beijing sees intervention as illegitimate interference when:

- ❑ Attempts are made to influence domestic politics, such as dictating regime types, siding with political parties or figures or shaping political outcomes.¹⁶¹
- ❑ Demands are made on governance issues, such as revenue, spending, political freedom and accountability.¹⁶²
- ❑ Intervention is made unilaterally or with a minority group of nations without UN authorisation or regional consent.

¹⁵⁷ Chinese diplomats and scholars, Beijing, Juba and Addis Ababa, January-April 2016.

¹⁵⁸ Crisis Group interviews, Chinese scholar, Beijing, 26 January 2016; Liu Guijin, former special representative of the Chinese government on African affairs, Beijing, March 2016. Also see 王逸舟, “创新不干涉原则, 加大保护海外利益的力度”, 《国际政治研究》 [“Introduce new ideas on the non-interference principle, increase efforts to protect overseas interests”], *International Political Studies*, (Feb. 2013), p. 3.

¹⁵⁹ For instance, during the Darfur crisis, Beijing conditioned its involvement on “AU approval, UN resolution, and the Sudanese government’s acceptance”. Crisis Group interviews, Liu Guijin, former special representative of the Chinese government on African affairs, Beijing, March 2016; Zhang Chun, Senior Fellow, Centre for Africa and Middle East Studies, Shanghai Institutes of International Studies, Shanghai, March 2016. Also see Wang Yizhou, “New Direction for China’s Diplomacy”, *Beijing Review*, 8 March 2012.

¹⁶⁰ Crisis Group interview, Zhong Jiahua, then special representative of the Chinese government on African affairs, Beijing, 8 March 2016.

¹⁶¹ Crisis Group interviews, Chinese scholar, Beijing, January 2016; Zhong Jianhua, then special representative of the Chinese government on African affairs, Beijing, March 2016; Also see Lu Shaye, “中非新型战略伙伴关系的几点思考” [“Some Thoughts on the New Strategic Partnership between China and Africa”], speech given at the Institute of International Strategy at the Party School of the Central Committee of the CPC, Beijing, 19 September 2012.

¹⁶² Crisis Group interviews, Chinese diplomats and scholars, Beijing, January-March 2016.

Finally, China considers that a “red line” is crossed with the initiation of:

- Unilateral military intervention in a country's domestic affairs.
- Regime change.¹⁶³

For the most part, China's engagement is driven by self-interest although to a lesser degree it has taken into account the desire to export its own governance and development model and shape global norms. Such a distinction increasingly may blur if Beijing comes to see cultivating local political allies who share its views as the most effective means to protect Chinese interests and if it gains the confidence and capability to do so. In South Sudan and the wider Horn of Africa, where Beijing senses political affinity with governments, China has been discreetly promoting its model of governance and development through exchanges and training while resisting actions advancing Western values and political models.

Rather than the hard-edged doctrine its official rhetoric may suggest, non-interference is likely to remain elastic and will continue evolving as China balances new-found activism and traditional risk-avoidance and maintains theoretical flexibility to accommodate experimentation.

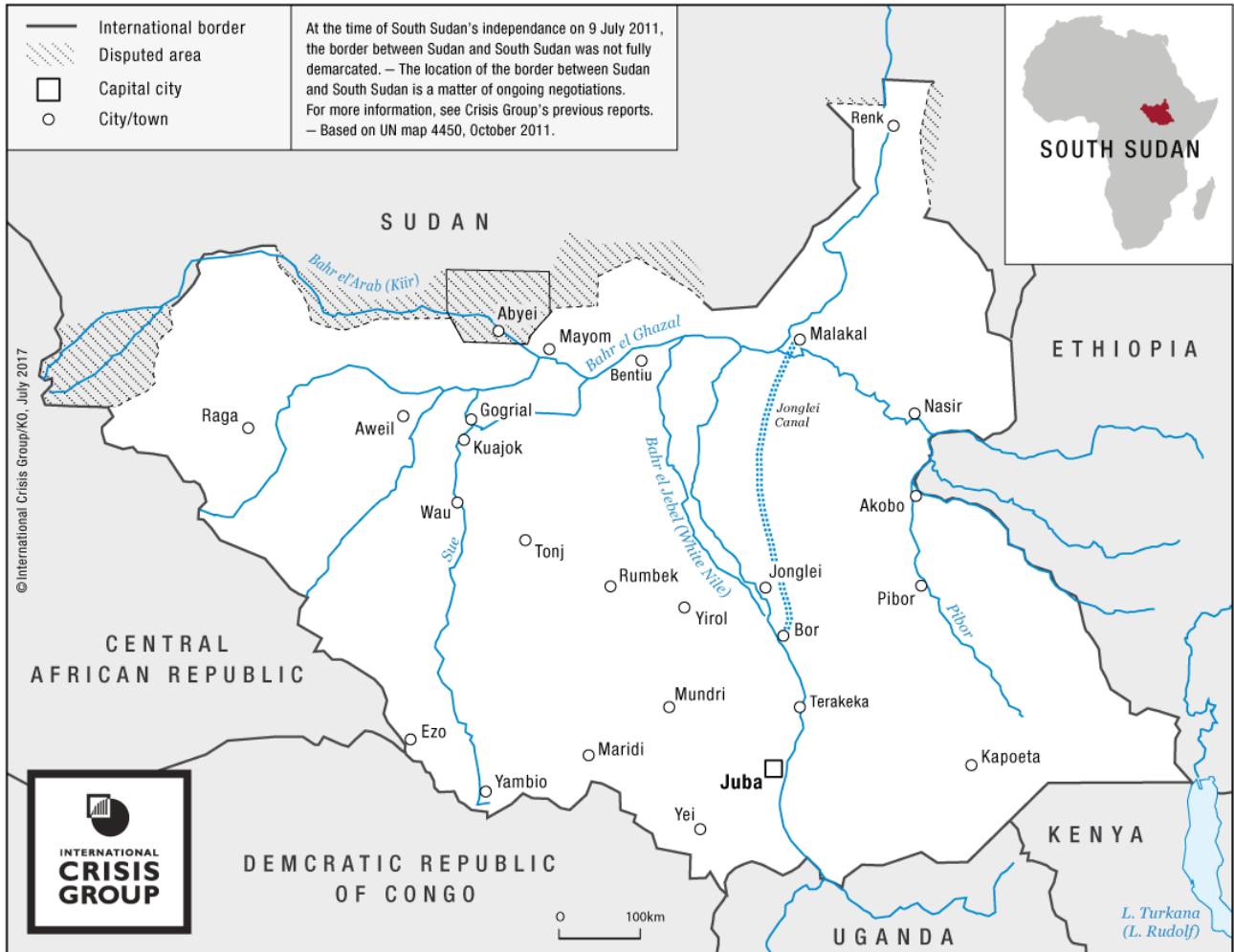
As this evolution occurs, contradictions and tensions are bound to surface, in South Sudan and elsewhere, among competing Chinese interests, but also between China's approach and values and those espoused by the West. At a minimum, Beijing will need more sophisticated expertise on peace and security issues, including peace-building and complex emergencies. China has a ready-made rationale and means for doing so – its increased engagement in UN peacekeeping as well as the China-UN Peace and Development Trust Fund, which could be accompanied by funding for more training, research and international exchange opportunities for Chinese practitioners and scholars.¹⁶⁴ China increasingly is being called upon to act, perhaps more than it would like. South Sudan is a first test case and, so far, it has illustrated a simple point: that, by working together and melding their at times distinct approaches, China and the West can form a more effective force for stability than either could separately.

Beijing/Nairobi/Juba/Brussels, 10 July 2017

¹⁶³ Crisis Group interview, Chinese foreign ministry official, Beijing, March 2014.

¹⁶⁴ President Xi announced on 28 September 2015 that China would establish a \$1 billion China-UN peace and development fund. Subsequently, on 7 May 2016 representatives of China and the UN signed an agreement China would provide \$200 million in annual funding over ten years for a UN Peace and Development Trust Fund. “China signs agreement with UN to finance peace, security activities”, Xinhua, 7 May 2016.

Appendix A: Map of South Sudan



Appendix B: About the International Crisis Group

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Crisis Group's approach is grounded in field research. Teams of political analysts are located within or close by countries or regions at risk of outbreak, escalation or recurrence of violent conflict. Based on information and assessments from the field, it produces analytical reports containing practical recommendations targeted at key international, regional and national decision-takers. Crisis Group also publishes *CrisisWatch*, a monthly early warning bulletin, providing a succinct regular update on the state of play in up to 70 situations of conflict or potential conflict around the world.

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The Crisis Group Board of Trustees – which includes prominent figures from the fields of politics, diplomacy, business and the media – is directly involved in helping to bring the reports and recommendations to the attention of senior policymakers around the world. Crisis Group is chaired by former UN Deputy Secretary-General and Administrator of the United Nations Development Programme (UNDP), Lord Mark Malloch-Brown. Its Vice Chair is Ayo Obe, a Legal Practitioner, Columnist and TV Presenter in Nigeria.

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| Shlomo Ben-Ami | Uffe Ellemann-Jensen | Lord (Christopher) Patten |
| Christoph Bertram | Gernot Eler | Victor Pinchuk |
| Alan Blinken | Marika Fahlén | Surin Pitsuwan |
| | Stanley Fischer | Fidel V. Ramos |