China’s Development Cooperation: overview

Prof. Dr. Li Xiaoyun
Dean of College of Humanities and Development Studies
Director of Research Center for International Development China Agricultural University, Beijing and Director of China-DAC Study Group/OECD-IPRCC
I once asked a Deputy Minister of Ministry of Finance of one African country about what he considers the difference between China’s foreign aid and the West’s, he smiled and said to me “well, China gives us roads, buildings and materials, our west friends give us participation, gender, good governance, labor union …”.
1. Objectives and Drives

Objectives: build human and technical capacity and self-reliance independent development

2. Volume and Composition

- Grants
- Concessional loans
- Interest-free loans
- Else, the multilateral support and special support from other ministry were not included in statistics system
- 2009-2010-2011, the average total Chinese aid disbursed by year was estimated about 4.5 billion USD comparing to 2 billion in 2006

<table>
<thead>
<tr>
<th>Year</th>
<th>Grants</th>
<th>Concessional Loans</th>
<th>Interest-Free Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2002</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2003</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Consessional Loan, 46.47%, 47%
Grant, 37.38%, 38%
Interest Low loan, 15.16%, 15%
3. Modality

- China
  - Complete Projects
  - Goods and Materials
  - Technical Cooperation
  - Human Resource Development Cooperation
  - Chinese Medical Teams Working Abroad
  - Emergency Humanitarian Aid
  - Overseas Volunteer Programs
  - Debt Relief
  - No clear data

- DAC
  - Budget support
  - Pooled programme funds
  - Project funds
  - Expert and technical cooperation
  - Scholarship and student
  - Debt relief

Clear database can be found on OECD website
4. Distribution: by region

- Africa: 45.70%
- Latin America and Oceania: 12.70%
- Europe: 34%
- Asia: 32.80%
- Others: 4.50%

Legend:
- China in 2009
- DAC in 2010
By countries

- Latin America and the Caribbean: 17
- Africa: 49
- East Europe: 12
- Asia: 30
- Oceania: 8
By Income Groups

LDC: 24.58% (DAC in 2008), 39.70% (China in 2009)
Low-income Country: 7.69% (DAC in 2008), 23.40% (China in 2009)
Lower Middle income: 19.90% (DAC in 2008), 34.78% (China in 2009)
Upper middle Income: 6.70% (DAC in 2008), 11.00% (China in 2009)
other: 6% (DAC in 2008), 26.25% (China in 2009)
5. Field

China

– Agriculture
– Industry
– Economic Infrastructure
– Public Facilities
– Education
– Medicine and Public Health
– Clean Energy and Coping with Climate Change
– Humanitarian assistance
– Debt relief

DAC

– Education, health and population
– Other social infrastructure
– Economic infrastructure
– Production
– Mult isector
– Programme assistance
– Debt relief
– Humanitarian aid
6. China, SSC and International Development Architecture

China's foreign aid falls into the category of South-South cooperation and is mutual help between developing countries:

- Unconditionality
- Project assistance
- Technical cooperation
- More flexible and responsive to national priorities
- Mostly no clear aid framework and policy

Key concerns with DAC and new aid structure:

- Aid-governance
- Interference and government
- Management cost and transaction
- Aid and development
- Transparency, report
- Tied aid
7. Output and Impact

- Road in Cambodian
- Water supply in Niger
- Bridge in Mali
- Irrigation in Tunis
- Sugar plant in Mali
- Textile in Benin
Output and Impact

- Agricultural demonstration centers in Madagascar
- Primary school in Botchiwana
- Biogas in Tongan
- Scholarship
- Training in China
- Hospital