

China's Aid from the Bottom Up: Recipient Country Reporting on Chinese Development Cooperation Flows

Jonathan Glennie, Peter Grinsted, and Hannah Ryder

Abstract

China is one of the best-known emerging powers in international development cooperation. In 2014, China's aid flows were officially estimated at over US\$4 billion a year—similar volumes to Canada and Norway, and about a third of the size of the UK's aid budget. China's Belt and Road Initiative (BRI), announced in 2013, is the flagship under which China has made hundreds of pledges to support different countries and regions around the world in different ways. To date, however, there has been very little literature—or data—released on the effectiveness of Chinese cooperation in delivering poverty reduction and sustainable development.

This policy paper aims to fill this gap by shedding light on China's global impact “from the bottom up.” The paper uses three rounds of data submitted since 2014 by countries receiving Chinese aid to a process known as the “Global Partnership for Effective Development Cooperation” (GPEDC). To supplement the data, the paper also includes results of surveys and a series of interviews with key individuals involved in reporting Chinese development cooperation data within recipient countries.

Drawing on the limited data available, we find that China performs well on some metrics of development effectiveness compared to other development partners, especially short-term predictability and transparency on budget. However, China lags behind on focus on results and some aspects of country ownership. The paper also provides the results of interviews and a survey to understand *why* and *how* the recipient countries did gather the data and the challenges they faced.

The paper uses these findings to draw conclusions and make recommendations for recipient countries, China, and the broader international community, with the aim of improving the impact of international development cooperation.

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Contents

| | |
|--|----|
| Foreword | 1 |
| Executive summary | 2 |
| 1. Introduction | 5 |
| Purpose of this paper | 7 |
| Methodology | 8 |
| Definitions | 8 |
| Structure of this paper | 9 |
| 2. Assessing GPEDC data on China’s development effectiveness | 10 |
| Reporting trends | 11 |
| Volume data..... | 14 |
| Indicator by indicator analysis | 19 |
| 3. Why and how countries report on China’s development cooperation and effectiveness | 26 |
| Recipient countries see Chinese data as essential, for various reasons | 27 |
| China is moderately effective at monitoring results..... | 28 |
| Poor coordination may explain medium-term predictability and alignment..... | 28 |
| Chinese aid is not sufficiently aligned to country plans and priorities | 29 |
| Many countries find it easier to report China’s loans “on budget” | 29 |
| Recipient countries usually ask local Chinese offices—not Beijing—to provide data ... | 34 |
| There is no clear pattern why some Chinese country representatives help with providing data..... | 35 |
| Where data is provided, economic counsellors are key interlocutors | 35 |
| Reporting recipient countries often have to reformat data from China | 36 |
| Data collection from China is improving for some, not for others | 36 |
| Recipient countries say more help is needed..... | 37 |
| 4. Conclusions and recommendations | 38 |
| 1. Recommendations for recipient country governments..... | 39 |
| 2. Recommendations for the Chinese authorities..... | 40 |
| 3. Recommendations for international stakeholders..... | 42 |
| Annex I: Survey | 44 |

Foreword

Under the mantle of “great power competition,” the United States along with other G7 countries have turned to the arena of development to frame the debate they are having with China. As a force to spur the reduction of global poverty and other elements of the UN Sustainable Development Goals (SDGs), this approach carries considerable risk. With echoes of the Cold War, the use of aid as a weapon aimed not at poverty but at a rival power suggests that developing countries themselves are merely the turf on which this conflict plays out.

Of course, that represents an extreme case, and we can hope for better behavior from donor governments, with actions that are tied to the multi-decade agenda in support of effective aid and development policies. As a starting point, and before things get too far off track, it would behoove these donors to shift their focus a bit, so that they spend less time talking to (or yelling at) each other, and more time listening to the people whose lot they are seeking to improve.

From this standpoint, “China’s Foreign Aid: A Primer for Recipient Countries, Donors, and Aid Providers,” marks a very useful contribution. This paper, commissioned by CGD with authors from Development Reimagined, seeks to answer a simple but critical question: what do developing countries think of China as a source of aid and development finance? The results may not satisfy anyone deeply vested in the clearly drawn battle lines of the great power competition. Perhaps unsurprisingly, developing country views are nuanced. These countries clearly value support from China. They are also critical of many of its aspects.

Hopefully, papers like this one will help keep the focus on the voices of developing countries. These voices offer clear guidance on how China can reform its aid practices, and they are just as clear on what is working well in their China partnerships. That ought to be valuable information for all donors.

Scott Morris

Co-Director of Sustainable Development Finance and Senior Fellow
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Executive summary

In 2014, China’s aid flows were officially estimated at over US\$4 billion a year;¹ several nonofficial estimates have been made since then. To date, however, there has been very little literature—or data—released on the effectiveness of Chinese cooperation in delivering poverty reduction and sustainable development.

This policy paper aims to fill this gap by shedding light on China’s global impact “from the bottom up.” The paper uses three rounds of data submitted since 2014 by countries receiving Chinese aid to a process known as the “Global Partnership for Effective Development Cooperation” (GPEDC). To supplement the data, the paper also includes results of surveys and a series of interviews with key individuals involved in reporting Chinese development cooperation data within recipient countries.

The primary audience for this analysis is recipient countries, although suggestions are drawn for other stakeholders. The paper aims to help recipient countries to build the agency to demand what *they* need, delivered in the *way* they need it from China and all development partners. As a by-product, this paper could also help the Chinese government and other stakeholders, especially those involved in the new China International Development and Cooperation Agency (CIDCA), to gather ideas for what can be done better, as well as help other development partners understand China’s approaches, and improve their own development cooperation based on recipient country views.

The paper begins by introducing its data sources and its background. In particular, it notes that over time, recipient countries have been trying to gather and share more information about the Chinese aid they receive. In the latest round of data reports to the GPEDC, in 2018, 27 countries out of a maximum 86 overall reporters (31 percent) returned data on China (see Figure 1).

Figure 1. Number of recipient countries reporting on China in each round of GPEDC surveys



¹ White paper: China’s Foreign Aid (2014)- Information Office of the State Council: http://english.www.gov.cn/archive/white_paper/2014/08/23/content_281474982986592.htm

While the GPEDC data from recipient countries on China (and indeed on all donor countries) has major gaps and potential biases, the latest data now covers over US\$1 billion of Chinese aid (see Figure 2).

Figure 2. Volumes of China aid reported in each round of GPEDC surveys



Source: GPEDC

Drawing on the limited data available, we find that China performs well on some metrics of development effectiveness compared to other development partners, especially short-term predictability and transparency on budget. However, China lags behind on focus on results and some aspects of country ownership. The paper also provides the results of interviews and a survey to understand *why* and *how* the recipient countries did gather the data and the challenges they faced.

Overall, while recipient countries appreciate China's support, most also find that managing China's complex loan and grants procedures, simply for recording and budget purposes, let alone for results monitoring and evaluation, is a huge challenge. Yet, they all feel it is essential to do so.

The paper uses these findings to draw conclusions and make recommendations for recipient countries, China, and the broader international community, with the aim of improving the impact of international development cooperation.

Recipient countries should:

- continue to (or begin to) publish their data;
- learn from what has worked in other countries;
- assign one (or two) people to sign off on all China's aid (especially grants);
- design a clear methodology for calculating loan data from China; and
- reach out to the Chinese authorities in country (especially the economic counsellor).

Chinese authorities should:

- make country-level data available;

- untie aid and use country systems;
- strengthen the authority of local Chinese officials;
- assign one person in Beijing to sign off all grants;
- attend and support cooperation meetings; and
- attend and provide input into international development cooperation meetings.

International community actors, including multilateral organisations such as the United Nations and the Organisation for Economic Co-operation and Development (OECD) should:

- provide active support with funding and/or training for reporting on-the-ground in and by recipient countries;
- support the GPEDC process by participating more actively; and
- encourage the GPEDC to reassess its processes and methodologies.

This paper provides evidence that recipient countries are interested in and committed to gathering and sharing data on China's development cooperation and its effectiveness. They want more agency in their relationship with China, and this should be welcomed and supported, by all stakeholders.

1. Introduction

China is one of the best-known emerging powers in international development cooperation. In 2014, China's aid flows were officially estimated at over US\$4 billion a year— similar volumes to Canada and Norway, and about a third of the size of the UK's aid budget.² China's Belt and Road Initiative (BRI), announced in 2013, is the flagship under which China has made hundreds of pledges to support different countries and regions around the world in different ways. Indeed, China is not just “one actor,” and its financial assistance comes in many forms, not just grants, but also interest-free, concessional, and commercial loans of various lengths, *and* foreign direct investment. China also offers far more than financial assistance – it provides preferential trade treatment to poorer countries, and it is increasingly contributing to the World Bank, the UN, and other multilateral agencies, such as the African Union, for specific projects and cooperation areas. China also provides less quantifiable “support,” such as scholarships and trainings, cultural/knowledge exchange (for example, via Confucius Institutes and journalism training), peacekeeping, medical emergency teams for various health or disaster issues, and so on.

Sometimes these other forms of finance assistance are included in China's official and non-official aid estimates, sometimes they are not. But whatever the source of the estimates, the key fact is that there has been a noticeable rise—especially over the last 10 years—of all types of support from China to other countries.

Since the emergence of China and other emerging economies as major players in development cooperation, there have been attempts to draw lessons from the different approaches found in “traditional” official development assistance (ODA) and South-South cooperation. A critical focus has become “development effectiveness,” building on the realisation that it is not the size of the *input* that matters so much as the *outcomes* and *impact* made on intended beneficiaries.

Norms for “development effectiveness” initially emerged in the early 2000s, led by a coalition of developing countries that were recipients of aid. At that time, recipient countries called on members of the Development Assistance Committee (DAC) of the OECD to adhere to these norms, and the DAC countries agreed to do so in the 2005 Paris Declaration on Aid Effectiveness, which has had varying degrees of success over the years.³

Recipient countries soon realised that these norms were developed for a particular set of aid relationships and were not necessarily the most appropriate framework of priorities for China's development cooperation, or indeed other types of South-South cooperation. At a 2011 international meeting in Busan, Korea, an updated set of principles emerged under the

² White paper: China's Foreign Aid (2014)- Information Office of the State Council:
http://english.www.gov.cn/archive/white_paper/2014/08/23/content_281474982986592.htm

³ Paris Declaration and Accra Agenda for Action :
<https://www.oecd.org/dac/effectiveness/parisdeclarationandaccraagendaforaction.htm>

stewardship of a new international platform: the Global Partnership for Effective Development Cooperation (GPEDC).⁴ These principles are:

- focus on results
- inclusive partnerships
- transparency and mutual accountability
- country ownership

These principles are monitored using the following 13 indicators under 10 categories:

Table 1. The 13 GPEDC Monitoring Framework Indicators

| No. | Description of Indicator | Most relevant development effectiveness principle |
|-----|--|---|
| 1a | Development partners use country-led results frameworks | Results |
| 1b | Countries strengthen their national results frameworks | Results |
| 2 | CSO Enabling Environment Assessment | Inclusivity |
| 3 | Quality of public-private dialogue index | Inclusivity |
| 4 | Information on development cooperation is publicly available | Transparency |
| 5a | Proportion of development cooperation funding disbursed within the fiscal year within which it was scheduled by providers of development cooperation | Country ownership |
| 5b | Proportion of development co-operation funding covered by indicative forward spending plans provided at country level | Country ownership |
| 6 | Percentage of development cooperation funding scheduled for disbursement that is recorded in the annual budgets approved by the legislatures of developing countries | Transparency |
| 7 | Percentage of countries that undertake inclusive mutual assessments of progress in implementing agreed commitments | Transparency |

⁴ The Global Partnership for Effective Development Co-operation is a multi-stakeholder platform to advance the effectiveness of development efforts by all actors, to deliver results that are long-lasting and contribute to the achievement of the Sustainable Development Goals (SDGs). The work of the Global Partnership is based on the four shared principles of effective development co-operation. These principles were agreed in 2011 by more than 160 countries and 50+ organisations in the Busan Partnership Agreement, the outcome the Fourth High-Level Forum on Aid Effectiveness (Busan, South Korea): 1. Ownership of development priorities by developing countries; 2. Focus on results; 3. Inclusive development partnerships; 4. Transparency and accountability to each other.

| | | |
|----|---|-------------------|
| 8 | Percentage of countries with systems that track and make public allocations for gender equality and women's empowerment | Transparency |
| 9a | Quality of developing country public financial management systems | Country ownership |
| 9b | Use of country-owned public financial management and procurement systems | Country ownership |
| 10 | Untied aid | Country ownership |

The GPEDC indicators evolved from the Paris indicators, which were developed with little input from China or other South-South providers. This makes them somewhat difficult for China to adopt wholeheartedly, both for technical reasons (the indicators may not be the most appropriate for Chinese aid, which has some similarities but also many distinctions from OECD DAC aid) and political ones (regardless of their practical utility, China feels it should be involved in developing indicators that affect it). However, the GPEDC reports (which are co-authored by the United Nations Development Programme and OECD) currently represent the best collated approximation of recipient countries' own assessments of the value and effectiveness of foreign aid interventions and development cooperation. There are no other mechanisms to do so at the moment.

According to the GPEDC monitoring reports, the development effectiveness principles have led to somewhat improved action by OECD DAC countries to make their support for recipients more effective.⁵ The reports also suggest that several recipient countries are starting to use the GPEDC reporting mechanism as a means to also hold major South-South players accountable for development effectiveness, including China.

Purpose of this paper

The Chinese government has reiterated its commitment to having a positive global impact through foreign aid.⁶ However, because of a lack of transparency and some definitional challenges, China's global plans are not well understood, nor are the impacts of its assistance well-documented. This paper aims to shed light on China's global aid footprint and impact "from the bottom up" by unpicking the reports made by recipient countries about China's aid flows in the GPEDC surveys to date, complemented by other sources of data and evidence.

⁵ UNDP (2015)- Demand Driven Data: How Partner Countries are gathering Chinese Development Cooperation Data: <https://www.cn.undp.org/content/china/en/home/library/south-south-cooperation/demand-driven-data--how-partner-countries-are-gathering-chinese.html>

⁶ The Logic Behind China's Aid agency: <https://carnegieendowment.org/2019/05/21/logic-behind-china-s-foreign-aid-agency-pub-79154>

Building on the 2015 report by UNDP China “Demand Driven Data: How Partner Countries are Reporting on Chinese Development Cooperation”⁷, this paper examines which countries report on Chinese aid, why they do so, how they are able to gather the data, and what challenges they face. It also looks at some of the underlying development effectiveness metrics, although only tentatively given weak data availability. The paper draws conclusions and makes recommendations for recipient countries, China, and international stakeholders.

Methodology

The 2015 UNDP report examined the data reported in the 2014 GPEDC survey, while this paper looks at the more recent data from the 2016 and, particularly, 2018 surveys. As well as the data from the GPEDC surveys, this paper relies on evidence from:

- a literature review including data analysis;
- a bespoke survey sent to 78 recipient country governments;
- responses collected (including via in-depth interview) from relevant in-country stakeholders, including the governments of Angola, Cameroon,^{*8} Côte d'Ivoire, Georgia, Mauritania, Papua New Guinea (PNG),* Uganda, the Solomon Islands, Vanuatu, and Zimbabwe.*

Definitions

Strictly defining “aid” can be difficult, partly because the term is so general, with different stakeholders and institutions using different definitions. Until 2010, when China issued its first “White Paper on Foreign Aid,” China avoided the word “aid,” and to some degree, it still prefers to use “development cooperation.” While ODA, as provided by DAC members, has a strict (if imperfect and changing) definition, no such clarity exists for South-South cooperation, including flows from China.

This paper uses the term “aid” as shorthand for grant and concessional financial assistance to foreign countries and regions for the purposes of development. For the purposes of this paper, we primarily rely on the work of recipient countries in defining what does and does not count as Chinese aid, and on the Chinese government itself and other organisations where figures are available. Following the language used by the GPEDC, we use the terms “development partners” and “providers” to refer to all aid donors/contributors, whether high-income, OECD, or emerging, upper-middle economies, and the term “recipient countries” for the recipients of aid, loans, or other forms of development cooperation.

⁷ UNDP- Demand Driven Data: How Partner Countries are gathering Chinese Development Cooperation Data: <https://www.cn.undp.org/content/china/en/home/library/south-south-cooperation/demand-driven-data---how-partner-countries-are-gathering-chinese.html>

⁸ *Means follow up telephone or in-person interview was also carried out.

Structure of this paper

The paper is structured in four chapters. After this introductory chapter, the paper examines recipient country reporting via the GPEDC from the bottom-up, assessing the data available on the effectiveness of Chinese development cooperation. Chapter 3 continues by looking at the reporting in more depth, and discussing key challenges faced by recipients through a discussion of survey and interview responses. Finally, the paper finishes by drawing conclusions and making recommendations.

2. Assessing GPEDC data on China's development effectiveness

This chapter considers three key questions: *What volumes of Chinese development cooperation are recipient countries reporting? What are recipient countries saying about how the cooperation is managed? And how effective is the cooperation?*

In order to answer these questions, this section relies heavily on data from the most recent GPEDC survey, from 2018 (and to some extent from the previous two surveys of 2014 and 2016, in order to review trends). The GPEDC survey usually asks recipient countries for volume data as well as information related to a total of 13 indicators.

Although the GPEDC data collection process is useful, the process itself and its indicators have major limitations and caveats, which apply generally as well as specifically to Chinese aid data. It is not the remit of this paper to provide a summary of the general challenges faced by the GPEDC in terms of the process and indicators, nor to critique particular indicators. Others have covered the politics of GPEDC extensively⁹ and there have been formal mechanisms to review the indicators,¹⁰ especially in light of shifts in development finance agreements and achievement of the UN Sustainable Development Goals. However, it is also important to note three specific limitations of the data collated for China, some of which also apply to other development partners or “providers.”

1. **The data is not exhaustive.** Through the three rounds of GPEDC reports analysed in this paper, a total of only 35 recipient countries have reported on China's aid. The countries reporting in each round vary, and only four countries reported on China in all three rounds. Further to this, in many instances, some recipient countries reported on only one indicator, and the majority reported on less than five indicators. This makes it difficult to draw reliable conclusions and recommendations. While comparing China's reported aid effectiveness with other providers, it is essential to consider the number of recipient countries reporting on each indicator for each provider, and potential subsequent impacts and/or bias.
2. **As part of their reporting to GPEDC, recipient countries are asked to only report upon the six largest projects from each development partner/ provider.** This feature of GPEDC reporting makes it likely that projects in countries with many Chinese aid funded projects or programmes, especially smaller grants or projects, are not included in the dataset. While this does not necessarily affect the comparison with other development cooperation providers, as they are subject to the same rules, it may skew some results. For example, many other development cooperation providers issue “loans” not through domestically owned international facing banks but through

⁹ For instance, see: <https://effectivecooperation.org/wp-content/uploads/2017/12/DRAFT-Deb-Bhattacharya.GPEDC-Monitoring-Framework.pdf>

¹⁰ A number of relevant documents may be found on the GPEDC website in relation to these review issues: <http://effectivecooperation.org/monitoring-country-progress/global-partnership-monitoring-2-0/>

multilateral contributions (e.g., to the World Bank). This fairly arbitrary feature of the GPEDC reporting process may, therefore, make it more likely that larger loans provided directly to recipient countries from development cooperation providers (such as China) are included and assessed in this data set.

3. **Potential biases.** It is possible that selection bias exists in this data. For example, countries that are satisfied/unsatisfied with Chinese aid in their countries might be more/less likely to report. However, based on our interviews, which included both positive and negative responses from those who submitted data and who didn't, we do not think this bias exists.

Finally, it should also be noted that eight of the 13 current indicators on the GPEDC survey refer to issues that are either not directly related to recipient country governments' experience of development partners/providers such as China (such as the enabling environment for civil society organisations in recipient countries) or refer to data that recipient country governments are not expected to report on (such as transparency of reporting or "tied aid," which development partners/providers are supposed to report on instead). This study therefore only focuses on the **five remaining indicators**. They are listed in Table 2 along with the development effectiveness principle(s) they best relate to.

Table 2. Development effectiveness indicators relevant to direct experiences of development partners by recipient countries

| No. | Description of Indicator | Most Relevant Development Effectiveness Principle |
|-----|--|---|
| 1a | Development partners use country-led results frameworks | Results |
| 5a | Proportion of development cooperation funding disbursed within the fiscal year within which it was scheduled by providers of development cooperation (Annual Predictability) | Country Ownership |
| 5b | Proportion of development cooperation funding covered by indicative forward spending plans provided at country level (Medium Term Predictability) | Country Ownership |
| 6 | Percentage of development cooperation funding scheduled for disbursement that is recorded in the annual budgets approved by the legislatures of developing countries | Transparency |
| 9b | Use of country-owned public financial management and procurement systems | Country Ownership |

Reporting trends

A growing number of countries reporting on Chinese aid

Not all recipient countries use the GPEDC survey to report on Chinese aid: 86 countries responded to the GPEDC monitoring survey in 2018, but only 31 percent of those (27

countries) returned data on China. Still, there is an upward trend in reporting on China. In the first GPEDC survey (2014), only 11 countries reported on any indicators for Chinese aid (24 percent of the total 46 countries reporting on any provider). In 2016, that number rose to 13 (16 percent of 81) (see Figure 3).

Figure 3. Number of recipient countries reporting on China in each round of GPEDC surveys



Table 3 compares this increase in reporting with the increase for other major aid providers. The number of recipient countries reporting on China’s aid has grown faster since 2014 than those reporting on aid from the United States, Japan, and the UK, albeit from a lower base. Only three more recipient countries reported on UK aid than China aid in 2018.

Table 3. Number of recipient countries reporting on four provider countries in each round of GPEDC surveys

| GPEDC round | China | US | Japan | UK |
|-----------------------------|-------|-----|-------|-----|
| 2014 | 11 | 32 | 41 | 19 |
| 2016 | 13 | 46 | 62 | 21 |
| 2018 | 27 | 51 | 62 | 30 |
| 2014-2018 % increase | 145% | 59% | 51% | 58% |

Diverse characteristics of reporting countries

Overall, a total of 35 recipient countries reported on Chinese development cooperation at least once in 2014, 2016, or 2018 (see Table 4). Only five recipient countries reported at least one indicator on Chinese aid in all three GPEDC surveys: Cambodia, Madagascar, Mali, Nepal, and Samoa. The recipient countries that reported on one indicator only in 2018 are also highlighted in the table. This means there is very little trend data available.

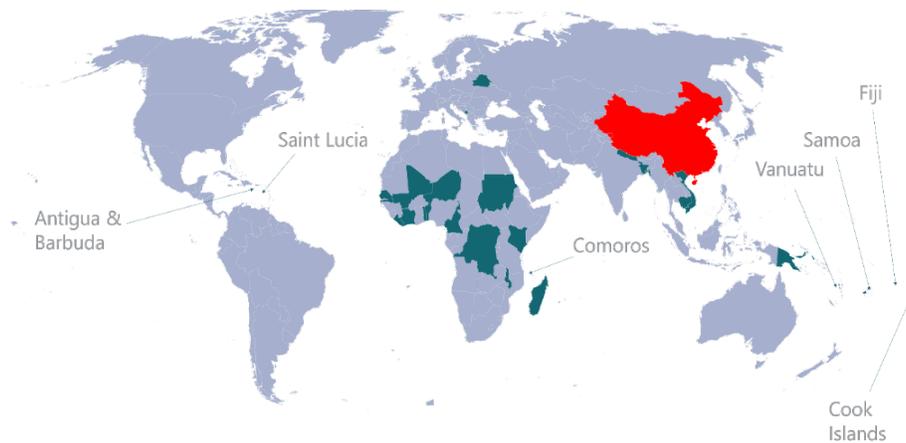
Table 4. The 35 recipient countries that have reported on Chinese development cooperation via GPEDC

| Country | 2014 | 2016 | 2018 |
|-------------------|------|------|------|
| Antigua & Barbuda | | | |
| Bangladesh | | | |
| Belarus | | | |
| Benin | | | |
| Burundi | | | |
| Cambodia | | | |
| Cameroon | | | |
| Comoros | | | |
| Congo | | | |
| Cook Islands | | | |
| Costa Rica | | | |
| DRC | | | |
| Fiji | | | |
| Ivory Coast | | | |
| Kenya | | | |
| Liberia | | | |
| Madagascar | | | |
| Malawi | | | |
| Mali | | | |
| Mauritania | | | |
| Moldova | | | |
| Montenegro | | | |
| Nepal | | | |
| Niger | | | |
| Papua New Guinea | | | |
| Philippines | | | |
| Saint Lucia | | | |
| Samoa | | | |
| Senegal | | | |
| Sudan | | | |
| Tajikistan | | | |
| Togo | | | |
| Vanuatu | | | |
| Vietnam | | | |
| Zimbabwe | | | |
| TOTAL | 11 | 13 | 27 |

It is hard to generalise about why *these countries* report rather than others based on their geography or other characteristics. For instance, of the 27 countries reporting on Chinese aid in 2018:

- 14 are in Africa, 5 in Oceania, 4 in Asia, 2 in Europe, and 2 in Latin America and the Caribbean;
- 2 are high income, 5 upper-middle income, 10 lower-middle income, 10 low income (by World Bank 2017 classifications);
- 8 are small island developing states;
- 14 are considered “fragile states” and 2 “very fragile states” in the OECD’s “States of Fragility Framework”;
- 6 have NOT (yet) signed MOUs with China on the Belt and Road Initiative (BRI).

Figure 4. Recipient countries that reported on Chinese aid data for the 2018 GPEDC



Volume data

The data from the GPEDC survey on aid volumes is complicated, with changes in the survey providing different measures of disbursement, along with some inconsistencies. As shown in Table 5, the number and selection of countries reporting on development cooperation disbursement volumes changes in each round of GPEDC.

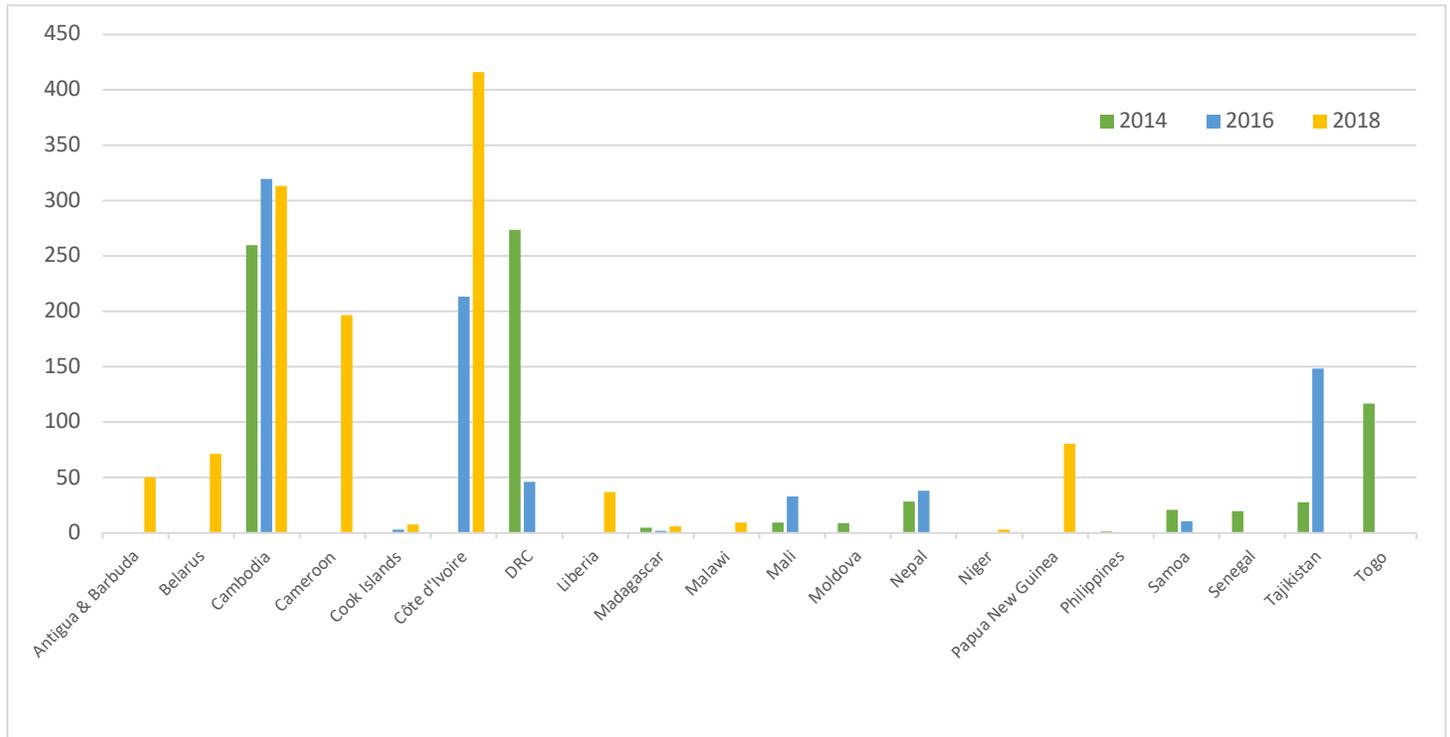
Table 5. The recipient countries that reported on Chinese development cooperation volume via GPEDC

| Country | 2014 | 2016 | 2018 |
|-------------------|------|------|------|
| Antigua & Barbuda | | | |
| Belarus | | | |
| Cambodia | | | |
| Cameroon | | | |
| Cook Islands | | | |

| | | | |
|------------------|----|---|----|
| DRC | | | |
| Ivory Coast | | | |
| Liberia | | | |
| Madagascar | | | |
| Malawi | | | |
| Mali | | | |
| Moldova | | | |
| Nepal | | | |
| Niger | | | |
| Papua New Guinea | | | |
| Philippines | | | |
| Samoa | | | |
| Senegal | | | |
| Tajikistan | | | |
| Togo | | | |
| TOTAL | 11 | 9 | 11 |

In total, over the three rounds of GPEDC survey, there is volume data that relates to 20 countries in total (out of a possible 35 that reported on Chinese development cooperation over the three rounds). However, some of these countries only reported their volume data once, and others several times, as shown in Figure 5. For those that reported volumes in multiple years, reported volumes vary significantly from year to year. While Cambodia, which reported in all three rounds, shows relatively stable volumes of development cooperation from China (ranging between US\$259 and \$319 million in each round), the DRC reported approximately US\$274 million of development cooperation in 2014, only US\$46 million in 2016, and didn't report on volumes at all in 2018.

Figure 5. Disbursements of Chinese development cooperation by 20 reporting countries over three GPEDC rounds (USD, millions)



Loans dominate Chinese aid reported to GPEDC

The data show that loans are more prevalent than grants in China’s reported development cooperation flows. As noted above, the 2018 round of reporting contains volume data from 11 of the 27 countries (see Figure 6). In total, these flows add up to over US\$1 billion, with the majority going to three countries: Côte d’Ivoire, Cameroon, and Cambodia. A high proportion—86 percent—of these flows take the form of concessional loans, while total grants to all 11 countries equal just over US\$200 million.

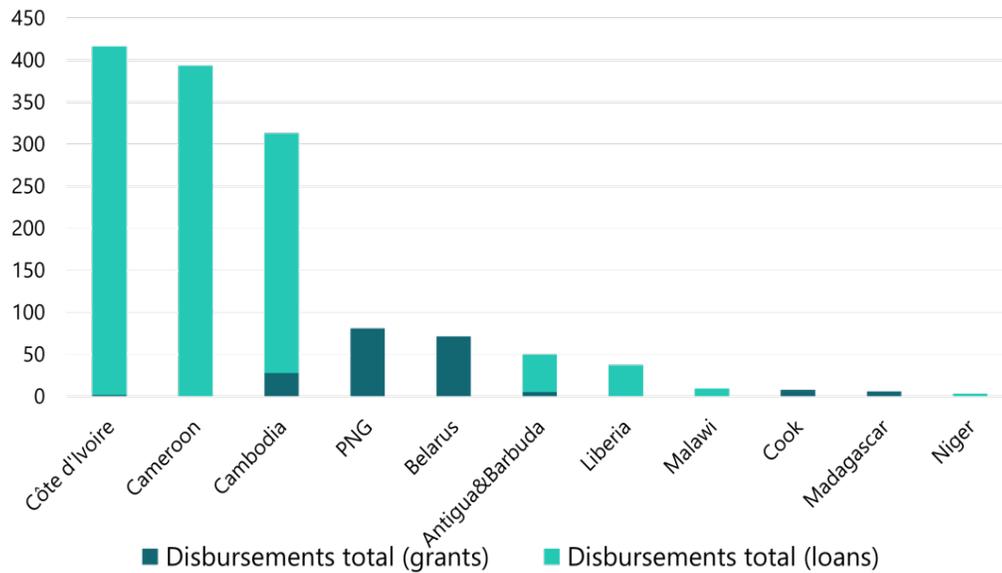
These numbers could be a function of survey design: by asking respondents only to report the six largest projects, the GPEDC may bias its results toward loans (big projects) rather than grants (smaller projects). Indeed, for the three biggest aid recipients, almost all aid is in loan form. However, some countries reported only grants, namely PNG,¹¹ Belarus, the Cook Islands, and Madagascar. From other academic reviews and media reports, it appears these countries *have* received loans from China over the relevant periods,¹² so the “six largest

¹¹ In the survey return, PNG stated that they also receive substantial Chinese credit finance.

¹² For instance, the Johns Hopkins SAIS China-Africa Research Initiative Africa Loans Database suggests that Madagascar borrowed loans with China in 2015, 2016 and 2017 to the total value of US\$365 million. See: Lucas Atkins, Deborah Brautigam, Yunnan Chen, and Jyhjong Hwang 2017. "China-Africa Economic Bulletin #1:

projects reported” issue is not necessarily the reason for this predominance of loans in the results. Instead, it may be an issue of lack of clear guidance from GPEDC to be able to achieve consistent cross-country reporting.

Figure 6. Reported development cooperation flows from China in 2018 round of reporting for GPEDC (all figures in US\$ millions)



Few indicators reported on

Although more countries than ever reported on Chinese aid in 2018, 16 of the 27 countries reporting in 2018 only had data for one effectiveness indicator. The indicator they reported on was 5b, on the predictability of disbursements. Information on how many countries reported on the six key indicators is presented in Table 7.

Table 7. Recipient countries reporting on Chinese development cooperation

| Indicator | 2014 (total = 11 countries) | | 2016 (total = 13 countries) | | 2018 (total = 27 countries) | |
|---|--------------------------------|-------------|--------------------------------|-------------|--------------------------------|-------------|
| | Number reporting | % reporting | Number reporting | % reporting | Number reporting | % reporting |
| 1a: Development partners use country-led results frameworks | 0 | 0 | 6 | 46 | 6 | 22 |
| 5a: Development co-operation is predictable (annual) | 11 | 100 | 9 | 69 | 8 | 30 |
| 5b: Development co-operation is predictable (medium term) | 11 | 100 | 11 | 85 | 26 | 96 |
| 6: Development co-operation is included in budgets subject to parliamentary oversight | 11 | 100 | 9 | 69 | 8 | 30 |
| 9b: Development partners use country systems | 11 | 100 | 9 | 69 | 11 | 41 |

The limited cross-country and trend data suggest that the data is too weak to support any strong generalisations. All analysis in this section should therefore be taken with that strong caveat. Tackling this lack of good and widespread data must be the main objective for development effectiveness analysts interested in China in the coming years. Nevertheless, further insights are possible from reviewing the data in more depth.

Recipients appear moderately optimistic on China’s development effectiveness

It is possible to be moderately optimistic about the effectiveness of China’s aid. According to the limited data reported, China’s aid appears to be more effective on different elements than other development partners, according to GPEDC criteria. Or, put another way, the limited data available from recipient countries does not support some of the statements made by China’s aid critics.

For four of the five indicators assessed in this paper, China appears to perform better than the averages for DAC members, multilateral development banks, and UN agencies (see Table 8). For instance, China scores better than all others on use of results frameworks; on predictability (annual and medium-term), which relates to the principle of country ownership; and on presenting data on budget, which relates to the principle of transparency. However, China scores worse than OECD DAC countries and the multilateral development banks on using country systems (country ownership), although still higher than UN agencies.

Table 8. China vs. other providers/partners on a selection of indicators in 2018

| Indicator | China | OECD DAC Average | MDBs | UN Agencies |
|---|-------|------------------|------|-------------|
| 1a: Use of country-owned results frameworks | 83 | 56 | 72 | 56 |
| 5a: Annual predictability | 100 | 88 | 83 | 82 |
| 5b: Medium-term predictability | 75 | 53 | 62 | 51 |
| 6: On budgets (parliamentary scrutiny) | 80 | 55 | 66 | 27 |
| 9b: Use of country systems | 33 | 56 | 40 | 15 |

Note: The data in this table—derived directly from the “GPEDC Dashboard”—is not necessarily from the same set of recipient countries for each of the providers/partners. Each provider/partner’s score comes from those recipient countries that reported on it, which may differ across providers. Nevertheless, the results are interesting indicators. The dashboard can be found and explored here:

<http://dashboard.effectivecooperation.org/partner>

Indicator by indicator analysis

Exploring each of the five relevant indicators in turn provides a more in-depth analysis and an opportunity to discuss qualitative information in relation to the indicators alongside the quantitative information. To provide accurate comparisons, reported indicators on Chinese development cooperation are compared with indicators on the average of all other bilateral providers of development cooperation by the *same set* of recipient countries which reported on Chinese flows in 2018. For clarity, a traffic light system is used to compare China to this average, as follows:



China’s use of country-owned results frameworks is variable

Indicator 1a of the GPEDC monitoring framework is meant to measure whether development cooperation is focused on results that meet the recipient countries’ stated priorities. Just six countries reported on Chinese aid under Indicator 1a in 2018 (Table 9). The results are presented alongside those for each of the six countries’ reported Indicator 1a results for an average of all providers.

Cameroon stands out in this table, as Chinese aid (mostly loans) was reported as meeting the sub-indicators 100 percent of the time, significantly better than the average of other providers of development cooperation to Cameroon. On the other end of the spectrum,

Chinese aid to Cambodia (mostly loans) and Madagascar (mostly grants) performs significantly worse than average. This disparity implies that there is little that can be generalized about Chinese aid effectiveness in terms of focus on results—the findings for this indicator appear very country-specific.

Table 9. Recipient countries reporting on indicator 1: China vs average of all providers in 2018

| Country | Provider | Indicator1a1: % of new development interventions that draw their objectives from country-led results frameworks | Indicator1a2: % of results indicators drawn from partner country-led results frameworks | Indicator1a3: % of results indicators monitored using the partner country's own sources | Indicator1a4: % of new interventions that plan a final evaluation with partner country involvement |
|----------------------------|----------------|--|--|--|---|
| Antigua and Barbuda | Average of all | 1 | NA | NA | 0 |
| | China | 1 | NA | NA | 0 |
| Belarus | Average of all | 0.87 | 0.264 | 0.238 | 0.304 |
| | China | 1 | NA | NA | 1 |
| Cambodia | Average of all | 0.699 | 0.523 | 0.437 | 0.615 |
| | China | 0 | NA | NA | NA |
| Cameroon | Average of all | 0.929 | 0.718 | 0.716 | 0.841 |
| | China | 1 | 1 | 1 | 1 |
| Madagascar | Average of all | 0.842 | 0.558 | 0.288 | 0.77 |
| | China | 0 | NA | NA | NA |
| Papua New Guinea | Average of all | 0.973 | 0.609 | 0.444 | 0.902 |
| | China | 1 | NA | NA | 1 |

China's aid is very predictable in the short-term

Indicators 5a and 5b look at the predictability of aid annually and over the medium term respectively. In 2018, eight countries reported on indicator 5a (Table 10). For all eight of these recipient countries, China's development cooperation flows were disbursed promptly as scheduled, if not earlier—four of the eight reported disbursements faster than scheduled (or “beyond scheduled”). These “beyond scheduled” disbursements range from 5 percent for Antigua and Barbuda, to double (100 percent beyond scheduled) for the Cook Islands.

China's development cooperation disbursements (at 100 percent or above scheduled for each reporting recipient country) are reported as more predictable (at an annual level) than the average of all other providers' disbursements for each country which reported on China in 2017. This tallies with both qualitative and anecdotal assessments of Chinese aid, i.e., that it is disbursed promptly, compared with traditional DAC providers.

Table 10. Recipient countries reporting on indicator 5a: China vs average of all providers in 2018

| Country | Provider | Indicator 5a: % of funding disbursed as scheduled | Indicator 5a: % of funding disbursed beyond scheduled |
|---------------------|----------------|---|---|
| Antigua and Barbuda | Average of all | 72% | 3% |
| | China | 100% | 5% |
| Belarus | Average of all | 85% | 0% |
| | China | 100% | 0% |
| Cambodia | Average of all | 79% | 33% |
| | China | 100% | 53% |
| Cameroon | Average of all | 97% | 0% |
| | China | 100% | 0% |
| Cook Islands | Average of all | 93% | 39% |
| | China | 100% | 100% |
| Côte d'Ivoire | Average of all | 97% | 7% |
| | China | 100% | 0% |
| Madagascar | Average of all | 85% | 2% |
| | China | 100% | 68% |
| Niger | Average of all | 86% | 5% |
| | China | 100% | 0% |

China's aid is less predictable than aid from other donors in the medium term

Indicator 5b measures the medium-term predictability of development cooperation disbursements. Indicator 5b is different to Indicator 5a in the sense that it is more of a normative judgement, approximating to some degree an aspect of negotiation before actual commitment (and a specific flow of funds that indicator 5a refers to).

In 2018, 26 countries reported on this indicator for China, more than for any other indicator (Table 11). For six of these countries, Chinese development cooperation disbursements were reported to be more predictable than the average for all partner countries/organisations for the same set of countries. For six others, it was the same. For the remaining 14 countries, China's disbursements were reported as less predictable in the medium term.

Table 11. Recipient countries reporting on indicator 5b: China vs. average of all providers in 2018

| Country | Average of all | China |
|---------------------|----------------|-------|
| Antigua and Barbuda | 0% | 0% |
| Bangladesh | 100% | 100% |
| Belarus | 93% | 100% |
| Benin | 100% | 100% |
| Cambodia | 93% | 100% |
| Cameroon | 77% | 100% |
| Comoros | 94% | 100% |
| Cook Islands | 54% | 0% |
| Fiji | 33% | 33% |
| Kenya | 62% | 33% |
| Liberia | 53% | 0% |
| Madagascar | 52% | 0% |
| Malawi | 52% | 0% |
| Mali | 85% | 67% |
| Montenegro | 0% | 0% |
| Nepal | 37% | 0% |
| Niger | 87% | 0% |
| Papua New Guinea | 87% | 0% |
| Republic of Congo | 0% | 0% |
| Saint Lucia | 38% | 0% |
| Samoa | 66% | 0% |
| Senegal | 96% | 100% |
| Sudan | 40% | 0% |
| Togo | 92% | 100% |
| Vanuatu | 100% | 33% |
| Vietnam | 98% | 0% |

China's aid is typically recorded on budget

Indicator 6 measures whether aid is on budget—that is, is it recorded on recipient countries' own domestic budgets? It is a measure of transparency. In 2018, eight countries reported on this indicator for China, and six of these countries reported that scheduled Chinese aid was completely or, in the case of Côte d'Ivoire, almost entirely, on budget. The remaining two countries reported that none of it was. A caveat, however, is that in some countries (e.g.,

Cameroon, according to interview results) the assessment of these figures refer to loans but not to grants, which appear to remain off-budget and somewhat invisible for some recipient countries, while in some recipient countries, grants appear to be more trackable than loans (see discussion in Chapter 4 for possible reasons for this).

Table 12. Recipient countries 2018 reporting on indicator 6: China vs average of all providers

| Country | Provider | Indicator 6_1: % of aid on budget (of scheduled) | Indicator 6_2: % of aid on budget (beyond scheduled) |
|----------------------------|----------------|--|--|
| Antigua and Barbuda | Average of all | 0% | 0% |
| | China | 0% | 0% |
| Belarus | Average of all | 55% | 0% |
| | China | 0% | 0% |
| Cambodia | Average of all | 78% | 0% |
| | China | 100% | 0% |
| Cameroon | Average of all | 25% | 30% |
| | China | 100% | 0% |
| Cook Islands | Average of all | 100% | 41% |
| | China | 100% | 100% |
| Côte d'Ivoire | Average of all | 58% | 37% |
| | China | 87% | 0% |
| Madagascar | Average of all | 62% | 45% |
| | China | 100% | 99% |
| Niger | Average of all | 28% | 30% |
| | China | 100% | 0% |

China's aid is hardly localised and often tied

Indicator 9b aims to track whether development partners are using country systems such as financial reporting and procurement systems. This indicator provides a proxy for how localised the aid is—whether recipient countries can use their own local contractors to deliver or manage the aid, and so on.

In 2018, 11 countries reported on this indicator (Table 13). Of these 11 countries, only three reported that Chinese aid used their country systems of budget execution, financial reporting, auditing, **and** procurement (except in one case): Cambodia and Cameroon (both mostly loans), and Madagascar (mostly grants). The other eight countries reported that none of the Chinese aid used their country systems.

Table 13. Recipient countries reporting on indicator 9b: China vs average of all providers in 2018

| Country | Average of all | China |
|---------------------|----------------|-------|
| Antigua and Barbuda | 0% | 0% |
| Belarus | 0% | 0% |
| Cambodia | 62% | 72% |
| Cameroon | 82% | 100% |
| Cook Islands | 60% | 0% |
| Côte d'Ivoire | 44% | 0% |
| Liberia | 9% | 0% |
| Madagascar | 36% | 100% |
| Malawi | 29% | 0% |
| Niger | 13% | 0% |
| Papua New Guinea | 28% | 0% |

These scores imply that this is an area where Chinese aid can significantly improve. The scores correspond with qualitative information about China’s aid management process, and in particular, another indicator under the GPEDC framework: Indicator 10 for “tied aid.” Indicator 10 seeks to measure to what degree development partners require loans or grants to be managed and delivered by companies from the provider country. Tied aid is still used by many countries, including the United States and Japan. Evidence shows that tied aid can increase the costs of a development project by as much as 15 to 30 percent.¹³ Untying aid, on the other hand, avoids unnecessary costs and gives the recipient the freedom to procure goods and services from virtually any country. Since Indicator 10 is meant to be reported on by providers of development cooperation, and China does not report through the GPEDC as yet, there is no data on tied aid for China. But the results of Indicator 9b suggest Chinese aid is typically tied—it could explain why the majority countries report that China does not use their systems, while other development partners do.

In addition, under China’s current laws, all loans issued by Chinese development banks and any aid projects that go through domestic procurement processes can only be carried out by Chinese state-owned or private companies. However, this may change to some degree. First, some of China’s contribution to multilateral institutions may be untied. For instance, China’s US\$50 billion capital contribution to the Asian Infrastructure Investment Bank is “untied” because the bank uses international procurement. The same can be said for China’s World Bank contributions, but not necessarily for China’s contributions to the UN as these can be (and often are) tied to a Chinese delivery agency. Second, in 2019, through a new foreign investment law to come into force in 2020, the Chinese government said it will open up

¹³ E.g. see <https://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/untied-aid.htm> and http://www.fdi.gov.cn/1800000121_39_4872_0_7.html

domestic government procurement to foreign firms. This could, in principle, also be applied to projects supported by China abroad and could thereby "untie" aid projects to a greater degree than before.

3. Why and how countries report on China’s development cooperation and effectiveness

As noted in Chapter 2, the diversity among the 27 countries that reported on Chinese development cooperation to the GPEDC in 2018 provides few clues as to why they reported while others did not, and what the challenges were for those who did report. Building on the evidence available from the GPEDC data, we designed interviews and a survey of recipient country governments—both those that had reported on Chinese development cooperation and those that had not—to help answer these questions and suggest possible ways forward. In most cases, these interviewees and survey respondents were the key contact point for GPEDC monitoring for their country, typically senior civil servants in recipient countries. The team also approached recipient countries’ embassies in China to seek assistance with finding appropriate individuals to interview. This section sets out the key findings. The survey is attached in Annex I.

Four countries replied to the survey with substantial responses (Côte d'Ivoire, Papua New Guinea [PNG], Uganda, and Vanuatu) while five others shared shorter but nevertheless useful responses (Mauritania, Angola, Georgia, Solomon Islands and Zimbabwe). Interviews were held with representatives of Cameroon, PNG, and Zimbabwe. Of these respondents, three reported via GPEDC in 2018 (Côte d'Ivoire, PNG, and Vanuatu), and one reported via GPEDC in 2016 (Mauritania). It is important to note that some of the respondents (namely Uganda and Zimbabwe) commented also on the basis of reporting Chinese cooperation in their own national budgetary processes, not necessarily just with regards to GPEDC.

While these interviewees/respondents are clearly experts in their fields, their views should not necessarily be taken as representing the views of their entire governments or citizens. Nevertheless, their remarks should be taken seriously and examined carefully for their implications about what is working and can be improved.

Table 14. Recipient country responses as part of this study

| Country | Survey response level (answered > 50% of Qs) | Interviewed? | Reported on China to GPEDC? |
|-----------------|---|--------------|--------------------------------|
| Angola | Less substantial | No | No |
| Cameroon | Less substantial | Yes | No |
| Côte d'Ivoire | More substantial | No | Yes |
| Georgia | Less substantial | No | No |
| Mauritania | Less substantial | No | Yes |
| PNG | More substantial | Yes | Yes |
| Solomon Islands | More substantial | No | No |
| Uganda | More substantial | No | No |
| Vanuatu | More substantial | No | Yes |
| Zimbabwe | Less substantial | Yes | No |

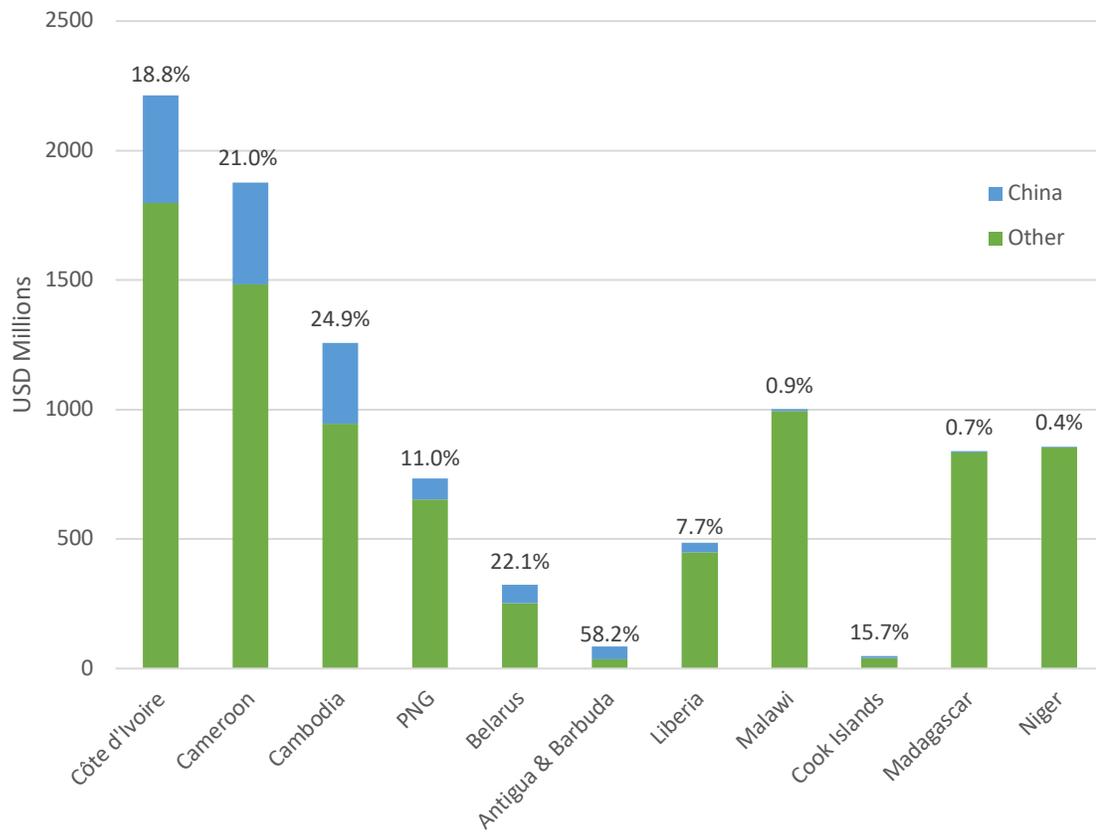
Recipient countries see Chinese data as essential, for various reasons

First, with regards to why the recipient countries reported on Chinese development cooperation, it is worth noting that, perhaps unsurprisingly, all the recipient countries deemed the data on Chinese cooperation to be either *essential* or *moderately essential*.

| | <i>PNG</i> | <i>Vannatu</i> | <i>Côte d'Ivoire</i> | <i>Uganda</i> |
|--|------------|----------------|----------------------|---------------|
| How essential are Chinese development cooperation data to national planning and budgeting processes in your country? | Essential | Moderately | Moderately | Essential |

There is a good reason for this. For many countries, China has become a major, if not the largest, development cooperation partner overall (see Figure 7 and Box 1). China's aid accounted for over 10 percent of reported aid volumes for 7 of the 11 countries that reported aid volumes in the 2018 GPEDC round. However, China's data is complex and China's prominence in development cooperation is an important confirmation of the push for transparency.

Figure 7. Aid from China in as a percentage of total aid (for countries which reported Chinese aid volumes to GPEDC in 2018)



On the other hand, during an interview, Cameroon’s representative noted that Cameroon only started reporting on Chinese aid to the GPEDC in 2018 because they felt obliged to gather this data by the IMF, with which the country began a programme at the end of 2017.

China is moderately effective at monitoring results

When it comes to monitoring impact or results, countries that responded to the survey suggested that China is “*moderately*” effective. This is somewhat in line with the data reported to GPEDC in relation to Indicator 1a, and seems to challenge common assumptions that China fails to carry out due monitoring of its impacts *post hoc*.

| | <i>PNG</i> | <i>Vanuatu</i> | <i>Côte d’Ivoire</i> | <i>Uganda</i> |
|---|------------|----------------|----------------------|---------------|
| How effective are the relevant Chinese authorities at monitoring the impact of their interventions in your country? | Moderately | Moderately | Moderately | Moderately |

However, during the interview, Cameroon noted that there does not seem to be the same emphasis by China on measuring impact as there is with other providers. For example, when Cameroonian civil servants attend seminars in China, there is little or no follow up on the impact of these seminars on their work. Cameroon contrasted this with Japan, where trainees are required to report back on how they are using what was learnt during the training over the next three years. It is worth noting that monitoring and evaluating projects *does* take place in China, but it tends to be an internal process, and evaluation reports/results are not typically published or shared with recipients for comment/input. This stands in contrast to the way DAC providers usually operate.

Poor coordination may explain medium-term predictability and alignment

As noted in Chapter 2, while China’s aid seems to be very predictable in the short-term, GPEDC recipient data suggested it is less predictable and aligned in the medium-term. This finding is backed up by the survey and interview results. Across the board, countries report that they think Chinese officials should be more engaged with government ministries as they seek to ensure that Chinese aid contributes to national plans and uses national systems.

While the Cameroonian government is fairly clear on the volume of aid it receives from China, the representative also reported general communication problems, making it hard to evaluate the effectiveness of the aid it is receiving from China. There is more dialogue with “traditional partners” such as European countries and the World Bank. The respondent noted: “*It is quite difficult to report on Chinese aid. We have no mechanism. We are trying. But we have no process. With some other donors we do have a reporting process, but with China there is none.*”

PNG’s representative suggested that challenges arise because there are no project steering committees, or that if such committees exist, they are seldom convened. Similarly, Vanuatu

suggested, “*more collaboration between the country and the Chinese embassy, frequent bilateral meeting between government officials and officials from the Chinese embassy*” and Côte d’Ivoire called for more “*working together*” with national technical leads and managers.

Chinese aid is not sufficiently aligned to country plans and priorities

Furthermore, while the data on Indicators 1a and 6 provided to the GPEDC and set out in Chapter 2 implies that China often does better on focus on country-owned results and data “on budget” compared to others, interview and survey results suggest challenges.

For instance, the PNG representative noted that China does not have a country strategy outlining its support for PNG, which makes it harder to ensure that (and monitor whether) Chinese development cooperation is targeted to help meet the government’s medium-term priorities. PNG therefore suggested that the economic counsellor’s office could work more closely with the planning ministry to ensure “*they are able to come up with a Chinese/GoPNG Country Programme or Strategy ... aligned to the GoPNG’s Medium Term Development Plan (MTDP III)*.” In that way, Chinese cooperation can be focused and monitored according to PNG’s plans and budgetary processes.

Similarly, in discussion, the Cameroonian representative suggested that China should make more of an effort with regards to alignment of grants to their priorities. The government noted that “*Sometimes we sign an agreement for the grant aid, but we cannot influence too much what they [Chinese] spend it on... They don’t ask us what we need – they finance their own priorities.*”

Uganda’s respondent also reflected that, “*most of the grants are directly implemented [by China]*”, which undermines attempts to jointly monitor results and gather data.

Many countries find it easier to report China’s loans “on budget”

The aid data reported to the GPEDC sometimes only covers loan data and excludes grant data, according to survey and interview evidence. Indeed, as noted in Chapter 2, 86 percent of the Chinese aid volumes reported in 2018 were loans, a much larger percentage than might be expected based on, for instance, the Chinese white paper official data.

On the one hand, it is positive that loan data appears to be made available quite frequently, especially given their relative size, based on the GPEDC sample and guidance. On the other hand, it appears from interviews and the in-depth survey results that the reason loans seem larger is not that grants are necessarily considerably smaller; it is that grants are often obscured to recipient country governments—that is, they are less “on budget” than loans. In many cases, ministries of finance already have detailed frameworks for publishing loan data—for example, from multilateral banks, which they can fit Chinese loans into. As a result, loan data can often be collected fairly easily and directly from domestic ministries of finance, it does not even require China’s direct engagement. There are exceptions and there can also be some confusion in classification.

Exceptions may include loans that are provided on a concessional or commercial basis but with a sovereign guarantee, which some governments do not clearly record on national budgets. Some loans may also be provided on the basis of a flow of commodities (to China) at an agreed price (e.g., oil¹⁴), and these may not be clearly recorded on national budgets.

There are some types of loans which might be classified by recipient countries as “loans from China” even though they were not initiated or financed by China, which creates the potential for confusion. For instance, a project might be *initiated* by a recipient country, *subjected* to national procurement processes, and potentially even financed by another development partner (e.g., a multilateral bank), but a Chinese firm may win a bid process to deliver it. These loans may be classified as “Chinese projects.” While such loans may well be more demand-driven, tend to support country-level strategies devised by the government, and best captured by national systems, this is not due to deliberate actions by China as an aid provider; these loans should ideally be reported separately (or at least distinguished).

Interestingly, one interviewee (Cameroon) noted that the country had only recently started to report Chinese loans to the GPEDC due to the conclusion of an IMF negotiation that had required it. The interviewee was likely referring to the IMF requirement that the country record sovereign guarantees more clearly on its national budget.

Reporting on grants in budgets, on the other hand, was described by the interviewee as more challenging, yet grants could potentially have more direct impacts on poverty reduction (e.g., for education and health purposes in rural areas).

Due to the complex management of China’s aid,¹⁵ grants can be issued and delivered by a huge range of Chinese organisations on the ground. It is therefore difficult to speak to each one, one-by-one, to find out how much is being disbursed that year. Such information may or may not be collected by the Chinese embassy/economic counsellor in the country, depending on their own capacity. Furthermore, Chinese researchers (in separate interviews by the research team) have suggested that usually all Chinese grants are signed off by one “focal point” in recipient governments, but they are unclear whether the focal point is always in the recipient country’s ministry of finance, or whether the focal point is always the same for all types of aid for all sectors (i.e., it is possible there is a focal point for health-related aid, a different one for education related aid, etc.).

These challenges on reporting grants can stand in contrast to other providers who may well just use two or three preferred agents/contractors, or have specific sectoral priorities in each country.

¹⁴ In some literature, this has come to be known as the “Angola Model.” It is explained well in this working paper: <https://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/WORKING%20107%20%20PDF%20E33.pdf>

¹⁵ This is discussed in a separate CGD policy briefing paper.

Zimbabwe, which has recently experienced challenges in reporting both loans and grants on budget, presents an interesting example, as explained in Box 1.

Box 1. China's grants and loans to Zimbabwe

Development Partner Support (2019 & 2020)

| Development Partner | Jan to Sept 2019 (Actual) | Projected 31 December 2019 | Projected 31 December 2020 |
|---------------------|---------------------------|----------------------------|----------------------------|
| Bilateral | | | |
| USA | 50,064,531 | 252,722,653 | 252,722,653 |
| UK | 50,000,375 | 83,460,375 | 112,992,500 |
| European Union | 41,086,881 | 59,731,595 | 72,947,916 |
| Sweden | 28,050,000 | 28,050,000 | 10,590,000 |
| China | 3,631,500 | 3,881,500 | 46,211,500 |
| Japan | 14,293,496 | 14,293,496 | 11,245,953 |
| India | 500,000 | 500,000 | - |
| Switzerland | 6,425,180 | 6,425,180 | - |
| Sub – total | 194,051,963 | 449,064,798 | 506,710,522 |
| | | | |
| Multilateral | | | |
| Global Fund | 88,684,303 | 88,684,303 | 116,728,288 |
| World Bank | 400,000 | 24,650,000 | 26,600,000 |
| AfDB | 21,401,088 | 21,401,088 | 3,412,133 |
| UNICEF | 8,810,587 | 8,810,587 | 7,809,000 |
| UNDP | 3,788,439 | 3,788,439 | 3,054,000 |
| WHO | 9,400,461 | 9,400,461 | - |
| UNFPA | 2,733,164 | 2,733,164 | 3,780,249 |
| IFAD | 712,639 | 712,639 | 6,436,751 |
| FAO | 732,782 | 732,782 | 644,000 |
| ILO | 329,760 | 329,760 | 1,050,000 |
| IOM | - | - | 373,457 |
| ITU | 62,000 | 62,000 | - |
| UNESCO | 58,670 | 58,670 | - |
| IAEA | - | - | 537,766 |
| UNCTAD | - | - | 500,000 |
| Sub – total | 137,113,893 | 161,363,893 | 170,925,643 |
| | | | |
| GRAND TOTAL | 331,165,856 | 610,428,692 | 677,636,164 |

Source: Ministry of Finance & Development Partners

Zimbabwe did not report on China's aid through the GPEDC process in 2018 (and only did so in a limited manner in 2016). However, in 2019, Zimbabwe sought to report China's aid on its national budget alongside aid from other development partners. The figure the government came up with was US\$3.6 million, implying China was a fairly small development partner, as shown below.

However, soon after Zimbabwe published this figure, the Chinese ambassador to Zimbabwe very publicly (via the embassy website and Twitter) alleged the figure was wrong, to the tune of over US\$130 million, which would have made China Zimbabwe's largest development partner that year, even larger than multilateral funds.



Home > News

Figures of China's Bilateral Support to Zimbabwe in the Budget Statement Shall be Revisited

2019/11/19

The Embassy of the People's Republic of China in Zimbabwe has taken note of the release of 2020 National Budget Statement by the Zimbabwean government. The Embassy appreciates the positive role the budget will play in promoting the policies and propagating the facts and figures related to the economic development of the country.

In the meantime, the Embassy has noted that in the statement, among Development Partner Support (on Page 51) received by the Zimbabwean government through bilateral channels, the figure of bilateral support provided by China to Zimbabwe is 3,631,500 USD. This is very different from the actual situation on the ground.

According to our record, from January to September 2019, the actual bilateral support provided to Zimbabwe by China is 136.8 million USD. Such a figure does not include the other bilateral supports such as the expense of expert assistance, Embassy's donations to local vulnerable groups and so on.

The Embassy wishes that the relevant departments of the Zimbabwean government will make comprehensive assessments on the statistics of bilateral supports and accurately reflect its actual situation when formulating budget statement.

The Embassy believes that with the efforts of Zimbabwean government and people, and with international support, Zimbabwe will achieve prosperity and development and realize the vision 2030.

According to later explanations by the ambassador and interviews with senior Zimbabwean officials, the reason for the discrepancy was the challenge in accounting for loans and in gathering grants information.

With regards to loans, the Chinese government wanted the Zimbabwean government to record spending that had been taking place by China on various national projects that year using loans from China, including an airport and a highway. Zimbabwe, on the other hand, had not necessarily "seen" this spending, so had not recorded it as such. With regards to grants, the Chinese embassy had information which it had not shared with the Zimbabwean government, and the Zimbabwean government had not asked them. This case study illustrates the complexity of reporting Chinese development coordination on national budgets, even when the ambition and goodwill is there on both sides.



Ministry of Information, Publicity & Broa...
@InfoMinZW

Govt has noted the query raised by @ChineseZimbabwe regarding bilateral aid figures captured in the 2020 National Budget Statement. Necessary consultations are underway to establish a common accounting position. We thank the Chinese Govt for their support @zhaobaogang2011

8:53 PM · 19 Nov 19 · Twitter Web App

81 Retweets 222 Likes

Finally, for Côte d'Ivoire, timing also matters, though not necessarily captured by the GPEDC indicators. Côte d'Ivoire officials suggested that it is important that the Chinese authorities provide full information to the national budgeting system, and particularly that the information is provided before the start of any particular program or project: *“From the beginning of any project, China must provide full information on what they are going to do (amount, projects, sector, project objectives, etc.).”*

Recipient countries usually ask local Chinese offices – not Beijing – to provide data

In the absence of formal coordination processes on the ground with China, and with the lack of transparency by China on country-by-country aid flows, it is critical to explore the process by which recipients collect data on Chinese development cooperation volumes and effectiveness.

In interviews and surveys, the recipient country representatives shared that they accessed the data they report on Chinese aid in different ways, though none asked for it centrally from Beijing.

Interestingly, only Côte d'Ivoire reported having been informed of the China’s new development cooperation agency. This implies that more efforts could be made by the Chinese authorities to explain better how their bureaucracy functions and is changing. Furthermore, Vanuatu collated the data from its own records with no input from China. Côte d'Ivoire and Uganda requested the data directly from the Chinese authorities in country, who complied.

| | <i>PNG</i> | <i>Vanuatu</i> | <i>Côte d'Ivoire</i> | <i>Uganda</i> |
|---|------------|----------------|----------------------|---------------|
| Have you received information on CIDCA? | No | No | Yes | No |

But two other countries reported problems. In Georgia, all development partners are asked to update information in the online aid information management system (eaims.ge) every year. But despite requests, China does not do so. Cameroon also noted that it has a director general for cooperation under whom there are four departments of cooperation, one of which is responsible for China; it also has an information management system on aid called “DAD Cameroun.”¹⁶ These features of Cameroon’s aid management system help to enhance dialogue and accountability with partner countries. However, efforts to persuade the Chinese embassy to engage more with this system have not yet been fruitful.

¹⁶ The “Donor Assistance Database” – See this 2011 [paper](#) from the Republic of Cameroon, Ministry of the Economy, Planning, and Regional Development, titled “Project to Set Up an Information Management System on Aid in Cameroon: Synoptic Paper of International Economic and Technical Cooperation Frameworks in Cameroon, 1st ed.”

There is no clear pattern why some Chinese country representatives help with providing data

Papua New Guinea (PNG) reported the biggest problems in collating data from China, stating that, “*it is very challenging to get development cooperation flows information from the PRC. Most of the time they do not provide their expenditures.*”

| | PNG | Vanuatu | Côte d'Ivoire | Uganda |
|--|------------------|---------------------------------------|-------------------------|-------------------------|
| How do you collect Chinese development cooperation data? | Very challenging | Our own records (no input from China) | Request data from China | Request data from China |

Vanuatu summarised the situation as follows: “*limited information can be accessed from the Chinese side.*” Mauritania explained that it does not report on more indicators on Chinese aid simply because it “*can't get the information*” and encouraged the Chinese to share disbursement information from the China Development Bank, not just the Eximbank of China. Even Uganda, who was generally positive about China’s aid data, suggested “*full disclosure of data on grants and south-south cooperation activities.*”

In Georgia, the Chinese in-country representative has directed the government to access information on China's aid from the Chinese Ministry of Finance (MOF). However, according to the Georgian respondent, MOF only has information on loans (credit instruments), not grants. As noted earlier, this is not quite accurate—MOF *does* have some grant information. However, MOF does not have *purview* over grant allocation (CIDCA and the Ministry of Commerce do) nor does MOF publish data that is broken down by country. Therefore, it may be possible that MOF is only able to directly share country-level data on credit instruments that it *does* have purview over with Georgia (or other recipient countries). This distinction between the information available for loans and grants is a recurring theme (see earlier section).

Where data is provided, economic counsellors are key interlocutors

Côte d'Ivoire and Uganda, who have collected volumes data, state that the Chinese authorities played a “*very significant*” role in the process. On the other hand, PNG, who have had challenges, describe the role played by the Chinese authorities in verifying development cooperation data as “*insignificant,*” while Vanuatu said the help was “*moderately significant.*”

However, PNG specifically suggested that the Chinese government should elevate or give more power to the Economic Counsellors Office to enable it to work more closely with the recipient country government. PNG suggested that the office should “*be the agency that can provide all necessary information on development cooperation and ... work with the GoPNG to development a Chinese/GoPNG Country Programme.*”

Cameroon’s representative suggested that the main barrier to progress in collating data from Chinese officials on the ground could be the fact that everything has to be checked with Beijing, meaning locally based Chinese officials are less able to engage than they might wish.

| | <i>PNG</i> | <i>Vanuatu</i> | <i>Côte d'Ivoire</i> | <i>Uganda</i> |
|--|---------------|----------------|----------------------|---------------|
| How significant is the role of the Chinese Embassy and/or Economic and Commercial Counsellor's Office in the verification of development cooperation data? | Insignificant | Moderately | Very | Very |

Reporting recipient countries often have to reformat data from China

China is capable of providing data in a format compatible with recipient country analytical tools, but it does not necessarily do so. The Ugandan government expressed satisfaction that “*most*” of the data is provided by China in this way, while on the other side of the spectrum PNG was dissatisfied with the quality of Chinese data, stating that “*none*” is made available in a compatible format. Both Côte d'Ivoire and Vanuatu state that “*some*” data is compatible.

| | <i>PNG</i> | <i>Vanuatu</i> | <i>Côte d'Ivoire</i> | <i>Uganda</i> |
|--|------------|----------------|----------------------|---------------|
| When data is provided by China, what proportion of the data are in a format compatible with your analytical tools? | None | Some | Some | Most |

Data collection from China is improving for some, not for others

In PNG, the experience of collecting Chinese data has apparently “*worsened*” in recent years. The problem appears to be that the PNG Department of National Planning and Monitoring no longer receives information on Chinese-funded projects expenditures through the Economic and Commercial Counsellor's Office directly: “*They do not comply with the GoPNG's reporting templates [nor] provide expenditures on time [for our reporting needs].*” This change may or may not relate to a change in personnel.

In Uganda, on the other hand, the respondent suggested that the experience has “*improved*” in recent years as China has adopted Uganda’s data format, meaning they have more accurate data to work with. Having said that, Uganda still reflected that China could do more to align its support to government systems and programs, rather than dealing directly with particular offices. Vanuatu also noted improvements in recent years, as “*some information can be accessed through bilateral discussion.*” Côte d'Ivoire reported “*no change.*”

| | <i>PNG</i> | <i>Vanuatu</i> | <i>Côte d'Ivoire</i> | <i>Uganda</i> |
|---|------------|----------------|----------------------|---------------|
| How has data sharing of Chinese development cooperation from the Chinese authorities changed in the last 5 years? | Worsened | Improved | No change | Improved |

Recipient countries say more help is needed

Despite some quite positive data implying that China's aid is no worse in development effectiveness than other major providers, and in some cases better, a strong message comes through from interviews and surveys that this is far too simplistic a picture. Managing the complex loan and grants procedures is a challenge, simply for recording and budget purposes, let alone for results monitoring and evaluation.

For instance, the Vanuatu representative was keen to emphasise that the country *“appreciates all the support China is contributing to the country's development,”* but that *“it is important that people know the total amount of funding support from China.”* Having this information in the open will give more confidence to the people of Vanuatu, and to the people of China, that the assistance is building upon the diplomatic ties between the two countries. Mauritania put it ore bluntly: *“China signed the Busan agreement about the transparency of the aid.”*

This problem is certainly not limited to China's aid. While China's approach brings its particular complications, all providers are implicated in a continuing smorgasbord of aid interventions that even very well-resourced bureaucracies would have problems managing, let alone the generally under-resourced government departments of aid-recipient countries. Capacity remains a major problem.

The issue of capacity was raised regularly in responses. Angola's representative suggested that training the units responsible for monitoring grants and credits could be key, whether for Chinese cooperation or otherwise, and suggested that both the Chinese government and the GPEDC could support this.

PNG also considers the GPEDC a potential ally: *“Building capacity for GoPNG officials is critical [including] innovative ideas on strengthening GoPNG's systems and processes to ensure development cooperation coordination is well managed and coordinated.”* In particular, PNG expressed concern about its officials being sufficiently trained on loan modalities that it can avoid any potential debt trap.

Other ways in which the GPEDC could help include: *“providing detailed and full information on China's development system, and full information about the projects”* (Côte d'Ivoire); *“communicat[ing] the importance of eaims.ge”* (Georgia); *“implement[ing] an information system to manage Chinese public aid”* (Mauritania); *“bring[ing] the Chinese on board to be fully part of GPEDC”* (Uganda); and *“shar[ing] best practice between countries, enabling less experienced countries to benefit”* (Cameroon).

Clearly there is an opportunity for China and recipient governments to collaborate more. The Zimbabwe case suggests this may happen—China is paying more attention on the ground. That said, others can help facilitate this collaboration, namely those stakeholders in the international community, including the GPEDC, that have expertise and processes that can be placed in the hands of China and its recipient country partners.

4. Conclusions and recommendations

Accountability matters. Transparency matters. When there is due oversight of development cooperation spending, better decisions tend to be made. Failure to engage with development effectiveness processes can lead to fewer positive results and less impact on poverty, and even harmful interventions. All these statements are by now so commonplace that they sometimes sound superfluous. But they are worth repeating. The evidence compiled over decades of development coordination work reveals that these processes are not just a “good-to-have” but a mainstay of aid that makes sustainable impacts. The evidence compiled in this paper suggests that, while there are hopeful signs (particularly in some countries and on some specific effectiveness indicators), China has some way to go to fulfil modern expectations for a development partner.

By analysing the data gathered to date by recipient countries, as well as getting direct views from recipient governments seeking to manage Chinese cooperation, this report has shed some light on China’s development effectiveness – both strengths and weaknesses. The aim of the report is to help recipient governments learn lessons and build their capacity to ensure China’s development support delivers the maximum possible development impact in their countries.

The report shows a positive trend in the number and percentage of countries reporting on China’s development cooperation, as well as positive statistics on a number of key effectiveness indicators. Given that significant changes are being made in China’s aid-giving architecture as volumes continue to rise, this implies a moment of opportunity for Chinese development effectiveness.

Overall, it seems fair to conclude that criticisms of China’s aid effectiveness are not supported by the data made available by the GPEDC survey. There is too little data to make strong claims, but the data as we have it implies that in some countries at least China may already be ahead of comparable agencies when it comes to a focus on results, predictability and openness to recipient government reporting. On the other hand, China looks to be at the beginning of its journey with regard to other aspects of its development effectiveness, such as reporting transparently and on some aspects of country ownership.

However, this report also shows there is still a long way to go before recipient countries have the required agency to work with China to improve the effectiveness of its development cooperation interventions. There is (still) weak understanding of Chinese aid volumes and even less understanding of the drivers of its effectiveness. This is not very surprising, given what we know about the recent rise of Chinese cooperation, as well as the nature of Chinese bureaucracy and politics, but it is no less disappointing for that. Transparency is crucial for one of the most important aspects of effective development cooperation: accountability. Without clear data, it is impossible to monitor impact and manage for challenges and opportunities. While some recipients of Chinese aid have gone to great efforts to report on it, the majority have not. While this may not be an issue exclusive to reporting on China, it nevertheless limits the applicability of the findings.

While the main audience for this report is recipient country governments, the responsibility and accountability for taking the next steps forward is joint. No person is an island. Three groups of actors can take concerted action: recipient country governments, the Chinese authorities, and the international community.

Recommendations are therefore provided for each in turn below, drawing in particular from the interview and survey results, the findings from the data itself (despite the limitations), and the team’s own deep expertise on development effectiveness principles and institutions.

1. Recommendations for recipient country governments

Recipient countries need to maintain resolve and momentum. It can be daunting and dispiriting for ministry officials to continue to cajole reluctant information out of major providers, and even more so to encourage them to take up more effective methods and processes, but there are signs of improvements in some countries, which should encourage others. To realize improvement for China in particular, the following actions by recipient country governments are key:

a) Continue to (or begin to) publish available data

Data is never perfect, and it can be tempting to withhold publication when data is incomplete. However, it is clear from those 27 countries already reporting on Chinese cooperation as shown in Chapter 2 that many are simply publishing what they have, even when incomplete. This could be the best approach given China’s complex data and processes. The gradual rising numbers of countries reporting on China implies that by beginning the process in this way, the data set might gradually expand, and stakeholders will be able to engage with it.

b) Learn from what has worked in other countries

Feedback reported in Chapter 3 suggested that some officials and countries feel isolated working to gather data from and influence a major bureaucracy. Recipient countries should consider clubbing together as best they can, learning from each other the tactics and strategies to garner and manage scarce data. Working together, they should encourage Chinese counterparts to try new and more effective models of cooperation, and maintain collective pressure, where necessary, on Chinese authorities to comply with their expectations.

c) Assign one (or two) people to sign off all China’s aid (especially grants)

Given the complexity of managing Chinese grant information and the numbers of stakeholders involved,¹⁷ the feedback in Chapter 3 suggests that one person—some sort of “China desk officer”—should be the recipient government’s focal point for at least all Chinese grants entering a country. This same person or another person could be a focal

¹⁷ As indicated in a separate policy paper by the same authors.

point for loans. This person could be based in the capital or in China (e.g. the ambassador/embassy officials). This will make it considerably easier for the Chinese authorities, and recipient government colleagues, to keep track of myriad commitments and disbursements and to understand similarities or differences in effectiveness. It will also avoid some challenges that were noted in interviews in Chapter 3, such as data and information being shared with recipient countries but remaining in the wrong part of the government, perhaps with the executive, when it should also be in the departments which manage planning and budgets. This is an internal organisational issue which recipient governments need to actively manage.

d) Come up with a clear methodology for calculating loan data from China

Several cases in this paper—in particular, Cameroon and Zimbabwe in Chapter 3—illustrate that there is little consistency in how countries are accounting for loans from China. While it is unrealistic to expect all to use the same methods, recipient governments should aim to include loans on their budgets and explain their methodology in public so that it is understood, including in comparison to loans from other bilateral and multilateral partners. Accountability will help to increase the productivity and therefore effectiveness of these loans in delivering development.

e) Reach out to Chinese authorities in-country (especially economic counsellors)

Some countries that have published data included in Chapter 2 or provided feedback included in Chapter 3, such as Uganda, demonstrate that it is possible to build strong relationships with the Chinese authorities on the ground, who have access to at least some data. These examples should be held up as possible ways forward for all countries.

2. Recommendations for the Chinese authorities

The strategic changes in China's foreign policy referred to in the introduction to this paper—for instance, involving CIDCA and the BRI—provide opportunities for the Chinese government to take major strides forward on development cooperation effectiveness and volume data reporting. Many of the challenges set out in this paper could be ameliorated with strong guidance and better structures. The Chinese authorities are urged to take advantage of this moment of change to move forward on key issues of development effectiveness, and to set openness and devolved authority in the DNA of the evolving institutions. More specifically:

a) Make country-level data available

This is the simplest and most obvious of recommendations, but it needs restating. At both global and national levels, the feedback in Chapters 2 and 3 suggests there is far too much guesswork taking place with regards to China's aid volumes and development effectiveness at the moment. Where data is made available, it appears to be often only after a great deal of effort and energy has been spent by under-resourced civil servants in recipient countries. Data reporting should not be a battle. Data should be offered and made readily available to relevant recipient government authorities and to the public, to enhance monitoring and

accountability activities. This level of detail is not an optional extra—it is central to serious developmental relationships. Data should be a key part of strategic discussions on future cooperation and collaboration. The interest the Chinese government has taken in Zimbabwe’s budget process is an example to build on.

b) Untie aid and use country systems

This paper is not the place to restate all the basic development effectiveness principles. But given recipient countries’ reported challenges with China’s use or non-use of country systems in delivering aid, it seems appropriate to reiterate this important development effectiveness cornerstone, especially with regards to grants. The potential of China’s 2019 Foreign Investment Law to open up Chinese procurement contracts—including those for aid—to be delivered by local/international counterparts is exciting and should be pursued. At the very least, the Chapter 2 data suggests aid provided by China should be in a useful format, minimising the effort required by recipient government counterparts to integrate or translate it into their systems.

c) Strengthen the authority of local Chinese officials

China is rolling out major reforms of its development architecture, including CIDCA and the BRI, but separate analysis suggests it is not allocating more resources on the ground.¹⁸ This needs urgent attention. According to the evidence gathered in Chapter 3 of this paper, Chinese officials on the ground are finding it hard to engage flexibly and autonomously with national authorities, regularly referring to knowledge, strictures, and positions held by superiors or counterparts in Beijing. This centralisation hinders the kind of creativity required to solve problems that emerge organically on the ground. Development effectiveness challenges, including data reporting, cannot all be managed in advance or foreseen by expert analysts. On the contrary, effectiveness is about responding to challenges and opportunities as they evolve, and this requires highly engaged and enabled local staff. Accountability to Beijing can be managed by ensuring the data shared with recipient country counterparts to clarify is sent up the rungs and eventually compiled into strategic documents and/or future white papers on aid.

d) Assign one person in Beijing to sign off all grants

Interviews and survey results in Chapter 3 suggest that it is difficult to keep track of all the Chinese interventions in a particular country, and in the future, this may even become more complex.¹⁹ The Chinese government should therefore take more steps to organise its own side, by ensuring that one person within the bureaucracy in Beijing (e.g. in CIDCA) is named responsible for having an overview of all aid entering a country—some sort of “desk officer.”²⁰

¹⁸ As indicated in a separate note by the same team of authors, “[China’s Foreign Aid: A Primer for Recipient Countries, Donors, and Aid Providers](#).” (2020)

¹⁹ As set out in “[China’s Foreign Aid](#)” (2020), there is a long list of Chinese agencies involved in foreign aid.

²⁰ The same (in reverse) recommendation is made above for recipient governments.

e) Attend and support cooperation meetings

In some of the feedback in Chapter 3, China is singled out for not attending meetings organised by recipient country governments aiming to coordinate their development cooperation with all partners. This is an area where Chinese country representatives can easily improve. Where development processes take place behind closed doors, it implies a degree of secrecy that others can (not necessarily justifiably) read wrong-doing or strategy into. In contrast, attendance provides an opportunity to at least observe debate and discussion, and to gather feedback and ideas to send back to China (e.g. to CIDCA) to ensure that interventions are as impactful as possible and, in some cases, to minimise any potential harm they might do.

f) Attend and input into international development cooperation meetings

As several recipient countries noted in Chapter 3, and as implied by the data in Chapter 2, China does have some areas to boast and teach about effective development cooperation alongside growing volumes, while it could also pick up useful tactics to overcome its own recurrent challenges of aid delivery. But where? Ad hoc approaches and advice may help, but may not be enough. It may be worth seeking out more forums, both formal and informal, where international debates about the future and challenges of effective development cooperation are taking place. In particular, while GPEDC indicators and the assumptions that underpin them may not be the most appropriate for China, the forum remains—in recipient countries' views, as summarised in Chapter 3—the key, if not the only, forum where they can establish and express their agency vis-à-vis their development partners. If China truly wants to support recipient countries, it will actively support the deepening of that agency.

3. Recommendations for international stakeholders

There is no doubt that the international community has an important role to play to help China and recipient countries collaborate better to track and achieve development effectiveness. These recommendations, derived from the data and feedback reported in Chapters 2 and 3, are for all entities interested in supporting the process of improvement, in order to achieve the UN Sustainable Development Goals (SDGs):

a) Provide funding and/or training to support reporting on-the-ground in and by recipient countries

There is clearly a capacity problem in many recipient countries. It is challenging to report on just one development cooperation provider let alone the many providers that are usually at work at any one time. The surveys and interviews in Chapter 3 provide evidence regarding managing China's flows in particular. If the international community want to understand China's global role and aid better, they do not have to do so in a direct or confrontational manner, nor do they necessarily have to create new structures such as trilateral

cooperation.²¹ Instead (or in addition), they can respond to the feedback in Chapter 3 and play an active role in supporting recipient countries in their reporting efforts, both through immediate support to the government officials responsible for reporting, and through longer-term capacity building.

b) Support the GPEDC process by participating more actively

As is clear from Chapter 2 and is stated often in the feedback from recipient countries in Chapter 3, the GPEDC is currently the best platform available to recipient countries to express their needs and opinions. The fact that increasing numbers of countries are reporting on Chinese aid is testament to how good the GPEDC could be. But to improve and provide more credible information on Chinese development cooperation it needs significantly more investment. Any further pull back from full and energetic support for this process will reverse and disappoint many recipient countries seeking to get more effective support from China (and others).

c) Encourage the GPEDC to seriously reassess its processes and methodologies

As explained in the introduction to this paper, the Paris Aid Effectiveness principles were developed 15 years ago and have been updated since to incorporate civil society, the private sector, South-South cooperation, a broader concept of development effectiveness as well as begin to align with the UN SDG reporting processes. This is all useful and crucial. But many indicators and the methodologies have hardly shifted, meaning that some of the key benefits as well as key challenges with China's aid that were mentioned in the survey and interviews in Chapter 3 are not captured, and there is not sufficient guidance to help recipient countries deal consistently with China's specific cooperation models in monitoring reports—loans being a key area. This is a huge oversight and needs correcting.²² Building on existing reviews, the GPEDC should commission a further group of independent experts to advise on required updates to the monitoring framework, and its secretariat should work to implement them once agreed. This will complement work already ongoing by the Network of Southern Think-Tanks which is looking at definitions of South-South cooperation.

²¹ E.g. see this 2017 review of China's aid which was commissioned by staff in the UK's aid agency (the Department of International Development):
https://assets.publishing.service.gov.uk/media/5a5f38d6e5274a443e00372b/177_China_aid.pdf

²² Furthermore, and although this report does not contain evidence on this matter, as experts in this area we also recommend that the GPEDC considers how to modernise the reporting process from a complex Excel form into a more simplified and streamlined online form, and removing certain complexities such as only reporting on 6 largest projects, as this may actually create more problems for reporters than it does clarity.

Annex I: Survey

Start of Block: Personal Details



Q1
What is your name?



Q7 In which country do you currently reside?

▼ Afghanistan (1) ... Zimbabwe (1357)

Q3 Which department or ministry do you work for?

1. Ministry of Finance (1)
2. Ministry of Commerce (2)
3. Ministry of Planning and Development (3)
4. Other: (4) _____



Q2 What is your position/job title?



Q5 What is your work email address?

End of Block: Personal Details

Start of Block: Development Cooperation Reporting

Q8 Does your country have a formal aid or development cooperation management system, such as an AIMS?

- 5. Yes (1)
- 6. No (2)

Display This Question:

If Does your country have a formal aid or development cooperation management system, such as an AIMS? = Yes

Q9 Which ministry or department manages this framework?

- 7. Ministry of Finance (1)
- 8. Ministry of Commerce (2)
- 9. Ministry of Planning and Development (3)
- 10. Other: (4) _____

Q11 Is your country's development cooperation data (covering grants, concessional loans, and interest free loans) publicly accessible?

- 11. Yes – all is publicly available (1)
- 12. Some is publicly available (2)
- 13. No – none is publicly available (3)

Display This Question:

If Is your country's development cooperation data (covering grants, concessional loans, and interest... = Yes – all is publicly available

Or Is your country's development cooperation data (covering grants, concessional loans, and interest... = Some is publicly available

Q12 Where is it accessible? If it's online, please provide the website address.

End of Block: Development Cooperation Reporting

Start of Block: Dividing up

Q39 Does your country receive development cooperation flows from China?

14. Yes (23)

15. No (24)

Display This Question:

If Does your country receive development cooperation flows from China? = Yes

Q40 Does your country report on development cooperation flows from China?

16. Yes (5)

17. No (6)

End of Block: Dividing up

Start of Block: Yes flow, yes report

Q13 How do you collect Chinese development cooperation data?

18. We have to request it from Chinese authorities (1)

19. It is voluntarily provided by Chinese authorities (2)

20. Our government records this information itself with no input from the Chinese authorities (3)

21. Other - please state: (4) _____

Q14 How significant is the role of the Chinese Embassy and/or Economic and Commercial Counselor's Office in the verification of development cooperation data?

22. Insignificant (1)

23. Moderately significant (2)

24. Very significant (3)

Q15 When data is provided by China, what proportion of the data are in a format compatible with your analytical tools?

25. None (1)

26. Some (2)

27. Most (3)

28. All (4)

Q16 How effective are the relevant Chinese authorities at monitoring the impact of their interventions in your country?

- 29. Not effective (26)
 - 30. Moderately effective (27)
 - 31. Very effective (28)
-

Q17 How essential are Chinese development cooperation data to national planning and budgeting processes in your country?

- 32. Inessential (1)
 - 33. Moderately important (2)
 - 34. Essential (3)
-

Q18 How has data sharing of Chinese development cooperation from the Chinese authorities changed in the last 5 years?

- 35. Worsened (30)
 - 36. No change (31)
 - 37. Improved (32)
-

Display This Question:

If How has data sharing of Chinese development cooperation from the Chinese authorities changed in t... = Worsened

Or How has data sharing of Chinese development cooperation from the Chinese authorities changed in t... = Improved

Q19 Please briefly describe any changes referred to in the last question:

Display This Question:

If How has data sharing of Chinese development cooperation from the Chinese authorities changed in t... = Worsened

Or How has data sharing of Chinese development cooperation from the Chinese authorities changed in t... = Improved

Q24 What impacts, if any, have the changes referred to in the last question had on your national planning?

Q20 Have you received any official information about the Chinese International Development Cooperation Agency (CIDCA)?

38. Yes (1)

39. No (2)

Q21

To what extent would you agree with the following statement?

The creation of the Chinese International Development Cooperation Agency (CIDCA) has impacted your country's development cooperation with China.

40. Strongly agree (1)

41. Somewhat agree (2)

42. Neither agree nor disagree (3)

43. Somewhat disagree (4)

44. Strongly disagree (5)

Display This Question:

If To what extent would you agree with the following statement?The creation of the Chinese Internati... = Strongly agree

Or To what extent would you agree with the following statement?The creation of the Chinese Internati... = Somewhat agree

Q22 What are the key impacts CIDCA has had on your country's development cooperation with China?

Q27 What are the challenges for your country in reporting on Chinese development cooperation?

Q28 Why did your country first start to report on Chinese development cooperation through the GPEDC?

Q29 Why does/doesn't your country report on the full range of GPEDC indicators for Chinese development cooperation. Are some indicators more important than others? Are some indicators easier to report on?

Q30 How can China better support your country with reporting on Chinese development cooperation?

Q31 How can the GPEDC better support your country in reporting on Chinese development cooperation?

Q32 What are the key strengths of the Chinese mechanism for reporting development cooperation data to your country?

Q33 What are the key weaknesses of the Chinese mechanism for reporting development cooperation data to your country?

Display This Question:

If If What are the key weaknesses of the Chinese mechanism for reporting development cooperation data to your country? Text Response Is Not Empty

Q38 How could these weaknesses be improved upon? Please write your recommendations here.

End of Block: Yes flow, yes report

Start of Block: No flow, no report

Q41 Why does your country not receive bilateral development cooperation flows (grants, interest free loans, concessional loans) from China?

Q42 Does your country receive other flows from China, such as investments (FDI)?

45. Yes (1)

46. No (2)

Display This Question:

If Does your country receive other flows from China, such as investments (FDI)? = Yes

Q43 Please describe these flows:

End of Block: No flow, no report

Start of Block: Yes flow, no report

Display This Question:

If Does your country report on development cooperation flows from China? = No

Q45 Why does your country not report on development cooperation flows from China?

Q48 How can China better support your country with reporting on Chinese development cooperation?

Q49 How can the GPEDC better support your country in reporting on Chinese development cooperation?

End of Block: Yes flow, no report

Start of Block: Final questions

Q35 Are there any other comments you would like to give to the researchers?

End of Block: Final questions
