

CHINA

Gross disbursements of development cooperation: US\$5.5 billion in 2011, largest government provider of development cooperation outside the DAC
 Gross ODA received: US\$2.7 billion, 9th largest ODA recipient in 2011

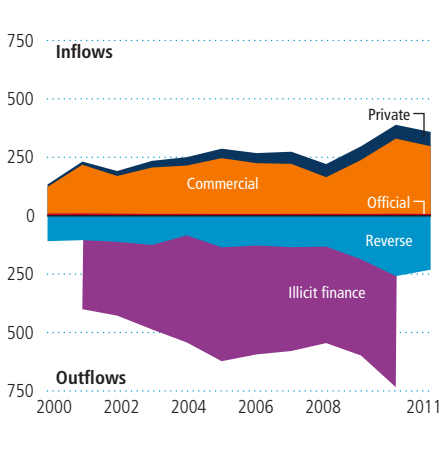
The largest inflows to China are short-term loans and FDI. Illicit outflows can be substantial. China is both a provider of development cooperation and an aid recipient. In 2011 China was estimated to give US\$5.5 billion, more than 16 DAC donors and as much as Canada. Comparability is only indicative because both the way aid is reported and its composition differ from DAC donors.

- Some development cooperation is provided as concessional loans to finance infrastructure and industry.
- Japan, Germany and France are the largest ODA donors to China.
- Education is the largest sector for ODA to China, but most is non-transferred.

Resource flows to and from China

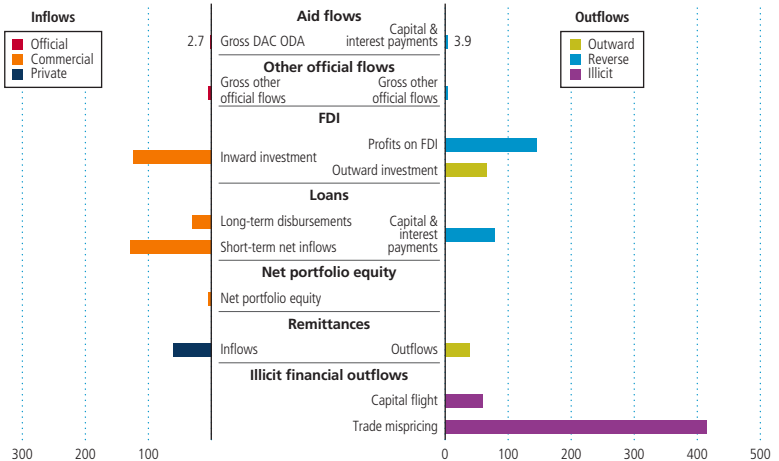
Commercial inflows have grown rapidly since 2000

US\$ billions, 2000–2011



Short-term loans and FDI are the largest inflows

US\$ billions, 2011

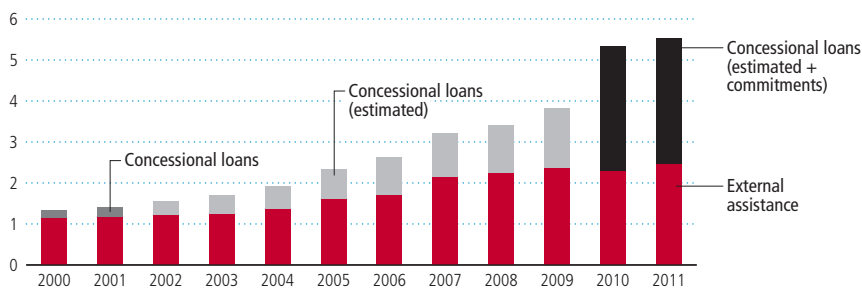


CHINA AS A PROVIDER OF DEVELOPMENT COOPERATION

How much wealth does China share?

Development cooperation from China tripled between 2000 and 2009

Gross disbursements, US\$ billions, 2000–2011



Note: Excludes aid to multilateral agencies. Volumes of concessional loans for 2010 and 2011 present a scenario of total concessional loans from China. They assume that China will meet its commitment of increasing loans and aid to Africa by US\$10 billion between 2010 and 2012, of which an estimated US\$4 billion is concessional loans. They assume that this increase will occur annually in equal proportions, 33% each year, increasing total concessional loans from US\$1.2 billion in 2009 to US\$2.5 billion in the following years. As all the increase in concessional loans goes to Africa and the remaining envelope for concessional loans is assumed to remain unchanged, aid to other regions decreases in both absolute and relative terms in 2010 and 2011.

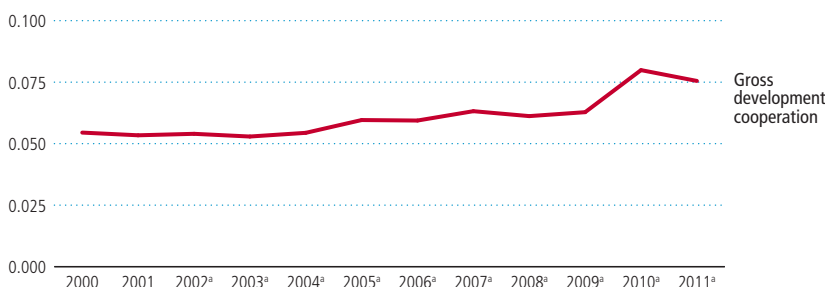
China's Ministry of Commerce and the Export-Import Bank disburse funds for development cooperation. The Ministry of Commerce disburses development cooperation, external assistance in China's terminology.

The Export-Import Bank administers concessional loans for larger projects that have to be awarded to a Chinese company and in which at least 50% of goods and services come from China. China considers only the interest subsidy on these loans as aid.

Data for 2010 and 2011 are estimated based on commitments to Africa at the Forum on China Africa Cooperation in November 2009. This data does not represent actual disbursements of concessional loans from China and should thus be treated with caution. In addition, China contributes to multilateral agencies. Core and earmarked contributions to key agencies amounted to US\$425 million in 2010 (OECD 2012).

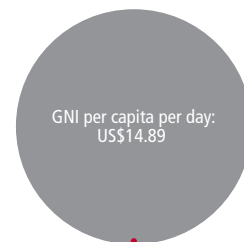
Gross development cooperation as a share of GNI has increased since 2000

% of GNI, 2000–2011



a. Estimated.

Development cooperation was 0.08% of GNI in 2011

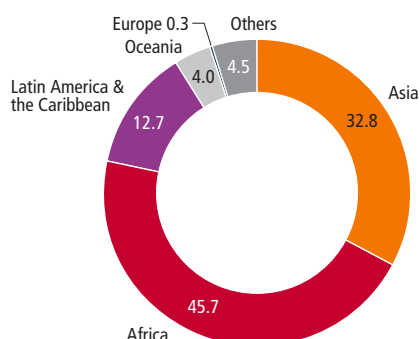


Gross development cooperation per capita per day: US\$0.01

Where does development cooperation from China go?

46% of development cooperation from China goes to Africa, 33% to Asia

% of development cooperation, 2009

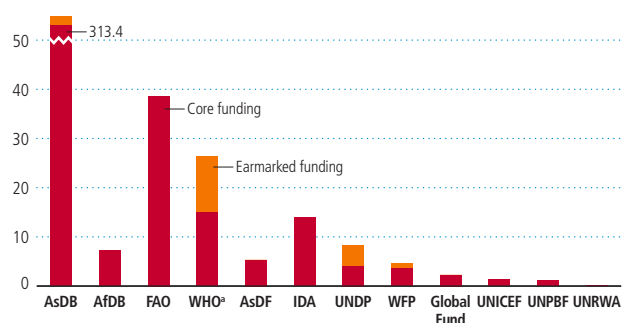


China has been providing development cooperation since the 1950s. It goes to more than 161 countries, 123 of them developing countries (51 in Africa, 30 in Asia, 18 in Latin America and the Caribbean, 12 in Oceania and 12 in Europe). Available data shows that Africa was the largest recipient region in 2009, followed by Asia. China has development cooperation relationships with all but four African countries (Burkina Faso, The Gambia, São Tomé and Príncipe, and Swaziland).

How is development cooperation from China delivered?

The AsDB receives large contributions from China; most contributions to selected development banks and UN agencies are core funding

Gross disbursements, US\$ millions, 2010



a. Does not reflect the ODA coefficient of 76%.

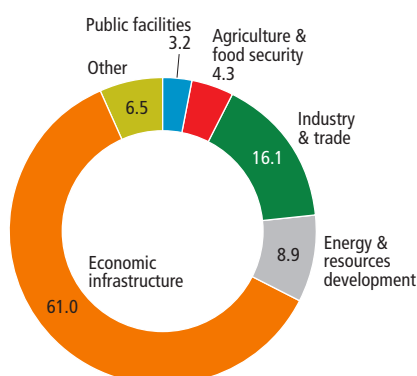
Most development cooperation from China is distributed bilaterally, but China also disburses funds to international and regional bodies as either core or earmarked contributions (US\$425 million in 2010). Regional banks and UN agencies receive some of these contributions. China also cooperates under trilateral agreements, such as with the FAO for food security initiatives in Liberia and Senegal and the United Kingdom on natural disaster preparedness and response in Bangladesh and Nepal (OECD 2013).

China blends development cooperation with other official finance instruments. Standard agreements with developing countries include a mix of aid, export credits and export buyers credits as well as commercial loans. Details are scant, but China's major investments are in agriculture, industrial development, economic infrastructure, public facilities and social services. Climate change is a new area of intervention. Available data on concessional loans shows heavy investment in economic infrastructure and industry.

China provides relief and humanitarian aid as in-kind, relief teams and cash donations. Its largest contribution occurred in 2005 to support Asian countries hit by the tsunami. China also provides humanitarian assistance to countries in other regions. Between 2004 and 2009 it supported about 200 operations.

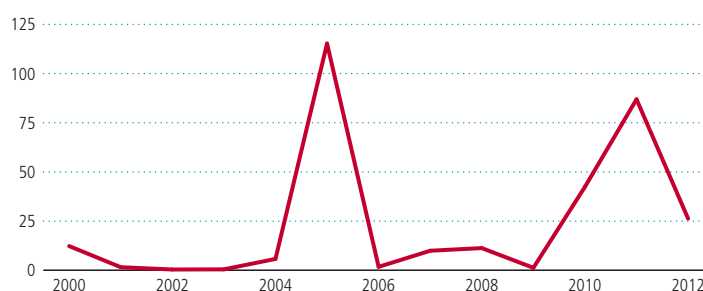
Most concessional loans from China go towards economic infrastructure

% of concessional loans, 2009



Humanitarian aid from China peaked in 2005 to provide relief to Asian countries affected by the tsunami

Gross disbursements, US\$ millions, 2000–2012



What is China's commitment to aid reporting and transparency?

Grants	Available
Zero interest loans (interest subsidy)	Available
Concessional loans	Partially available
Debt relief	Not available
Contributions to international agencies	Partially available

IATI	Non-signatory
OGP	Non-member
EITI	Unsupportive government

Key

Poor/no action
Good/moving forward
Excellent/committed

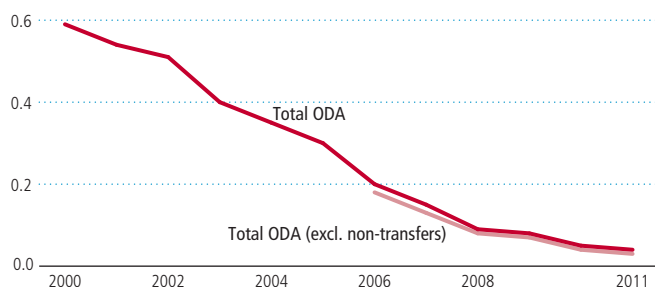
CHINA AS AN ODA RECIPIENT

Gross ODA to China has fallen 20% since 2000, to US\$2.7 billion in 2011. ODA received by China has fallen as a share of rising national income. Government expenditure per capita was PPP\$1,763 in 2011. China has achieved the largest reduction in the number of people living on less than \$1.25 a day over 1999–2009, from 446 million (36% of the population) to 157 million (12%).

ODA and poverty

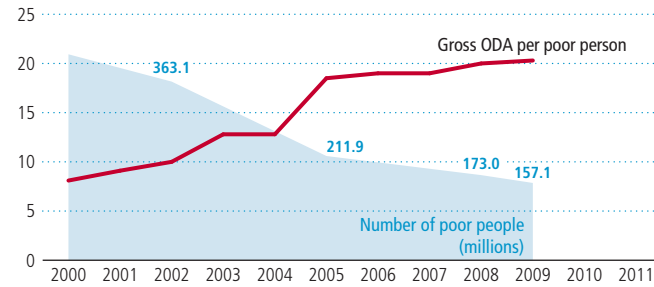
ODA received has dropped as a share of rising national wealth

Gross ODA, % of GNI, 2000–2011



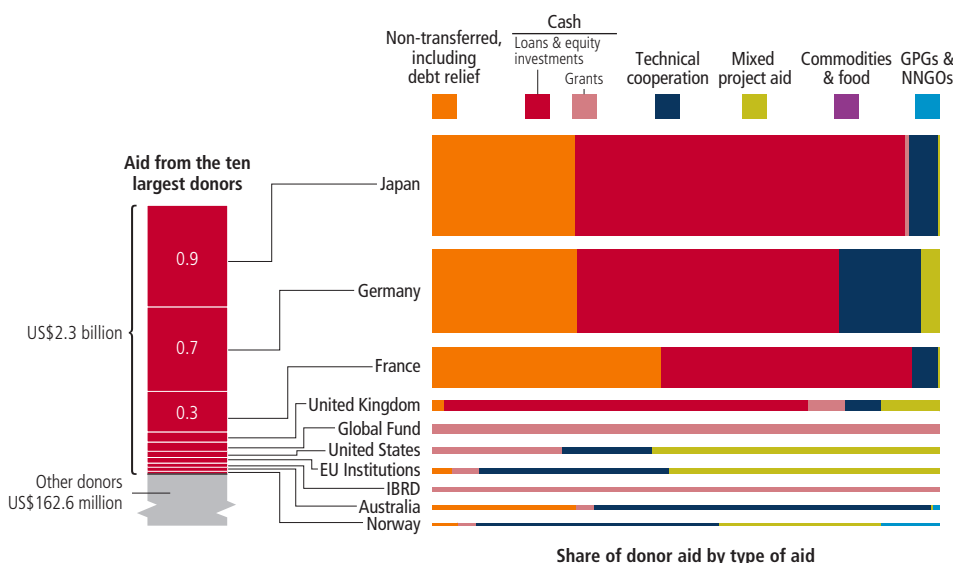
ODA per poor person remains low, although it increased as the number of poor people fell

US\$, 2000–2011



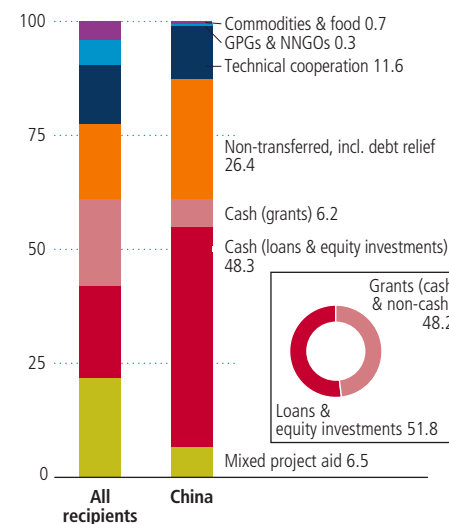
ODA from larger donors is mostly loans and equity investments; a large share of ODA is non-transferred

Gross ODA, US\$ billions, 2011



The share of ODA to China given as loans and non-transferred resources is substantially greater than the developing-country average

% of gross ODA, 2011

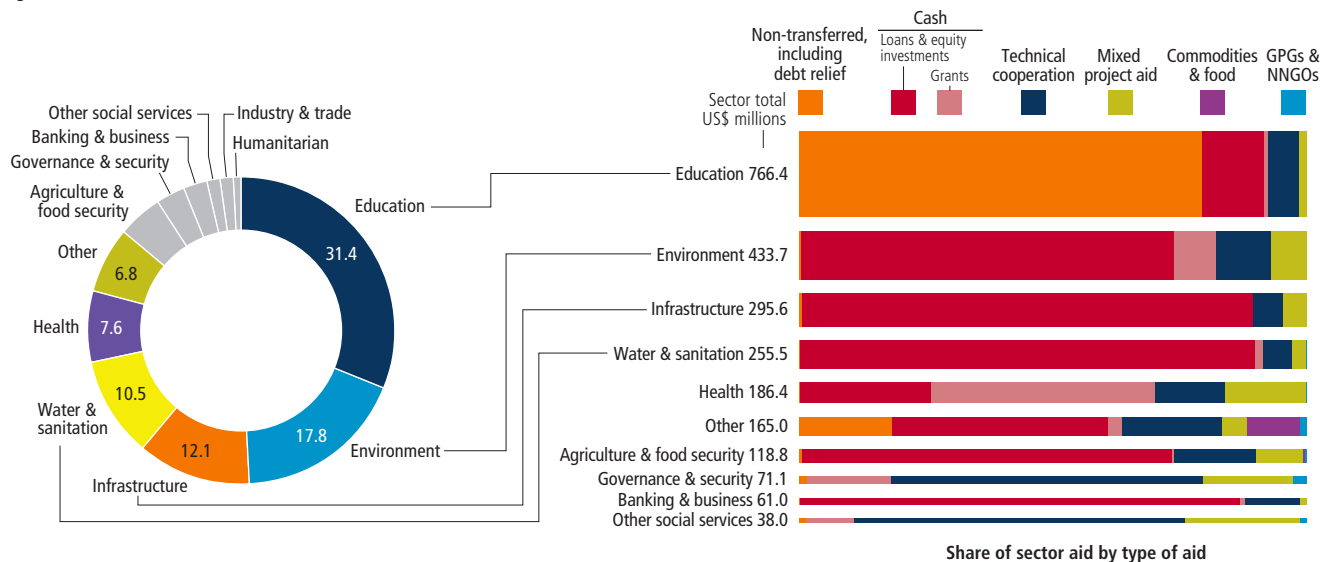


What is aid to China spent on?

Three sectors account for 61% of ODA to China: education, environment and infrastructure. Loans and equity investments fund most of these sectors and other sectors, such as water and sanitation, agriculture and food security, and banking and business. ODA to health is 44% grants. Technical cooperation is predominant in governance and security and other social services. Japan, Germany, France and the Global Fund provide the bulk of ODA funding to education, infrastructure, environment, water and sanitation, and health.

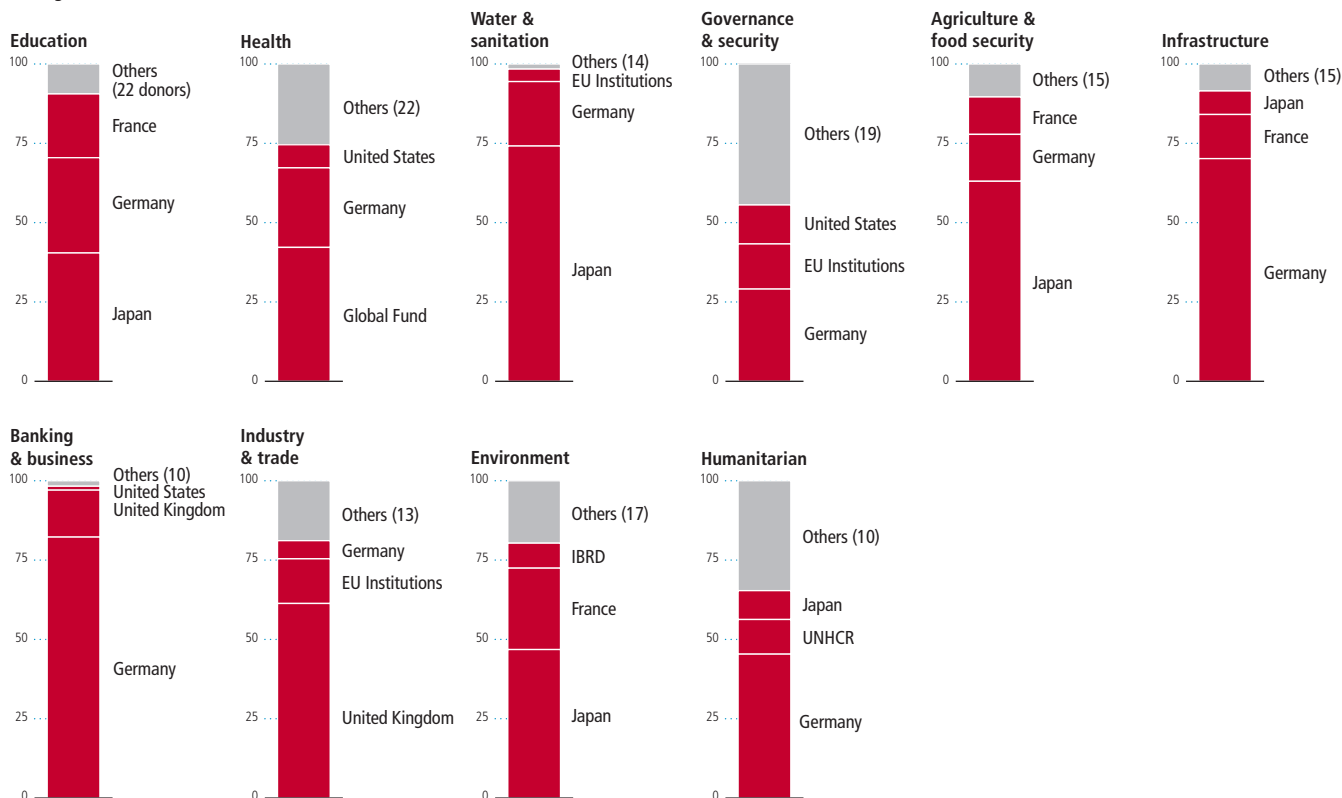
Education, environment and infrastructure account for 61% ODA to China, but most ODA to education is spent within the donor country as student grants; most aid to the largest sectors is loans

% of gross ODA, 2011



Japan, Germany and France provide most of the resources to the largest sectors

% of gross ODA, 2011



Note: Data is from the Ministry of Commerce's (2002–2011) *Statistical Yearbook* (external assistance for all years and concessional loans for 2001 and earlier); Deborah Brautigam's (2011) *The Dragon's Gift: The Real Story of China in Africa* (New York: Oxford University Press; concessional loans for 2002–2009); Development Initiatives calculations (concessional loans for 2010–2011); the OECD's 2012 *DAC Report on Multilateral Aid* (core and earmarked contributions to key agencies) and (2013) *Triangular Co-operation: What's the Literature Telling Us?*; the DAC (ODA and other official flows); World Bank (remittances, GNI and poverty); the United Nations Conference on Trade and Development (FDI). The Information Office of the State Council of the People's Republic of China's (2011) "China's Foreign Aid"; and the United Nations Office for the Coordination of Humanitarian Affairs Financial Tracking System. All data in US\$ is in 2011 prices. Some overlaps of international flows have been taken into account; see *Methodology*. Data on ODA includes assistance from all donors that report to the DAC; aid bundle figures may not align with totals elsewhere as data is drawn from different OECD DAC data sets. "Other" aid includes multisector ODA, administrative costs, support for refugees in the donor country and unallocated or unspecified ODA. AfDB is the African Development Bank. AsDB is the Asian Development Bank. AsDF is the Asian Development Fund. DAC is the Development Assistance Committee of the Organisation for Economic Co-operation and Development. EITI is the Extractive Industries Transparency Initiative. FAO is the Food and Agricultural Organization. FDI is foreign direct investment. Global Fund is the Global Fund to Fight AIDS, Tuberculosis and Malaria. GNI is gross national income. GPGs are global public goods. IBRD is the International Bank for Reconstruction and Development. IDA is the International Development Association. NNGOs are Northern non-governmental organisations. ODA is official development assistance (aid). OGP is the Open Government Partnership. PPP is purchasing power parity. UNDP is the United Nations Development Programme. UNICEF is the United Nations Children's Fund. UNPBF is the United Nations Peacebuilding Fund. UNRWA is the United Nations Relief Works Agency for Palestine Refugees in the Near East. WFP is the World Food Programme. WHO is the World Health Organization.