

an International Seminar on “Contribution to Achieving SDGs: China and International Partners”

Estimating China’s foreign aid using new data: 2015 preliminary figures

June 1, 2017

Naohiro Kitano

JICA Research Institute

Japan International Cooperation Agency (JICA)

Outline of the Presentation

1. JICA and JICA Research Institute Overview
2. JICA's approach toward achieving the SDGs
3. China's approach
4. Total Official Support for Sustainable Development (TOSSD)
5. Estimating China's foreign aid using new data: 2015 preliminary figures
6. China's implementation structure for foreign aid

JICA Overview

JICA (Japan International Cooperation Agency)

- Establishment: October 1, 2003

(established as an Independent Administrative Agency)

- On October 1, 2008, JICA succeeded to the following two arms of operations: ODA Loan operations, etc., managed by the former Japan Bank for International Cooperation (JBIC), and a part of the Grant Aid operations implemented by the Ministry of Foreign Affairs (MOFA)

- Full-time Staff: 1,845 (as of March 31, 2015)

Mr. Shinichi Kitaoka, President of JICA



15 Domestic Branch Offices throughout Japan; Drawing upon local distinctions and human resources to advance a range of JICA projects

JICA Global Plaza(Ichigaya)

JICA Hokkaido(Sapporo, Obihiro)

JICA Tohoku

JICA Nihonmatsu

JICA Tsukuba

JICA Tokyo

JICA Yokohama

JICA Komagane

JICA Hokuriku

JICA Chubu/Nagoya Global Plaza

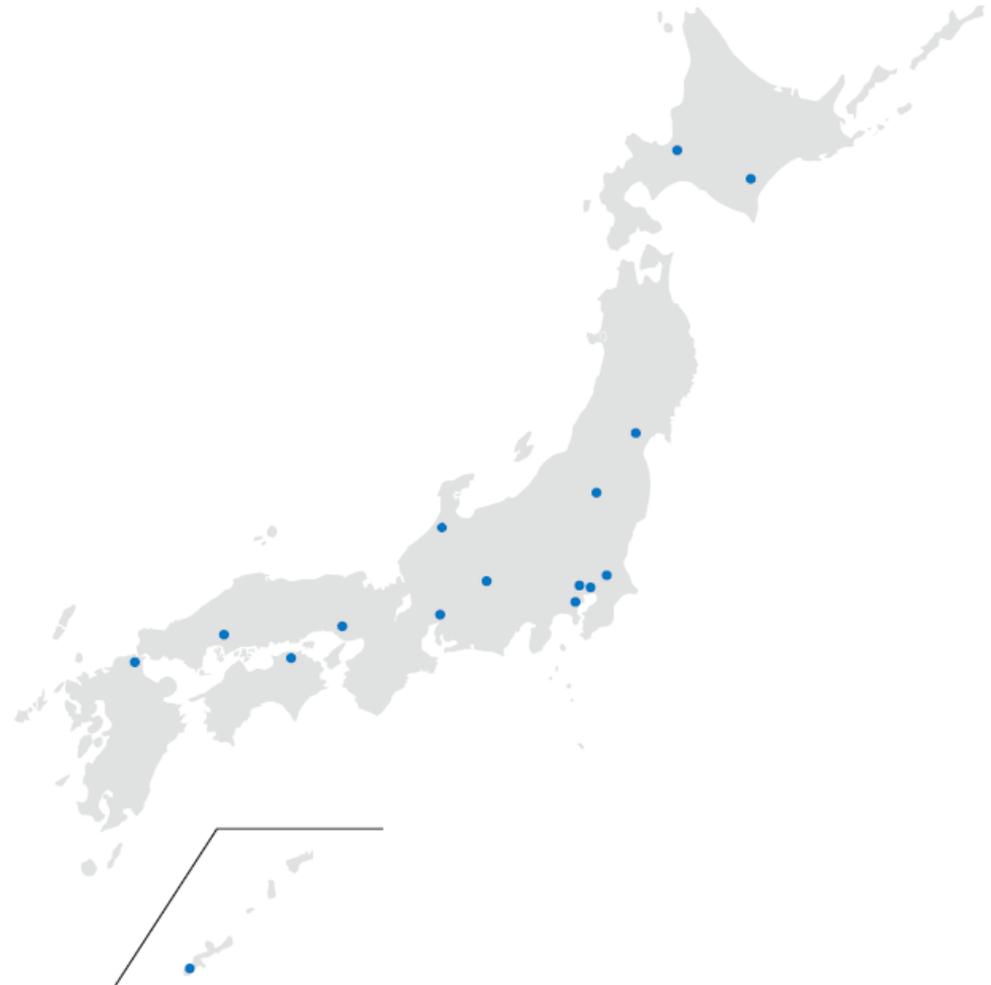
JICA Kansai

JICA Chugoku

JICA Shikoku

JICA Kyushu

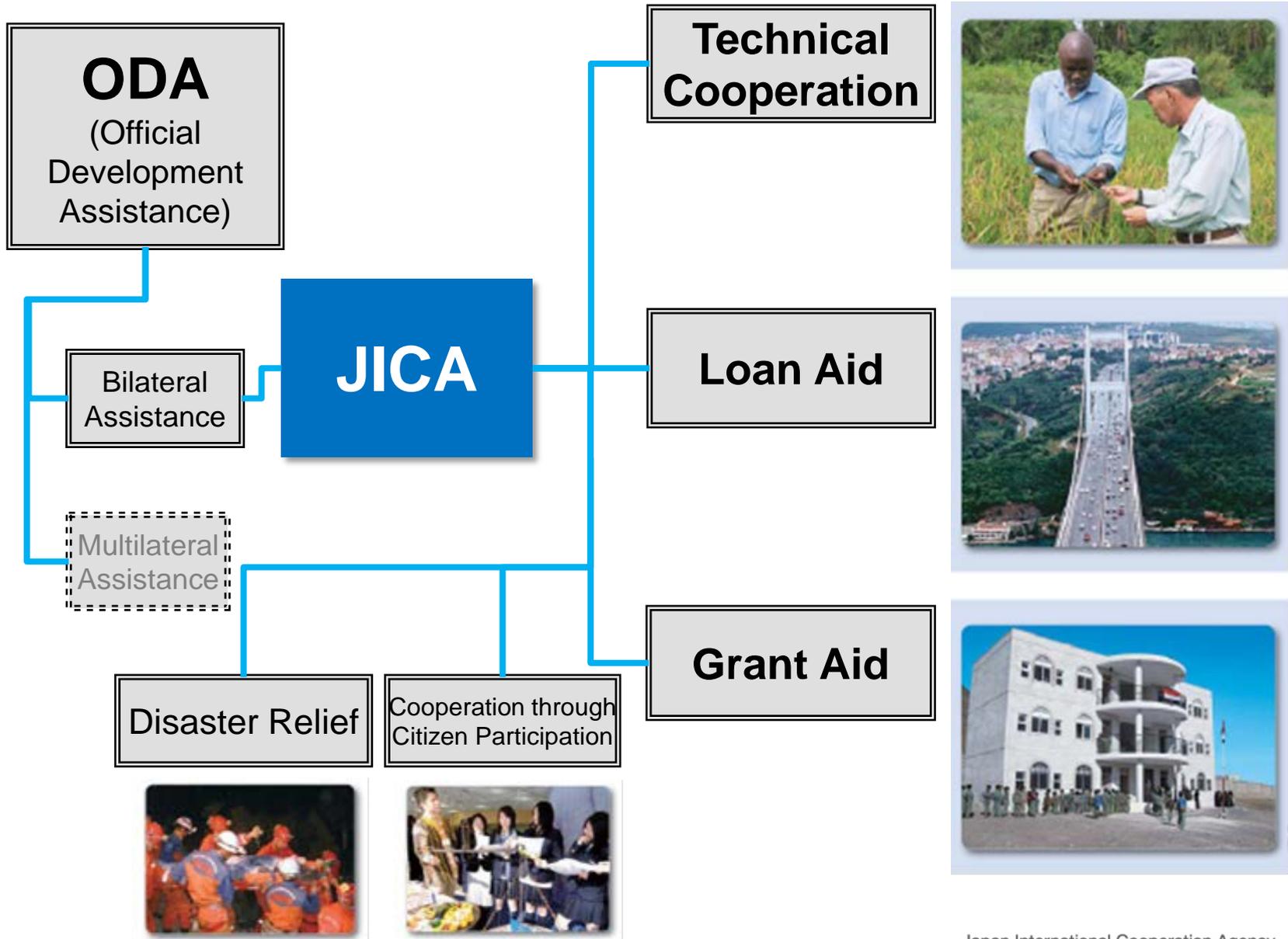
JICA Okinawa



96 Overseas Offices located worldwide: Promoting projects in response to local needs.



Types of Assistance





Total Operation of JICA in JFY 2015: 21.193 Billion US\$ (2,564 Billion JPY)

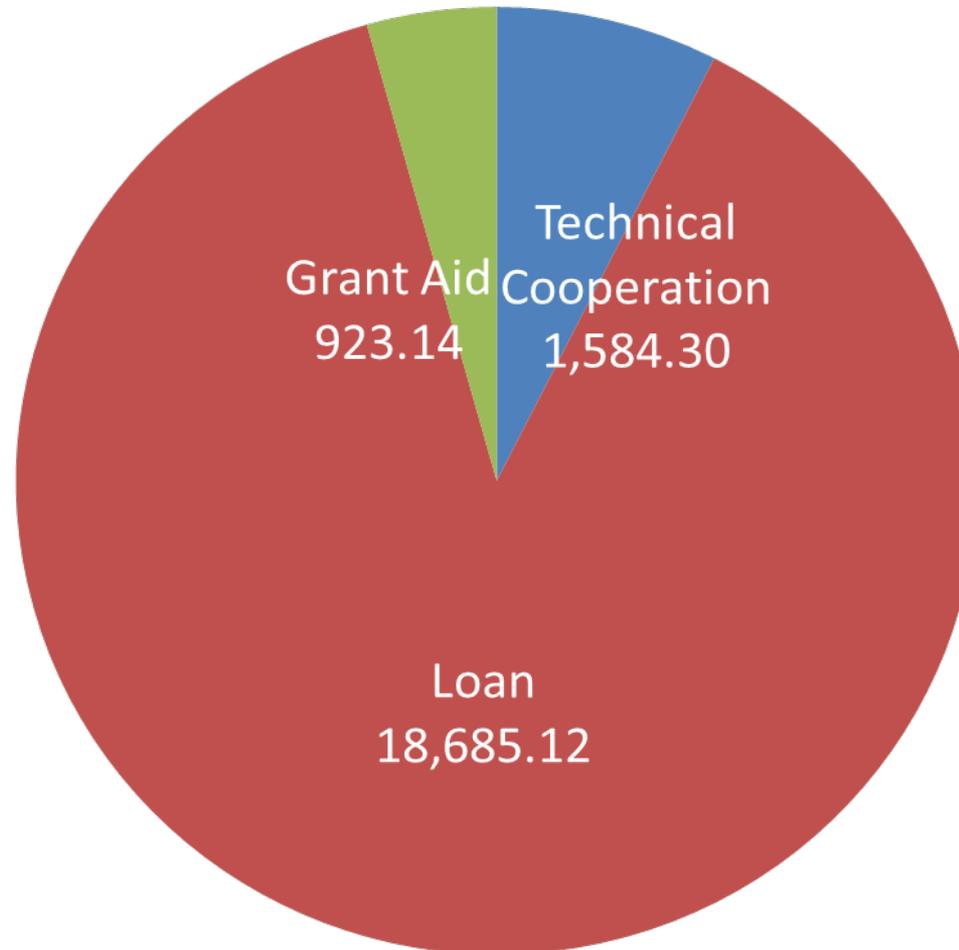
-Technical Cooperation:

Unit: Million USD

Total expenses excluding management expenses Exchange Rate : 1 USD = 121.0 JPY

-Yen Loan & PSIF: Total commitment

-Grant Aid: Amount of concluded Grant Agreement



JICA Research Institute at glance

■ Establishment

- October 1, 2008 (with the establishment of “New JICA”)

■ Researchers

- Director (Dr. Naohiro KITANO)
- Researchers (20)
- Distinguished Fellows, Visiting Fellows and Visiting Scholars (23)

■ Mission of JICA Research Institute (JICA-RI);

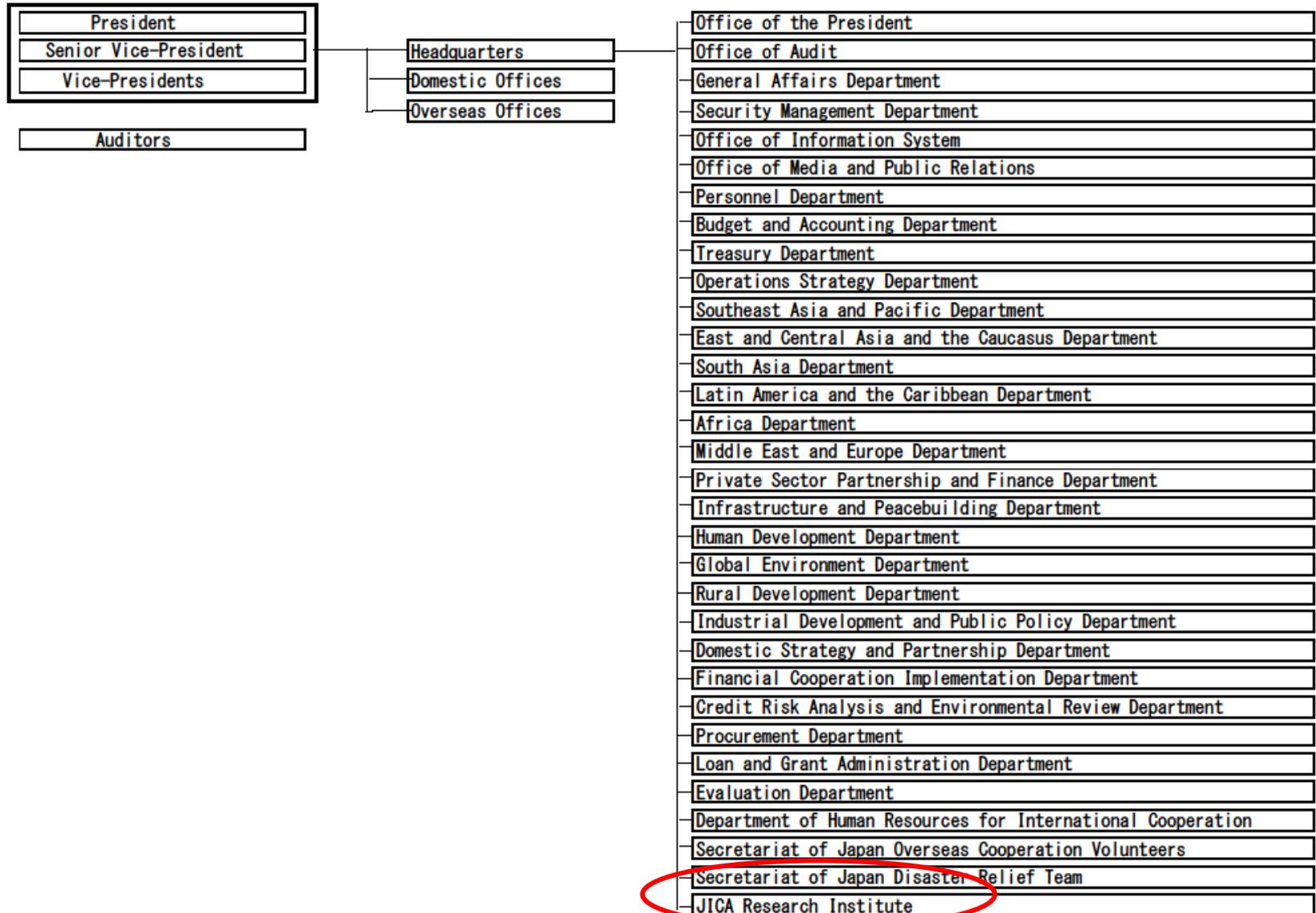
- To improve effectiveness of JICA’s development projects
- To address global agendas and lead international policy dialogues

■ Research areas

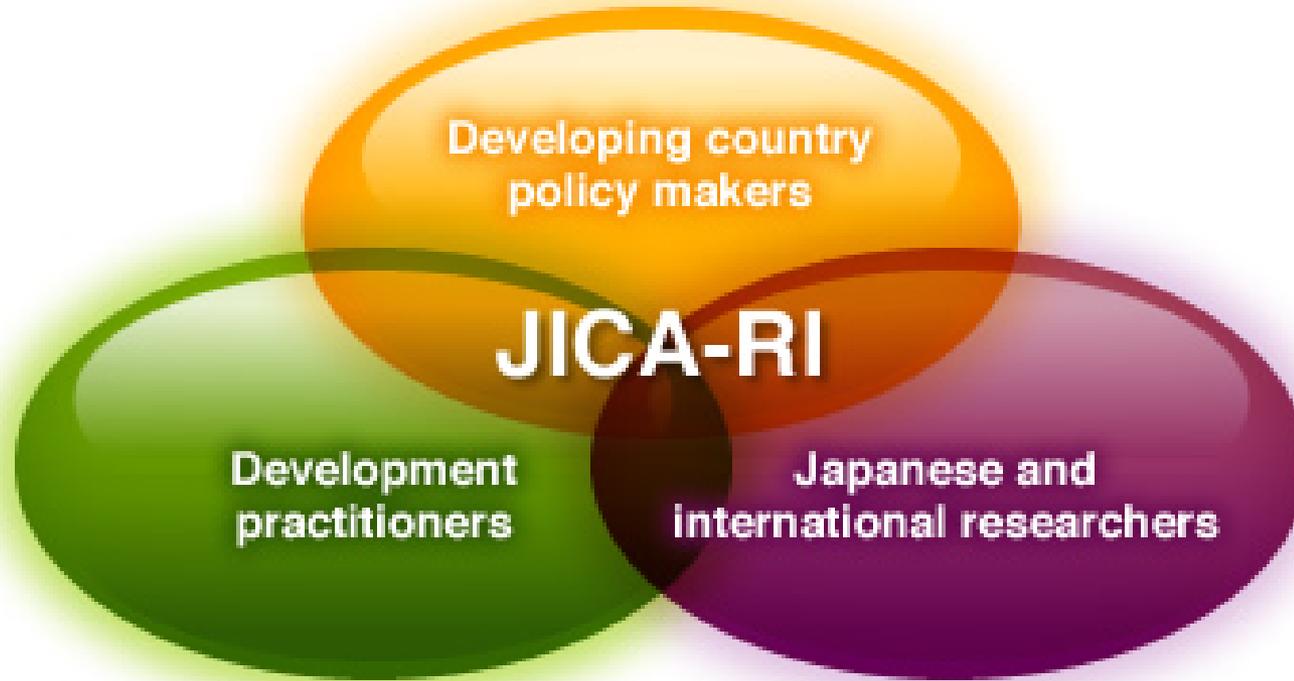
- (1) Peace and Development
- (2) Growth and Poverty Reduction
- (3) Environment and Development/Climate Change
- (4) Aid Strategies

Organization Chart of JICA (as of 2016.10.1)

4. Organization Chart (2016.10.1)



JICA-RI's research approach: nexus of researchers and practitioners



As a research institute affiliated with a development agency, JICA-RI's work is both policy- and operations-oriented, carried out together with various operational and academic organizations and professionals.

On-going research projects (examples)

Project

Strategy/
Operational
Department

Research Project on Quality Growth G1-17

Joint Research Project with Brookings
Institution on From Summits to Solutions:
Innovations in Implementation G1, 5, 8, 10...

Joint Research Project with CSIS on
Transformative Innovation for Sustainable
Development and Poverty Reduction G8

Development cooperation by emerging
countries G17

Research on Demand Estimate on
Infrastructure in Asia G9

Research on Japanese ODA History

Operations
Strategy Dept
Office for Global
Issues and
Development
Partnership

Global Environment
Dept

Development Cooperation by Emerging Countries

- Kitano N. (2017). Note on Estimating China's Foreign Aid Using New Data: 2015 Preliminary Figures
- Kitano N. (2016). Estimating China's foreign aid II: 2014 update. Working Paper No. 131. JICA Research Institute.
- Furukawa M. (2014). Management of the International Development Aid System and the Creation of Political Space for China: The Case of Tanzania No.82
- Sato J. (2015). The Benefits of Unification Failure: Re-examining the Evolution of Economic Cooperation in Japan No.87
- Shimomura Y. & Wang P. (2015). Chains of Knowledge Creation and Emerging Donors No. 88
- Shiga H. (2016). India's Unique Role in the Enhancement of Democratic Governance as a Model of Constitutional Democracy No.125
- Hosono A. (2016). Potential and Challenges for Emerging Development Partners: The Case of Indonesia No.126

Outcomes (Publications)

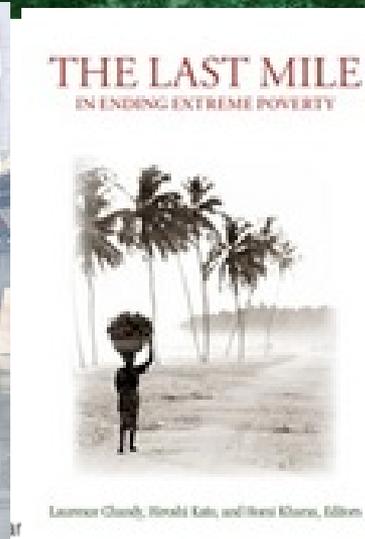
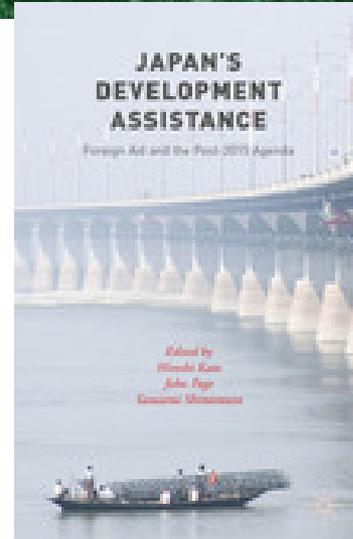
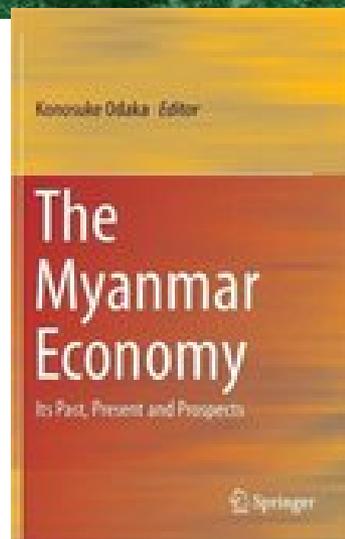
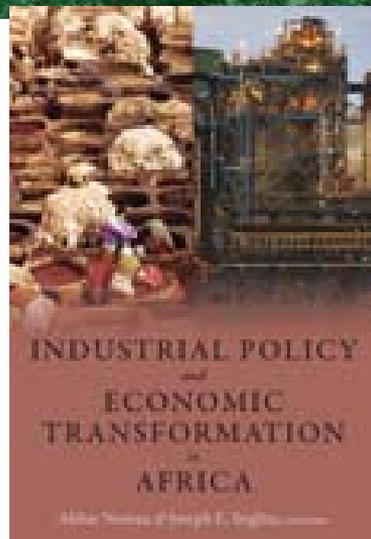
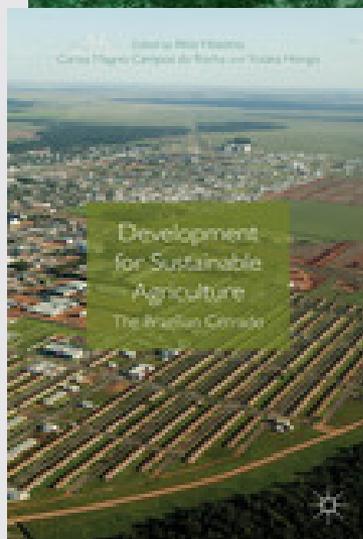


Working Papers – No.153

■ PDF files are available at <http://jica-ri.jica.go.jp/publication/workingpaper/>

The Working Papers report the findings of JICA-RI in ongoing or completed research in order to trigger debate. The papers are published through review by international referees and the in-house board of review.

Books (English)



Collaboration with China, Korea, Russia and UN-ESCAP: North-East Asia Development Cooperation

Back ground: Northeast Asian countries have a unique experience as both recipients and donors of aid, as well as the experience of transformation from recipients to donors in recent history.

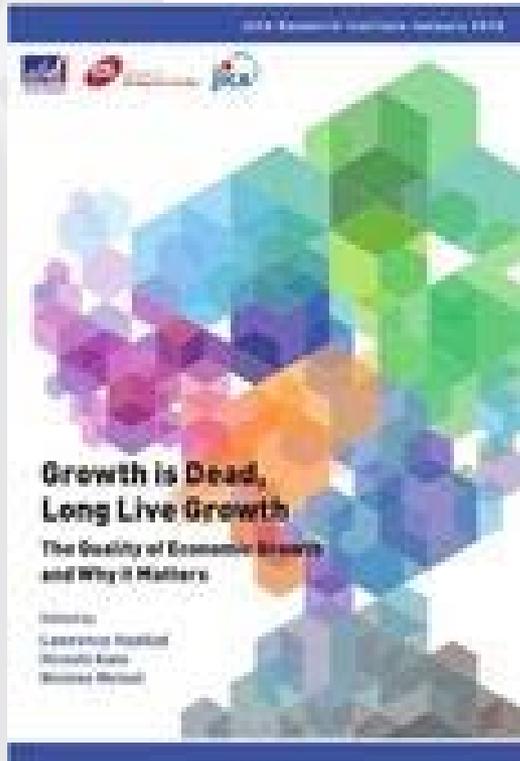
Objectives: Researchers and Academics from throughout the region (China, Japan, Korea, and Russia) discuss development issues from the perspective of SDGs.

Jointly organized by

- **UN-ESCAP East and North-East Asia (ENEA)**
- **Korea Association of International Development and Cooperation (KAIDEC)**
- **Japanese Society for International Development (JASID)**
- **China International Development Research Network (CIDRN)**

**1st Forum was held in Korea in 2014
2nd Forum was held in Japan in 2015
3rd Forum will be held in China in 2016**





Growth is Dead, Long Live Growth

The Quality of Economic Growth and Why it Matters

Edited by

Lawrence Haddad

Hiroshi Kato

Nicolas Meisel

Japan's efforts to address the SDGs

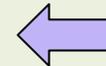
1. Japan's SDGs promotion HQ launched in May 2016
 - Discussions at SDGs promotion roundtable meetings
 - Inputs from civil society through public comments

2. SDGs Implementation Guiding Principles

approved in Dec 2016

✓ Measures for domestic issues

✓ **Measures for international cooperation**



3. Will present Japan's measures at Voluntary National Reviews of the UN HLPF in July 2017

Japan's SDGs guiding principles and specific measures are posted on the prime minister's cabinet homepage; <http://www.kantei.go.jp/jp/singi/sdgs/>

Three pillar of JICA's cooperation toward achieving the SDGs

1

JICA will realize “**human security**” and “**quality growth**” to contribute to the peace, stability and prosperity of the international community. The SDGs accelerates and promotes this cooperation philosophy so that JICA will proactively contribute to achieving the goals with leadership.

2

JICA will play a pivotal role in achieving **10 goals** of the SDGs making use of its own experience in Japan's socio-economic development as well as in international development cooperation.

3

JICA will work to secure impact of cooperation on the SDGs through utilizing Japan's own knowledge, introducing **innovations** and collaborating with local and international partners in order to accelerate the achievement of the SDGs.

JICA's Strategy toward achieving the SDGs

Ultimate Goals



3

Utilizing Japan's Experience



2

Innovations and Partnerships

China's Position Paper on the Implementation of the 2030 Agenda for Sustainable Development 2016/04/22

- The 13th Five-Year Plan was reviewed and approved in March 2016, linking the 2030 Agenda with domestic mid-and-long term development strategies.
- Great efforts will be made to publicize the agenda nationwide in order to mobilize domestic resources and raise public awareness, creating favorable social environment for the implementation.
- China will formulate national plans for implementation of the 2030 Agenda and release it in due course.
- As the 2016 G20 President, China lists promoting inclusive and inter-connected development as one of the four key agenda items, which will focus on the implementation of the 2030 Agenda.
- It is the first time to comprehensively integrate development issues into the global macroeconomic policy coordination framework at the summit level and enhance development issues to a prominent position.
- China will deepen South-South cooperation to help other developing countries to implement the 2030 Agenda.

China released national plan for implementation of UN sustainable development agenda in Sept. 2016

可持续发展目标：共同努力改造我们的世界 — 中国主张

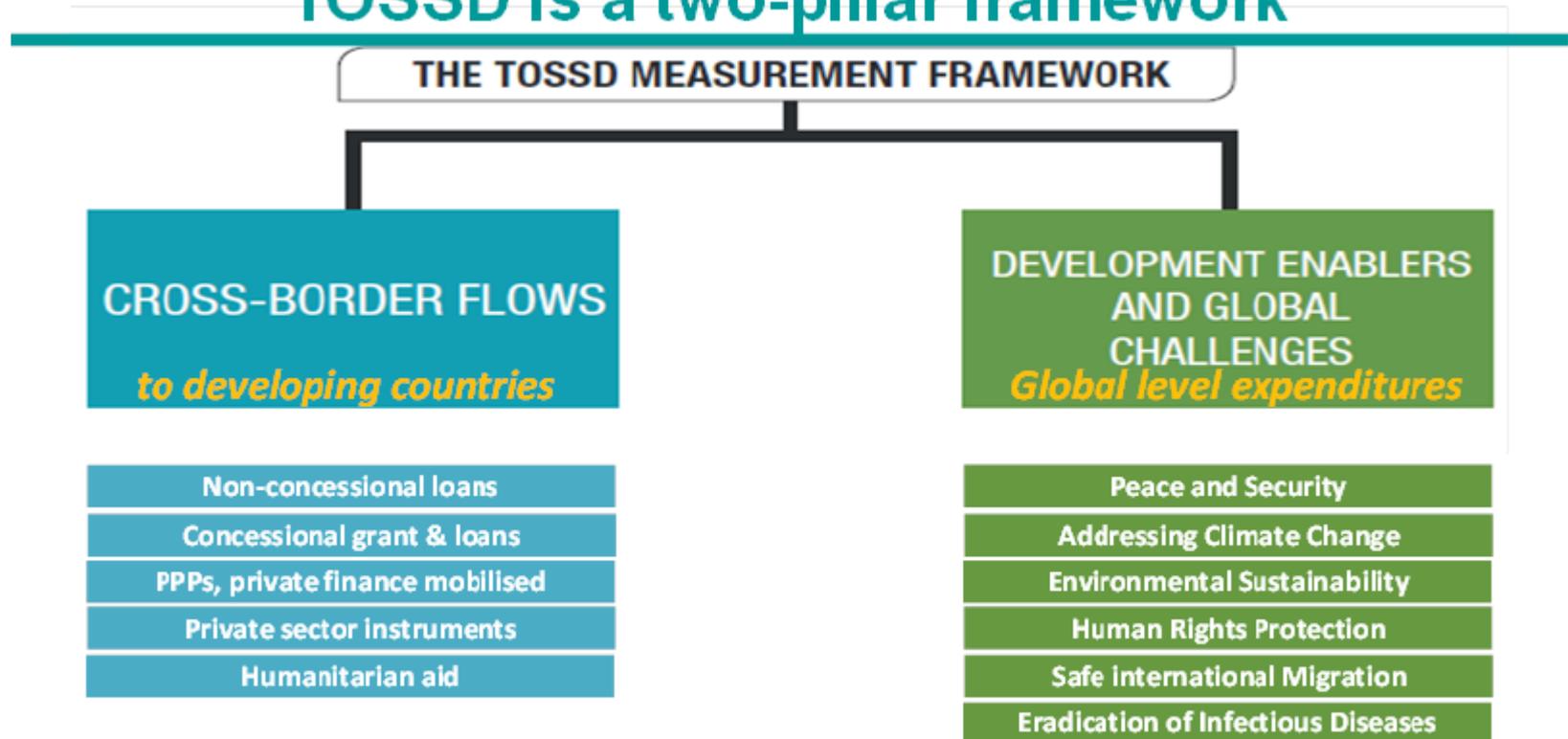
THE SUSTAINABLE DEVELOPMENT GOALS: A UNIVERSAL PUSH TO TRANSFORM OUR WORLD
— CHINA'S PERSPECTIVE



Total Official Support for Sustainable Development (TOSSD)

TOSSD includes all officially-supported resource flows to promote sustainable development in developing countries, and to support development enablers or address global challenges at regional or global levels.

TOSSD is a two-pillar framework



TOSSD 2014 estimate:
USD 580 bn

Detailed first estimates of the order of magnitude of TOSSD

US\$ 580.760 billion

USD million, 2014, gross disbursements	ESTIMATES	NOTES AND SOURCES
PILLAR I: CROSS-BORDER FLOWS		
Official bilateral flows from DAC providers (excluding EU institutions)		
Grants	78 453	<i>Proxy: ODA grants disbursements excluding in-donor costs (imputed student costs and refugees in-donor country) and debt relief (CPA).</i>
Concessional loans and other instruments	18 852	<i>Proxy: ODA loans, debt swaps and equity</i>
Non-concessional loans	10 214	<i>Proxy: Other official flows, including loans other than export credits, and excluding debt swaps, bank securities and equity</i>
Non-concessional, other instruments	1 578	<i>Refers to debt swaps, bank securities and equity</i>
Official flows from emerging market economies		
Development co-operation flows	30 654	<i>OECD data from 19 reporting countries and estimates from 10 other countries</i>
Estimates of broader International Co-operation	300 000	<i>Estimates based on research undertaken by the Secretariat. Approximately 96% of this figure relates to finance from the Chinese EXIM-bank and the China Development Bank. OECD working paper (forthcoming)</i> Japan International Cooperation Agency

Estimating China's foreign aid (2014)

US\$ million

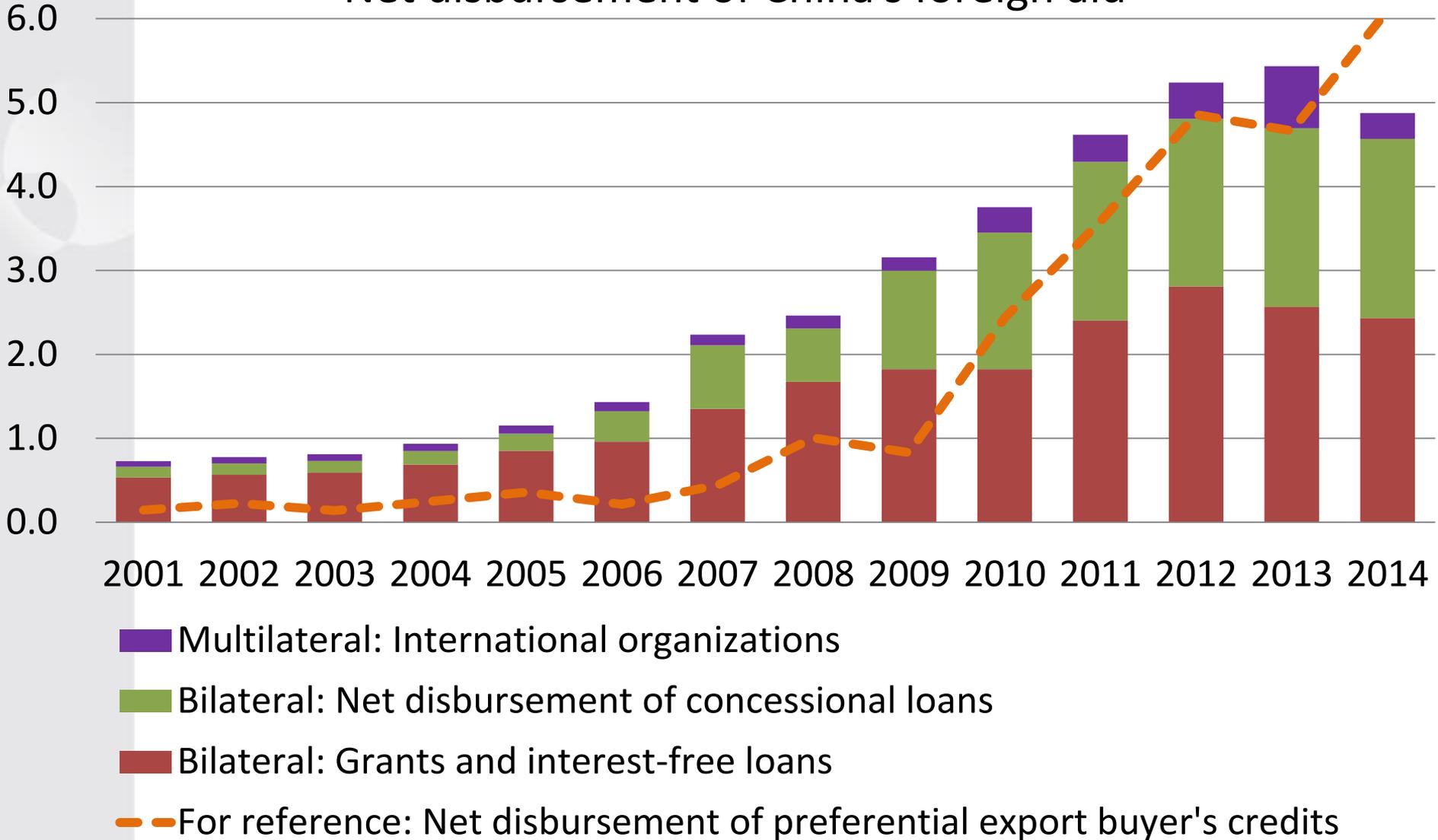
Net disbursement of China's foreign aid



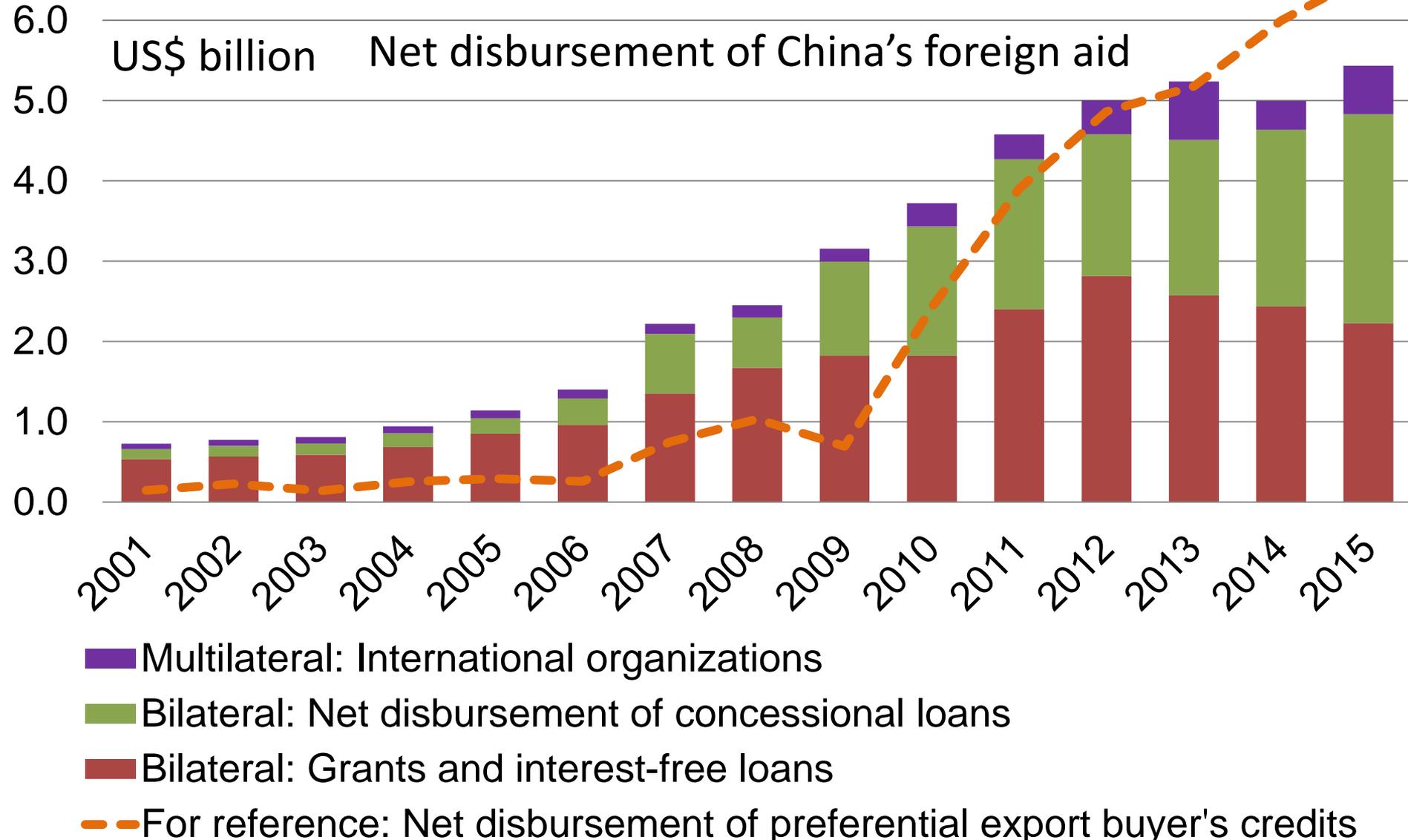
Estimating China's foreign aid: New data (2016)

US\$ Billion

Net disbursement of China's foreign aid



Estimating China's Foreign Aid Using New Data: 2015 Preliminary Figures (2017)



Source: Kitano (2017) A Note on Estimating China's Foreign Aid Using New Data: 2015 Preliminary Figures.

https://www.jica.go.jp/jica-ri/publication/other/20170526_01.html

Net disbursement of China's foreign aid

US\$ billion

Year	Bilateral: Grants and interest-free loans	Bilateral: Net disbursement of concessional loans	Bilateral : Net foreign aid	Multi-lateral: International organizations	Total: Net foreign aid	For reference: Net disbursement of preferential export buyer's credits	Total: Net foreign aid + Net disbursement of preferential export buyer's credits
2010	1.8	1.6	3.4	0.3	3.7	2.4	6.1
2011	2.4	1.9	4.3	0.3	4.6	3.9	8.5
2012	2.8	1.8	4.6	0.4	5.0	4.9	9.9
2013	2.6	1.9	4.5	0.7	5.2	5.2	10.4
2014	2.4	2.2	4.6	0.4	5.0	6.0	11.0
2015	2.2	2.6	4.8	0.6	5.4	6.6	12.0
2015	41.1%	47.9%	88.9%	11.1%	100.0%	121.0%	

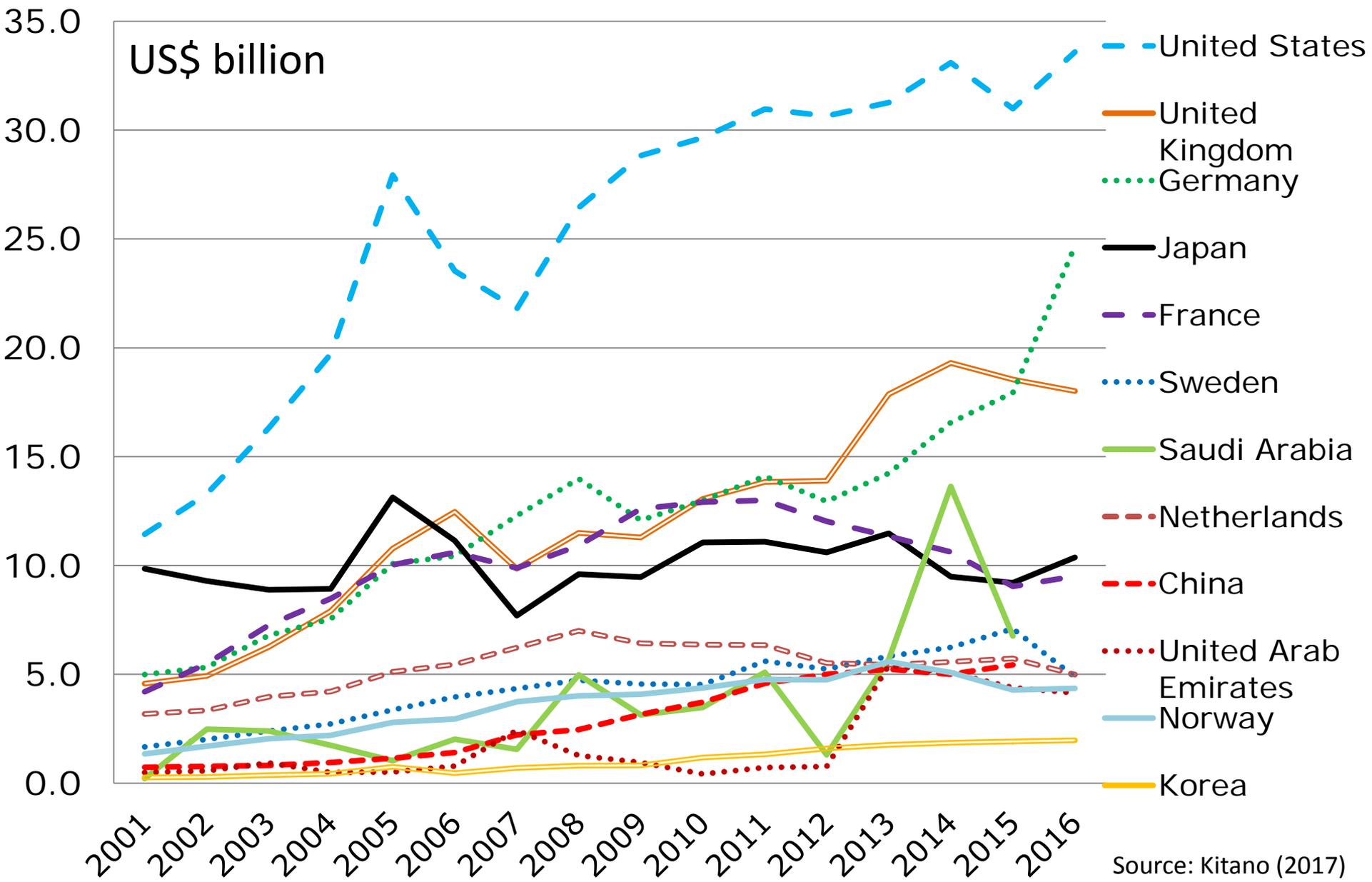


Comparison of Kitano (2016) and OECD-DAC (2016)

US\$ billion

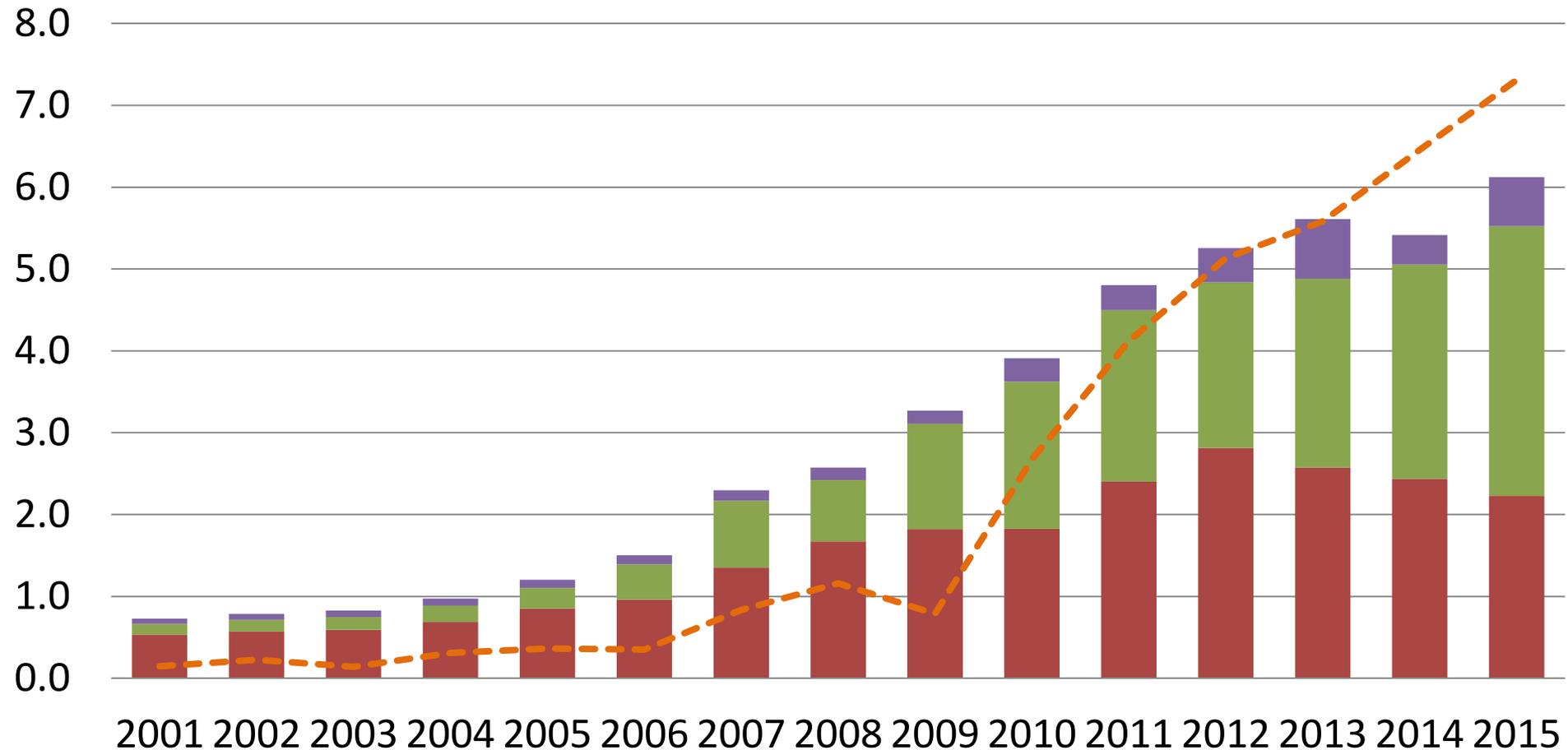
Year	Bi-lateral: Grants and interest-free loans (A)	Bi-lateral: Net disbursement of concessional loans (B)	Bi-lateral: Net foreign aid (C)=(A)+(B)	Multi-lateral: International organizations (D)	Total: Net foreign aid (E)=(C)+(D)	DAC: Bi-lateral cooperation	DAC: Developmental funds channeled through multi-lateral organizations	DAC: Total
2010	1.8	1.6	3.5	0.3	3.7	2.0	0.6	2.6
2011	2.4	1.9	4.3	0.3	4.6	2.5	0.3	2.8
2012	2.8	2.0	4.8	0.4	5.2	2.6	0.5	3.1
2013	2.6	2.1	4.7	0.7	5.4	2.8	0.2	3.0
2014	2.4	2.1	4.6	0.4	4.9	3.0	0.4	3.4

Comparison of net ODA flows of DAC member countries and emerging providers and China's net foreign aid



Source: Kitano (2017)

Gross disbursement of China's foreign aid



■ Multilateral: International organizations (D)

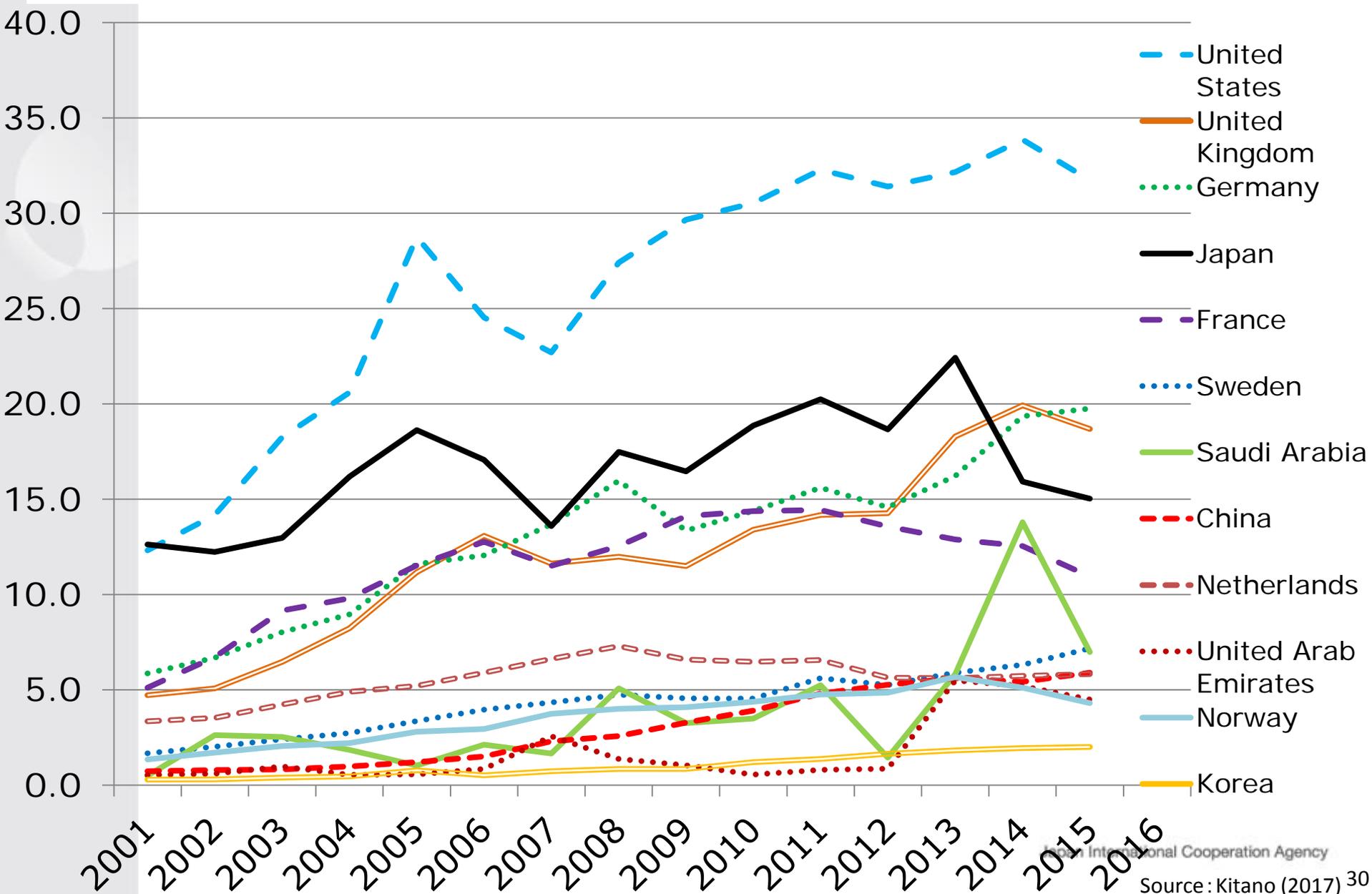
■ Bilateral: Gross disbursement of concessional loans (F)

■ Bilateral: Grants and interest-free loans (A)

--- For reference: Gross disbursement of preferential export buyer's credits (J)

Source: Kitano (2017)

Comparison of gross ODA flows of DAC member countries and emerging providers and China's net foreign aid





Foreign aid projects: Case of Cambodia

Official Title

Budget

CNY: Concessional loans

USD: Preferential export buyer's credits

► **China (41 Projects)**

1. **300 Biodigesters**

2. **Construction and Rehabilitation Project of the National Road No. 78 from O Pong Moan (Stung Treng Province) to Ban Lung (Ratanakiri Province)**

510,770,000.00 CNY

3. **Construction of NR 41 from junction NR4 Thnal Toteung -Chum Kiri (Kampot)**

44,992,000.00 USD

4. **Construction of the Prek Kdam Bridge(975m)**

28,783,664.00 USD

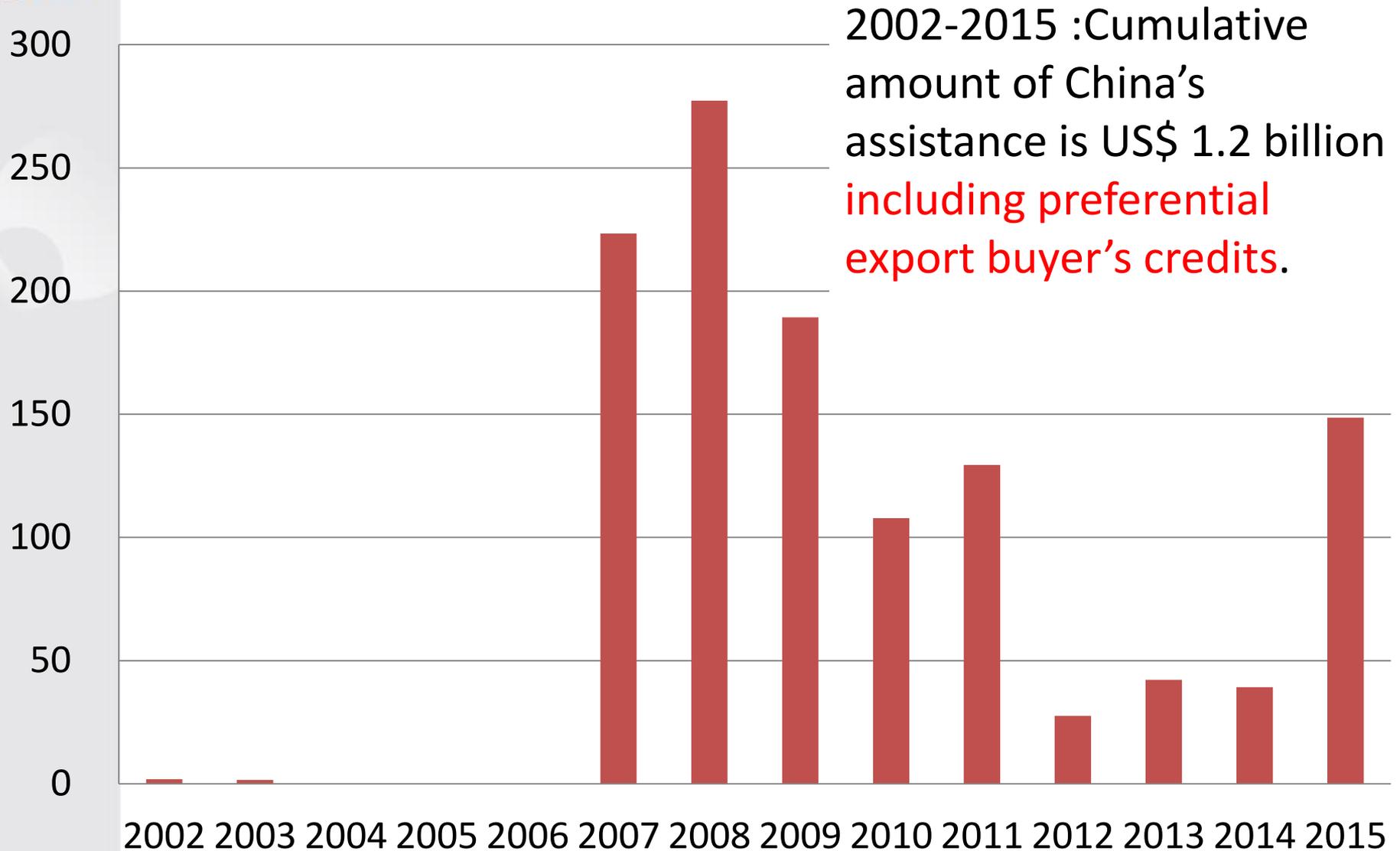
5. **Construction of the Prek Tamak Bridge (1060m)**

43,503,619.00 USD

6. **Design & Construction Project of the National Road No. 62 of Cambodia from Tbeng Meanchey to Prasat Preah Vihear & Road No. 210 from Thanl Bek Village, the Junction of NR No. 62 to Srayang-Koh Ker**

57,800,000.00 USD

China's Aid to Tajikistan (Gross Disbursement)



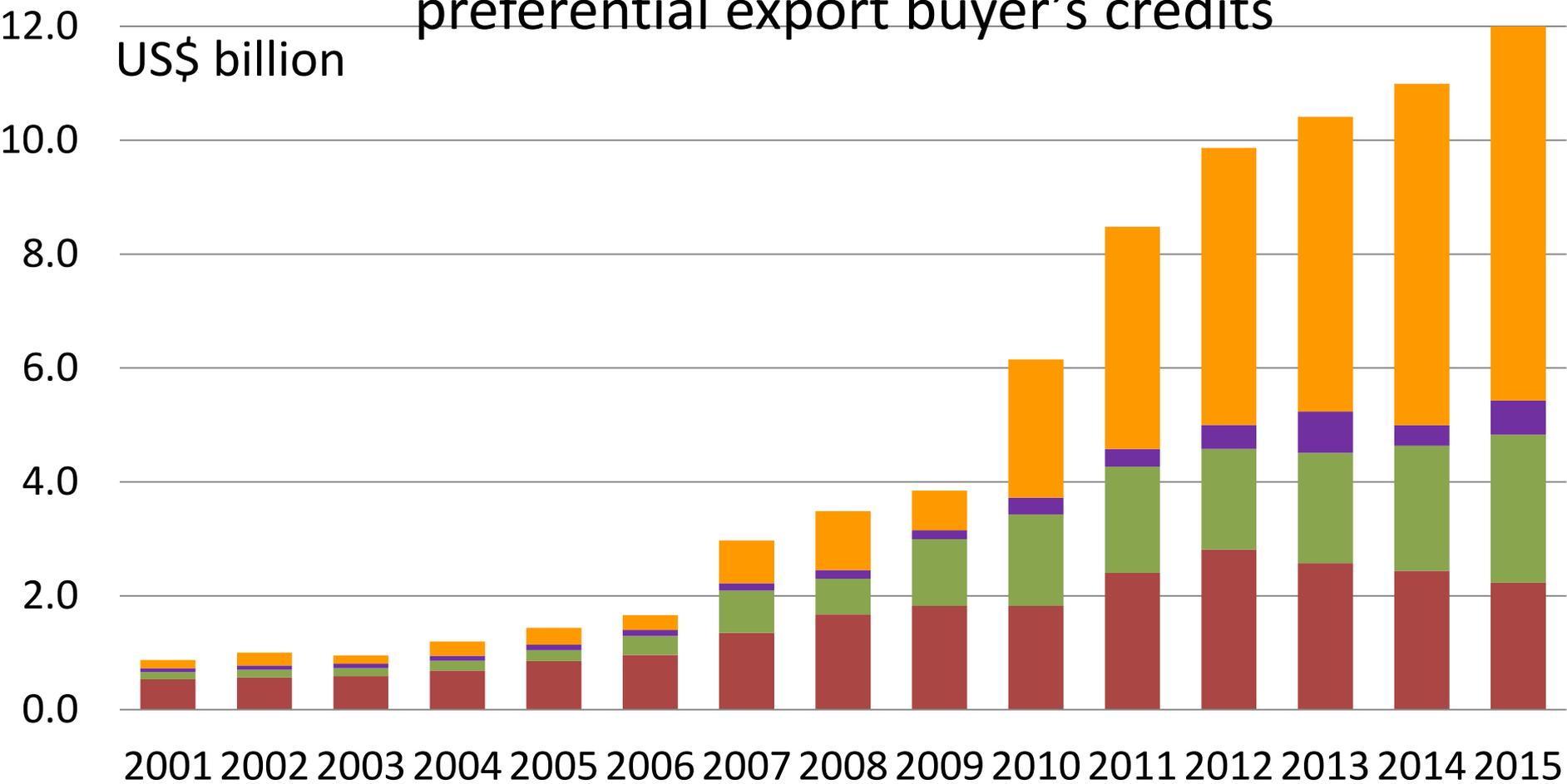
Source: Tajikistan State Committee on Investments and State Property Management. 2014. "Foreign Aid Report 2013", p.18

Tajikistan State Committee on Investments and State Property Management. 2016. "Foreign Aid Report 2015", p.18

http://amcu.gki.tj/eng/images/FAR_2015/far_2015_en.pdf

Net disbursement of China's foreign aid plus preferential export buyer's credits

US\$ billion



- For reference: Net disbursement of preferential export buyer's credits
- Multilateral: International organizations
- Bilateral: Net disbursement of concessional loans
- Bilateral: Grants and interest-free loans

China's commitment for regional cooperation frameworks (1/3)

US\$ Billion

Fraamework	Year started	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Global: UN			10(P)					Amount not announces				
Belt and Road Initiative	2013											Silk Road Fund 40
Southeast Asia: China-ASEAN Summit	1997		5(P)			15 (6.7 P)			10 (4 P)			10(P) 10
Central Asia: SCO Summit	2001	0.9(P)		0.9(P)			10			10		
Middle East: Arab League												
Africa: FOCAC	2000			5 (P)			10(P)			20 (over 10 P)		+10
Central and Eastern Europe China-CEEC Economic and Trade Forum	2012									10		
Forum for China and Portuguese-speaking Countries*	2003			RMB 0.8(P)				RMB 1.6(P)			RMB 1.8(P)	
Latin America China-Latin America and the Caribbean Forum	2015				Caribbean RMB 4(P)				Caribbean 10(CDB) 10(P)	10 (CDB)		10→20 (CDB) 10(P)
Oceania:	2006			RMB 3 (P)							1(P) 1(CDB)	

Notes P: with preferential conditions. CDB: China Development Bank. Only selected Funds are included in this list.

*Participating countries are China (Macau), Portugal, Brazil, Angola, Cape Verde, Guinea-Bissau, Mozambique, and East Timor

Sources: Chinese government websites, etc.

China's commitment for regional cooperation frameworks (2/3)

US\$ Billion

Framework	Year started	2015	2016
<p>Global: UN</p>		<ul style="list-style-type: none"> ▪ South-South Cooperation Assistance Fund (2) ▪ Establishing International knowledge center ▪ China-UN Peace and Development Fund (1 for 10 years) ▪ 100 new poverty-reduction projects, 100 agricultural projects, 100 trade projects, 100 projects on ecological preservation and climate change, 100 new hospitals and clinics, and 100 schools and vocational training centers in the next five years ▪ Establishing South-South Cooperation and Development Academy ▪ China South-South Climate Cooperation Fund (RMB 20) 	
<p>Belt and Road Initiative</p>	2013	Paid-in capital for AIIB 60 and BRICS NDB 10	
<p>Southeast Asia: China-ASEAN Summit</p>	1997	10(CDB)	Mekong RMB10(P), 5(P), 5
<p>Central Asia: SCO Summit</p>	2001		
<p>Middle East: Arab League</p>			15, 10, 5(P)
<p>Africa: FOCAC</p>	2000	5(grants, interest-free loans), 35(including P)	

China's commitment for regional cooperation frameworks (3/3)

US\$ Billion

Frame-work	Year started	2017
Global		<ul style="list-style-type: none"> ▪ Provide replenishment of 1 to the South-South Cooperation Assistance Fund to initiate the "China and United Nations 2030 Agenda for Sustainable Development Cooperation Initiative"
Belt and Road Initiative	2013	<ul style="list-style-type: none"> ▪ The Silk Road Fund will expand by RMB 100 (=14.5) ▪ The China Development Bank will set up the Belt and Road Multi-currency Special Lending Scheme for Infrastructure Development (RMB 100 equivalent), the Belt and Road Multi-currency Special Lending Scheme for Industrial Cooperation (RMB 100 equivalent), and the Belt and Road Multi-currency Special Credit Lines for Overseas Financial Institutions (RMB 50 equivalent) (=36) ▪ The Export-Import Bank of China will set up the Belt and Road Multi-currency Special Lending Scheme (RMB 100) and the Belt and Road Multi-currency Special Lending Scheme for Infrastructure Development (RMB 30 equivalent) (=19) ▪ Provide RMB 2 in emergency food aid to the countries along the Belt and Road ▪ Support the implementation of 100 Happy Home Projects, 100 Anti-Poverty Projects, 100 Health Recovery Projects and other projects in the relevant countries ▪ Provide relevant international organizations with 1 to jointly promote the implementation of international cooperation projects benefiting the countries on the Belt and Road, including 100 Refugee Assistance Projects covering food, tents, portable houses, etc, setting up "Refugee Scholarships", providing 500 refugee youngsters with education opportunities and financial support to 100 refugee athletes to participate in regional or international games.

China Eximbank: Gross Disbursements

US\$ billion

Year	Export supplier's credits (A)	Export buyer's credits (B)	Import credits (C)	Concessional loans (D)	Preferential export buyer's credits (E)	Remaining amount (G)=(H)-(A)-(B)-(C)-(F)	On-balance-sheet total (H)	Outstanding (I)
2010	21.3	4.8	14.5	1.8	2.7	6.6	51.7	106.0
2011	26.2	6.8	18.3	2.1	4.1	16.6	74.1	143.5
2012	27.8	6.7	24.5	2.0	5.1	36.2	102.4	191.2
2013	31.1	8.8	28.6	2.3	5.6	53.5	129.7	239.3
2014	29.1	9.7	31.7	2.6	6.5	70.4	149.9	290.9
2015	34.6	11.2	34.6	3.1	7.3	82.3	173.0	345.0
2015	20%	6%	20%	2%	4%	48%	100%	

Note: Figures (A) to (E) in 2015 are estimated by author.

Source: Revised by author based on ANNEX Table 1 in Kitano (2016).

Table 4 China Development Bank's Foreign Currency Loans: Gross Disbursements US\$ billion

Year	Gross disbursement	Out-standing
2010		141.3
2011		210.0
2012		248.2
2013	More than 100.0	281.8
2014		267.0
2015	127.4	276.0

Note: The figures may include loans to developed countries.

Sources: 国家开发银行国际业务宣介手册 <http://www.cdb.com.cn/ywgl/xdyw/gjhzyw/>
http://www.cdb.com.cn/xwzx/khdt/201512/t20151214_540.html
http://www.cdb.com.cn/xwzx/mtjj/201603/t20160307_2805.html

China's implementation structure for foreign aid

Central Government

State Council

Western Development Department, National Development and Reform Commission (NDRC): BRI

Ministry of Foreign Affairs

Ministry of Finance (WB, ADB, AIIB, NDB)

Ministry of Agriculture, National Health and Family Planning Commission, etc.

Ministry of Commerce (MOFCOM)
Dept. of Aid to Foreign Countries
Dept. of Outward Investment and Economic Cooperation (Preferential export buyers credits)

People's Bank of China (AfDB, IDB, EBRD, SRF)

Institute of International Development Cooperation, Chinese Academy of International Trade and Economic Cooperation
Institute of South-South Cooperation and Development, National School of Development of Peking University
Centre for International Knowledge on Development, (CIKD) Development Research Center

Executive Bureau of International Economic Cooperation
→ Agency for International Economic Cooperation
China International Center for Economic and Technical Exchanges (CICETE)
Academy for International Business Officials (AIBO)

The Export-Import Bank of China (China Eximbank)

Multi-lateral Institutions

China Development Bank

Embassy of China (Economic and Commercial Counselor's Office)

Grants
Interest-free loans

Local Government

Department of Commerce

Concessional loans

Preferential export buyers credits

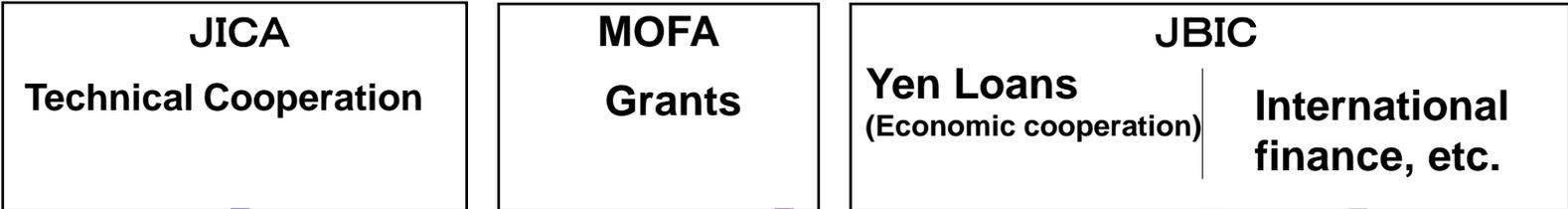
Chinese enterprises and institutions in central and local level

Complete projects, Goods and materials, Technical cooperation, Human resource development cooperation, Chinese medical team working abroad, etc.

Other developing countries

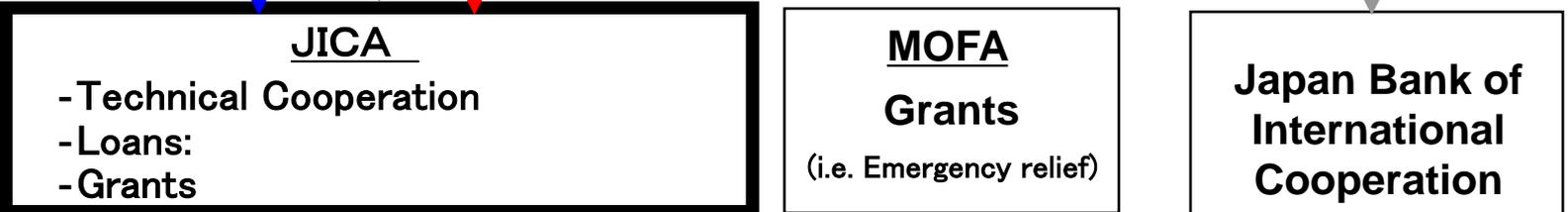
Change in Japan's implementation system of Bilateral ODA

Prior Integration



2007年度

**After Integration
Oct. 2008**



FY2015

- Budget FY 2015: \1,257 billion (TA:¥146 billion, Loan:¥988 billion, Grants:¥122 billion) (* not including supplementary budget)
- Organization: 91 overseas offices
- Partner: 152 countries / regions (FY2013)

Reference

1. Kitano (2017) A Note on Estimating China's Foreign Aid Using New Data: 2015 Preliminary Figures. JICA Research Institute.
2. Kitano N. (2016). Estimating China's foreign aid II: 2014 update. Working Paper No. 131. JICA Research Institute.
3. Kitano, N. (2014). "China's foreign aid at a transitional stage." Asian Economic Policy Review 9, No. 2. 301–17.
4. Kitano N. (2014). Japanese development assistance to ASEAN countries. In: Shiraishi T & Kojima T (eds), ASEAN–Japan Relations. Institute of Southeast Asian Studies.
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Thank you.

For further details, please visit our website:

<https://www.jica.go.jp/jica-ri/index.html>

The screenshot shows the JICA Research Institute website homepage. At the top left is the JICA logo. The main header features the text "JICA Research Institute" and a search bar. Below the header is a navigation menu with links for Home, Research, Publications, Experts, News & Views, and About JICA-RI. The main content area is a large blue banner with a photograph of a group of people, including a man in a vest and a woman in a hijab, looking at a tablet. To the right of the photo, the text reads "Perceptions and Practice of Human Security in Malaysia" and "Benny Teh Cheng Guan and Ngu Ik Tien reveal new working paper." Below this is a "more" link with a speech bubble icon. Below the banner is an "Events" section with two small images: one of a classroom and one of a man in a military-style uniform. To the right of the events is a profile card for the JICA Research Institute, featuring a portrait of a man and links for "Message from the Director" and "Our Research".