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# **Demand-Driven Data: How Partner Countries are Gathering Chinese Development Cooperation Information**

Final Report

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## Table of Contents

Executive summary and recommendations.....	5
1.0 Background and introduction.....	8
2.0 The demand for development cooperation data and data gap in South-South cooperation....	11
The demand for development cooperation data .....	11
South-South cooperation and the data gap .....	12
<b>3.0 Overview of China’s development cooperation.....</b>	<b>14</b>
How is Chinese development cooperation managed .....	14
How much, where, and how? .....	14
<b>China’s development cooperation data sharing.....</b>	<b>15</b>
4.0 The GPEDC progress report and the assessment of country data.....	16
Country-level data.....	19
Chinese development cooperation data.....	21
What can we learn from the data?.....	25
5.0 Country case studies: Cambodia, DR Congo and Nepal .....	26
Cambodia .....	26
Democratic Republic of Congo.....	30
Nepal.....	33
6.0 Summary of other selected partner countries .....	36
Samoa .....	36
Madagascar .....	37
Moldova.....	37
Senegal .....	38
Tajikistan.....	38
The Philippines .....	39
7.0 Conclusions and recommendations .....	41
Annex 1: Summary statistics for the eleven partner countries.....	44
Annex 2: Development cooperation transparency initiatives and associated indicators .....	45
Annex 3: Interview guidelines.....	48
Annex 4: List of interviewees .....	49
Annex 5: Bibliography .....	50

## Acronyms

AIMS	Aid Information Management System
AMP	Aid Management Platform
CPIA	Country Policy and Institutional Assessment
CSO	Civil Society Organization
DRC	Democratic Republic of Congo
ECC	Economic and Commercial Counsellor
FOCAC	Forum on China-Africa Cooperation
FY	Fiscal Year
GNI	Gross National Income
GPEDC	The Global Partnership for Effective Development Cooperation
IATI	International Aid Transparency Initiative
LDC	Least Developed Country
MTEF	Medium Term Expenditure Framework
NGO	Non-Governmental Organization
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and development
PEFA	Public Expenditure Financial Accountability
PFM	Public Finance Management
PGAI	<b>Plateforme de Gestion de l'Aide et des Investissements</b>
SSC	South-South Cooperation
STPCA	Secrétariat Technique Permanent pour la Coordination de l'Aide
UN	United Nations

*This paper is based on a report written by external consultant Liv Bjornestad and does not necessarily reflect the views of the United Nations or its Agencies.*

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## Executive summary and recommendations

For more than a decade, providers and recipients of development cooperation have sought to increase the effectiveness of development cooperation. In that process, developing countries are playing a very central role in continuously advocating and demanding that providers improve and change operational behaviours. An area of particular importance has emerged around the importance of development partners to provide accurate, detailed, timely and forward-looking information on development cooperation flows. Quality data on development cooperation forecasting and expenditures serves **as a basis for developing countries' development planning and implementation processes**, and ultimately provides partner countries with ownership of their respective development paths according to national laws and procedures. As such, the availability of quality data on development cooperation leads to stronger ownership of development outcomes, as it enables governments to have full overview of their resource envelope which can then be prioritized across development objectives, all planned, budgeted and carried out under oversight by national parliaments. In order to manage the increasing flows of development cooperation, a rapidly growing number of partner countries have strengthened capacities of development cooperation management, which has also resulted in a visible boom in the number of countries who have developed, designed and implemented Aid Information Management Systems (AIMS) that capture development cooperation flows from providers.

As China becomes one of the major development partners and South-South cooperation (SSC) providers globally, there is increasing demand from partner countries for more information on **China's financial flows. China has been taking initiatives to increase the sharing of development cooperation information**, exemplified by the release of two White Papers on Foreign Aid (2011 and 2014), or through steps for improving Chinese foreign aid management mentioned in the Measures for the Administration of Foreign Aid (2014).

As part of the global initiative to support developing countries in their quest for greater information-sharing about development cooperation flows, the Global Partnership for Effective Development Cooperation (GPEDC) was established at the Fourth High-Level Forum on Aid Effectiveness in Busan in 2011. In the 2014 GPEDC progress report, eleven partner countries reported on Chinese financial flows for the first time, a significant increase from previous years. These countries include Cambodia, Democratic Republic of Congo (DRC), Madagascar, Mali, Moldova, Nepal, Philippines, Samoa, Senegal, Tajikistan, and Togo.

The value of the reported financial flows from China in the GPEDC report ranges from US\$1.2 million for the Philippines to US\$273 million for the DRC, the total reaching over US\$770 million for all the **eleven countries. More importantly, these countries have provided not only China's development cooperation data, but also some useful information on the predictability of the financial flows, and the degree of policy alignment to country systems. Furthermore, the report provides information on the quality of these countries' public financial management systems, and the extent of their respective mutual accountability frameworks.**

An analysis of the data provided by the eleven countries, three in-depth case studies on Cambodia, Nepal and DRC, coupled with interviews with stakeholders from other countries concerned, show that:

- Chinese embassies have become increasingly incentivized to provide information about their development cooperation, especially when asked for such information by partner country governments;
- Partner countries have increased demand on China to provide full information on its development cooperation activities and alignment with the principles of the respective national partnership policies and procedures for managing development cooperation information via AIMS;

- In all cases, accessing Chinese development cooperation data has required additional efforts and has led to an increase in transaction costs for the partner governments. All countries would like to see the Chinese government better align with their national systems and procedures for collecting and reporting development cooperation data in the future;
- **There are three key sources of China's development cooperation** information: the most accurate source comes from Chinese loan agreements; a second route has been the Chinese embassies themselves and a further source has been for partner governments to get in contact directly through email or phone with the Chinese Ministry of Commerce (MOFCOM) and the Ministry of Finance (MOF);
- For the countries examined, data on Chinese development cooperation flows has been **reported through partner countries' AIMS. While the degree of integration of AIMS data into national planning and budgeting systems appear to be relatively weak for almost all of the eleven countries, getting access to and gradually integrating development cooperation information into national planning processes is a continuous exercise which also depends on trust-building in terms of the quality and frequency of data sharing.** For most countries, however, data collation and quality assurance remain a challenge and real barrier for strengthening their planning and budgeting processes;
- There are huge discrepancies in the data for the eleven countries reported in the survey, **cutting across many of the indicators analyzed. This creates an unbalanced picture of China's performance as a development partner and the scope of China's support.** That said, a number of factors determine the degree of accurate data reporting of China's development cooperation data:
  - (i) The level of demand of the partner government itself to obtain Chinese development cooperation information;
  - (ii) The amount of time and staff of the partner government dedicated to engaging with Chinese counterparts both in the Chinese embassy and with ministries and other stakeholders in China;
  - (iii) The interest and incentives of the Chinese focal points working in the embassy but also in Beijing to provide information;
  - (iv) The level and quality of support provided by technical advisors working in development cooperation management bureaus in the Ministries of Finance and Planning in these countries, most commonly by UNDP, to support partner governments to engage with Chinese officials;
  - (v) The quality of the partner countries AIMS, the extent to which AIMS are available in the public domain, and how much partner governments actually make use of the development cooperation information provided to them;
  - (vi) The extent to which partner countries produce public monitoring reports on development cooperation from all development partners, since this publicity creates incentives for partners, including the Chinese embassy, to share information with partner governments in the countries surveyed.

#### Recommendations and next steps:

- There is a great deal of scope for those partner countries that are interested in doing so, to get Chinese data and more effectively involve Chinese counterparts in the data collection and validation processes, linking the reported data with their national planning process. In other words, this is an open door;

- **The Economic and Commercial Counsellor's (ECC) Office is the key interlocutor, and attention towards ensuring staff time is spent in collecting and reporting development cooperation data will be important so that in the future China can feed development cooperation data directly into the country's system as well as verify the data on a regular basis.** This, in turn, will require ensuring that all Chinese institutions which engage in development cooperation liaise with MOFCOM and ECCs around the provision of basic development cooperation data;
- Based on requests from the eleven countries surveyed, it would be helpful, for Chinese embassies in future to appoint a focal point for development cooperation coordination and through this focal point, China could provide development cooperation information according to the needs of the partner country;
- Collating data at the country level through partner country governments could be an **effective means to gather sufficient information to populate an annual report about China's development cooperation, without the need for expanded capacity or management arrangements in Beijing, whereby data and results are broken down by country for more understanding about trends and changes in Chinese development cooperation. Such data could also continue to be fed into processes such as the GPEDC, bolstering China's image as an open development cooperation provider;**
- There is potential for UNDP offices in partner countries – based on existing support mechanisms – to increase support to partner governments and China for ensuring access to **information on China's development cooperation. China and UNDP could work together** with partner countries, for example, to pilot such data collection in more countries over the next few years, building towards a comprehensive report.

## 1.0 Background and introduction

For more than a decade, providers and recipients of development cooperation have sought to increase the effectiveness of development cooperation, traditionally led by countries of the Organization for Economic Cooperation and Development (OECD). This has resulted in a series of agreements on the effectiveness of development cooperation starting with the Paris Declaration in 2005, the 2008 Accra Agenda for Action and finally, the 2011 Busan agreement. Following Busan, the new Global Partnership for Effective Development Cooperation (GPEDC) and its associated monitoring framework came into being, which now run in parallel and increasingly jointly with the United Nations (UN)-led Financing for Development initiative and the Development Cooperation Forum under the UN Department of Economic and Social Affairs. Busan and the GPEDC have effectively brought together a wide variety of development stakeholders from both the North and South who are working to improve the way that development cooperation is delivered at the country level, and to ensure that development cooperation aim at poverty eradication and promote shared prosperity. Added to this, there have been numerous specific dialogues among South-South cooperation (SSC) providers over the past decades including Bandung (1955), Buenos Aires (1978), Nairobi (2009) and Delhi (2013). Within this global context, it has become increasingly clear that there has been two substantial shifts in the development landscape in more recent years:

Firstly, traditional donors, developing countries and other development actors have moved beyond the traditional North-South cooperation (NSC) nexus. Development cooperation today involves a multitude of actors from both North and South, and amongst other initiatives, the growing **importance of SSC is evidence of the sizeable shift that has taken place in today's global** development cooperation architecture. Within the context of SSC, the rise of China as one of the largest development partners in the world (AidData, 2014; JICA, 2014), now means that SSC has become not only a source of partnership for trade and investment, but also represents a sizeable source of development cooperation flows directed towards other developing countries.

The second shift has occurred in developing countries themselves – where a growing demand structure has evolved around a very strong ownership agenda of the domestic development process. Access to quality information on development cooperation is key from a demand-driven point of view. As a result, developing countries have become important drivers of the development cooperation transparency agenda. Indeed, the demand for development partners to provide transparent information on their development cooperation activities to their partner countries has never been stronger, often linked to national accountability frameworks. Under the leadership of developing countries, there has been a visible boom in the number of countries who have developed, designed and implemented Aid Information Management Systems (AIMS). Along with the advent of these systems, developing countries are increasingly requiring that their development partners provide timely, accurate, useable and predictable information on development cooperation flows. This is a full precondition for these countries to make more effective use of their available resources and ultimately achieve sustainable development results linked to broad-based poverty reduction and economic growth.

Accurate, detailed, timely and forward-looking information on development cooperation **expenditures serves as a basis for developing countries' policy planning and decision making** structures. The availability of transparent development cooperation data further leads to stronger ownership of development outcomes, as it enables governments to have a full overview of their resource envelope which can then be prioritized across development objectives. In sum, transparent information on development cooperation enables plans to be linked to credible budgets and for budgets to be sustainable and predictable, ensuring value for money and effectiveness in delivering national development plans and objectives.

There are many other non-governmental stakeholders that demand access to better information about development cooperation. Partner country governments, in particular, finance ministries, line

ministries and central banks, need information for budget planning and execution, effective service delivery and macroeconomic management. Development cooperation information also helps partner countries hold providers accountable for the quality and volume of their assistance, thus contributing to mutual accountability and national ownership. Donors and non-governmental organizations (NGOs) need information **about each other's current and planned activities in order** to determine their own niches and complementarities. Parliaments, civil society organizations (CSOs) and the media play a key role in using information about resources to hold their governments to account. Community groups and citizens – the intended beneficiaries of development cooperation – use information about development cooperation to provide feedback about whether services meet their needs and to increase accountability of governments and CSOs (IATI, 2014).

A commitment for development partners to disclose regular, detailed and timely information on development expenditure was formally agreed at the 2008 Third High-Level Forum on Aid Effectiveness in Accra. However, partner countries are still struggling to receive useable and timely development cooperation data from all development partners. This challenge is magnified because of different reporting formats and ways of working within the OECD donors versus those methods and approaches employed by SSC partners.

As part of the global initiative to support developing countries in their quest for transparent development cooperation and to sustain political dialogue on issues related to the effectiveness of development cooperation, the GPEDC was established at the Fourth High-Level Forum on Aid Effectiveness in Busan in 2011. It launched its first draft monitoring framework in 2014, which has generated some important results. Most importantly for our study is the fact that for the first time a number of countries reported on Chinese financial flows under the survey. It is the case that in comparison to the previous Paris Declaration monitoring reports, where only Cambodia and the Philippines reported financial information from China, an increased number of partner countries, eleven in total, have now reported on a wider range of development finance flows from China. They include Cambodia, Democratic Republic of Congo (DRC), Madagascar, Mali, Moldova, Nepal, Philippines, Samoa, Senegal, Tajikistan, and Togo.

Table 1: Reporting on Paris Declaration monitoring reports of Chinese development cooperation flows

	PD 2006	PD 2008	PD 2011	GPEDC 2014
Cambodia	N	Y	Y	Y
DRC	N	N	N	Y
Madagascar	N	N	N	Y
Mali	N	N	N	Y
Moldova	N	N	N	Y
Nepal	N	N	N	Y
Philippines	N	Y	Y	Y
Samoa	N	N	N	Y
Senegal	N	N	N	Y
Tajikistan	N	N	N	Y
Togo	N	N	N	Y

Source: OECD various: PD = Paris Declaration

In Chapters 5 and 6 we examine data submitted by partner countries on China development cooperation flows, and how these partner countries have managed to gather the information

through a series of country stakeholder interviews. The findings in these chapters do point to growing evidence that China is taking actions to make its development cooperation more transparent at least at the partner country level.

The eleven countries have reported in the GPEDC monitoring framework that they have received development cooperation flows from China ranging in values from US\$1.2 million in the Philippines to US\$273 million in the DRC. Total reported financial flows from China reached a total of US\$770 million for all the eleven countries. More importantly, not only have these countries provided data **on China's financial flows, but they have also provided some useful information on the predictability** of the finances, and the alignment of this to country systems. The report also provides more global information on the **quality of these countries' public financial management (PFM) systems, and the** extent of mutual accountability between themselves, development cooperation providers and citizens in these countries.

Within this context, this reports analyzes the reasons for the reporting of these Chinese development cooperation flows in the 2014 GPEDC progress report. Through this type of research, UNDP China is supporting the Chinese government to gain recognition and exposure to internationally recognized practices and approaches with a view to increasing the effectiveness of global development cooperation. UNDP globally has a mandate and plays an active role in promoting demand-driven transparency in development cooperation. In the same vein, UNDP through technical assistance and capacity building in development cooperation management offices in these eleven countries, is working with developing countries to strengthen their national capacity to manage development flows and data, for instance, in relations to national AIMS. More and better managed development cooperation data will enable partner countries to improve domestic planning, budgeting, and monitoring and evaluation of development cooperation flows and ensure that the support they receive is effective, efficient and provides excellent value for money.

The remainder of the report is structured as follows: Chapter 2 highlights the demand from partner countries for quality data on development cooperation and the data gap that exists in SSC. Chapter 3 provides an **overview of China's current development cooperation. Chapter 4 analyzes Chinese** development cooperation data provided by the eleven countries in the 2014 GPEDC progress report. Chapter 5 provides three case studies on Cambodia, the DRC and Nepal, which are supplemented by findings from interviews with stakeholders from six other countries which have reported Chinese development cooperation in Chapter 6. Finally, Chapter 7 provides an overview of key lessons learnt and recommendations from this research.

## 2.0 The demand for development cooperation data and data gap in South-South cooperation

### The demand for development cooperation data

One of the most pressing issues that has emerged from multiple development cooperation streams in Paris, Accra, Busan, the GPEDC, the International Aid Transparency Initiative (IATI), and the SSC activities, is the overarching importance of data for effective development cooperation by developing countries themselves. It would be simplistic to think that information disclosure by development partners is the only way in which development cooperation can be made more effective. However, the availability of quality data is the starting point for governments and development partners to build effective, efficient and results-oriented partnerships. Providing comprehensive, timely, and comparable data on how much is being spent, by whom, at what time, in what sector, and whether the development cooperation will be delivered on or off budget - are key information slices, which would enable the partner government to see the full picture of development cooperation in their country and thus be able to make calculated decisions on their planning and programming priorities.

Moreover, from a development cooperation and PFM perspective, the availability of development cooperation data (i) enables a governments to plan and execute better budgets, (ii) facilitates the ownership of development priorities, (iii) enables alignment of the budget with the Medium-Term Fiscal Framework (MTEF) and the national development strategy, (iv) improves coordination between the government, donors and the civil society, (v) enhances mutual accountability, (vi) makes it easier to link spending with programme results, (vii) improves harmonization of development partners in the country to better align with national priorities, and finally (viii) impacts the value for money across the globe by making development cooperation more effective and efficient.

Table 2: Information requirements for development cooperation flows

Issue	Measurement
Timeliness	Data needs to be provided in advance of the financial year so that they can be included in partner government planning and budgeting tools for the following financial year.
Comparability	Data must be available in a standardized format as requested by the partner government which allows the government to compare and use information across all providers
Predictability	Information should be provided on a multi-annual basis so that it can be used for forward planning and linking into medium term planning and budgeting systems
Transparency	Conditions attached to projects or to concessional and non-concessional loans needs to be provided by the donor.
Detailed classification	Development cooperation information must be able to match up to local classification and budgeting systems.
A common data format	Information can only be integrated electronically into local development cooperation management systems if it is comparable.
Coverage	All donors operating in partner countries need to provide information on all their development cooperation activities in country

Two global initiatives are of particular importance in this regard:

First, the IATI was launched in September 2008. The IATI aims to accelerate poverty reduction by improving development cooperation through greater transparency. The publication of comprehensive, timely and detailed information about development cooperation, in a form that is easy to access, will contribute to more effective development cooperation, limit opportunities for corruption, and promote greater mutual accountability and ownership by developing countries. IATI commits countries to work together to make development cooperation more transparent, including by agreeing on common standards for the publication of information about development cooperation (IATI, 2014). UNDP is providing secretariat support to the IATI consortium involving governments of Sweden and Ghana together with UNOPS and development initiatives. IATI is currently under the leadership of the Dutch and Bangladesh governments. The partner countries that have joined IATI have often established domestic AIMS, and the relationship with IATI is seen as an opportunity to comprehensively address challenges with quality of development cooperation data at country level.

Second, the GPEDC provides development partners with an open forum for sharing experiences and works to ensure that funding, knowledge and policy produce maximum impact for development. It also supports regular monitoring of progress in the implementation of the effective development cooperation commitments. While still in its early stages, the GPEDC has the potential to play an important role in the global development cooperation architecture and contribute to implementing the Post-2015 development agenda.

Whilst these two initiatives have provided the framework for discussion and commitment, it is strongly the case that today the demand for more data is being spearheaded by partner countries themselves. They increasingly call for development partners to provide timely, reliable, useable and predictable information on development cooperation commitments and disbursements. On the partner government side, as part of the initiative to make development cooperation more transparent and more effective, partner countries are increasingly developing their own AIMS. The objective of AIMS is for partner country governments to have a tool to manage their development cooperation programmes in terms of volume, sectors, pipeline, forecasting, technical assistance (TA) and in-kind support. At present, it is estimated that 46 developing countries have AIMS and the **most common are Synergy's Development Assistance Database and Development Gateway's Aid Management Platform (AMP)**. AIMS rely on a manual process which requires development partners to provide information on their development cooperation activities. This does result in some initial short-term high transaction costs but allows the partner government to tailor the platforms to suit their development planning and reporting needs over time. For instance, over half of those countries who have AIMS have now defined their own sector and thematic classifications in order to match their budget classification system. Previously, partner countries would attempt to match – at times in vain – donor sector pledges with domestic sectors and development plans, significantly reducing the effectiveness of national and sector allocation planning. In addition, tracking of Medium-Term Expenditure Framework pledges and commitments together with the tracking of actual disbursements would be done manually by different central and line ministry officials, often by using Excel spreadsheets which bore very high transaction costs and risk of mistakes. Of the 46 AIMS in the world, 24 are now publicly available, a step usually taken by the partner government to better inform the domestic audience of its development work while also incentivizing partners to keep providing data.

### South-South cooperation and the data gap

Over the past few decades, a number of Southern developing countries have emerged economically and politically, which has also led to significant changes of the development landscape: developing countries are increasingly seen as partners, rather than merely recipient countries. In this regard, SSC complements traditional North-South cooperation **given Southern countries' increasing financial capabilities, development experience and technical expertise**. In addition, SSC increasingly strengthens the voice and bargaining power of developing countries in multilateral negotiations,

facilitates the opening of additional channels of communication among developing countries, promoting economic integration among developing countries and increasing national capacities. This is much welcomed by partner countries.

While SSC is provided on a different basis than traditional aid from the Development Assistance Committee (DAC) countries, partner countries having multiple streams of development support often face the challenge of generating comprehensive overview of the multiple support initiatives in a structured manner. With DAC donors, partner countries have managed to address this challenge by establishing mutual accountability frameworks. However, with SSC providers, access to information remains a challenge. This challenge is in part magnified by the fact that no global framework currently exist which tracks, reports and provides information on development cooperation flows from South to South. This information gap has perhaps led to some misperceptions about the scope and importance of SSC.

The challenges faced by partner countries in fully owning information on development cooperation points to a second area of concern: the fragmented way in which development cooperation data is shared with partner countries by all providers results in higher transaction costs and increases risks of overlaps and inefficiencies. It is important to note in this context that for partner governments to assemble development cooperation data from different sources is a daunting task, in particular if it is based on different formats and during different stages of the budget cycle. On the positive side, as mentioned earlier, 46 developing countries have now developed AIMS which have facilitated a more structured engagement around development flows and transferred part of the reporting responsibility to the development partners (this is discussed more in chapter 5 and 6). Challenges still remain, despite the establishment of AIMS, particularly for least developed countries (LDCs) faced with capacity constraints in the public sector.

Nevertheless, partner countries find themselves in a position of an analytical gap. Measuring SSC remains hugely difficult. This is likely related to the reality that most SSC providers do not have clear institutional frameworks and coordination structures for their development cooperation, which has resulted in difficulties in generating comprehensive data both at the global level and for developing countries receiving SSC (ECOSOC, 2009). Looking forward, it is important to try and generate as much data and knowledge as possible on SSC flows, and also for this information to be provided to partner governments in a timely, useable and predictable manner. Regardless of the choice of development cooperation management systems which will be adopted by the SSC providers in the future, the principles for development cooperation transparency should apply to all types of development partners. Following a workshop for SSC providers in preparation for the Mexico High-Level Meeting on GPEDC, a new Network of Southern Think-tanks (NeST) was established. Driven by Southern countries, the NeST aims to reach a common conception of SSC and develop indicators for assessing the impact of SSC, and has the potential to contribute to bridging the SSC data gap. However, in the meantime, an opportunity exists for China to act on the demand of partner countries, especially given that there is some information out there already.

## 3.0 Overview of China's development cooperation

### How is Chinese development cooperation managed

China has emerged as one of the major development partners in the world (AidData, 2014; JICA, 2014). China is a SSC development partner, providing development cooperation based on principles of equality, mutual respect, mutual benefit, non-interference and non-strings attached (White Papers on Foreign Aid, 2011 and 2014).

**The Chinese State Council, led by the Premier, plays the most important role in shaping China's development cooperation strategy, being in control of the total resource envelope available for Chinese development cooperation and investment. It also reviews the annual budget for development assistance and grants above a certain threshold and makes policy vis-à-vis politically sensitive partner countries (Brautigam, 2009).**

MOFCOM is the body authorized by the State Council to oversee development cooperation. Recently, MOFCOM released the Measures for the Administration of Foreign Aid (the Measures, 2014), which formally established MOFCOM as the main agency responsible for development cooperation work, including drafting and implementing policy and programmes, developing development cooperation plans, selecting and implementing bilateral development cooperation projects, administering the use of development cooperation funds and conducting projects on international cooperation. It is to note that MOFCOM is responsible for setting up a foreign aid database which will provide main evidence for planning and budgeting of development cooperation funds as well as project implementation. MOFCOM handles most development cooperation projects supported by grants and interest-free loans. According to UNDP (2014), **MOFCOM's Department of Foreign Aid (DFA) has about 70 officials and manages 90% of China's bilateral development cooperation funds allocated by the Ministry of Finance.** MOFCOM is also involved in the negotiation of concessional loan terms with EXIM bank which is responsible for the assessment of projects with concessional loans, and the allocation and recovery of loans.

The Ministry of Finance is responsible for loans, debt management issues and contributions to multilateral institutions such as the World Bank and the African Development Bank. The Ministry of Foreign Affairs (MOFA) coordinates with MOFCOM to agree on project financial terms, and also have an external function in engaging with external institutions in regional and global events on development cooperation management issues. At the country level, the MOFCOM ECCs (rather than Chinese embassies/MOFA officials) are responsible for the direct coordination and management of development cooperation projects in the relevant countries, including sharing information on development cooperation flows.

Today there are an estimated 23 to 30 other government ministries working at the provincial, regional and national level that also engage with developing countries in providing grants and in-kind assistance projects in sectors such as health and education (Huang 2007).

### How much, where, and how?

**The volume of China's development cooperation is increasing on a yearly basis. The most recent figures from the 2014 White Paper suggests that China channeled a total of US\$14.41 billion of development cooperation flows from 2010 to 2012 supported by three funding sources: grants, interest-free loans and concessional loans. The White Paper also shows that concessional lending from China increased from 28.7 % in 2009 to 55.7% in 2012 as a share of China's total development cooperation flows and these loans are generally provided to help partner countries undertake manufacturing projects and large- and medium-sized infrastructure projects with economic and social benefits, or for the supply of complete plants, machinery and electronic products.**

According to the 2014 White Paper, 52.1% of Chinese development cooperation goes to least developed countries (LDCs), 21.2% to lower-middle-income countries, 9% to other low-income

countries, and 5.4% to other partner countries. Given that the majority of African countries are classified as LDCs, Africa is the largest recipient of Chinese development cooperation, receiving almost 52% of total Chinese development cooperation. Asia is the next major recipient (30.5%), followed by Latin America and the Caribbean (8.5%). Overall, China now provides development cooperation to 121 countries across the globe. However, there is no clear breakdown of this information by country.

China provides development cooperation to a wide variety of sectors including economic infrastructure (44.8%), social and public infrastructure (27.6%), goods and materials (15%) and the remainder is for industry, agricultural and human resource development cooperation. A closer look shows that two of the biggest components for China's **construction projects are in health and education which is consistent with China's development cooperation priorities (UNDP, 2014).**

Much of Chinese development cooperation is given as a package. For instance, for infrastructure projects, a combination of financing of development cooperation and investment or a mixture of concessional and non-concessional loans are provided (Brautigam, 2010). China provides eight different types of projects, namely, (i) turnkey projects, mainly large-scale infrastructure projects (ii) goods and materials, (iii) technical cooperation projects, (iv) human resources development cooperation, (v) sending Chinese medical teams, (vi) emergency humanitarian aid, (vii) volunteers projects and (viii) debt relief (Brautigam, 2009).

### China's development cooperation data sharing

The main source of data on Chinese development cooperation activities can be found in the two **White Papers on China's Foreign Aid (2011 and 2014).** However, the data is not disaggregated by sector, modality or country. Moreover, China's country programme documents are not accessible to the public, and it does not have published sector strategies. Finally, China does not report their development cooperation flows to IATI or any other global development cooperation management system. This lack of data availability has often led to misperceptions about Chinese development cooperation.

However, the picture appears to be changing rapidly and in a positive direction. Indeed, there is growing interest on the side of the Chinese government to work with other developing countries **and international partners to improve China's development cooperation data availability on a global scale.** For example, for some years China has been providing detailed information on its grants, loans, and other activities to partner country governments who are increasingly including this information in their AIMS and reporting this themselves into global processes such as GPEDC. The structure of relationships between the partner country government and China normally involves some level of bilateral discussion between the Ministry of Finance, the Central Bank and line ministries of the partner country and the Chinese embassy in the country, as well as with direct forms of communication with Chinese MOFCOM, MOF, EXIM bank, as well as with individual agencies in line departments who are engaged in providing project type or in-kind support to partner countries. This could be an important trend for China to build on.

## 4.0 The GPEDC progress report and the assessment of country data

The first 2014 GPEDC monitoring report was targeted at all providers and recipients of development cooperation, and it assessed progress across ten indicators that were designed as proxy for four development cooperation principles in particular (focus on results, country ownership, inclusivity and transparency). The data in the 2014 report captured 46 percent of total official development assistance that was programmed for developing countries annually. Data for six of these indicators, namely, use of country results frameworks, predictability, aid on budget, mutual accountability, gender equality and use of country systems, was provided by recipient countries, drawing on their own information management systems as well as reporting from their development cooperation providers. The remaining indicators (enabling environment for civil society, private sector engagement, transparency and aid untying) drew on existing global processes and information sources, and provider countries were invited to check and/or bolster this global information.

The 2014 GPEDC progress report, based on data provided by 46 countries that received development cooperation, reveals that:

*"...commitment to aid effectiveness remains strong. However, globally, the results are mixed. Longstanding efforts to change the way development cooperation is delivered are paying off, but much more needs to be done to transform cooperation practices and ensure country ownership of all development efforts, as well as transparency and accountability among development partners"*

Box 1: Key findings from the GPEDC progress report:

Inclusiveness is translating into stronger recognition and engagement of non-state development actors in national systems and accountability processes. Nonetheless, the development cooperation architecture is still skewed towards a government-centered, North-South perspective. Concerted efforts among all stakeholders are needed to ensure that civil society organizations can exercise their role as independent development actors. Inclusiveness is also about ensuring that development leaves no one behind; evidence shows strong commitment by an increasing number of countries to track allocations for gender equality to ensure that public expenditure targets both women and men.

The drive for transparency is starting to show results – but these need to be geared towards **countries' needs**. While increasingly transparent information is available, high-level political commitment in this area needs to work its way through cooperation providers' systems and procedures to allow truly transparent and predictable cooperation, where information is geared towards supporting developing countries' own planning needs and activities. Greater transparency is also needed in country-level review processes to fully reflect mutual accountability among all stakeholders for shared effectiveness principles.

Experience indicates that the shift towards developing country-led monitoring is feasible. Global Partnership stakeholders can advance this shift by supporting individual **countries' and regional structures' efforts to strengthen country accountability** frameworks, embed the data collection for global indicators within these frameworks, and exchange knowledge and good practice. Country leadership needs to be matched by stronger engagement of providers at the country level. This will ensure that reviews of lessons and future refinements within the Global Partnership monitoring framework are guided by the experiences and needs of developing countries themselves.

Source: GPEDC Progress Report: Making Development Cooperation More Effective (2014)

In sum, tangible progress has been made in recent times on the transparency principle in particular. However, there is still a lot of space for improvement in this indicator as well as on the others, especially country ownership. Improvements on the transparency side could include: independent transparency assessments of development partners' performance; improving the type of

development cooperation information which is shared with partner governments, including the timeliness of this information and the direct usability of this information for aligning of information with domestic AIMS. Arguably putting more development cooperation on budget will also enable synergies between development partners and government priorities as well as help to strengthen domestic capacity and public financial management systems (GPEDC, 2014).

There are also further issues on the reliability of the development cooperation information provided by provider countries. Many of them provide commitment data and do not follow up with disbursement data. Another issue lies with aid predictability both in year and for intra year timelines. Other issues include: changing authorization channels for releasing development cooperation between headquarters and field staff; delays caused by development partner structures and processes; and the high turn-over of staff in country. Whilst cases of mismanagement of development cooperation abound on the partner country side, development partners need to find workable solutions to end the stop-start disbursement process for development cooperation flows since this practice has been shown to have caused havoc for domestic planning and budgeting systems (Mokoro, 2011). Indeed, if the development cooperation flows involved are large enough, delays in disbursement for any reason can have serious macroeconomic impacts and affect partner governments' **normal planning and budgeting cycles and hence public finance management effectiveness**. Finally, it is of note that not enough attention has been paid to developing local capacity to manage and absorb development cooperation flows, leading to low levels of disbursements for planned projects and programmes and this applies even to those flows which are captured in national AIMS.

While China did not participate in the GPEDC survey, some interesting information can be gleaned from the eleven partner **countries that did provide information about China's development cooperation**. An increasing number of countries are now capturing Chinese development cooperation data in their AIMS. Arguably, this is a clear step forward for SSC recipients but also SSC providers in their effort to increase information-sharing.

The indicators for the GPEDC monitoring framework are provided below. They cover four main areas: (i) ownership of development cooperation (indicators 4, 6), (ii) inclusive development partnerships (indicators 2, 3 and 8), and (iii) transparency (indicators 5, 9 and 10) and (iv) focus on results (indicators 1 and 7).

Table 3: GPEDC monitoring framework

	Indicator	Target
1.	<b>Development cooperation is focused on results that meet developing countries' priorities</b>	
	Extent of use of country results frameworks by cooperation providers	<i>All providers</i> of development cooperation use country results frameworks
2.	Civil society operates within an environment which maximizes its engagement in and contribution to development	
	A subset of measures from the Enabling Environment Index	<i>Continued progress over time</i>
3	Engagement and contribution of the private sector to development	
	Measure of the quality of public-private dialogue	<i>Continued progress over time</i>
4	Transparency: information on development cooperation is publicly available	
	Measure of state of implementation of the common standard by cooperation providers	<i>Implement the common standard</i> – All development cooperation providers are on track to implement a common, open standard for electronic publication of timely, comprehensive and forward-looking information on development cooperation
5	Development cooperation is more predictable	
	(a) annual: proportion of development cooperation funding disbursed within the fiscal year within which it was scheduled by cooperation providers; and  b) medium-term: proportion of development cooperation funding covered by indicative forward spending plans provided at country level	<i>Halve the gap</i> – halve the proportion of development cooperation not disbursed within the fiscal year for which it was scheduled (Baseline year 2010)  <i>Halve the gap</i> – halve the proportion of development cooperation funding not covered by indicative forward spending plans provided at country level
6	Aid is on budgets which are subject to parliamentary scrutiny	
	% of development cooperation funding scheduled for disbursement that is recorded in the annual budgets approved by the legislatures of developing countries	<i>Halve the gap</i> – halve the proportion of development cooperation flows to the government sector not <b>reported on government's budget(s) (with at least 85% reported on budget)</b> (Baseline year 2010)
7	Mutual accountability among development cooperation actors is strengthened through inclusive reviews	
	% of countries that undertake inclusive mutual assessments of progress in implementing agreed commitments	<i>All developing countries</i> have inclusive mutual assessment reviews in place (Baseline year 2010)
8	<b>Gender equality and women's empowerment</b>	
	% of countries with systems that track and make <b>public allocations for gender equality and women's empowerment</b>	<i>All developing countries</i> have systems that track and make public resource allocations for gender equality and <b>women's empowerment</b>

9	<b>Effective institutions: developing countries' systems are strengthened and used</b>	
	a) Quality of developing country PFM systems; and  (b) Use of country PFM and procurement systems	<i>Half of developing countries move up at least one measure (i.e. 0.5 points) on the PFM/CPIA scale of performance (Baseline year 2010)</i>  <i>Reduce the gap. [use the same logic as in Paris – close the gap by two-thirds where CPIA score is &gt;=5; or by one-third where between 3.5 and 4.5]</i>  (Baseline year 2010)
10	Aid is untied	
	% of aid that is fully untied	<i>Continued progress over time</i> (Baseline year 2010)

Source: GPEDC (2014)

The 2014 GPEDC survey captures information about two different characteristics of development cooperation management and development cooperation transparency. On the one hand, a number of indicators have been developed to reflect the general characteristics of the partner countries across indicators 1 to 10. However, because China decided not to provide its own information, the **data which is specifically related to China's development cooperation, on the other hand, only** covers information on indicators 5a, 5b, 6, and 9b, as specifically requested by partner countries from China. This section analyzes the relevant data for partner countries as well as data on Chinese development cooperation flows to the eleven countries in our study.

### Country-level data

For the purposes of our study, the survey provides us with a series of interesting facts about the eleven countries in terms of their mutual accountability with all donors, and the quality of their PFM systems.

#### Indicator 7: Mutual accountability among development cooperation actors is strengthened through inclusive reviews

% of countries that undertake inclusive mutual assessments of progress in implementing agreed commitments.

Table 4: Mutual Accountability indicators for the eleven countries

	Aid/partnership policy (Yes/No)	Country-level targets (Yes/No)	Assessment towards targets (Yes/No)	Involvement of non-executive stakeholders (Yes/No)	Results made public (Yes/No)	2013 At least 4/5 criteria	2010 * (for reference)
Cambodia	Yes	Yes	Yes	No	Yes	Yes	Yes
DRC	No	No	No	No	No	No	No
Madagascar	No	No	No	No	No	No	No
Mali	No	Yes	Yes	Yes	Yes	Yes	Yes
Moldova	Yes	Yes	No	No	No	No	Yes
Nepal	Yes	Yes	Yes	No	No	No	Yes
Philippines	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Samoa	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Senegal	No	Yes	Yes	Yes	Yes	Yes	Yes
Tajikistan	Yes	Yes	Yes	Yes	Yes	Yes	No
Togo	Yes	Yes	Yes	Yes	Yes	Yes	No

Source: GPEDC (2014)

From indicator 7 we can see that there is variation in the levels of mutual accountability across the eleven countries as related to those who have aid partnership policies, country-level targets, and assessment targets towards the involvement of non-executive stakeholders and those who make this information public. All countries except for the DRC, Madagascar, Mali and Senegal have aid partnership policies. The DRC does not meet any of the targets for mutual accountability at all for indicator 7. Cambodia, Nepal, Philippines, Tajikistan, Samoa and Togo all represent strong levels of mutual accountability for their development cooperation with development partners and for domestic accountability towards their citizens. Mutual accountability is an essential feature of development cooperation effectiveness because it indicates that governments are mutually responsible for their development cooperation to both development partners and to their citizens. The DRC and Madagascar have some way to go towards making their development cooperation more accountable in the future.

### Indicator 9a: Quality of country PFM systems

Quality of developing country financial management systems

Table 5: CPIA indicators for eleven GPEDC countries

	2013 (CPIA score *)	2010 (for reference)	The Country Policy and Institutional Assessment (CPIA) <sup>1</sup> is a World Bank tool. Criteria 13 of the CPIA is used to assess the quality of budget and financial management systems of a partner country. Ratings run from 1 to 6 with 6 being a perfect score. We can see that for our sample there is some variation in performance with Madagascar being the weakest performer with a CPIA rating of 2 and Moldova being a better performer with a CPIA of 4. However, for the sample we can broadly conclude that these countries have fairly weak systems of public financial management. In spite of this weakness they have demonstrated that they are able to achieve some level of reform such as for the establishment of national AIMS. Having an AIMS is likely to be the key determinant for a country on whether or not it captures and reports on Chinese development cooperation flows.
Cambodia	3.5	3.5	
DRC	2.5	2.5	
Madagascar	2.0	2.5	
Mali	3.5	3.5	
Moldova	4.0	4.0	
Nepal	2.5	2.5	
Philippines	N/A	N/A	
Samoa	3.5	3.5	
Senegal	3.5	3.5	
Tajikistan	3.5	3.5	
Togo	3.0	3.0	

Source: GPEDC (2014)

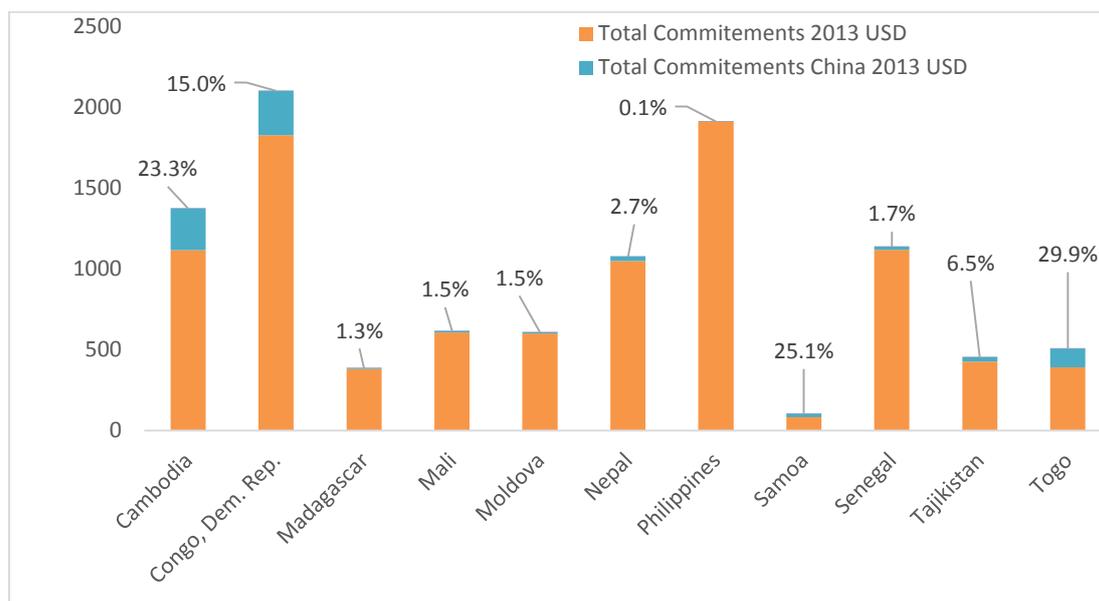
Strong PFM systems are important because they can ensure that AIMS are not stand-alone systems. Without integration of the AIMS into PFM systems, the benefits of improving development cooperation information sharing will not be achieved.

### Chinese development cooperation data

Data has not been provided for China on the first four indicators of the survey and for indicators 7, 8, 9a or 10 of the GPEDC survey. The analysis therefore focuses on the results for the eleven countries for indicators which have been provided, namely, 5a, 5b, 6, and 9b. Figure 5 below provides an overview of the amounts of Chinese development cooperation commitments for the countries versus the total commitments for all the 46 the countries captured by the GPEDC survey. We can see that the proportion of Chinese development cooperation in these countries' development cooperation portfolios varies sharply from a low of 0.1% in the Philippines to a high of 29.9 % in Togo.

<sup>1</sup>Quality of budgetary and financial management assesses the extent to which there is a comprehensive and credible budget linked to policy priorities, effective financial management systems, and timely and accurate accounting and fiscal reporting, including timely and audited public accounts.

Figure 1: Share of Chinese development cooperation flows in total flows for the eleven partner countries



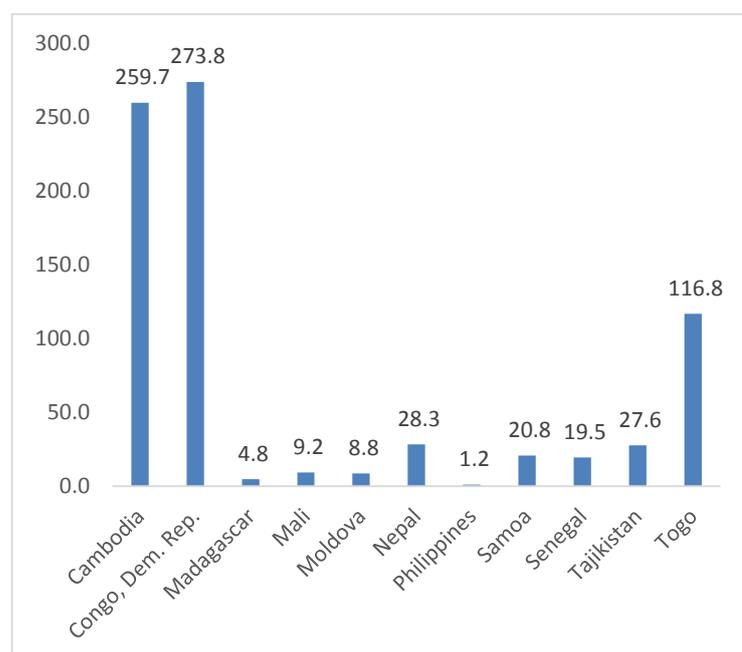
Source: GPEDC (2014)

#### Indicator 5a: Development cooperation is more predictable

Annual: proportion of development cooperation funding disbursed within the fiscal year within which it was scheduled by cooperation providers.

Indicator 5a presents the amount of development cooperation which was committed by China to the eleven countries ranging in values from US\$1.2 million for the Philippines to US\$273.8 million for the DRC which is closely followed by US\$259.7 million for Cambodia. However, we can see from the reported figures in Table 6 that there is a wide variation in disbursements versus commitments for all the countries. Figure 6 and Table 6 below summarize the data for indicator 5a. From Table 6 it can be seen that Chinese development cooperation flows are not highly predictable at the annual level. However, this tendency is common among most development cooperation providers, and **China's performance in that respect is at par with many traditional donors. Table 6 shows that Mali received 15%, Nepal 50% and Cambodia 62% of total commitments from China. Meanwhile, the DRC, Moldova, Senegal and Togo received 0% of commitments from China in 2013. At the other end of the spectrum, Madagascar and Samoa received 100% of commitments, Tajikistan 121%, and the Philippines 400%, more than what was committed to at the start of the budget cycle. These figures do not suggest that Chinese development cooperation is very predictable at the intra year level.**

Figure 2: Total disbursements by China to the eleven reporting countries in 2013 (USD million)



Source: GPEDC (2014)

Table 6: Commitments versus disbursements of Chinese development cooperation flows for 2013

Country	Commitments	Disbursements	2013
	(USD m) A	(USD m) B	% (a/b)
Cambodia	259.7	161.0	62%
DRC	273.8	0.0	0%
Madagascar	4.8	4.8	100%
Mali	9.2	1.4	15%
Moldova	8.8	0.0	0%
Nepal	28.3	14.2	50%
Philippines	1.2	4.8	400%
Samoa	20.8	20.8	100%
Senegal	19.5	0.0	0%
Tajikistan	27.6	33.4	121%
Togo	116.8	0.0	0%

Indicator 5b: medium-term: proportion of development cooperation funding covered by indicative forward spending plans provided at country level

Medium-term: proportion of development cooperation funding covered by indicative forward spending plans provided at country level

Table 7: Forward fiscal year (FY) commitments

	Fiscal Year ending 2014	Fiscal Year ending 2015	Fiscal Year ending 2016	2013 (%)
Cambodia	1	1	1	100%
Congo, Dem. Rep.	0	0	0	0%
Madagascar	0	0	0	0%
Mali	1	1	1	100%
Moldova	1	0	0	33%
Nepal	0	0	0	0%
Philippines	1	0	0	33%
Samoa	1	1	1	100%
Senegal	0	0	0	0%
Tajikistan	1	0	0	33%
Togo	1	1	1	100%

Source: GPEDC (2014)

From Table 7 we can see that there is a high degree of variability across countries in terms of the level of information provided by the Chinese government on future development cooperation flows. Whilst Cambodia, Mali, Samoa and Togo all have forward information on development cooperation commitments from China for the years 2014-2016, we find that other countries such as Moldova and the Philippines only have information on the following financial year. Finally, the DRC, Madagascar, Nepal, and Senegal have no forward planning information all. It is not clear why there are such discrepancies across the eleven countries.

### Indicator 6: Aid is on budget

The indicator for 6 assesses the % of development cooperation funding scheduled for disbursement that is recorded in the annual budgets.

Table 8: Aid on budget

	Funding recorded in annual govt. budget (USD m)	Scheduled disbursements for govt. sector (USD m)	Share of funding recorded in annual budget as share of disbursements
Cambodia	161.0	161.0	100.0%
DRC	0.0	0.0	0.0%
Madagascar	1.0	4.8	21.3%
Mali	0.0	1.4	0.0%
Moldova	0.0	0.0	0.0%
Nepal	34.0	14.2	239.9%
Philippines	52.6	4.8	1102.4%
Samoa	27.2	20.8	130.6%
Senegal	12.7	1.0	1271.5%
Tajikistan	60.7	33.4	181.6%
Togo	52.5	0.0	5249.4%

Source: GPEDC (2014)

Indicator 6 is designed to assess the share of scheduled disbursed funds as opposed to the disbursement schedule provided by development partners. However, there are a number of problems with this indicator. The indicator would be better defined by comparing commitments to the government at the start of the FY as compared to disbursements by the end of the FY. In this case, the data for China cannot be easily interpreted. The data seems to suggest that for many of these eleven countries the governments are recording higher levels of Chinese development cooperation for disbursement than that which has actually been committed for disbursement. We suggest caution in interpreting results from this data.

### Indicator 9b: Effective institutions: developing **countries' systems are strengthened and used**

The use of country systems for the eleven countries receiving Chinese development cooperation.

Table 9: Aid on budget for the eleven GPEDC countries

	Disbursements for government sector (USD m)	Public financial management			Procurement	Average
		Budget execution (USD m)	Financial reporting (USD m)	Auditing (USD m)	Proc. Systems (USD m)	2013 (%)
	a	b	c	d	E	avg(b,c,d,e) / a
Cambodia	259.7	259.7	0.0	0.0	0.0	25%
DRC	134.2	0.0	0.0	0.0	0.0	0%
Madagascar	4.8	0.0	0.0	0.0	0.0	0%
Mali	9.2	0.0	0.0	0.0	0.0	0%
Moldova	8.8	0.0	0.0	0.0	0.0	0%
Nepal	28.3	5.9	5.9	21.5	5.9	35%
Philippines	1.2	--	--	--	--	0%
Samoa	20.8	20.8	0.0	0.0	0.0	25%
Senegal	19.5	--	--	--	--	0%
Tajikistan	27.6	--	--	--	--	0%

	Disbursements for government sector (USD m)	Public financial management			Procurement	Average
		Budget execution (USD m)	Financial reporting (USD m)	Auditing (USD m)	Proc. Systems (USD m)	2013 (%)
Togo	116.8	0.0	0.0	0.0	0.0	0%

Source: GPEDC (2014)

This indicator has been designed to capture whether or not Chinese development cooperation is on budget and at which stages of the budget cycle Chinese development cooperation data has been recorded. Table 9 covers budget execution, financial reporting, auditing, and procurement systems. An aggregate score is provided on the overall performance of Chinese development cooperation across the PFM system plus the procurement system. For Togo, Tajikistan, Senegal, the DRC, Madagascar, Mali and Moldova, Chinese development cooperation is not captured for the PFM or procurement indicators. For Samoa, data is captured at the budget execution phase, which is the same case for Cambodia. In the case of Nepal, Chinese development cooperation is reported for all four values. However, whilst some level of data is reported in Nepal, it is much lower than that of the original level of commitment or disbursement. That is, even if some information is being provided on Chinese development cooperation within Nepal's PFM and procurement systems, it is only a share of what is being provided at the aggregate level and we therefore do not have full information.

#### What can we learn from the data?

The data which has been collected by the GPEDC on Chinese development cooperation flows and analyzed in this study is indicative of a number of trends, but these do not at all times correlate with the findings of the GPEDC progress report. The first and certainly most important finding is that for the first time data on Chinese commitments and to some degree disbursements, have been captured by eleven countries out of the 46 surveyed. This is a critical step forward for improving development cooperation information sharing.

Secondly, there are huge discrepancies in the data for all of the eleven countries reported in the survey, cutting across many of the indicators. This renders it difficult to undertake analysis and draw conclusions. At the end, by analyzing the data for the eleven countries, we are left with an **unbalanced and unsatisfactory picture both of China's performance as a development partner, and** also for the performance of the eleven countries themselves. Challenges in this area are particularly related to the quality of reporting and recording of information from these eleven countries from both their AIMS and PFM systems.

Of note is that on average the quality of the PFM systems in these countries, as captured by the CPIA indicator for PFM, are low (while Moldova does score higher), and for almost all of the eleven countries, the degree of integration of AIMS data into national planning and budgeting systems also appears to be relatively weak.

In sum, what can be effectively and correctly concluded from the analysis in Chapter 4 is that at some stage in the budget cycle, data on Chinese development cooperation flows has been captured by eleven countries. And according to interviewees, this data has been reported through their AIMS but is not necessarily linked to their planning and budgeting systems. The expected movement from this stage of development cooperation management (capturing development cooperation commitments from a development partner) to demonstrating whether or not the data is captured in national budgets, and whether this data is further used for planning, budgeting and monitoring purposes for development effectiveness must therefore remain as outliers in our analysis.

## 5.0 Country case studies: Cambodia, DR Congo and Nepal

Through this study we have looked at the historical discourse on development cooperation transparency, the international monitoring frameworks for development cooperation, the rise of Chinese development cooperation, and finally about the increased demand from partner countries for more information on development cooperation.

However, in order to better understand country perspectives and what has led the eleven countries to including Chinese development cooperation in the 2014 GPEDC report, it is important to look closer at the perspective of the developing countries and their experiences in collecting information and reporting on Chinese development cooperation flows. This section presents three case studies focusing on Cambodia, the DRC and Nepal. These three case studies will help to illuminate the development cooperation management structures in these countries as well as to help better understand the relationships with China as a development partner. These three case studies are complemented by interviews conducted with stakeholders from Madagascar, Tajikistan, Samoa, Moldova, Senegal and the Philippines. The findings collected from these interviews are presented in Chapter 6. All of the information collected either through the case studies or through additional interviews with country stakeholders has been reflected in the conclusions and recommendations in this study.

In particular, we have tried to provide relevant information on how these eleven countries interact with China in terms of accessing Chinese development cooperation information. In each country, this is likely to have been done in a different manner than would normally prevail for a standard OECD development partner.

The methodology for conducting the case studies is based on methodological triangulation consisting of structured interviews based on a unified questionnaire, literature review of key documents at the country level, as well as analysis of available secondary data on Chinese development cooperation which have been made available through these country AIMS. Interviews have been conducted with UNDP staff and in some cases with government officials in the three countries. Based on this small sample size the findings from the case studies must be considered as preliminary, although the information is also supplemented with additional semi-structured interviews with other 6 countries in Chapter 6. For a full list of interviewees, please see Annex 4.

### Cambodia

Table 10: Summary statistics on Cambodia

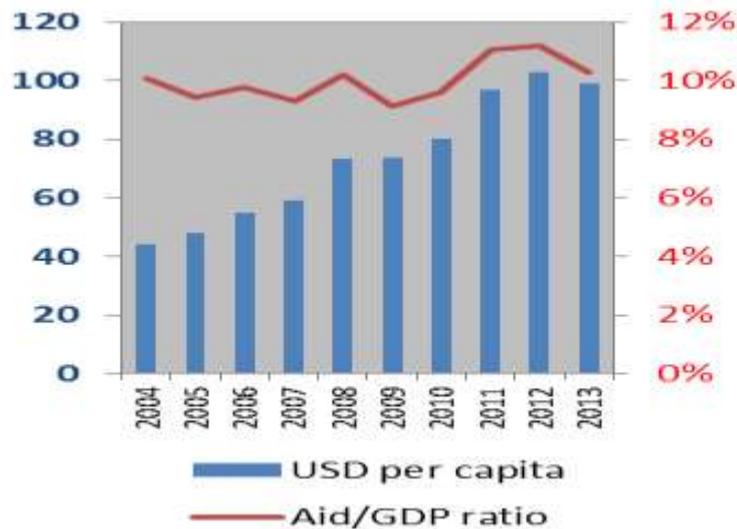
Country	Population, total 2013 (million)	GDP growth (annual %) 2013	Life expectancy at birth, total (years) 2013	Poverty headcount ratio at national poverty line (% of population) 2012	Net ODA received (% of central government expense) (%) 2012	Net ODA received as share of GNI (%) 2013	GNI per capita (constant 2005 US\$) 2013
Cambodia	15.14	7.4	72	17.7	49.1	5.6	675.9

Source: World Bank Development Indicators (2015)

Rapid socio-economic development in Cambodia over the past decade has been achieved through strong domestic ownership of the development process as well as with the financial support provided from their own revenue sources and development partner support. These resources have made an important contribution to economic growth, poverty reduction and improvements in

people's livelihoods. More importantly, Cambodia is now transitioning to a lower-middle income status which is clear demonstration that it has made great strides in its national development. However, the country still remains dependent on development cooperation with net ODA received as a share of GDP fluctuating at around 10% per annum.

**Figure 3: Cambodia's aid/GDP ratio and GDP per capita, 2004-2013**



Source: Government of Cambodia (2014)

In order to consolidate and maintain development progress, the Royal Government of Cambodia has produced a Rectangular Strategy – currently under phase 3 (2014-18). It serves to guide the implementation of government priority actions to ensure that all objectives are achieved within programmed timelines. In recognition of the important role played by development partners, the government has also formulated a Development Cooperation and Partnerships Strategy. Within this context there has been a growing emphasis on establishing results-based approaches to development cooperation and development management. The Development Cooperation and Partnerships Strategy is based on the principles of development effectiveness – results, capacities and partnerships – the Strategy identifies the tools and mechanisms that are required to facilitate effective and results-based partnerships amongst a wide range of development actors, including providers of ODA and other forms of development finance, SSC providers, the private sector and NGOs.

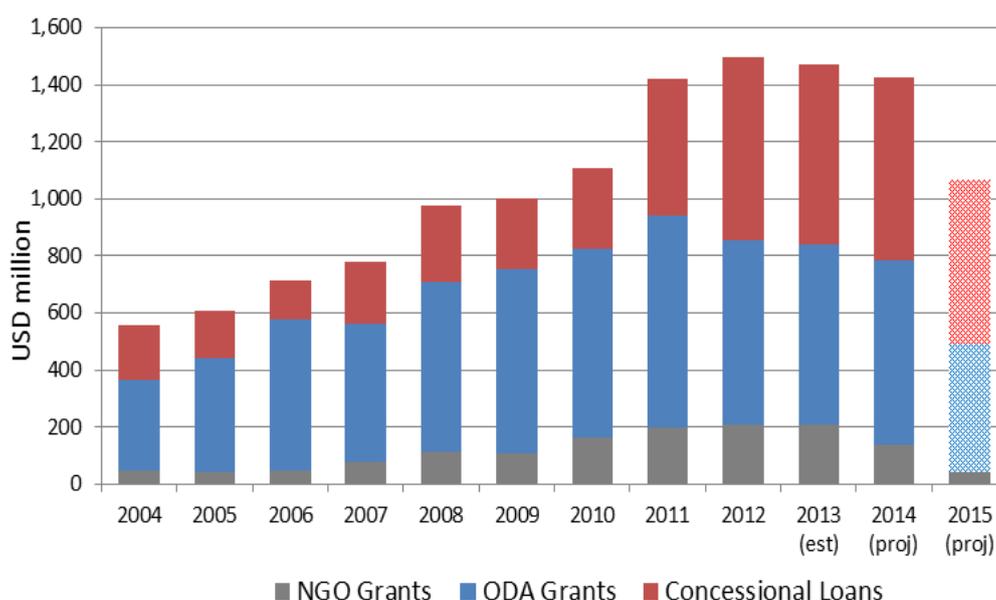
The government of Cambodia has also developed a fully functioning development cooperation management system for both ODA and NGOs, which fully captures development cooperation information on commitments and disbursements for all development partners in Cambodia. The Cambodian ODA database is managed by the Cambodian Rehabilitation and Development Board of the Council for the Development of Cambodia (CRDB/CDC), a government agency with the mandate to mobilize and coordinate external financing. CRDB/CDC records all types of ODA provisions by all development partners to Cambodia, including China. They include grants, concessional loans and technical cooperation, among others. The Ministry of Economy and Finance (MEF) has the responsibility to deal with all loan financing to the country. While the ODA database is owned and managed by the government, the responsibility for entering data lies with development partners, with support and validation functions provided by CRDB/CDC. Data entry is required at the time of agreeing a new project. Additional data entry is then required to provide disbursement projections in order to support the planning and budgeting strategy of the country, and then to confirm disbursements to support reporting and monitoring and evaluation work. Therefore, all provider countries report regularly upon request from the government.

Validation of information takes place twice a year, usually in the first and the third quarter. Data is validated by the CDC staff who are assigned portfolio responsibilities and who work closely with the focal points in each development partner office. The government links the development cooperation data provided by the development partners with the national planning process by providing data for the Public Investment Programme (PIP) which is a three-year rolling plan. Integration with the national budget is a priority under the ongoing PFM reform but is partially achieved through the inclusion of ODA information (especially loans) in sectoral budget strategic plans and the national budget.

In sum, the ODA database provides a strategic management tool to support the implementation of good practices in development cooperation management with regard to coordination, planning, implementation and reporting. *Ex post* analysis also supports the planning process by providing a forward-looking alignment of development cooperation information to development priorities which are monitored and supported by comparing resource flows with resource requirements identified in the National Strategic Development Plan (NSDP). The support to NSDP implementation, combined with the tracking of financial flows, contributes to an annual assessment exercise which measures development impacts.

According to the Cambodian government's report: "Disbursements of external assistance to Cambodia amounted to US\$1.46 billion in 2013. Over the period of 2004-2013 there have been year-on-year compound increases in support of 11.4% annually, although 2013 witnessed the first annual decline in disbursements. While external grants (ODA and NGO combined) have remained relatively unchanged, in the past three years, there has been an increase in concessional loan financing as well as support from NGOs. In 2013, for the first time concessional loans were greater than ODA grants, a trend which is expected to continue in 2014 and beyond as Cambodia transitions to Lower-Middle-Income country status and the major sources of development finance transition from grants to **concessional loans.**" (Development Cooperation Trends in Cambodia, 2014). For example, the infrastructure and transport sectors account for 25%-30% of Cambodia's total development cooperation portfolio over the past decade, with the majority of this investment provided through concessional financing. Support for infrastructure and transport has been led by China, Japan, South Korea and the Asian Development Bank.

Figure 4: Disbursements & projections 2004-2015 by development cooperation modality



Source: Government of Cambodia (2014)

The shift towards concessional loans and infrastructure highlights the need for Cambodia to ensure a comprehensive approach to development cooperation management. Support to the ODA database is therefore an important activity which will continue to be prioritized by the Council for the CDC in line with the resource transparency objective outlined in the Development Cooperation and Partnerships Strategy (Government of Cambodia, 2014).

According to the Public Expenditure Financial Accountability (PEFA) framework report for 2010, the Budget Department in the MEF is in charge of the preparation of the current budget and the in-year budget implementation framework. The Ministry of Planning (MOP) is in charge of the Public Investment Program, which is based on the National Socio-Economic Development Plan (NSED). All capital project proposals from line ministries are supposed to be vetted by MOP regarding whether they should be included in the PIP. In practice, as most of the capital budget is funded by development partners, line ministries tend to deal directly with development partners, or indirectly via CDC, whose main roles are to mobilize external funding for projects as well as to maintain a database on these projects. The introduction of programme budgeting and strategic development plans in priority areas in recent years has also induced greater focus by line ministries on current and capital budgeting taken together.

Progress on PFM reform in Cambodia was also measured by the Integrated Fiduciary Assessment and Public Expenditure Review (IFAPER) 2011. Progress in improving PFM and financial accountability has been solid, but has yet to match the government ambitions and targets. Budget credibility has been established at a robust pace. Reforms that devolve greater budget responsibility to programme managers supported by enhanced internal controls and accountability mechanisms are currently in progress. The management structure of the MEF needs to be strengthened to implement successfully the Financial Management Information System (FMIS) and focus needs to shift to delivering on all the public financial reforms targeted. This has to be supplemented by determined efforts to align government strategic goals, budget priorities, and donor support.

#### China and Cambodia

The development cooperation relationship between China and Cambodia is a strong one. Cambodia is a major recipient of Chinese support mostly in the form of soft loans which compromise **about 90% of China's total support to Cambodia. The remaining 10% are typically given as grants** and in-kind support. Chinese development cooperation has grown from about US\$53 million in 2006 to US\$414 million in 2013, representing 28% of development cooperation to Cambodia in 2013. This also makes China the largest source of external support for Cambodia. Dating back to 2007, Cambodia has collected data on Chinese development cooperation flows, which it has reported into various global processes, and most recently the GPEDC progress report. Cambodia has a fully functioning development cooperation platform which is online and therefore accessible to the public. However, it is of note that the data from the Cambodian AIMS does not fully match the figures provided by Cambodia in the 2014 GPEDC progress report as a result of late reporting on Chinese development cooperation flows for 2013 (survey data was extracted in Q1 2014 while **China's disbursements were only confirmed later that year**).

The Cambodian government uses a different methodology from that employed for other development partners when acquiring information on Chinese development cooperation flows in **the country for its ODA database. It is the case that all of China's projects are included in the Cambodian AIMS including commitment and disbursement data. The MEF, which manages China's concessional loan portfolio, first produces a summary based on data provided by EXIM bank and/or MOFCOM. From the information provided by the MEF and verified by the Chinese ECC in the Chinese embassy, the CDC then uses the information to fully aggregate development cooperation commitments from China. This information is then entered manually into the AIMS and is again**

verified by the Chinese embassy. The CDC then has a few meetings annually with Chinese embassy officials for the data verification purposes<sup>2</sup>.

Development cooperation analysis is conducted by the CDC on Chinese development cooperation flows in the same way as it does for all other donors. While there may be a slightly different methodology or steps involved in collecting Chinese financial flows, this does not suggest that China has not been open to providing complete information on its development cooperation activities in Cambodia. However, it does mean that there has been a higher level of transaction costs for the government of Cambodia in collecting and verifying Chinese data in comparison to that of other development partners in the country. The government has reported that they would thus prefer to have the government of China report directly into the online database as other development partners do and they would like to have a focal point appointed in the Chinese embassy to liaise on Chinese development cooperation information so that information exchange can be conducted in a more organized fashion. In the meantime, the use of EXIM bank's disbursement reports provided to MEF ensures data accuracy, albeit with a lag.

Of final note is that UNDP Cambodia has provided support to the CDC through its Partnership for Development Results programme (PfDR) with the overall objective of supporting the CDC and government capacity and strengthening the national development cooperation management system. Key activities have included establishing the online database and the associated work processes and capacities for survey design, data collection, validation and analysis and knowledge management. Whilst it can be concluded that the development of a unique development cooperation management approach in Cambodia has been fully country-led, assistance from the UNDP Cambodia office has been very useful and there is a very strong relationship between the CDC, the Ministry of Finance, the Central Bank and UNDP (which has a technical adviser placed in the CDC office).

## Democratic Republic of Congo

Table 11: Summary statistics on the DRC

Country	Population, total 2013 (million)	GDP growth (annual %) 2013	Life expectancy at birth, total (years) 2013	Poverty headcount ratio at national poverty line (% of population) 2012	Net ODA received (% of central government expense) (%) 2010	Net ODA received as share of GNI (%) 2013	GNI per capita (constant 2005 US\$) 2013
DRC	67.51	8.5	50	63.6	193.1	8.6	260.5

Source: World Bank Development Indicators (2015)

The political, institutional and security situation of the DRC has evolved since 2002. The official end of the war in the DRC was signaled by the Inter Congolese Dialogue which took place in South Africa in 2002. At the same time of the changes to the political management of the country, the international community committed to a programme of macroeconomic and sectoral reforms intended to reduce poverty and promote sustainable growth. In 2003, the government

<sup>2</sup> It was the feeling of interview respondents that the Embassy of China does not always have full information on what is happening in Cambodia as much of the project cycle is managed directly by Beijing, from provincial level governments and even at times through various line ministries in China who are managing grants and project type aid.

computerized the operational expenditure chain. This reform allowed for expenditure tracking, and the monitoring of commitments as compared to authorized appropriations and disbursements. In addition to the computerization of the budget system, many new institutions have been put in place at national and provincial levels. In addition, major reforms in development cooperation management are **underway**. **The country's development agenda is summarized in two key documents, namely, the Growth and Poverty Reduction Strategy Paper (GPRSP) and a Stabilization and Economic Recovery Program Strategy (STAREC).**

International assistance to the DRC is essentially composed of finance for development and reconstruction programmes which date back to 2003. The Congolese government has made the management of external development cooperation flows one of the priorities of their reform program for PFM. In 2008, the DRC has chosen to set up a full AMP, known as the Plateforme de **Gestion de l'Aide et des Investissements** (PGAI) which is housed in the Ministry of Planning and Revolution for Modernity. Since its official launch in 2009, the PGAI has introduced significant changes in the management and coordination of external assistance in the DRC. However, challenges remain significant for the government in the management of this system and there appears to be some discord between development partners and the government in this area.

The aim of the PGAI is to strengthen government processes and increase transparency and accountability. The PGAI now helps with monitoring the alignment of external assistance with the Priority Action Plan of the Growth and Poverty Reduction Strategy. Since it was launched, the PGAI has granted access to all development partners, with access also being expanded to other ministries and to the regional and provincial levels. Development partners are invited to enter their development cooperation commitments manually into the PGAI, which has recently been made public, and also to verify those commitments on a quarterly basis.

The validation of the data provided by the development partners takes place under the auspices of the working group for development cooperation. Within this development cooperation group, there is an international expert in place who is financed through a multi-donor trust fund. The Ministry of Finance has produced a number of draft reports on development partner financing. But none of them are finalized. The coverage of development cooperation in these reports has been weak in the past but the situation has improved over time as the PGAI has grown. For example, the government reports that already US\$500 million has been recorded by January for 2015. They hope that by the end of the year they will have full information from all development partners on all of their development cooperation activities.

Aside from some of the bigger development partners such as the African Development Bank and the World Bank, the Ministry of Planning has had some challenges in collecting and verifying development cooperation data. For example, not all development partners are reporting to the PGAI and there appears to be discord over data issues which are published in the PGAI national reports. Moreover, there are focal points in each of the development partner offices who are responsible for providing data to the PGAI, but the high turnover rate of focal point staff has made it difficult for the government of the DRC to manage and maintain these relationships. In addition, the government collects information from development partners on a rather sporadic basis and enters the information manually at different points of the financial year. Finally, there is a need to consolidate the collection process, formats and terminologies used to transmit information on development cooperation, as currently the information reported does not correspond to the information needs of the government and the budget structure. The need for a single window that centralizes development cooperation information, processes them and sends them to the users of these data structures is a key area where the government still needs support.

In order to respond to the challenges with the development cooperation management system, the government of the DRC has taken a number of actions. They are currently working on a development cooperation management strategy. They have also established an inter-ministerial

team to collect data. A Code of Conduct was also developed for the management of development cooperation in the country and is voluntary in nature. However, its legislation is binding. The Code of Conduct defines concepts used in the area of development cooperation, delegates the responsibility of all those involved in the management of external resources and identifies circulation channels for information on development partner interventions. Finally, it targets governmental and non-governmental structures that are considered as sources of information for the collection of financial data on external resources.

In spite of the challenges which exist with the PGAI, the DRC now had 5,700 activities in the system in 2012 and must have more now, representing more than US\$13 billion of official development and humanitarian assistance. The data is available from 1999 to 2015 and includes external resources, domestic resources (investment budget) and foreign private investment. Strict procedures have also been set up for quarterly updates. The government feels that the most significant impacts of the PGAI have been the increased awareness for development partners of the need for better development partner coordination, and the improved availability of information for better strategic planning.

As noted, one of the key objectives of the Congolese government is to integrate the AIMS into the national and sub-national planning and budgeting systems. At this time, development cooperation data is not well reflected in the national budget plans and there is a lot of work to be done to improve the integration of the AIMS from the Ministry of Planning into the work of the Ministry of Finance. This reform is partially challenged by the rather **weak state of the DRC's PFM systems**. However, there is also a need for political will to push through the integration of the PGAI into the national budgeting system.

The assessment made by the PEFA (2012) was that PFM in the DRC has improved greatly since the last PEFA in 2007 (mainly in the preparation of the budget and the legislative framework), but there are still significant failures at the level of implementation of legislation and budget execution in accordance with voted appropriations. This situation is partly due to the difficulty of introducing more complex governance methods (organic law, decentralization, MTEF, PRSP, etc.). The PFM system seems both weakly administered and not effective enough despite computerization of the chain of operational expenditure for several years.

Although significant progress has been made in terms of organization and preparation of the budget, the failures are nevertheless important in terms of budget execution. The decentralization of budget administration to sub-national government is not working very well. However, the success of the Heavily-Indebted Poor Countries (HIPC) initiative in the DRC, which is reflected in their completion in July 2010, now enables the DRC to have virtually no external arrears. Therefore, the government enjoys much better financial stability: for example, they now access direct budget support provided by a number of development partners and they finally have the means to establish a genuine development policy.

#### China and the DRC

China is a medium-sized but growing development partner in the DRC. Each year since 2011 has seen the size of the Chinese development cooperation portfolio grow significantly. According to our interviewees, in 2011, China provided an estimated US\$37 million. In 2012, an estimated US\$45 million was committed but then an estimated US\$114 million was actually recorded as being disbursed by the end of the financial year. Finally, in 2014, China significantly increased its development cooperation pledge to US\$260 million, which matches the figures provided in the GPEDC survey – US\$273 million committed by China. However, by the end of the year, only US\$88 million was disbursed.

China provides concessional loans and project support to the DRC in a number of sectors.. China has a direct relationship with the Foreign Ministry which is supposed to have full information from

China. The key mechanism for interaction between the Ministry of Planning and the Chinese embassy is through the ECC in the Chinese embassy which has developed a good relationship with the PGAI for exchanging development cooperation data. The PGAI shares with the ECC about other **development partners'** interventions as well. However, it is reported that the relationship has taken time to develop. In terms of accessing Chinese development cooperation data, the Chinese embassy has become keener on providing information because they want to see their development cooperation information recorded at the national level in key national documents.

There are difficulties in the way that Chinese development cooperation data is reported to the Ministry of Planning because of different reporting formats used by the Chinese and the Congolese government. Dialogues on this challenge have taken place and there are commitments on the side of the Chinese embassy to provide their development cooperation data according to the government requested format. A further challenge for the government is that they do not have information on the activities of Chinese private sector projects.

Through interviews, the Congolese government indicated the potential usefulness of working closer with the Chinese embassy with regards to its development cooperation flows so that in the future the Chinese staff will be able to enter their development cooperation data directly into the PGAI as well as verify the data on a quarterly basis. They also hope that the Chinese embassy will be **able to help them fill in data gaps because there is always data missing on some of China's projects** in the DRC. Here, the role of the ECC is key as the ECCs are responsible for the direct coordination and management of development cooperation projects on the ground. At the same time, the government recognizes that there is a need for better internal coordination between ministries in the DRC, with many different agencies having their own development cooperation agreements with China and not sharing information with other ministries on these activities.

Technical support on development cooperation management is provided through the UNDP through two experts in the Ministry of Planning for development cooperation coordination at the national and sectoral level. Support is provided to help coordinate development partners' **inputs** into the PGAI and also to help improve sectoral coordination of development cooperation at the national and provincial levels. Training is provided by the two technical advisors to government cadres across all levels of national government and at the provincial level.

## Nepal

Table 12: Summary statistics on Nepal

Country	Population, total 2013 (million)	GDP growth (annual %) 2013	Life expectancy at birth, total (years) 2013	Poverty headcount ratio at national poverty line (% of population) 2010	Net ODA received (% of central government expense) (%) 2013	Net ODA received as share of GNI (%) 2013	GNI per capita (constant 2005 US\$) 2013
Nepal	27.80	3.8	68	25.2	29.6	4.5	412.3

Source: World Bank Development Indicators (2015)

Nepal is one of the ten poorest countries in the world. Enhancing effectiveness of development cooperation in Nepal is viewed as a key component of its development agenda. Both the government of Nepal and the development partners are fully aware of the fact that the development cooperation effectiveness agenda can only be enhanced if the development ownership lies with the government of Nepal. Although there have been improvements in the **process of aligning development cooperation with the country's priorities, there are mixed results**

when it comes to implementation. There are also some challenges in this respect such as disseminating the message of alignment to the grassroots level, strengthening the national PFM system, and aligning all the development partners with the country system by enhancing the internal capacity (Government of Nepal, 2014).

Nepal first launched its Foreign Aid Policy in 2007, but has since launched a revised Development Cooperation Policy in 2014 known as the International Cooperation for Development Effectiveness policy. Development cooperation management in Nepal is led by the International Economic Cooperation Coordination Division (IECCD), previously known as Foreign Aid Coordination Division, under Ministry of Finance (MoF). The Development Cooperation Policy has undergone significant changes from the 2007 version, such as the inclusion of the Paris Declaration commitments, and alignment to the GPEDC. The new Policy also intends to better address issues of fragmentation of development cooperation in Nepal. The IECCD also started producing annual reports in the name of Development Cooperation Report on development cooperation management/effectiveness. Nepal has produced two reports for 2011/12 and 2012/13 which were facilitated through the information collected in the AMP. The next report will be available in mid-April 2015 for the 2013/14 financial year.

The government and development partners in Nepal have actively pursued the development of a centralized AMP and provided capacity building and support to improve development cooperation management and coordination both within the government and also for the development partners themselves. The AMP is hosted and managed by IECCD in order to strengthen government processes as well as increase transparency and accountability. The system was installed in April 2010, and became active in 2012. Through collaboration between the government and development partners, more than 700 projects valued at over US\$6 billion, consisting of both on budget and off budget projects, have been entered into the system. The AMP is now being rolled out to almost all development partners and this year to 131 international NGOs as well. It is being integrated with the Budget Management Information System (BMIS) of the country.

The BMIS and Financial Management Information System (FMIS) are another important milestone in the quest to improve development cooperation **transparency along with the launch of AMP's public portal in 2013**. In subsequent phases of development, the AMP will also be linked to the IATI Registry. The introduction and availability in Nepal of geocoded information on development cooperation has also brought enormous value for the government and development partners and has a number of uses including production of different reports, development partner mapping, and long-term planning and targeted interventions. It is also useful in determining the distribution of development cooperation at district level as well as the levels of poverty and literacy in the 75 districts (IATI, 2014).

The government of Nepal formulated a Public Financial Management Reform Program (PFMRP) Strategy Phase I (2010-2013), with the objective of adopting a holistic government-wide approach to PFM reforms encompassing both the institutional and technical aspects. It provides a framework **in which all related reform initiatives can be incorporated under a single "umbrella" in which the development partners can provide their funding on a 'joint' and 'programmatic' basis**. Nepal's AMP and its ability to capture and manage development data will be an integral part of this process and also key to incentivizing development partners to increasingly make use of its country systems to channel and report on financial flows.

**The 2008 PEFA assessment of Nepal's performance in PFM suggests** the existence of a system that is well-designed but unevenly implemented. While not yet publicly available, the 2014 PEFA may not show much progress due to the political problems in the country which may have affected the budget cycle and PFM performance. The budget has become a credible policy tool, clearly linked to policies in some sectors, with solid control of aggregate outturns and a reasonable control framework at the transaction level (notably for payroll). However, there are many gaps in the control

framework as well as significant implementation constraints; large fiscal activities remain outside the scope of the central budget. Several weaknesses originate in the weak demand from both government and external stakeholders for better budget information (both financial and physical) and management.

#### China and Nepal

The total volume of ODA disbursements recorded in FY 2012-13 were US\$ 0.96 billion (disbursed through 508 projects), of which approximately 49% was received from multilateral donors and 41% from OECD DAC donors. The remaining 10% was received from bilateral SSC providers such as India and China, with China providing about 3.9 % of on-budget development cooperation flows. According to interviewees, China committed to disburse US\$34.1 million in 2013 which does not match the figures provided by the GPEDC survey for commitments, as that figure was in the range of US\$23.7 million. This discrepancy lies in the fact that Nepal uses a different fiscal year to the GPEDC so it not possible to fully align the data.

In Nepal, the standard way of working with development partners is to collect and verify their commitment and disbursement data through the appointment of a focal person in each development partner office in Kathmandu. The MoF provides training to the focal point to help them use the AMP and each development partner is expected to load their development cooperation commitment information into the AMP on a regular basis. All disbursement information is then captured by MoF desk officers and validated by the MoF and entered manually into the AMP. The government then produces annual reports on development cooperation capturing information for all of the development partners in Nepal.

In the case of India and China, there is no AMP focal person in their embassies. This means that the method of gathering data from China and India is different than to the other development partners. The main reported projects for China in Nepal are concessional loans for hydroelectricity and the **transport sector. Information on China's development support is thus captured** through the concessional loan contracts which are signed between MOFCOM in Beijing and the MoF in Nepal. The MoF then manually enters information on Chinese commitments to Nepal into the AMP. Some of the programmes that are provided as off-budget<sup>3</sup> are also captured in 2012/13 Development Cooperation Report: out of the US\$34.1 million, about US\$9.7 million is off-budget.

That said, the MoF and UNDP Nepal feel that China is increasingly becoming incentivized to provide timely information on all of their commitment and disbursements. They feel this is owing to the positive role played by the annual reports on development cooperation. China has now become one of the top development partners in the world. From this we can deduct that Chinese development cooperation to Nepal is on the rise, and there may be incentives from the Chinese side to provide full information on all types of development cooperation including disbursement figures so that their development cooperation can be better reflected in the Development Cooperation Reports. However, this is only conjecture. Nepal sees that there is a lot of room to grow in its relationship with China in terms of improving information-sharing on development cooperation between the two countries.

UNDP Nepal has been supporting IECCD for development cooperation management and coordination including establishment of AMP. **UNDP has a project named "Developing Capacities for Effective Aid Management" since 2009. In addition to establishing the AMP which was done through Development Gateway, various capacity building initiatives are being implemented.** The current programme will end in 2015. However, a further UNDP support programme is currently being developed to ensure sustainability of these initiatives.

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<sup>3</sup> Off-budget means direct transfers outside the national financial management system.

## 6.0 Summary of other selected partner countries

In addition to the case studies, counterparts from six other partner countries that reported on **China's financial flows were interviewed, in order to better understand their demand for better** quality reporting of development cooperation data from China. The information in this chapter comes from interviews with UNDP officials from Samoa, Senegal, Madagascar and Tajikistan, a government official from Moldova, and also questionnaire results from the government of the Philippines. **This chapter's purpose is to add value to the case studies and to better understand the** AIMS in these countries and where possible to draw out lessons both for partner countries and China in collecting and reporting on development cooperation data.

### Samoa

Samoa is a country with a number of institutional capacity constraints which continue to affect the management of the development process in the country. These challenges also encompass the management of projects financed by development partners. All development cooperation programmes in Samoa have components for capacity building through a number of different modalities including institutional building, training and experience and knowledge sharing through SSC. Improving development cooperation coordination and management for the government of Samoa is a key objective of policy-making in the country. The government fully recognizes the importance of coordinating external resources with a view to making development cooperation flows more predictable and programme management more effective. Some success in this direction has been achieved through the adoption of an aid policy in 2010 which focuses on planning, securing, utilizing and monitoring external resources and flows through a single competent coordinating entity named the Aid Coordination & Debt Management Division. The commitment and capacity of the partner government towards the implementation of the principles of effective development cooperation has incentivized development partners to use country systems as to channel and report on financial flows.

To date, Samoa has signed nine partnership arrangements with its key development partners and has a formalized consultative mechanism with them through quarterly development partner meetings, as well as biannual policy dialogues.

In spite of challenges, Samoa is considered to have the strongest AIMS in the Pacific island region. Samoa has a very good relationship with all development partners in their country including China. The AIMS is linked to their centralized planning and budgeting system. All development partners provide development cooperation data to the AIMS which helps support sector-wide planning. **Samoa's development partners have agreed to work with the government on a Joint Policy matrix** which would be the basis for delivery of development cooperation.

The recent scaling up of development cooperation by China in the Pacific has significantly changed the development landscape with the Pacific island countries. China offers its development cooperation based on mutual respect and understanding. Samoa has been one of the first countries to have been granted debt forgiveness in the Pacific.

**A large number of the infrastructure projects arising from China's 2006 Concessional Loan Facility** were also secured by Samoa, including several government buildings and the national hospital, partly contributing to a high level of external debt. China is the fourth most significant development partner in the country, behind Australia, New Zealand and Japan. In fact, China has had a permanent diplomatic presence in Samoa for longer than Australia (only New Zealand established an embassy before them).

**Appreciation of China's responsiveness to Samoa's** needs was voiced during the interview. Where other development partners might not want to be engaged, China will assist in providing funding. The issue raised is a request from the Samoan government for China to be more responsive to

national queries where figures do not reconcile. This might as well involve closer engagement of the Samoan government in the execution of Chinese projects, including involvement in tender processes for contracts.

There is not a dedicated UNDP staff member who is directly involved in development cooperation management in the country. However, UNDP is involved in roundtable discussions about development cooperation effectiveness as well as various support via programmes at the Pacific regional, Asia-Pacific regional and global levels.

## Madagascar

The government of Madagascar does not have a partnership strategy to date. The government produces an annual Development Cooperation Report (DCR) which provides all development partners with a general overview of the data registered into the AMP, or Plateforme de Gestion de l'Aide (PGA). **Some analytical work complements the data collection to make it a critical decision-making tool for the government.** Furthermore, the DCR is considered by many as a good tool in terms of enforcing accountability on the use of development cooperation.

Development partners in Madagascar either voluntarily enter information relating to their development cooperation into the development cooperation management database or send the information directly to the Secrétariat Technique Permanent pour la Coordination de l'Aide (STPCA, or **"Permanent Technical Secretariat for the Coordination of Aid") for entry.**

The data collected on Chinese development cooperation to Madagascar is reported to the STPCA for entry into the PGA. Madagascar received US\$27.3 million from China in 2009 and this has declined to US\$16.8 million in 2013 and down to US\$8.2 million for 2014.

The Chinese embassy does not have a focal point for development cooperation. However, it is the main transmission mechanism for information on Chinese development cooperation commitments and disbursements to the STPCA. The majority of Chinese development cooperation flows to Madagascar is grants, such as the support for building a national hospital.

The STPCA in any case reports that it has a good relationship with the Chinese embassy. The embassy regularly shares the information about its development cooperation. It is easy to find out **about how China is contributing to the country's development agenda.** The STPCA's members annually invite China for capacity development on the PGA so that in the future it may be even easier to obtain development cooperation data from China.

## Moldova

Moldova has a partnership agreement with development partners known as the Aid Partnership and Aid Cooperation Agreement. This Agreement was signed by all development partners in Moldova except for China. The goal of this Agreement is to align development cooperation with the Paris Declaration. Moldova receives between US\$5 million and US\$ 9 million of annual financing from China. This consists of all grant financing and is primarily for construction and materials such as equipment to build roads and schools.

Moldova has an AIMS that was launched in January 2014. Initially, all line ministries enter their project data into the system and then the AIMS is open to development partners who input their development cooperation commitments under the operational guidelines provided by the government of Moldova.

China is not active in development cooperation partnership meetings. They do not have a focal point for development cooperation with the government of Moldova. Moldova produces annual reports on development cooperation. However, in 2012, China was not included in this report. The government of China then raised this issue to the government of Moldova. Since then, Chinese

development cooperation data has been included in the annual monitoring reports and the data is **captured in Moldova's AMP**.

This information is collected through information obtained in the annual memorandum of understanding between China and Moldova - but it is generally incomplete. The government of Moldova therefore follows up with the Chinese embassy staff to get information on new projects and for disbursement data.

Moldova would like to see China better align with national systems and procedures for collecting and reporting on development cooperation data in future.

## Senegal

Senegal maintains privileged cooperation with technical and financial partners. In this context, Senegal received actual ODA disbursement of about 541 billion CFA francs (US\$889 million) in 2011, an increase in absolute value of about 62 billion CFA francs (US\$101 million) and 13% in relative terms compared to 2010 when the ODA received was approximately 479 billion CFA francs (US\$787 million).

Senegal does not have a national partnership policy for development cooperation management, nor do they have an agreement with China for the provision of development support. However, they have developed an AIMS that allows it to capture development cooperation flows. The AIMS is managed by the Ministry of Economy and Finance. Development partners are asked to enter their development cooperation data manually into the AIMS. However, for most development partners, a consultant helps collect the development cooperation information and enters it manually into the AIMS.

Surveys and data collection are organized with the involvement of development partners, line ministers and technical partners. However, not all partners provide information on their ODA. Therefore, analysis of data for the preparation of the Development Cooperation Report (RCD, or **"Rapport sur la Coopération au Développement"**) is **subject to this limitation**. In any case, the government prepares an annual report on development cooperation which is shared with all development partners.

The reporting on Chinese development cooperation flows is done through the Ministry of Finance Economy and Planning in conjunction with the Chinese embassy. However, the government of Senegal has reported that it is difficult to access data from Chinese officials in the embassy. The Chinese government did not provide information on their development cooperation activities in 2011. The situation has slightly improved since 2012/13.

UNDP supports the development cooperation management process through a project to support the PFM. This project helps to support capacity building of government cadres working on PFM, the development of annual and multi-annual budget documents and for policy development for national and sectoral planning.

## Tajikistan

Tajikistan has a development cooperation partnership policy known as the Treaty on Friendship and Cooperation Partnership. Currently, there are also Shared Principles for Cooperation between the government of Tajikistan and international development partners. Coordination mechanisms of cooperation between the government of Tajikistan and development partners were established within the Joint Country Partnership Strategy (JCPS). Tajikistan has an AIMS which is open to all development partners who are expected to regularly input into the database. The AIMS is the main source of reporting on all development cooperation modalities in the country. At the beginning of each year, development agencies update the system based on the results from the previous year. The AIMS can produce results that allow the government to analyze different information from development partners on sectors, regions, expenditure categories and funding sources, among

others. Once information is added at the beginning of the FY, the State Committee on Investment and State Property Management (SCISPM) prepares and publishes development partner profiles and development cooperation reports.

Capacity on development cooperation coordination is provided within the framework of the project named Support to Effective National Aid Coordination and Monitoring (SENACAM), which is **financed by the UK's Department for International Development. One of the most tangible results** of the project activity is the development and implementation of an AIMS that functions in the real-time. The AIMS allows decentralized inputs and update of information on development cooperation project implemented in Tajikistan by development partners and national agencies.

The Treaty on Friendship and Cooperation Partnership is effectively implemented between Tajikistan and China. Tajikistan has full information on Chinese loans and projects. Since 2007, Tajikistan has received over US\$1 billion in loans and project support from China and US\$39.3 million in 2014 alone. China provides soft loans and grants to Tajikistan in the areas of transportation and energy. China and Tajikistan have signed a number of bilateral agreements, including forward development cooperation commitments in the Joint Communiqué on further expansion of strategic partnership and the Cooperation Programme for 2015-2020.

The information on Chinese development cooperation for public investment projects is being entered directly by the project implementation units into the AIMS through a normalized process. For previous years, when an offline database was in place, the information on other development cooperation types was received from the Chinese embassy and entered by the SCISPM. Once AIMS was deployed in 2012, all information was migrated from the offline database into the AIMS.

## The Philippines

**The Philippines' National Economic and Development Authority (NEDA) has a strong partnership** with major development partners which pre-dates the Paris Declaration. Moreover, the NEDA has established regular sharing of ODA data among these development partners. The ODA Act of 1996 requires NEDA to submit Annual Portfolio Reports to the congress every June of each year.

The data collection process involves series of consultations with development partners, the first of which is held to discuss the background, data requirements and timelines of the GPEDC monitoring framework. Data is gathered from development partners through the monitoring framework **worksheet and is validated by the development partners thereafter. For the development partners'** inputs, financial data comes from existing global development cooperation management system managed by their headquarters, reports from their respective agencies that manage ODA statistics, and development cooperation portfolio. Others gather data as part of their regular reporting to NEDA. Meanwhile, for indicators addressed to the government, sources of data include ODA Portfolio Reviews, CY 2011 Philippine Paris Declaration survey results, among others. For some projects supported by loans from bilateral agencies such as China, disbursement data were sourced from government agencies implementing the projects.

Monitoring of development outcomes are either captured through the annual ODA Review Reports or the conduct of *ex post* impact evaluations of completed projects. Data on development outcomes are compared with the targets indicated in the project log frames and also how these outcomes support achievement of higher development objectives indicated in the Philippine Development Plan Results Matrices.

China is one of the many development partners being considered by the government of the Philippines for financing capital public investments. Among the advantages of availing official development cooperation from China are its rapid processing of approvals, low interest rate and long repayment period. In addition, China can commit large amounts to finance priority **infrastructure projects of the government. Data on China's grants is sourced from the ECC Office of the Chinese embassy in the country on a biannual basis.**

The government of the Philippines would like to see the Chinese loans data provided in a timely manner. The conduct of portfolio review or implementation review missions for China-supported development cooperation projects should likewise be regularly undertaken.

The UNDP country office contributes to the strengthening of AIMS in the country through the UNDP-funded project *Sustaining the Effective and Efficient ODA Management and Monitoring*. The UNDP grant assistance was instrumental in engaging the services of consultants for the development of the NEDA's Programs and Projects Information System (PPIES) which aims at improving results-based management, monitoring and evaluation of public investment programmes. The development of PPIES contributed in improved facilitation and database management of proposed and ongoing development programmes and projects.

## 7.0 Conclusions and recommendations

For more than a decade, providers and recipients of development cooperation have sought to increase the effectiveness of development cooperation. Within the context of rising SSC, it has become increasingly clear that there have been two substantial shifts in the development landscape in more recent years.

Firstly, development cooperation today involves a multitude of actors from both North and South. Within the context of SSC, the rise of China as one of the largest development partners in the world (AidData 2014; JICA 2014), now means that SSC has become not only a source of partnership for trade and investment, but also represents a sizeable source of development cooperation flows directed towards other developing countries.

The second shift has occurred in developing countries themselves – where a growing demand structure has evolved around a very strong ownership agenda of the domestic development process. Under the leadership of developing countries, there has been a visible boom in the number of countries who have developed, designed and implemented AIMS. Along with the advent of these systems, developing countries are increasingly requiring that their development partners provide timely, accurate, useable and predictable information on development cooperation flows. This is a full precondition for these countries to make more effective use of their available resources and ultimately achieve sustainable development results linked to broad-based poverty reduction and economic growth.

Accurate, detailed, timely and forward-looking information on development cooperation **expenditures serves as a basis for developing countries' policy planning and decision making** structures. The availability of transparent development cooperation data further leads to stronger ownership of development outcomes, as it enables governments to have a full overview of their resource envelope which can then be prioritized across development objectives. In sum, transparent information on development cooperation enables plans to be linked to credible budgets and for budgets to be sustainable and predictable, ensuring value for money and effectiveness in delivering national development plans and objectives.

As China becomes one of the major development partners and SSC providers globally, there is **increasing demand from partner countries for more information on China's financial flows**. Within this context, China has been taking initiatives to increase the sharing of development cooperation information, exemplified by the release of two White Papers on Foreign Aid (2011 and 2014) and the Measure for the Administration of Foreign Aid (2014). It is likely that with increased demand from **partner countries for more and better data on China's financial flows, China will** take actions in the near future to increase information-sharing on development cooperation.

This study looks at the Chinese development cooperation data provided by the eleven countries in the 2014 GPEDC progress report, examines three country cases: Cambodia, the DRC and Nepal, and is finally complemented by interviews with stakeholders from the other six partner countries that **have also reported on China's development cooperation flows. The analysis shows that:**

- Chinese embassies have become increasingly incentivized to provide information about their development cooperation, especially when asked for such information by partner country governments;
- Partner countries have increased demand on China to provide full information on its development cooperation activities and alignment with the principles of the respective national partnership policies and procedures for managing development cooperation information via AIMS;
- In all cases, accessing Chinese development cooperation data has required additional efforts and has led to an increase in transaction costs for the partner governments. All

countries would like to see the Chinese government better align with their national systems and procedures for collecting and reporting development cooperation data in the future;

- **There are three key sources of China's development cooperation:** the most accurate source comes from Chinese loan agreements; a second route has been the Chinese embassies themselves and a further source has been for partner governments to get in contact directly through email or phone with the Chinese Ministry of Commerce (MOFCOM) and the Ministry of Finance (MOF);
- For the countries examined, data on Chinese development cooperation flows has been **reported through partner countries' AIMS. While the degree of** integration of AIMS data into national planning and budgeting systems appear to be relatively weak for almost all of the eleven countries, getting access to and gradually integrating development cooperation information into national planning processes is a continuous exercise which also depends on trust-building in terms of the quality and frequency of data sharing. For most countries, however, data collation and quality assurance remain a challenge and real barrier for strengthening their planning and budgeting processes;
- There are huge discrepancies in the data for the eleven countries reported in the survey, **cutting across many of the indicators analyzed. This creates an unbalanced picture of China's** performance as a development partner and the scope of **China's support. That said, a number of factors determine the degree of accurate data reporting of China's development cooperation data:**
  - (i) The level of demand of the government itself to obtain Chinese development cooperation flow information;
  - (ii) The amount of time and staff of the partner government dedicated to engaging with Chinese counterparts both in the Chinese embassy and with ministries and other stakeholders in China;
  - (iii) The interest and incentives of the Chinese focal points working in the embassy but also in Beijing to provide information;
  - (iv) The level and quality of support provided by technical advisors working in development cooperation management bureaus in the Ministries of Finance and Planning in these countries, most commonly by UNDP, to support partner governments to engage with Chinese officials;
  - (v) The quality of the partner countries AIMS, the extent to which AIMS are available in the public domain, and how much partner governments actually make use of the development cooperation information provided to them;
  - (vi) The extent to which partner countries produce public monitoring reports on development cooperation from all development partners, since this publicity creates incentives for partners, including the Chinese embassy, to share information with partner governments in the countries surveyed.

Recommendations and next steps:

- There is a great deal of scope for those partner countries that are interested in doing so, to get Chinese data and more effectively involve Chinese counterparts in the data collection and validation processes, linking the reported data with their national planning process. In other words, this is an open door;
- The ECC Office is the key interlocutor, and attention towards ensuring staff time is spent in collecting and reporting development cooperation data will be important so that in the **future China can feed development cooperation data directly into the country's system as**

well as verify the data on a regular basis. This, in turn, will require ensuring that all Chinese institutions which engage in development cooperation liaise with MOFCOM and ECCs around the provision of basic development cooperation data;

- Based on requests from the eleven countries surveyed, it would be helpful for Chinese embassies in future to appoint a focal point for development cooperation coordination and through this focal point, China could provide development cooperation information according to the needs of the partner country;
- Collating data at the country level through partner country governments could be an **effective means to gather sufficient information to populate an annual report about China's** development cooperation, without the need for expanded capacity or management arrangements in Beijing, whereby data and results are broken down by country for more understanding about trends and changes in Chinese development cooperation. Such data **could also continue to be fed into processes such as the GPEDC, bolstering China's image as** an open development cooperation provider;
- There is potential for UNDP offices in partner countries – based on existing support mechanisms – to increase support to partner governments and China for ensuring access to **information on China's development cooperation. China and UNDP could work together** with partner countries, for example, to pilot such data collection in more countries over the next few years, building towards a comprehensive report.

## Annex 1: Summary statistics for the eleven partner countries

Country	Population, total 2013 (million)	GDP growth (annual %) 2013	Life expectancy at birth, total 2013 (years)	Poverty headcount ratio at national poverty line (% of population)	Net ODA received (% of central government expense) (%)	Net ODA received as share of GNI (%) 2013	GNI per capita (constant 2005 US\$) 2013
Cambodia	15.14	7.4	72	17.7 (2012)	49.1 (2012)	5.6	675.9
DRC	67.51	8.5	50	63.6 (2012)	193.1 (2010)	8.6	260.5
Mali	15.30	2.1	55	43.6 (2010)	79.3 (2013)	13.5	N/A
Madagascar	22.92	2.4	65	75.3 (2010)	46.2 (2011)	4.9	262.2
Moldova	3.56	8.9	69	12.7 (2013)	19.5 (2012)	4.2	1,258.9
Nepal	27.80	3.8	68	25.2 (2010)	29.6 (2013)	4.5	412.3
Philippines	98.39	6.0	69	25.2 (2012)	0.0 (2012)	0.1	1,896.8
Samoa	0.20	-1.1	73	N/A	61,260.8 (2012)	15.3	N/A
Senegal	14.13	2.8	63	46.7 (2011)	45.3 (2012)	6.7	786.1
Tajikistan	8.2	7.4	67	N/A	N/A	4.5	477.1
Togo	6.82	5.1	56	57.7 (2011)	34.3 (2012)	6.0	398.0 (2011)

Source: World Bank Development Indicators (2015)

## Annex 2: Development cooperation transparency initiatives and associated indicators

### The Paris Declaration on Aid Effectiveness 2005

Background	Indicators
<p>The Paris Declaration (2005) was a practical, action-oriented roadmap to improve the quality of aid and its impact on development. It gave a series of specific implementation measures and established a monitoring system to assess progress and ensure that donors and recipients hold each other accountable for their commitments. The Paris Declaration outlines the following five fundamental principles for making development cooperation more effective:</p>	<ol style="list-style-type: none"> <li>1. Ownership: <i>Developing countries set their own strategies for poverty reduction, improve their institutions and tackle corruption.</i></li> <li>2. Alignment: <i>Provider countries align behind these objectives and use local systems.</i></li> <li>3. Harmonization: <i>Provider countries coordinate, simplify procedures and share information to avoid duplication.</i></li> <li>4. Results: <i>Developing countries and donors shift focus to development results and results get measured.</i></li> <li>5. Mutual accountability: <i>Providers and recipients are accountable for development results.</i></li> </ol>

### The Accra Agenda for Action 2008

Background	Indicators
<p>The Accra Agenda for Action was designed to strengthen and deepen implementation of the Paris Declaration, the Accra Agenda for Action (AAA, 2008) takes stock of progress and sets the agenda for accelerated advancement towards the Paris targets. It proposes the following three main areas for improvement:</p>	<p>Ownership: <i>Countries have more say over their development processes through wider participation in development policy formulation, stronger leadership on aid co-ordination and more use of country systems for aid delivery.</i></p> <p>Inclusive partnerships: <i>All partners - including providers in the OECD Development Assistance Committee and developing countries, as well as other development partners, foundations and civil society - participate fully.</i></p> <p>Delivering results: <i>Aid is focused on real and measurable impact on development.</i></p> <p>Capacity development - <i>to build the ability of countries to manage their own future - also lies at the heart of the AAA.</i></p>

### The International Aid Transparency Initiative 2009

Background	Monitoring
<p>IATI is an open information standard which can be used by all providers of development assistance, including members of the DAC, non-DAC donors, and providers of South-South cooperation (SSC), NGOs, private foundations and private sector organizations.</p>	<ol style="list-style-type: none"> <li>(i) Donors will publicly disclose regular, detailed and timely information on volume, allocation and, when available, results of development expenditure.</li> <li>(ii) Donors and developing countries will regularly make public all conditions linked to disbursements</li> </ol>

<p>IATI offers its members a way to meet their commitments in the Accra Agenda for Action for increased transparency on aid flows and builds on Freedom of Information Acts and Information Disclosure Policies adopted in the past years. UNDP leads the Secretariat of IATI.</p> <p>IATI is a data standard: it can be thought of as a more comprehensive, more detailed equivalent of USIF. Because IATI definitions are consistent with USIF, any information which donors provide to the DAC in USIF format can also be published automatically through IATI, and <i>vice versa</i>.</p> <p>IATI is intended to meet a different need. There is demand from a wide and growing variety of stakeholders for more information about how development assistance is spent. Without an information standard, donors will be faced with a burden of duplicate reporting, and information users will be faced with a burden of trying to aggregate data from many different sources in irreconcilable formats. Though it is time-consuming to agree and implement, a common information standard will, in future, reduce the burden for both providers and users of information.</p>	<p>(iii) Donors will provide full and timely information on annual commitments and actual disbursements so that developing countries are in a position to accurately record all aid flows in their budget estimates and their accounting systems.</p> <p>(iv) Donors will provide developing countries with regular and timely information on their rolling three to five year forward expenditure and/or implementation plans, with at least indicative resource allocations that developing countries can integrate in their medium-term planning and macroeconomic frameworks.</p> <p>IATI donors plan to publish their data:</p> <ul style="list-style-type: none"> <li>• at least every quarter</li> <li>• way which can be reconciled with the <b>recipient's</b> financial year and budget classifications</li> <li>• show the organizations receiving the funds</li> <li>• disbursements (transfers within the aid system) and expenditure (on goods and services) and if they are on or off budget</li> <li>• Indicative aggregate budgets for each country, project budgets and planned disbursements</li> <li>• links to country-specific policy, programme and project documents, including those containing results and conditions</li> <li>• Publish detailed geographical information.</li> <li>• Contact information for people involved in project implementation.</li> </ul>
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### The Busan Partnership 2011

Background	Indicators
<p>The Busan Partnership agreement sets out principles, commitments and actions that offer a foundation for effective co-operation in support of international development.</p> <p>The Busan Partnership agreement for Effective Development Co-operation (BPo) embodies this paradigm shift. The result of an inclusive process of consultation and negotiation, it reinforces the core principles of the Paris Declaration (2005) and the Accra Agenda for Action (2008) for effective aid, while also embracing diversity and recognising the distinct</p>	<p><i>Ownership of development priorities by developing countries.</i> Partnerships for development can only succeed if they are led by developing countries, implementing approaches that are tailored to country-specific situations and needs.</p> <p><i>Focus on results.</i> Our investments and efforts must have a lasting impact on eradicating poverty and reducing inequality, on sustainable development, and on <b>enhancing developing countries' capacities, aligned with</b></p>

### The Busan Partnership 2011

Background	Indicators
<p>roles that all co-operation stakeholders can play to support development. In recognising that different stakeholders may approach a common agenda for development in different ways, building on voluntary engagement, it identifies four common principles which form the foundation for effective development co-operation</p>	<p>the priorities and policies set out by developing countries themselves.</p> <p><i>Inclusive development partnerships.</i> Openness, trust, and mutual respect and learning lie at the core of effective partnerships in support of development goals, recognising the different and complementary roles of all actors.</p> <p><i>Transparency and accountability to each other.</i> Mutual accountability and accountability to the intended beneficiaries of our co-operation, as well as to our respective citizens, organisations, constituents and shareholders, is critical to delivering results. Transparent practices form the basis for enhanced accountability.</p>

### The Global Partnership for Effective Development Cooperation 2011

Background	Monitoring
<p>The GPEDC was established in 2011 to sustain political dialogue on issues relating to the quality and effectiveness of development</p> <p>Co-operation. It brings together a wide variety of development actors to improve the way development co-operation is delivered at the country level to ensure that it contributes to poverty eradication and shared prosperity. The Busan Partnership agreement has so far been endorsed by 161 nations and territories and 54 international organisations.</p> <p>The Global Partnership provides these development players with an open forum for sharing experiences and ensuring that funding, knowledge and policy produce maximum impact for development. It also supports regular monitoring of progress in the implementation of the commitments agreed in Busan. UNDP Country Offices are supporting partner countries in implementing the GPEDC and strengthening country systems.</p>	<p>The Busan monitoring/GPECD framework is the key source of evidence for the progress report that informed discussions at the Global Partnership's first High Level Meeting from 15-16 April 2014.</p> <p>The report provides information on the degree to which development partners are implementing their commitments on improving development co-operation as agreed in the Fourth High-Level Forum on Aid Effectiveness in Busan 2011.</p> <p>Gathering evidence through the agreed monitoring framework is an important way for the Global Partnership to support high-level political accountability at the global level</p> <p>The full monitoring framework can be found in section 4 of the report.</p>

## Annex 3: Interview guidelines

Interviews are a major source of information both at global and country level throughout the research. They will be a means to extract evidence, as well as to triangulate evidence drawn from other interviews and the document review and to form part of the consultative process. Interviews were conducted on confidential terms and usually on a one-to-one basis. Reports will be anonymized and will not include and direct quotes or attribution except without prior consent being obtained.

1. How is the UNDP country office contributing to the strengthening of PFM and AIMS in the country?
2. **What is your opinion on the government's relationship with China on the development cooperation agenda front?**
3. Does your country have a national partnership agreement? What are the key points of this agreement?
4. Does your country have a development cooperation management framework? What does your AIMS modality include in term of type of reporting, modalities, and specifically reporting on Chinese development cooperation?
5. Do all countries that you receive development cooperation from report regularly upon request of the government to the demand for development cooperation data? How often and in what format does this request consist of?
6. Can you explain the process of how you were able to report the Chinese development cooperation data in the GPEDC monitoring report, what are the sources of this data?
7. Do you have a relationship with the Chinese embassy in your country in terms of having established a regular route for the reporting of Chinese development cooperation data? Does the ECC verify the data that comes from the AIMS?
8. Do you engage with other actors of the Chinese government besides the ECC?
9. How do you validate the information provided by the development partners in terms of their development cooperation data with what you actually receive on an annual and inter-annual basis?
10. What type of monitoring system do you have which is linked to the AIMS? Could you elaborate on what type of links these are and how effective they are for monitoring development outcomes?
11. How does your government link the development cooperation data provided by development partners with the national planning process?
12. About the future of China development cooperation reporting to your country, how would you like to see it improve in terms of receiving more transparent, timely, disaggregated and useable information?
13. How important is the disclosure of this data for national planning and budgeting process?
14. What have been the specific results and outcomes of disclosure of information from the Chinese development cooperation?

## Annex 4: List of interviewees

Organization	Country	Name	Position
AidData	USA	Charles Pera	Researcher
Brown University	USA	Barbara Stallings	Researcher
Government of Cambodia	Cambodia	Chou Heng	Director of the Policy and Development Assistance Coordination Department of CRDB/CDC
Government of Moldova	Moldova	Lucretia Ciurea	Head of Division, Monitoring and Evaluation, Policy Coordination and External Assistance
Government of the Philippines	The Philippines	Roderick M. Planta	Director IV, NEDA – Monitoring and Evaluation Staff
Government of Samoa	Samoa	Noume Simi	Ministry of Finance
UNDP	Madagascar	Emmanuel Soubiran	Aid Coordination Specialist
UNDP	Madagascar	Rufin Andriaherizo	Administrateur Technique
UNDP	Nepal	Tilak Bhandari	Senior Programme Analyst
UNDP	Nepal	Dharma Swarnakar	Programme advisor
UNDP	China	Niels Knudsen	Assistant Country Director / Policy Specialist / Team Leader South-South Policy Team
UNDP	China	Emily Davis	Policy Analyst
UNDP	China	Christine Han	Policy Support Officer
UNDP	Cambodia	Philip Courtnadge	Senior Advisor for Council for Development
UNDP	DRC	Ernest Bamou	Economic Advisor
UNDP	DRC	Sebastien Tshibungu	Technical Advisor, Ministry of Planning
UNDP	Tajikistan	Vali Musaev	Project Manager
UNDP	Senegal	Abdou Salam Thiam	Country Economist
UNDP	Samoa	Asif Chida	Inclusive Growth and Private Sector Specialist
UNDP	Samoa	Li Jun	Renewable Energy Specialist
UNDP	Samoa	Thomas Lynge Jensen	Energy Programme Specialist, Bureau for Policy and Programme Support

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