In recent years, China has significantly increased its development interventions. China is now among the major providers of aid to Africa. Foreign aid has become an important tool in the range of instruments applied by the Chinese state to boost its economic and political expansion. In an attempt to address the challenges China faces as a donor country, the China International Development Cooperation Agency (CIDCA) was established in 2018.
This paper identifies key trends in the evolving Chinese approach to development aid and its application in Africa. It discusses implications for the global aid architecture and the challenges it poses for traditional donor agencies. The paper also examines recent trends in the implementation of Chinese development finance and aid for infrastructure development in Africa. The final part will look at the challenges this poses for traditional donor countries – in particular Norway.

**An evolving policy**

The People’s Republic of China has a long history of providing development aid to other developing countries. Chinese development aid in many ways started with support for liberation movements which originated at the 1955 Bandung Conference. Support continued into the 1960s with support for small-scale agricultural and health projects in newly independent countries. The first major Chinese-funded infrastructure project in Africa was construction of the Tazara railway between Tanzania and Zambia in the late 1960s to early 1970s.1

The modernization and opening up of the Chinese economy paved the way for a new direction in China’s role as a provider of development aid. This was most visible in the action plans developed under the Ministerial Meetings of the Forum for China-Africa Cooperation (FOCAC), a forum that has met every third year since 2000. Pledges made at these meetings for support to Africa constitute a significant portion of overall Chinese aid.

China published its first white paper on development aid in 2011, a second followed three years later. These policy documents are the main Chinese policy documents on these issues to date. The documents outline that China’s aid is primarily delivered as bilateral project aid, and both white papers emphasise three main channels for aid flows. The largest channel is subsidized loans from the Chinese policy banks, mainly the EXIM bank which is the export-import bank. Loans for infrastructure development – for example, transport, communications and energy – seem to be a main priority. The subsidy typically involved a lowering of interest rates and there are usually no grant components in these loans. According to the 2014 White Paper, the funds made available through this mechanism amounted to more than 55% of all Chinese aid in the preceding three-year period.

Just over a third of the aid in the same period (36% according to the 2014 White Paper) was provided for projects within health and agriculture – mainly to health clinics and agricultural extension and training centres. Additionally, there is support for higher education and training through scholarship and training programmes.

The final channel is aid allocated as interest free loans. This amounted to about 8% of aid according to the 2014 White Paper. This allocation has mainly been for infrastructure projects (such as the early Tazara railway-project), public buildings and facilities (state houses, parliaments, sport stadiums, etc). Historically, these loans have been converted to grants when they mature.

The evolving Chinese aid policies, as formulated in the white papers, have some distinct features when compared to the policies of traditional Western aid donors (the members of the OECD Development Assistance Committee, DAC). First, there is a very strong emphasis on bilateral project aid. Second, the aid is generally strongly tied to the use of Chinese goods and services and there is very little transfer of cash. Thirdly, a significant portion of the aid – the subsidization of loans and credits – cannot be classified as aid according to the OECD-DAC criteria which requires that concessional loans must have a minimum 25% grant element and that aid shall not be formally tied.

Fourthly, Chinese bilateral aid is not implemented by one agency. The budget is managed by a department in the powerful Ministry of Commerce, MOFCOM. MOFCOM is also the institution responsible for overseeing inward aid – from foreign donors to China. In the case of outward aid, MOFCOM disburses and implements aid through many state institutions at different levels. In 2018 29 ministries and government institutions were involved and responsible for implementing individual project. While Chinese embassies have not usually been involved in the implementation of aid, they may play a role in, for example, identifying beneficiaries for Chinese scholarships and deciding who to invite to training programmes. Multilateral aid (disbursements to the World Bank and other development bank) is managed by the Ministry of Finance (although relevant line ministries are also involved). The Ministry of Foreign Affairs (also involving line ministries) plays a crucial role in providing the policy framework for aid through the Forum for China-Africa Cooperation. Foreign Affairs also oversees the relations with the UN.

Finally, there is little transparency in the disbursements with no publicly available breakdown of aid allocations to individual countries and projects. The figures provided include the global breakdown from 2011 and 2014, and the regional breakdown from 2011. These figures indicate that half of the aid is provided to African countries.

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2 These white papers are available from the website of the new aid agency – CIDCA: http://en.cidca.gov.cn/documents.html
Chinese foreign aid expenditures have increased steadily from 2003 to 2015. According to official statistics from MOFCOM, Chinese development aid today amounts to around USD 3 billion, a dramatic increase from USD 631 million in 2003. However, there has not been a steady increase in foreign aid expenditure since 2015. The amount fell by nearly USD 750 million from 2015 to 2016, before rising to USD 2.45 billion in 2017. Other estimates, taking in relevant expenditures from other government institutions, suggest that the total aid disbursement has increased from USD 4.6 billion in 2011 to USD 6.4 billion in 2018.4

The estimate above includes an increase in multilateral aid from 0.3 to USD 1.5 billion. Another recent Chinese study of China’s contribution to the UN Development System. This has increased rapidly and reached about USD 326 million in 2017. The bulk of this (over 46%) went to the World Food Programme followed by UNDP (with just under 11%).5 In the last couple of years there has been an increase in humanitarian aid (see more on this below). The Chinese contribution for the UN’s development work is however, small compared to the total funding - less than 1% in 2017. China’s contribution to the World Bank also illustrates this trend. At the 19th replenishment of the Bank’s IDA Fund in December 2019 China increased its contribution to USD 1.2 billion. This implies that China now climbs to the position as the sixth biggest contributor to the World Bank’s main instrument for support to the poorest and most vulnerable countries – IDA or the International Development Association. However, this is just a small proportion of the total volume of the Fund (USD 82 billion). China contributes 3.72%. In comparison the combined contribution of the three Scandinavian countries amounts to 5.19%.6

**China International Development Cooperation Agency**

China’s emerging role as provider of development aid and the major expansion of its aid budget has also led to changes in policies and management. Most significantly, the 2018 decision to establish the Chinese International Development Cooperation Agency – CIDCA which represented a transfer of functions from the foreign aid department in the Ministry of Commerce (MOFCOM). MOFCOM’s foreign aid department closed down at the same time. CIDCA’s mandate is to coordinate Chinese foreign aid. In September 2019, it had just over 80 staff members, most of them from MOFCOM, the Ministry of Foreign Affairs, and the National Development and Reform Commission.7

The central government controls decision making and CIDCA reports to the State Council. Foreign assistance remains under the guidance of the Chinese Communist Party and the supervision of the State Council.

In late 2018 CIDCA issued a “Draft Administrative Measures for Foreign Aid,” an internal document which outlines departmental operations. According to this document, the agency aims to formulate strategic guidelines, plans and policies for foreign aid; coordinate and offer advice on major foreign aid issues; advance the country’s reforms in matters involving foreign aid; and identify major programs and supervise and evaluate their implementation.8 These administrative measures are in most areas largely identical to the measures guiding the foreign aid department in MOFCOM, but there is significant expansion with the establishment of CIDCA. The new agency has additional functions related to strengthening strategic planning and overall coordination of foreign aid; in developing draft aid strategies, including country strategies; and in its responsibility for project evaluation and policy reviews.

CIDCA is currently preparing a new white paper on development aid, expected to be issued in 2020. While no major departures from the 2011 and 2014 white papers are likely, some changes are expected. Based on developments in 2018 and data from interviews in Beijing in September 2019, some predictions can be made:

CIDCA will remain a coordination agency. This means that although they are responsible for drafting aid and country strategies, other state institutions will have an important say and, in some cases, decisive influence over actual policies. Such institutions include powerful ministries including the Ministry of Foreign Affairs (e.g., in relation to FOCAC or the UN), Ministry of Commerce (e.g. in relation to policy banks) or the Ministry of Finance (e.g. in relation to the World Bank and other development finance institutions).

However, CIDCA is increasingly signing agreements with recipients of Chinese aid on behalf of China and manages the affairs of China’s South-South Cooperation Assistance Fund. The fund was first announced at the UN Sustainable Development Summit in 2015. China announced a replenishment of USD 1 billion of the fund in 2017 and by the end of that year, CIDCA reported that it had signed cooperation agreements with 15 international organisations. The organisations included the World Food Programme, the UNDP and the WHO. The Fund supported

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3 These figures are based on official data provided by the Chinese Ministry of Finance and converted into USD by the China-Africa Research Initiative at Johns Hopkins – see [http://www.sais-cari.org/data-chinese-foreign-aid-to-africa](http://www.sais-cari.org/data-chinese-foreign-aid-to-africa).


5 See Mao Ruipeng (2020), China’s growing engagement with the UNDS as an emerging nation: Changing rationales, funding preferences and future trends, Bonn: German Development Institute (Discussion Paper 2/2020).


7 See also on UNDP (2019), Brief on the governance system of China’s foreign assistance, Beijing: UNDP China (Issue Brief No 5, September).

8 See also the presentation provided on CIDCA’s website – [http://en.cidca.gov.cn/index.html](http://en.cidca.gov.cn/index.html). The unofficial translation of the Administrative regulations (including comparison with the text in the previous measures), is available at [CIDCA issues Measures for the Administration of Foreign Aid draft](http://china-aid-blog.com/), 20/11/2018.
nearly 200 development cooperation projects in 27 developing countries according CIDCA.  

The projects supported by the South-South Cooperation Assistance Fund and other development activities undertaken indicates a stronger emphasis on humanitarian aid. Data from interviews with CIDCA officials also suggest that the previous emphasis on interest free loans may be scaled down, with a main emphasis continuing to be on subsidization of interests on loans from the Export-Import Bank for economic projects and infrastructure development. There will also be continued emphasis on grant aid in relation to agriculture, education and health with a main emphasis on education and training of individuals. Global policy frameworks will remain important, this includes the major Belt and Road Initiative, the Forum for China-Africa Cooperation and the UN Sustainable Development Goals.

Importantly, CIDCA has emphasised the importance of trilateral cooperation especially in relation to UN agencies but also with bilateral donor agencies who implement projects in developing countries. China has justified this cooperation by emphasising that they can use it to learn from how others practice and implement development aid.

There is no current indication of whether CIDCA will be able to facilitate greater transparency in the disbursement of aid, or if and how they will monitor and evaluation the effects of aid. The forthcoming 2020 white paper may provide some answers to these questions. In October 2019, CIDCA published draft Measures for the Use of Foreign Aid Logo which indicates a stronger desire to make Chinese aid more visible and to use the logo in relation to all aid-funded activities, including loans subsidized by Chinese aid. We can shed further light on Chinese aid by looking at the aid flows to Africa which receives the main bulk of Chinese aid. There is a regional policy framework in place that guides Chinese engagement in Africa through the Forum for China-Africa Cooperation and its 3-year action plans.

**Development aid in action – the case of FOCAC**

The Forum for China–Africa Cooperation (FOCAC) is the main institutional expression of the relationship between China and Africa. China crafts the agenda, sets priorities and provides cooperation funding for FOCAC. FOCAC has met every three years at the Ministerial or Summit level since 2000. At each of the meetings, China pledges financial support linked to adoption of a three-year action programme. The volume and scope of the Chinese commitments have expanded with each new action plan (although the volume pledged in 2018 was de facto lower than the pledge from 2015). At the 2018 Summit in Beijing, China pledged USD 50 billion for the coming three years (in addition to USD 10 million from the Chinese business sector). China also pledged USD 50 million in 2015, but the total amount was from the state. The specific 2018 pledges were:

- USD 20 billion in new credit lines;
- USD 15 billion in foreign aid: grants, interest-free loans and concessional loans;
- USD10 billion for a special fund for development financing; and
- USD 5 billion for a special fund for financing imports from Africa.

Significantly, USD 15 billion, or USD 5 billion per year, is assigned to foreign aid between 2019 and 2021. This amount makes China a major bilateral donor in Africa and means they will overtake the US as the biggest aid donor to Africa. However, it is important to acknowledge that much of what China has classified as development aid does not qualify as such when using the OECD-DAC criteria.

China’s non-aid flows are also significant – especially the USD 20 billion in commercial credit lines. The total loans and credits (including both aid-funded and commercial) has increased exponentially – although there is a potentially interesting shift in the balance in 2018 compared to 2015 with the commercial loans decreasing relative to aid (subsidized loans). The growth in economic relations between China and Africa in trade, investment, development finance and aid has slowed down since 2015.

At the 2018 FOCAC Summit, China committed to eight major initiatives including an industrial promotion initiative, an infrastructure connectivity initiative, a trade facilitation initiative, a green development initiative, a capacity building initiative, a health care initiative, a people-to-people exchange initiative and a peace and security initiative.

However, China does not provide a breakdown of how aid is disbursed according to country, region, type or purpose of the aid provided. Concessional loans represent the largest portion of aid to Africa and account for possibly more than 50% of all

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9 See http://en.cidca.gov.cn/2018-08/20/c_164497.htm
loans. Concessional loans are largely provided by China’s Eximbank, a main government-owned policy bank, which is also a main provider of the commercial loans. Another major policy bank, the Development Bank also provides loans, but mostly on commercial terms. The Development Bank also provides funding for and manages another major finance instrument for Chinese companies in Africa, the China-Africa Development Fund (or CADFund).

China is now a key player in the provision of funding for infrastructure development in Africa, including in transport, energy and telecommunications. The most recent report from the Infrastructure Consortium for Africa finds that China is the largest funding provider to African infrastructure in recent years.\(^\text{15}\)

Loans for transport infrastructure began on a large scale in Angola with a focus on the construction and rehabilitation of the railways. Transport is now a dominant feature of China’s role in the north-eastern parts of Africa.\(^\text{16}\) While China’s Belt and Road Initiative could have boosted these investments, growth in Africa actually slowed after the launch of this high-priority initiative.

Recent examples of Chinese-funded transport developments include railways from Djibouti to Addis Ababa in Ethiopia and in Kenya from Mombasa to Naivasha via Nairobi. These railways were funded by loans from the Chinese EXIM-Bank with subsidies from Chinese development aid. For the early railway constructions, such as the three in Angola, Chinese loans were secured through delivery of natural resources (mainly oil). However, this has reduced and now funding, and repayment of loans is more closely linked to the financial viability of the project.

There are some notable features of this approach. China strongly encourages Chinese companies to internationalise and push African companies and governments to purchase goods and services from China. While this approach has contributed to a major Chinese commercial expansion in Africa and elsewhere, the expansion has also revealed the “Achilles Heel” of the Chinese financing approach. While China’s control over the banking system and the close ties between the state and available funding may encourage investments, it is also an approach that relies heavily on Chinese companies developing projects together with host country officials. This approach creates strong incentives for kickbacks and inflated project costs, and may lead to rent-seeking and cronyism.\(^\text{17}\)

Further, there are now several examples from 2018 and 2019 where China appears to have become more reluctant in lending operations where the security is provided by income from the

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\(^{15}\) See the most recent (2017) report from this World Bank/African Development Bank dominated consortium – *Infrastructure Financing Trends in Africa – 2017.*


project funded. The Chinese-funded railway construction in Ethiopia and Kenya illustrates this. The carriage of goods – critical for the economic sustainability of these projects – has been far less than expected. Senior Chinese finance officials have raised concerns that the income from rail services is far less than assumed, both in the completed Djibouti-Addis line and in the new railway from Mombasa to Nairobi and beyond. The Djibouti-Addis line was backed by China’s Export-Import Bank with USD 3.3 million in loans on concessional terms. According to newspaper reports, the EXIM-bank’s main project insurer, China Export and Credit Insurance has claimed to have lost more than USD 1 billion on this railway. This has affected funding for two extensions to the railway, which will cost more than USD 3 billion to complete.20

A similar picture is emerging from Kenya where China’s EXIM-bank provided concessional funding for the first two phases of the new railway from Mombasa to Nairobi and then from Nairobi to Naivasha. However, they have so far turned down requests for a funding of the next phase taking the railway to Uganda. China has called for better feasibility studies of an extension.19

The debate about provisions of Chinese development finance – with or without concessional terms – has also been dominated by the issue of expanding African debt to China and Chinese “debt-trap diplomacy.” China is a major creditor in several African countries and most countries borrowing heavily from China also have histories of IMF bailouts. The sheer scale of Chinese lending has made debt sustainability a major issue.

The China Africa Research Initiative (CARI) at Johns Hopkins University in Washington has examined 17 African countries either experiencing debt distress or at high risk of debt distress. It notes that Chinese loans are small in eight of these countries, substantial in six countries and dominant in three countries: Republic of Congo, Djibouti and Zambia.20 The high volume of lending has also forced China to address the issue of debt sustainability through bilateral agreements. Rescheduling the loan is the main way through which China are addressing the problem, but they have also cancelled many debts. However, most of the debt cancellation appears to be linked to China’s aid-funded interest free loans and are typically for smaller amounts of less than USD 100 million.21 A new trend is emerging of China providing loans to African countries, as illustrated with the example above of the railway in Kenya.22

A final trend in the Chinese support is the broadening of themes and areas. China is now engaging in areas they previously avoided, for example, in its new approach to peacekeeping. The growing attention to capacity building through the aid mechanism and in relation to infrastructure projects also represents a notable shift in the Chinese approach. Another feature that stands out is the massive expansion in Chinese support for education and training, mainly through support for individuals. In the 2019-21 FOCAC action plan China has committed itself to providing 50,000 scholarships and 50,000 training opportunities in China. This is up from 30,000/40,000 in the 2016-2018 Action Plan and from 18,000/30,000 in the 2013-15 Action Plan. The scholarships are for degree, diploma or course work at Chinese universities and higher education institutions. The training programme targets professionals in the public and private sector and offers access to short-term training courses in China (and to a much lesser extent, but also expanding, in Africa).23 These numbers and their expansion are impressive by any standards.

While this paper has not addressed the effectiveness or achievements of the Chinese aid, the evidence presented demonstrate that the size and volume of the Chinese engagement has made China a major actor in the provision of aid and development finance to Africa. Considered alongside other new development actors in Africa – India, South Africa, Russia, Brazil, Arab States, Turkey and others – this implies that the role of the traditional Western donor countries is decreasing and that African governments now have a larger bargaining power when relating to foreign actors.

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19 Kenyan authorities – in cooperation with the Chinese construction company in charge – has paid two visits to Beijing – the first in connection with the FOCAC Summit in 2018 – in the expectation the EXIM Bank would provide funding. Both have failed with the Chinese claiming that more time is needed to assess the sustainability of the project. It is assumed that the funding will be concessional with Kenya unable to afford a commercial loan. See also Cobus van Staden (2019), “Kenya’s Standard Gauge Railway and the Dramas of Development”, The China Africa project, 17 October (https://chinaafricaproject.com/analysis/kenya-standard-gauge-railway-and-the-dramas-of-development/)
Over time foreign aid has become one tool in a range of economic instruments adeptly managed by China’s leaders to boost the country’s commercial expansion and its own development.24

**The Global Aid Architecture: South-South and Trilateral Cooperation**

The new CIDCA will coordinate an aid budget where the bulk of the funding is provided as direct bilateral support to individual countries. Funding provided through multilateral channels remains limited, although it is growing.25 Trilateral cooperation between China and multilateral and bilateral donor agencies is increasing. Trilateral cooperation refers to project implementation in collaboration with funding and/or technical support from other countries. This mainly refers to projects managed by UN agencies such as UNDP or FAO (these projects are often funded by bilateral agencies), but there are also several examples of direct cooperation with traditional or Western bilateral donor agencies.

This trilateral approach is linked to a process that has been initiated by UN agencies and/or bilateral agencies. It gained momentum after the 2011 Buzan conference on aid effectiveness and the adoption of the 2030 Agenda and the Sustainable Development Goals. More importantly, perhaps, are the efforts by some bilateral donor agencies to work strategically with China (and with other emerging and regional south powers) in implementing aid projects in other developing countries. This is justified both by the belief that countries such as China possess certain strengths, relevant experiences and have policies and instruments available to support development efforts in other countries. Furthermore, this trend is also motivated by a keen interest in “influencing” the aid policies of these emerging powers.26

Following its shift towards working with China in other countries from 2011, DFID has led much of the thinking around trilateral cooperation in China. This has included several projects in many African countries where DFID has provided funding and technical expertise in project management and China has provided experience and skills from their own development efforts. However, DFID is now phasing out is trilateral projects with China emphasising instead support to and cooperation with Chinese institutions involved in planning for development support, such as the Development Bank.27

China has welcomed the trilateral cooperation. As part of the reform of its development aid, China has been calling for greater innovation of development cooperation approaches and greater cooperation with other partners. Trilateral cooperation has increasingly received attention and interest from the Chinese government and the new CIDCA. This can be seen at the policy level where China has shown greater support to trilateral cooperation.28 There are also numerous examples of such trilateral cooperation with Chinese participation. The first originated more than 10 years ago29 and although initially cooperation was mainly with UN agencies such as FAO and UNDP, China now also works directly with several bilateral donor agencies in third countries. Most of these agencies are traditional Western donor agencies. China’s bilateral cooperation with aid agencies of other rising South powers are limited or non-existent. China does however engage with such countries through multilateral channels and through new mechanisms such as the New Development Bank (previously BRICS Development Bank).

**What are the implications for Norway?**

China is playing an increasingly important role in the Global South and developing countries, both in relation to the Sustainable Development Agenda and the SDG to eradicate extreme poverty by 2030. But what are the implications of this for traditional aid-providing countries and the achievement of the SDGs? And what are the implications for Norway and other likeminded donor countries?

One issue is that the SDGs do not feature prominently in China’s relations with other developing countries. They are hardly mentioned in bilateral relations or action plans, such as those developed through the framework for China-Africa cooperation or even the Belt and Road Initiative. China’s expanding multilateral engagement at the global level, primarily through the UN, is the main manifestation of China’s engagement with the SDG agenda.

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25 Kitano and Harada (2016) estimated that 91% of the Chinese aid was bilateral although that share has since increased. See also H. J. Gásemnyr (2018), China and Multilateral Development Banks: Positions, Motivations, Ambitions, Oslo: NUPI (NUPI Report 2018-8).


29 See also a recent collection of articles by Chinese scholars: Meibo Huang et al. (eds.) (2019), South-south cooperation and Chinese Foreign Aid, Palgrave MacMillan. The book provides 15 case studies of Chinese aid projects. They are mostly bilateral, but two of the cases deal with trilateral cooperation through the UN. Cf. also Denhua Zhang (2017), “Why cooperate with others? Demystifying China’s trilateral aid cooperation”, The Pacific Review, 30(4), 750-768.
Another issue is that China is expanding its development assistance and is rapidly becoming an important provider of bilateral aid and aid through multilateral agencies. However, China’s approach to development aid often differs sharply from traditional donor agencies, especially from those of the official aid agencies in the Nordic countries and other likeminded donor countries. While Chinese aid has many similarities to that delivered by Western aid agencies in the 1970s and 1980s, the speed and volume of finance and the strong links with commercial engagement makes China’s role much more significant.

The final issue revolves around coherence in the Chinese engagement in Africa and other developing countries. Policy coherence for development is one of the key targets in the SDG Agenda, specifically Goal 17 on Partnership. There is limited or no attention to this in the Chinese engagement – or rather it is assumed that Chinese intervention is a “win-win” and a contribution to development. However, this is widely questioned and many claim that China also undermines development – by reinforcing a traditional north-south divide, undermining environmental and labour standards, or reinforcing the power and position of authoritarian and kleptocratic elites. Studies of corruption have pointed out that China’s engagement may also reinforce and deepen corrupt practices in the efforts by Chinese companies to acquire contracts in other countries. In 2016, the Norwegian Pension Fund Global – the world’s largest sovereign wealth fund – decided to disinvest from a large global Chinese company due to its corrupt practices especially in its Africa operations. This was a rare, unprecedented decision that followed extensive investigations and dialogue with the company. Chinese development aid pays little or no attention to these issues and does little to ensure that China’s total engagement contributes to coherence for development.

There are several practical implications of this for Norwegian and Western policymakers and donors. First, it will be important to contribute to strengthening the capacity of developing countries to help them benefit from the Chinese engagement and to help minimise damages and maximise opportunities from cooperation with China. This relates both to government policies and institutions and to public debate through media, civil society and research.

Secondly, dialogue and cooperation with China on development issues should be pursued where possible – through multilateral channels, through bilateral dialogue with CIDCA and other Chinese aid authorities and in third countries where both China and Norway have a strong presence.

In operational terms this implies different engagements at different levels:

In Norwegian priority countries where China has a strong presence in areas highly relevant for Norwegian-funded activities, Norway should adapt its engagement. This may involve reinforcing previous aid interventions to take account of new opportunities and challenges. It may also include helping facilitate China’s participation in donor coordination fora. The intervention area will be most important related to management of natural resources (such as oil and fish), financial management (tax, corruption) and capacity building through research (Norhed) and institutional cooperation. Occasionally, but rarely, a pure Norwegian-Chinese triangular cooperation in a third country may be an option. This should however be contingent upon assessment of the ability of such cooperation to provide added value and deliver more or better results.

Bilaterally, Norway should maintain, and where possible expand, its dialogue with China on development issues and effectiveness. If feasible, this should also include offering technical cooperation between Norad and CIDCA.

Finally, on the multilateral level Norway should monitor, engage, challenge and work with China on issues that advance the SDGs. This involves a range of concerns – from facilitating a move from pure emergency relief to delivering humanitarian aid in protracted conflicts to fighting corruption.

30 See Ann-Sofie Isaksson and Andreas Kotsadam (2018) ‘Chinese aid and local corruption’, Journal of Public Economics, vol. 159, March: 146-179. This article finds – based on survey data from Africa on attitudes to corruption together with geo-data on the location of projects funded by Chinese development finance – that Chinese aid fuels local corruption. This according the authors, may signify that the Chinese presence impacts norms.

31 The 2016 decision by the Pension Fund followed an extensive investigation by its Council of Ethics. In its assessment, the Council emphasised the Chinese ZTE’s involvement in corruption allegations in 18 countries, as well as the fact that it is currently or has previously been under investigation in a total of 10 of these. The Council concluded that the ZTE had failed to demonstrate satisfactorily that internal anti-corruption procedures were being effectively implemented in its business. See «Recommendation to exclude ZTE Corp. from the Government Pension Fund Global», http://etikkradet.no/files/2016/01/ENG-Tilrådning-ZTE-24.juni-2015-ENGELSK.pdf.

32 See also Bertram Lang (2019), China and global integrity building: Challenges and prospects for engagement, Bergen: CMI (U4 Issue paper 2019:7). The paper seeks to identify areas where engagement with China on anti-corruption issues are possible. China has paid increased to anti-corruption in recent years although most it is narrowly focused and targeting extradition and asset recovery.