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The UNDP as a Catalyst for China's Development Cooperation: The Case of the China–UNDP–Cambodia Trilateral Cassava Project

Introduction

The devil, as they say, is in the details. The following three case study chapters will test whether the proposed theories and argument in Chapters 2 and 3 can pass the test on the ground. These cases are not simply reduced to an analysis of trilateral aid projects. They are much broader thematic case studies that concern China's evolving approach towards developing aid cooperation with a micro-study on trilateral cooperation. As such, these chapters will analyse China's interest calculation and the cognitive learning process with regard to its trilateral aid cooperation in three different project settings. The subtle reactions of China's diversified aid agencies in each trilateral aid project will also be discussed.

UN agencies have played a significant role in spurring economic and social development in developing countries. Among them, the UNDP is one of the most active players. The UNDP works in more than 170 countries and territories to promote poverty alleviation and development. It has been pushing hard to achieve the millennium development goals (MDGs), strengthen the post-2015 development agenda and adopt the new sustainable development goals (SDGs) in September 2015 (UNDP, 2015d).

China seemingly values its cooperative relations with UN agencies. Its international engagement on development cooperation started with UN agencies in the 1970s. As will be elaborated, the Chinese government has placed more trust in cooperating with UN agencies relative to Western sovereign states. In terms of trilateral aid cooperation, China has been actively conducting pilot projects with the UNDP, FAO and UNIDO. Through a detailed examination of the China–UNDP–Cambodia trilateral cassava project, this chapter will investigate the catalytic role of the UNDP in the evolution of China’s trilateral aid cooperation engagements.

The chapter is structured as follows. It will begin with an examination of China–UNDP interactions from the 1970s and their effect on China’s trilateral aid cooperation. Then, an overview of the evolving trends in aid to Cambodia, especially China’s foreign aid, will be provided as background. What follows is an in-depth discussion of the recent China–UNDP–Cambodia trilateral project on cassava, the first trilateral project between China and UNDP. Finally, the effect of this project on future cooperation between China and UNDP will also be discussed.

China–UNDP Engagement on Development Cooperation

This section will review the engagement between China and the UNDP on development cooperation since the 1970s, with a focus on recent events. To follow the theoretical thread of this book, it will analyse how China’s changing identities and interests have informed its ideas on cooperating with the UNDP in the area of foreign aid during the course of their interactions. It argues that China’s growing desire for global image–building and learning from the UNDP has led to its deepening trilateral aid cooperation with the UNDP.

Multilateral Diplomacy at the UN

According to the Chinese government, a basic principle guiding China’s economic and technical cooperation with the UN since the 1970s has been ‘supporting the third world countries’ and ‘supporting their just positions and requirements on important economic and social development issues’ (Shi, 1989, p. 504). At a time when the Western developed countries

isolated China in the early 1970s, the Chinese government perceived the UN as an ideal platform for consolidating with other developing countries. Pu Ping from the Renmin University of China argued that in the early 1970s, China viewed the UN as a diplomatic platform and worked on behalf of the Third World countries (Pu, 2009, p. 83). China's participation in UN activities has evolved from being passive in the early and mid-1970s, due to a lack of understanding of the UN and the domestic Cultural Revolution, to becoming increasingly active from the late 1970s (Zhang & Feng, 2011).

In recent years, multilateral diplomacy, especially at the UN, has received further endorsement from China's leadership. At the 10th conference of China's ambassadors in April 2004, multilateral diplomacy was prioritised as 'a significant platform' in China's diplomacy (Chen, 2009). In his address at the 70th UN general assembly, President Xi Jinping referred to the UN as 'the most universal, representative and authoritative inter-governmental organization' (Xi, 2015b, para. 2).

Working on multilateral diplomacy is even linked to the fast promotion of officials within China's Ministry of Foreign Affairs (MFA). Many officials from the MFA's Department of International Organizations and Conferences (the main agency in charge of China's multilateral diplomacy) have been appointed as senior ministers, such as current first highest-ranking Vice Minister Zhang Yesui and former Vice Minister Liu Jieyi (current Minister of the Taiwan Affairs Office).

Chinese scholars have also highlighted China's multilateral diplomacy at the UN. Wang Yizhou, deputy dean of the School of International Studies at Peking University, argued that while focusing on its own development, China must also consider its global responsibility and image (Wang, 2001, p. 7). He noted that 'carrying out multilateral diplomacy is the path China must follow in order to become a global power' (Wang, 2001, p. 8). Vice Professor Su Changhe from Fudan University argued that China has developed a new thinking in its diplomacy, believing that global and regional public issues should be settled based on multilateral institutions (Su, 2005, p. 13). His colleague, Professor Wei Zongyou, from Fudan University argued that in response to the 'China threat' and 'China pride' discourses, China has used multilateral venues, including the UN, to propose policy initiatives such as 'peaceful development' and 'building a harmonious world' to project its image as a responsible power (Wei, 2014, p. 20).

Professor Shi Yinong from the Renmin University of China introduces two main concepts to explain China's foreign policy. The first is that economic development is the top priority and the second relates to China's increasing integration into the global system. He argued that China's foreign policy is tightly linked to these two concepts and that China's perception of its identity has evolved from 'a country out of the global system' to 'a country in the global system' (Shi, 2006, pp. 34–35). Following Professor Shi's logic, it is natural for China to promote multilateral diplomacy to play its role in the global system.

China's diplomacy towards the UNDP is also reflected in its aid policy alongside its changing identity and interest calculations. In the 1970s, China began engaging with the UNDP, but great suspicion lingered, based on China's isolation by and mistrust of Western countries and the UN. By emphasising its identity as a socialist country of self-reliance, China refused to receive aid from the UNDP. As China began emphasising its identity as a developing country and shifting its priority to economic development from the late 1970s, it increased its cooperation with the UNDP and began accepting its aid. China adopted a more positive perspective of the UNDP and believed that the UNDP's aid was conducive to China's development. China has recently highlighted its identity as a responsible growing power. It has begun piloting trilateral aid cooperation—starting with the UNDP—as a method of promoting its global image and of learning to improve its own aid performance, as the following discussion illustrates.

Cognitive Learning

The following section will analyse how four decades of engagement between China and UNDP have influenced China's ideas on foreign aid and trilateral cooperation.

1970s: Tentative Engagement

China's engagement with the UNDP started in the early 1970s, and a mutual understanding began to increase. In October 1972, China pledged to donate \$400,000 and RMB 3.2 million to the UNDP, which was China's first donation to the organisation (Shi, 1989, p. 510). In January 1973, China was an observer at the 15th UNDP governing council meeting for the first time (Shi, 1989, p. 649). In October of the

same year, UNDP administrator, Rudolph A. Peterson, visited China and exchanged views with the Chinese government regarding the use of Chinese donations and the dispatching of Chinese staff to work at UNDP headquarters (Shi, 1989, p. 511). For the first time in its capacity as a full member, China attended the 19th UNDP governing council meeting in New York in February 1975 (Shi, 1989, p. 653).

During this period, China refused to receive development assistance from the UNDP; its involvement with the UNDP was restricted to conference participation and voluntary donations. Though limited in scope, this engagement between China and the UNDP increased their mutual understanding and trust and it paved the way for greater cooperation in the following years.

The Chinese government officially divides its engagement with the UNDP into two main periods. According to Ambassador Wang Min—deputy representative of China's permanent mission to the UN—the first period of cooperation (1979–2009) focused on the UNDP's development assistance for China's domestic development, while the second period started in 2010 when the two sides signed an MOU to promote trilateral aid cooperation in Third World countries (Wang, 2013).

Following the formal adoption of China's reform and opening-up policy in 1978, the mindsets of the Chinese leadership towards cooperating with the UNDP began to change. The Chinese government became aware that in addition to its donations to the UNDP, China could benefit by receiving aid from the UNDP to support its domestic development. In September 1978, a Chinese delegation led by Wei Yuming, vice minister of China's Ministry of Foreign Economic Liaison,¹ visited the UNDP headquarters in New York. They discussed the issue of receiving aid from the UNDP with UNDP administrator Bradford Morse, and received positive feedback (Shi, 1989, pp. 498–499). According to then interpreter of the meeting Long Yongtu—who later became vice minister of MOFCOM and chief WTO negotiator—the UNDP side was shocked by China's dramatic change of policy when Minister Wei said that China had decided to accept aid from the UNDP, and it double-checked the change with interpreter Long (Long, 2015, p. 46). In the following month, Vice Minister Wei wrote a formal letter to Morse, stating that

1 The predecessor of MOFTEC (1993–2003) and MOFCOM (2003 to present).

‘the Chinese government would welcome UNDP’s technical assistance to assist China in learning from the advanced external technologies and managerial experiences’ (Shi, 1989, p. 499).

On 29 June 1979, Morse and China’s ambassador to the UN, Lai Yali, signed the ‘Agreement between the government of the People’s Republic of China and the United Nations Development Programme’ (United Nations, 1979, pp. 16–25). This document marked the beginning of the cooperation between the two sides and opened the door for the flow of the UNDP’s aid to China. Administrator Morse opened the UNDP China office during his visit to China in September 1979 (Shi, 1989, p. 511). After that, engagement between China and the UNDP in the development sector began to increase substantially, which has had a threefold effect on China.

Financial Support

The UNDP has provided substantial financial and technical assistance to support China’s economic development since the 1970s. The UNDP’s aid has provided ‘seed money’ and been ‘a catalyst’, as it also mobilises substantial aid funds from the Chinese government and other UN agencies.

Table 8 provides an overview of the UNDP’s aid to China between 1979 and 2015. The UNDP conducted 328 aid projects in China, with an allocation of \$15 million in the period 1979–1981 (CICETE, 2014a).² Its first country plan for China in the period 1981–1985 coincided with China’s sixth five-year plan and China received aid of \$134 million from the UNDP (CICETE, 2014e). In the following years, the UNDP provided \$122 million (1986–1990), \$189.9 million (1991–1995), \$76.3 million (1996–2000) and \$39 million (2001–2005), respectively (CICETE, 2014b, 2014c, 2014d; United Nations Development Programme, 2001).³ The UNDP aimed to mobilise \$133 million and \$136.5 million for China over the periods 2006–2010 and 2011–2015, respectively (UNDP China, 2005; UNDP, 2010).⁴

2 The UNDP’s country plan usually has a lifespan of five years. The UNDP did not draft its country plan for China from 1979–1981 because its program cycle (1977–1981) had already started in 1977. According to MOFCOM, there is some convergence of UNDP’s aid to China in the year 1981, as illustrated in Table 8.

3 According to a report from the Department of Commerce in China’s Hunan Province, the UNDP provided about USD 50 million to China in the period 2001–2005.

4 The final figures for the period 2006–2010 and 2011–2015 are not available.

Table 8. UNDP's development assistance to China, 1979–2015

Time	Aid volume (USD)
1979–1981	15 million
1981–1985	134 million
1986–1990	122 million
1991–1995	189.9 million
1996–2000	76.3 million
2001–2005	39 million
2006–2010	133 million
2011–2015	136.5 million

Source. Compiled by the author from the CICETE and UNDP website data.

One significant feature of the UNDP's aid to China is that it aligns with China's own five-year plan, and China has demonstrated strong ownership in the process. The China International Center for Economic and Technical Exchanges, an aid implementation agency affiliated to MOFCOM, is designated by MOFCOM to draft plans for UNDP's aid in China (CICETE, 2014f). As China's 11th five-year plan (2006–2010) highlighted the vision of building 'a moderately prosperous society' (*xiaokang shehui*)—a concept of Confucian origin and one that is best known during President Hu Jintao's administration (2002–2012)—the UNDP together with other UN agencies helped China develop economic and social policies to operationalise the 'moderately prosperous society' vision in the UN development assistance framework for China (2006–2010) (UNDP China, 2005).

Technological Support

In terms of new technologies, China has benefited greatly from its interaction with the UNDP. As the *International Business Daily*, a newspaper run by MOFCOM, noted, 'To solve development challenges, China not only needs to make great efforts by itself, but also to learn from good external experiences and practices through international cooperation' (Wang, 2005). To assist China achieve the target of tripling its agricultural and industrial outputs by 2000, the UNDP's aid to China from 1986 to 1990 listed technological development as a main area of cooperation, such as introducing advanced technologies in the areas of energy efficiency fuel, building nuclear power stations and developing solar power (CICETE, 2014b).

The UNDP funded the establishment of China's first laser parameter testing centre at the Beijing Institute of Opto-Electronic Technology in the 1980s. With the UNDP's support of technical training and research, this testing centre adopted the crucial technology of producing a helium-neon laser (Shi, 1989, p. 541). In April 1991, the UNDP and China signed an aid agreement to conduct an industrial modification program of machine tools for the Beijing no. 2 Machine Tool Works Co. Ltd. With funding of more than \$12 million, this cooperation was the UNDP's first aid program rather than a project in China (Zhou, 1991).

Over the period 1991–1996, the UNDP assisted China in establishing a management and surveillance system for forestry resources to achieve a target of increasing China's forestry coverage rate from 13 to 17 per cent (CICETE, 2014c). From the 1990s, the UNDP also introduced microcredit projects to assist low-income families in rural western provinces such as Gansu, Guizhou and Sichuan, which facilitated the Chinese government's understanding of microcredit and the promulgation of related policies (CICETE, 2009).

With the technical assistance of the UNDP, the IRICO Colour Picture Tube company in China's Xianyang city completed a technical innovation project in climate and stratospheric ozone protection, and the project manager, Ma Mingqing, received the 2004 Climate Protection Award from the US Environmental Protection Agency (Wu, 2004). Through the UNDP, China also learned the concept of a 'human development index' and, by October 2005, the UNDP introduced nearly 1,000 technologies to support China's industrial modernisation (Wang, 2005).

China paid tribute to the substantial support from UNDP China's development achievements (International Poverty Reduction Center in China, 2007; MOFCOM and UNDP, 2010). As early as 1989, Shi Lin, former vice minister of China's Ministry of Foreign Economic Liaison, stated:

The UN's multilateral economic and technical cooperation has a history of nearly four decades. It has a good financing channel, advanced technical know-how and an excellent information network. By making a full use of the UN system to conduct various forms of international cooperation, it will be beneficial for the self-reliance of developing countries and for socialist modernization in China. (Shi, 1989, p. 506)

Sources of Ideational Change

With a rapidly growing aid budget and footprint overseas, China is increasingly aware of the weakness in its foreign aid performance.⁵ The desire to learn from traditional donors and UN agencies has grown accordingly. China is keen to improve its foreign aid efficiency by learning from the UNDP's experience (UNDP China, 2014b, p. 9). In the process of learning, the UNDP has played an important advisory role to the Chinese government regarding foreign aid and has facilitated the change of ideas in the latter.

The UNDP has seized opportunities as an advisor to introduce new ideas on foreign aid to MOFCOM, China's leading aid agency. The UNDP has recently been frequently approached by MOFCOM to conduct joint projects or to provide policy advice. For example, China has been increasingly depended on to provide policy advice on south–south cooperation and global development issues (UNDP China, 2012, p. 3). As requested by MOFCOM, UNDP China submitted a policy report in April 2011 and provided advice on the evolution of the G20 working group and the role that China could play within it (UNDP China, 2012, p. 3). In 2012, the UNDP conducted two research projects on behalf of CAITEC, the think tank under MOFCOM, regarding the roles of civil society and think tanks in foreign aid (UNDP China, 2013a, p. 6).

UNDP China was also approached for advice on China's first white paper on foreign aid (Interview with Napoleon Navarro, Deputy Country Director, UNDP Cambodia, Phnom Penh, 15 July 2015). At the request of MOFCOM, the UNDP discussed the draft of China's second white paper on foreign aid with MOFCOM and provided advice in July 2013 (UNDP China, 2014b, p. 11). The UNDP suggested that MOFCOM clearly demonstrate the benefits of China's foreign aid (UNDP China, 2015f, p. 5). A former UNDP senior official recalled the engagement at that time:

They [MOFCOM] came to us informally and said, 'Look, we've got a draft of the second white paper here. Could you have a look at it and see what you think the traditional donors or the Western world will criticise; will they think it is not good enough? Are we communicating well in the way that our Western readers will

⁵ This point is also supported by the author's interviews with Chinese aid officials and scholars (Beijing, August–September, 2015).

understand it?' We had very frank conversations with them, very informal. We talked about things that maybe would have some criticism, things that looked good, things that they could expand a little bit more. They re-drafted it many times after that, and some of the things we suggested were in the final version. (Interview with a former senior UNDP official, Canberra, 28 June 2016)

The UNDP also developed the English version for China's 'Measures for the Administration of Foreign Aid', which was released in late 2014 (UNDP China, 2015f, p. 5). This umbrella document introduces Chinese foreign aid management, including project set-up procedures and monitoring principles.

Second to UNDP headquarters and regional offices is another source of ideational change for China's aid policymakers. In September 2013, two senior aid officials from MOFCOM's DFA were seconded to UNDP headquarters in New York for six months, with the stated aim of increasing their understanding of UNDP's aid policies (UNDP China, 2014b, p. 9). Later on, another three division/deputy division directors from the DFA participated in this exchange program and chose to work in the UNDP offices in Bangladesh, Zambia and New York to diversify their experiences of the UNDP's aid practices (Interview with UNDP official, Seoul, 10 December 2015). This exchange has greatly contributed to the DFA officials' support for trilateral aid cooperation with the UNDP (Interview with UNDP official, Canberra, 29 June 2016), as will be elaborated later on. It also reinforces the argument that this kind of exchange program has been a major source of new ideas regarding aid cooperation within MOFCOM.

The UNDP and China jointly reviewed various approaches to foreign aid and their effects on China's aid reform (UNDP, 2015c). The Chinese government invited the UNDP to present papers on several occasions, such as at the global think tank summit (June 2011), the first MOFCOM capacity development seminar (August 2011) and the conference on the economic outlook for Sub-Saharan Africa (October 2011) (UNDP China, 2012, pp. 4–5). Joint research between the UNDP and MOFCOM has even extended to the Pacific region. In 2014, the UNDP and China CAITEC launched a joint research project chaired by Dr Graeme Smith from ANU. The research team assessed the demands from Pacific Island countries and identified numerous potential areas for trilateral aid cooperation between traditional donors and China in these countries

(Smith et al., 2014). As a follow-up, the UNDP undertook research on China–Pacific Island countries' south–south cooperation in the context of the post-2015 sustainable development agenda (Zhang, 2017a).

In addition to MOFCOM, the UNDP has also provided support to the MFA and China's think tanks on the topic of development assistance. In preparation for the fifth ministerial conference of the forum on China–Africa cooperation to be held in Beijing in July 2012, the MFA requested advice from the UNDP on the potential areas of cooperation between China and Africa in the area of development; this advice was accepted with appreciation (UNDP China, 2013a, p. 7). In June 2014, the UNDP and MFA's Department of International Economic Affairs⁶ discussed issues of post-2015 process (UNDP China, 2015f, p. 17). Four months later in October, the UNDP and the China Center for International Economic Exchanges (the think tank under the China National Development and Reform Commission) convened the first and second high-level policy fora on global governance and discussed global economic governance and sustainable development financing for the post-2015 agenda (China Centre for International Economic Exchange and United Nations Development Programme China, 2013; UNDP China, 2015f). The UNDP produced a paper in 2011 for the China Development Research Foundation, a non-profit organisation under the State Council Development Research Center, based on the effect of China's WTO accession on other developing countries (Bhattacharya & Misha, 2015). In October 2011, UNDP China conducted a joint assessment with the Peking University and Edinburgh University of the development effect of China's scholarships on recipient countries, especially in Africa (UNDP China, 2012, p. 3).

The UNDP has also been assisting China to participate substantially in regional and global dialogues, negotiations and development initiatives (UNDP China, 2005; UNDP, 2015c). In preparation for the upcoming Mexico high-level meeting on global partnership for effective development cooperation in April 2014, the UNDP and CAITEC co-hosted a workshop in April in Beijing, in which government and civil society representatives from 11 emerging donors exchanged views for the

6 This is a new department created in October 2012 due to the growing workload in global governance. It was born out of the existing Department of International Organisations and Conferences.

Mexico meeting and agreed that trilateral aid cooperation can draw on the comparative advantages of different stakeholders and contribute to an increased understanding among them (UNDP China, 2014c).

The UNDP's support for the sensitive areas of Chinese aid is also apparent. It is lending support to the Chinese government in the area of corporate social responsibility, a weakness of China's aid providers overseas. In 2013, China's State-owned Assets Supervision and Administration Commission (SASAC) requested that the UNDP develop a CSR framework to guide Chinese companies abroad (UNDP China, 2014b, p. 16). The UNDP is optimistic that its dialogue with SASAC and CAITEC on this issue 'can yield considerable influence on policies and guidelines for Chinese companies' overseas investments and bring about a transformational change' (UNDP China, 2015f, p. 13). The three sides co-produced the 2015 report on the sustainable development of Chinese companies overseas, which assessed the performance of Chinese companies overseas and provided policy advice (UNDP China, 2015a).

The UNDP is also partnering with China's private sector and pushing it to abide by internationally recognised norms overseas with regard to environmental and labour standards (UNDP, 2015c), as most—but not all—of China's aid providers are SOEs. It is also assisting China in improving its aid evaluation mechanisms, another 'soft rib' of Chinese foreign aid. It is supporting CAITEC to conduct research on the approaches of traditional and emerging donors, including Japan, Australia, India, Mexico and Brazil, and on international development evaluation (UNDP China, 2014b, p. 11).

International Poverty Reduction Centre in China

The establishment of the International Poverty Reduction Centre in China (IPRCC) is an important example of the UNDP's support to the Chinese government on south–south cooperation. At the sideline of the global poverty reduction conference in Shanghai in May 2004, the UNDP and the Chinese government, represented by MOFCOM and the State Council leading group office of poverty alleviation and development, signed an MOU on the establishment of IPRCC, the only organisation of its kind in China (International Poverty Reduction Center in China, 2007).⁷ The purpose is to use this centre as a platform

7 IPRCC has closed links with the Chinese government. For example, the first director of IPRCC, Zhang Lei, was a senior official (director general level) from the State Council leading group office of poverty alleviation and development.

for promoting the sharing of China's development experiences with other developing countries. The Chinese government is aware of the differences between its foreign aid—part of south–south cooperation—and the ODA of traditional donors. It is not shy to feature its distinct aid practices globally and is thus using cooperation with partners, including the UNDP, to promote China's experiences in the developing world.

With the support of the UNDP and other partners, the IPRCC has hosted 74 workshops on poverty reduction for 1,798 trainees from 104 developing countries (UNDP China, 2015d). The UNDP and the IPRCC have co-convened high-level conferences on poverty alleviation, including China's annual international poverty reduction forum. In December 2008, MOFCOM, CICETE and UNDP China agreed to launch a four-year project of \$4 million for strengthening the capacity of the IPRCC (CICETE and UNDP, 2008). In November 2010, China and the UNDP co-hosted the first China–Africa poverty reduction and development conference in Addis Ababa with Ethiopia and signed the letter of intent to expand the scope of sharing China's development experience with African countries (UNDP China, 2015d).

In January 2012, the UNDP and IPRCC co-hosted a symposium at Shenzhen University and discussed how Africa could learn from China's experience in establishing special economic zones (SEZs) (UNDP China, 2013a, p. 14). This was a reaction to the sensitive issue—some of these SEZs, such as in Ethiopia, had run into trouble (Bräutigam & Tang, 2011). A main achievement of UNDP–IPRCC cooperation in 2014 was the testing of a new model for the training of government officials by using the pilot China–Bangladesh Urban Solution Lab (UNDP China, 2015f, p. 7). The project aimed to learn from China's 'one-stop' urban service centres—which are meant to deliver social safety nets to the poor—and adapt it to Bangladesh.

The close engagement between China and the UNDP can be attributed to the accumulated trust that the Chinese government has in the UNDP, which in turn paves the way for future cooperation. As UNDP China noted, 'this [providing policy advice to China on South–South cooperation and global development issues] is a highly strategic area of work that UNDP is opening that are sometimes less available to others' (UNDP China, 2012, p. 3). One reason for the Chinese government's trust in the UNDP is that, compared with traditional donor states, China regards the UNDP as a multilateral agency that is relatively politically neutral and that does not

pose a threat to the Chinese government.⁸ Similarly, in contrast to some other multilateral agencies, including the World Bank and the International Monetary Fund that are dominated by Western nations, China believes that the UNDP is more trustworthy and that China can exert influence on the UNDP more easily as an important member. Another reason for the trust relates to the UNDP's cautious approach: trying not to take a judgmental attitude but to provide objective and helpful advice when approached by Chinese ministries (Interview with former senior UNDP official, Canberra, 28 June 2016). In terms of staff, in a way that differs from these multilateral agencies, the UNDP China office has around 75 per cent of its staff as Chinese nationals, which could also help the UNDP earn trust from the Chinese government.⁹

Trilateral Cooperation: A New Focus

UNDP administrator Helen Clark's visit to China in November 2009 was an important event in the evolution of UNDP–China trilateral aid cooperation. She met with China's Premier Wen Jiabao and his senior ministers of commerce, foreign affairs, finance and environmental protection. The two sides discussed the upgrade of their three-decade-long cooperation to a new strategic level, including piloting trilateral aid cooperation in Third World countries, which China's ministers agreed to (UNDP, 2009b). MOFCOM minister, Chen Deming, noted that the planned trilateral partnership would greatly support development in Third World countries, and that China's minister of environmental protection, Zhou Shengxian, expressed his willingness to share China's environment-friendly technologies with other developing countries through trilateral cooperation with the UNDP (UNDP, 2009b).

With Premier Wen and Administrator Clark as witnesses, MOFCOM Vice Minister Wang Chao¹⁰ and UN Assistant Secretary-General and UNDP Assistant Administrator Ajay Chhibber signed an MOU on

8 This point is supported by the author's interview with Chinese aid officials (Beijing, August 2015). It also builds on the author's observations during his decade-long career as a diplomat.

9 This point is also supported by the author's interview with a UNDP official (Canberra, 29 June 2016).

10 Wang has been a career MOFCOM official since 1982. He was appointed as vice foreign minister (third-highest-ranking vice minister) in January 2014. This is a rare movement, as most MFA senior officials have been appointed from within rather than outside. The other exemption is Vice Foreign Minister Xie Hangsheng, who used to work in the People's Bank of China. To some extent, Wang's appointment as vice foreign minister could be interpreted as Xi Jinping administration's emphasis on the economic diplomacy in its foreign policy.

strengthened cooperation between China and UNDP in New York in September 2010, the first of its kind that China had signed with a multilateral organisation (UNDP China, 2015e). The two sides pledged to focus their partnership on five main areas: 1) trilateral cooperation; 2) experience sharing on foreign aid systems; 3) global and regional issues; 4) private sector engagement and south–south cooperation; and 5) sharing development experiences and lessons through south–south dialogue (UNDP China, 2013a, p. 1).

The signing of this MOU further reflects China's trust of the UNDP. As the MOU stated, 'The trilateral cooperation (between China and UNDP in the future) should be built on an existing long standing, trusted and strong base of cooperation in the past thirty years' (UNDP and MOFCOM, 2010). The stated aims were, in addition to bringing greater benefits for the recipient countries, that China and the UNDP would strengthen their understanding of each other's foreign aid modalities through trilateral aid cooperation (UNDP, 2015c).

In its development assistance framework for China (2011–2015), the UNDP aims to encourage China's greater participation in the global community to cause wider mutual benefits. To achieve this target, the UNDP pledged to further facilitate the sharing of China's development experience with other developing countries through ways including the UN–China south–south trilateral development partnership (UNDP, 2010, p. 19). In November 2010, the UNDP and China's Ministry of Science and Technology signed a letter of intent to conduct trilateral cooperation in Africa in the areas of food security and poverty alleviation in rural areas (UNDP China, 2015d). The two sides also signed a letter of intent to share the experience of their UNDP–China program on technical extension services for rural development with other developing countries.

From 27 August to 3 September 2013, UNDP administrator Helen Clark paid her second visit to China and exchanged views with senior Chinese officials on issues including south–south cooperation and trilateral partnership. During the meeting, China's Vice President Li Yuanchao expressed his support for China–UNDP south–south and trilateral cooperation (Dai & Li, 2013; UNDP China, 2013b). He also commended the UNDP's three major contributions to China's development as follows.

Although some analysts regard the UNDP as an ineffective aid provider, Vice President Li's remarks sent a signal that the Chinese government is supportive of China's continued cooperative relations with the UNDP:

1. Bringing in and spreading advanced ideas and concepts, such as sustainable human development.
2. Helping to train Chinese Government officials, including officials from central to local levels.
3. Piloting new approaches to solving China's development challenges in poverty reduction, governance and environmental protection. (UNDP China, 2013b)

Table 9 is an overview of China–UNDP trilateral aid projects. In addition to the recipient countries involved, more countries have expressed interest in cooperation (UNDP China, 2014b, p. 5). The UNDP is optimistic that its trilateral cooperation with China will be extended to new countries and sectors (UNDP China, 2015f, p. 10).

Table 9. China–UNDP trilateral aid projects

Recipient country	Area	Partner in China	Funding (USD)	Status
Cambodia	Agriculture (cassava cultivation and exporting)	MOFCOM	Phase one China: 210,000	2011–2012
			Phase two China: 400,000	2013–2015
Ghana	Renewable energy	Ministry of Science and Technology	Denmark: 2,720,000 China provides expertise	2014–2019
Zambia	Renewable energy	Ministry of Science and Technology	Denmark: 2,624,400 China provides expertise	2014–2019
Bangladesh Nepal	Disaster risk management	Ministry of Civil Affairs	Phase one DFID (UK): 4.2 million China provides expertise	2012–2015
			Phase two DFID (UK): 6.1 million China provides expertise	2015–2017
Malawi	Disaster risk management	MOFCOM	MOFCOM: 500,000 UNDP Malawi: 400,000	2016–2018

Source. Compiled by the author from online data and interviews.¹¹

¹¹ The China–UNDP–Burundi project on renewable energy, which was included in UNDP's website, has been suspended due to the civil war in Burundi.

China's Domestic Structure on Working with the UNDP

As mentioned in Chapter 3, MOFCOM is designated by the Chinese government as the point of contact for the UNDP's activities in China. This signifies that the UNDP must go through MOFCOM before it can contact other line ministries in China—such as agriculture, health, science and technology—no matter whether the issue of discussion is within MOFCOM's portfolio or not (Interviews with Chinese aid officials and scholars, Beijing, August–September 2015). This is a tricky issue that often confuses aid officials and analysts of other countries and even Chinese scholars.

Here are two examples. Though agricultural cooperation is within the portfolio of China's Ministry of Agriculture, the China–UNDP–Cambodia trilateral project on cassava is completed by MOFCOM because it provided the funding and it had interest in doing so. Dr Prum Somany, then deputy director of the Department of International Cooperation from the Cambodia Ministry of Agriculture, Forestry and Fisheries (MAFF) and the main participant of the trilateral cassava project from the MAFF, said that 'I really want to include China MOA in this project, but Chinese policy is that foreign aid has to go through MOFCOM' (Interview with Dr Prum Somany, Phnom Penh, 15 July 2015). For the China–UNDP trilateral projects on renewable energies in Ghana and Zambia, although MOFCOM provided the funding from the Chinese side, MOFCOM does not want to manage the projects, so they passed to China's Ministry of Science and Technology (MOST). Another reason for MOFCOM's involvement in the Cambodia project and MOST's involvement in the Ghana and Zambia projects is that the Cambodia project, being explorative in nature, was the first pilot project between China and the UNDP, and MOFCOM was cautious. The UNDP also aimed to promote MOFCOM's understanding of trilateral partnership through this project. In contrast, the Ghana and Zambia projects are more technical in nature. They relate to the transfer of Chinese technical expertise through MOST to Ghana and Zambia (Interview with UNDP official, Canberra, 29 June 2016).

More specifically, MOFCOM's DITEA has historically taken responsibility for receiving the UNDP's aid to China. Benefiting from its established network with the UNDP, DITEA remains the liaison

contact for UNDP China regardless of whether the issues are about the UNDP's aid to China or trilateral aid projects with China in Third World countries. This arrangement becomes 'the structural constraint in the first place' for the UNDP to seek cooperation directly with MOFCOM's DFA, which overlooks Chinese aid overseas (Interview with former senior UNDP official, Canberra, 28 June 2016).

A latest shift in China–UNDP trilateral aid cooperation is that the DFA has, since September 2015, started to actively approach the UNDP for trilateral partnerships. This is in stark contrast to the tradition that DITEA rather than the DFA is the main partner for UNDP China. One main reason, according to UNDP officials, is that the DFA is eagerly searching for appropriate trilateral projects to materialise part of the \$2 billion south–south cooperation fund pledged by Chinese President Xi Jinping at the UN sustainable development summit in September 2015 (Interview with UNDP officials, Canberra, 29 June and 4 July 2016). UNDP China is now consequently conducting two streams of trilateral projects with MOFCOM, one with DITEA and one with the DFA.

Evolving Trends in Aid to Cambodia

Cambodia is one of the most aid-dependent countries in Asia. Foreign aid has accounted for nearly 90 per cent of the Cambodian government's expenditure since 2005 (Council for the Development of Cambodia, 2008, p. 1). The total amount of foreign aid to Cambodia reached about \$5.5 billion over the period 1998 to 2007 (Sato, Shiga, Kobayashi & Kondoh, 2011, p. 2093). Between 1990 and 2018, Cambodia received aid from about 40 bilateral and multilateral donors, including Australia, Canada, China, France, Japan, South Korea, the US, the World Bank and the ADB for 3,140 aid projects (CDC, 2018).¹² In 2018, total disbursements for aid projects in Cambodia exceeded \$1.1 billion (CDC, 2018).

12 The database of the council for the development of Cambodia includes the completed, ongoing, suspended and pipeline projects. Most of them fall under the category of completed or ongoing projects.

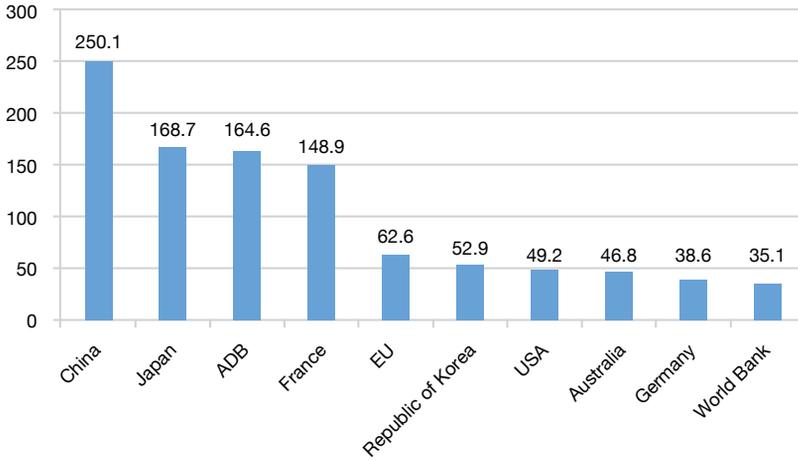


Figure 8. Top 10 donors in Cambodia in 2018, USD million

Source. Compiled by the author from the CDC aid database.

Figure 8 lists the top 10 donors in Cambodia in 2018 in terms of aid disbursement. By 2018, the UNDP had a total of 75 aid projects in Cambodia (CDC, 2018). With an aid of \$10.8 million, the UNDP was the 15th largest donor in 2018 (CDC, 2018). Some notable evolving trends in aid to Cambodia in the last two decades include that 1) foreign aid to Cambodia has increased over time, rising from \$555.4 million in 2004 to over \$1.1 billion in 2018 (Council for the Development of Cambodia, p. ii; CDC, 2018); 2) countries such as Kuwait and Qatar have joined the donor camp to provide aid to Cambodia; and 3) aid from China to Cambodia has grown rapidly and this trend continues. In particular, Chinese aid to the infrastructure sector in Cambodia has been prominent, as will be discussed.

Chinese Aid to Cambodia

China began developing close relations with Cambodia since the latter's independence from France in 1953. China's leadership, including that of the late Chairman Mao Zedong and Premier Zhou Enlai, established a strong friendship with Cambodia's late King-Father, Norodom Sihanouk, on certain occasions, including at the Bandung Conference, the first Asian-African conference that was held in Bandung, Indonesia in April 1955. Cambodia has lent persistent support to the 'one China policy', a most important and sensitive issue in China's diplomacy. Sophie Richardson (2010, p. 48) argued that 'without Cambodia's help, China's

battle to regain the UN seat (from Taiwan in October 1971) would likely have taken far longer than a decade', though most of the Chinese discourse tends to give the credit to Africa.

Chinese foreign aid to Cambodia dates back to 1956. On 21 June 1956, the two countries signed an agreement on economic assistance, making Cambodia the first non-socialist country in Asia, Africa and Latin America to receive Chinese aid. Based on the agreement, China provided a grant of £8 million for in-kind assistance and infrastructure projects, including textile, plywood, paper making and cement plants (Shi, 1989, pp. 37–38). The four factories produced around half of Cambodia's gross industrial output at the time and they laid the foundation for the earliest modern enterprises in Cambodia (Zhou & Xiong, 2013, p. 216). This aid agreement was credited by the Chinese government as 'a concrete result of China and Cambodia's implementation of the resolution of the Bandung Conference, and another good example of the peaceful coexistence and friendly cooperation among Asian countries' (People's Daily, 1956, p. 1).

Chinese aid to Cambodia is divided into two main periods by Xue Li from China Academy of Social Sciences and Xiao Huanrong from the Communication University of China (Xue & Xiao, 2011). China mainly provided grants and military support to Cambodia in the period 1953–1989. Chinese aid was strongly ideology-based and gave scant consideration to economic return. Since 1990, and especially in recent years, China has emphasised a mutual benefit in its aid to Cambodia: concessional loans rather than grants became the main form of assistance. For example, among the \$600 million in aid pledged by visiting Premier Wen Jiabao in 2006, the overwhelming majority was in the form of concessional loans (Xue & Xiao, 2011, p. 27).

China's influence and aid to Cambodia has grown rapidly over the past two decades. The Cambodian government led by Prime Minister Hun Sen turned to Beijing for diplomatic and financial support after 1997, when it faced considerable pressure from Western donors after the coup to oust co-premier Prince Norodom Ranariddh. An important reason for the peak of Chinese aid to Cambodia in 2012, as shown in Figure 9, also relates to President Hu Jintao's state visit to Cambodia from late March to early April in 2012. As a common practice in China's diplomacy, China signed numerous projects, including aid projects with Cambodia during this high-level visit. In addition, China's largesse in 2012 could also be attributed to China's seeking diplomatic support on sensitive regional issues, especially the South China Sea when Cambodia chaired ASEAN in 2012.

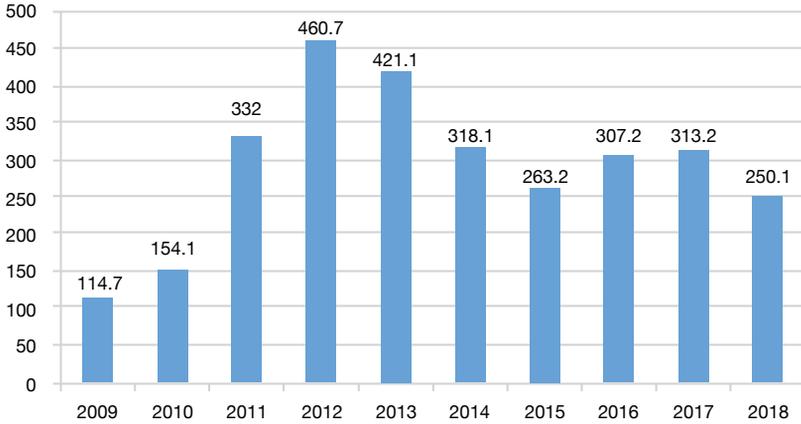


Figure 9. Chinese aid to Cambodia, 2009–2018, USD million

Source. Compiled by the author from the CDC aid database.¹³

Table 10. Summary of China's aid projects in Cambodia by 2018

	Grant aid projects	Concessional loan projects
Total number	18	62
Total value	\$309.5 million	\$4,316.5 million
Percentage of project value	6.7%	93.3%

Source. Compiled by the author from the CDC aid database.¹⁴

Table 10 provides an overview of China's aid projects in Cambodia. According to the aid database of the council for the development of Cambodia—the government agency in charge of aid in Cambodia—China provided a total budget value of around \$4,626 million for 80 aid projects in Cambodia by December 2018 (CDC, 2018).¹⁵ Large infrastructure projects with China's concessional loans are visible across Cambodia. Among the 62 concessional loan projects in Table 10, 60 are infrastructure projects that include roads, bridges, agricultural irrigation and electricity transmission. Though the workload of China's foreign aid

¹³ As some Chinese aid projects take a few years to complete, especially large infrastructure projects, yearly disbursements may differ. To some extent, this explains the fluctuations in the figure.

¹⁴ This graph is made by the author based on the aid database from the council for the development of Cambodia.

¹⁵ The database includes most Chinese concessional loans projects in Cambodia, but grants and interest-free loans are incomplete. For example, it does not include the Cambodia Senate building project (\$7.7 million, grants), the Cambodia agricultural laboratory building (\$9.26 million, grants) and two MA 60 aircraft to the Cambodian military (interest-free loan). The date of access to DCD database was 20 December 2018.

in Cambodia is heavy and growing, there are only two staff working on aid from the economic and commercial counsellor’s office from the Chinese Embassy in Cambodia. This makes it extremely difficult for the embassy to effectively manage its aid program. It could also partially explain why the embassy’s involvement in the China–UNDP–Cambodia trilateral cassava project is limited.

In addition to infrastructure, China has provided a large quantity of aid to the Cambodian military, such as donating helicopters, trucks, aircraft, uniforms and providing military training. For example, Cambodia purchased two MA 60 aircraft from China in 2012 with Chinese interest-free loans (MOFCOM, 2012).

China–UNDP–Cambodia Trilateral Project on Cassava

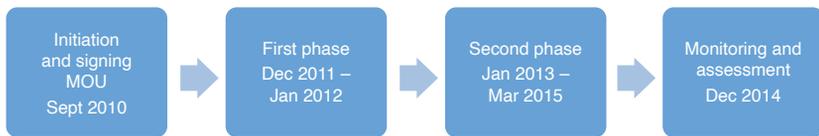


Figure 10. Timeframe of the China–UNDP–Cambodia trilateral project

Source. Compiled by the author from own analysis.

Phase One: Capacity Building (December 2011 – January 2012)

The trilateral cassava project is the first trilateral project since China and the UNDP signed their MOU on strengthened cooperation in 2010. Discussions occurred between China and the UNDP regarding the possibility of exploring trilateral cooperation. According to Napoleon Navarro, then deputy country director of UNDP China, UNDP initiated this trilateral cassava project. China agreed to ‘experiment’ with trilateral cooperation, but ‘there was some caution of what we will do and how we can do it’ (Interview with Napoleon Navarro, Phnom Penh, 15 July 2015).

In 2011, a scoping mission from UNDP China visited Cambodia to flesh out this project. Officials from UNDP China and UNDP Cambodia discussed issues with the Cambodian MAFF. An episode occurred during discussion. Prum Somany from the MAFF at first mistook the trilateral cooperation proposal as another China–Cambodia south–south

cooperation project. He explained that he was concerned, because south–south cooperation is difficult to implement in Cambodia because it requires Cambodia to pay for the accommodation of international experts and local transport, which MAFF could not afford due to its limited budget (Interview with Dr Prum Somany, Phnom Penh, 15 July 2015). He was later briefed that it would be a new type of initiative.

According to Dr Somany, the proposal for trilateral cooperation came at the right time because although China had signed two bilateral agreements with Cambodia in agriculture,¹⁶ Cambodia did not have the capacity to produce good-quality and large volumes of cassava for export to China. As such, Dr Somany proposed the cassava sector to the visiting UNDP delegation for a potential project (Interview with Dr Prum Somany, Phnom Penh, 15 July 2015). This proposal was also supported by MOFCOM.

The first phase of the project was undertaken by UNDP China and MOFCOM from 27 December 2011 to 16 January 2012. Thirty trainees were selected from Cambodia, including the general directorate of agriculture, the provincial departments of agriculture, the Royal University of Agriculture, Cambodian Agricultural Research and Development Institute, Prek Leap and Kampong Cham National Schools of Agriculture (UNDP Cambodia, 2012). They attended three weeks of training on cassava cultivation techniques at the China Academy of Tropical Agricultural Sciences (CATAS) in Haikou (China Academy of Tropical Agricultural Sciences, 2012).

The training combined classroom lecturing, visits to CATAS cassava laboratories and field experimentation. The training covered numerous topics, including soil preparation, variety selection, breeding and genetic transplantation, planting techniques, pest control, weeding, harvesting and processing (UNDP Cambodia, 2012). Deputy Division Director Cai Fang from MOFCOM's DFA addressed the opening ceremony on behalf of the Chinese government (China Academy of Tropical Agricultural Sciences, 2012, p. 13). Zhu Hong, deputy director-general from MOFCOM's DITEA, and Christophe Bahuët, UNDP country

16 They include an MOU on strengthening agricultural cooperation (March 2010), and the MOU on sanitary and phytosanitary (SPS) cooperation in the field of animal and plant inspection and quarantine; the protocol of phyto-sanitary requirement for Cambodia's milled rice export to China; and cooperation relating to the working plan of the quarantine market access of tapioca chips from Cambodia to China (October 2010).

representative in China, officiated at the conclusion of the training and promised to provide further support (UNDP Cambodia, 2012). Their commitment materialised in the second phase of the project.

MOFCOM contributed \$210,000 (RMB 1.3 million) to this first phase (Mo, 2013). It provided training facilities, experts, accommodation and related expenses. UNDP offices in China and Cambodia conducted a comprehensive assessment of Cambodia's training demands. They also contributed to the training agenda and fielded an international expert on cassava and a Chinese-speaking staff member from UNDP Cambodia to facilitate during the training. The government of Cambodia, mainly through MAFF, set forth the demands for training and selected the trainees (UNDP China, 2012, p. 2).

Phase Two: Cassava Cultivation and Trading (January 2013 – March 2015)

Phase Two was designed to be an extension and expansion of Phase One. While the first phase focused on capacity building for cassava cultivation, the second phase extended the scope of cooperation to cassava cultivation and trading. It aimed to assist Cambodian cassava growers to cultivate high-quality products and move up the trade chain while minimising the environmental influence (UNDP China, 2015f, p. 9).

Due to a lack of technical support and market information, Cambodia is incapable of exporting its cassava products directly to the international market. In 2012, it had to export half of its fresh cassava, 40 per cent of its dried cassava and 10 per cent of its cassava starch to traders in Vietnam and Thailand (Mo, 2013). By exploring the route to market, the project aimed to improve farmers' livelihoods by promoting direct export of cassava products to China, rather than by having profits be captured by middlemen in Vietnam and Thailand.

This project had a project steering committee that was comprised of the Department of International Cooperation from Cambodia MAFF, the Cambodia Agricultural Research Development Institute, the Trade Promotion Department of Cambodia Ministry of Commerce, the Cambodia Association of Cassava Exporters and Producers, MOFCOM, UNDP Cambodia and UNDP China (Cambodia MAFF and UNDP Cambodia, 2013, p. 10). Cambodia MAFF was the project implementer responsible for overall daily activities. Benefiting from its familiarity with China, UNDP China assumed the role of a 'strategic liaison partner',

responsible for coordinating with UNDP Cambodia, MOFCOM and Chinese institutions and technical experts. MOFCOM played a role as the financial and technical partner. It contributed \$400,000 to finance the project (Cambodia MAFF and UNDP Cambodia, 2013), making China's total contribution to the two phases \$610,000. It also maintained close contact with UNDP China regarding the progress of the project, including monitoring and assessment. Through UNDP China, Chinese agricultural experts were also hired to provide technical input for the environmental impact report and technical solutions during project implementation.

The second phase of the project claims achievements, including:

The completion of need assessment study, environmental impact study, development of the training materials, ad hoc training, training of trainers, business matching mission to Guangxi, and joint monitoring mission from China. (UNDP, 2015a)

To meet the targets that were set out in the project document, the project team completed a 'needs assessment study' in consultation with Cambodian cassava farmers, processors and exporters (Cambodia MAFF and UNDP Cambodia, 2013; UNDP, 2015a). In addition, as cassava growth has been expanding rapidly in Cambodia while its environmental impact and related mitigation solutions are unknown (Interview with Dr Prum Somany, Phnom Penh, 15 July 2015), an 'environmental impact study' was conducted that examined the potential short- and long-term effects of cassava cultivation on the environment, such as soil degradation/erosion and water pollution (UNDP, 2015a). The research found that cassava production in Cambodia would not necessarily have a negative environmental impact, which is contrary to some people's presumption (Interview with UNDP Cambodia officials, Phnom Penh, 15 July 2015).

Based on the abovementioned 'needs assessment study' and 'environmental impact study', the project team tailored training manuals for trainers, farmers, processors and exporters, as sampled in Figure 11 (Cambodia MAFF and UNDP Cambodia, 2015). One training program was provided to agricultural extension workers, who later acted as trainers for cassava farmers. Two sessions of training were conducted to the selected farmers in the cassava provinces of Tbaung Khnum and Kampong Cham. The training covered theoretical lecturing, interactive discussion and field demonstration (UNDP, 2015a). In total, the trilateral project has provided technical training to 114 beneficiaries (UNDP China, 2015b).

Accounting for the small scale of this trilateral project (\$610,000) and the huge challenges that Cambodia’s agricultural extension system faces, the final effect of the above technical training on Cambodia’s cassava industry should not be overestimated.

In addition to the improvement of cassava production, market exploration was another major task of the trilateral project. In September 2014, a 17-member Cambodian business-matching mission visited Guangxi, the largest cassava growing and trading province in China (UNDP China, 2015f, p. 9). The mission was composed of Cambodian MAFF officials, UNDP staff, cassava farmers, processors and traders and it was led by He Mom Thany, Under Secretary of State from MAFF. By meeting with the Chinese hosts—including the vice governor of Guangxi, MOFCOM officials, private business and research institutes—the delegation improved its understanding of the cassava demands and technical requirements of the Chinese markets and increased its business links with Chinese businesspeople, which paved the way for the direct export of Cambodian cassava to China. An example is that in November 2014, the Cambodian company, Advanced Glory Logistics, was contracted to export 150,000 tons of cassava directly to the Chinese biofuel firm Henan Tianguan Group, and the first shipment occurred in January 2015 (Styllis & Sony, 2015).



Figure 11. Project training manual for farmers (pp. 1 and 5)
Source. Cambodian MAFF and UNDP Cambodia (2015).

China's Motivations

As China's foreign aid has increased dramatically since 2000, traditional donors and UN agencies have either phased out or reduced their aid programs in China. They have concurrently approached China to explore new types of cooperation, including trilateral aid cooperation. Similarly, UNDP China has been actively promoting trilateral partnership with China in Third World countries. In this circumstance, China has agreed to test trilateral cooperation as a response to increasing calls for cooperation from the UNDP. What is visible is that China hopes to project an image that it is ready to work together with the UNDP to deliver better foreign aid to the Third World countries. As one of China's agricultural experts who was heavily involved in the cassava project emphasised, 'Working with UNDP on this trilateral project will help project China's image globally and in Cambodia as a responsible power' (Interview, Beijing, 25 August 2015). MOFCOM former Vice Minister Long Yongtu also believed that cooperating with the UN in foreign aid is beneficial for China's global image:

China was poor in the past. When China provided aid to other countries at that time, it was appreciated because China was poor. But nowadays (as China becomes rich), Chinese aid is not appreciated that much because the recipient countries tend to suspect some hidden agenda behind it. In this case, I believe the UN system provides a new channel and good framework for China's foreign aid and South–South cooperation, and will help improve the effectiveness of China's foreign aid. (Long, 2015, p. 47)

In addition, China feels more comfortable in piloting trilateral cooperation with the UNDP because of the UNDP's political neutrality,¹⁷ China's membership of the UNDP and the trust that has been accumulated over the past four decades. Long Yongtu emphasised that the UNDP's political neutrality was a main reason for China's acceptance of its aid in the late 1970s, as China believed that the UNDP would not interfere in its sovereignty and impose pressures on its policies (Long, 2015, p. 46). While China suspects a 'hidden agenda' behind traditional donor states' push for trilateral cooperation, it feels more relaxed working with the UNDP. That is also why China insists that the UN should

¹⁷ This point is also supported by the author's interview with a UNDP official (Beijing, 18 August 2015).

play a central role in global governance, including in the post-2015 development agenda. Li Baodong, China's deputy foreign minister in charge of multilateral affairs argued that:

The UN system has played a key coordinating role in advancing the MDGs, and the UNDP in particular deserves much of the credit. China always believes that it is important to establish and improve an international development architecture centred on the United Nations and supported by other multilateral institutions. (Li, 2014, para. 17)

The trust of the UN and the desire to burnish China's global image by supporting the UN system also explains China's recent agreement to a substantial increase of its UN membership fee (7.9 per cent) and contribution to UN peacekeeping (10.2 per cent) over the period 2016–2018. According to Ambassador Wang Min, deputy representative of China's permanent mission to the UN, this increase reflects China's responsibility and obligation as a UN member (China's Permanent Mission to UN, 2015).

Geo-strategic Considerations

It would be valuable to analyse the China–Cambodia bilateral relationship here, which is characterised by complex historical and geo-strategic considerations. There is a compelling alternative argument: China conducts trilateral aid cooperation for its own strategic and geopolitical gain.

China has invested substantial efforts, including through foreign aid, to strengthen its strategic relations with Cambodia. This can be to a great extent attributed to Cambodia's geopolitical position in China's diplomacy in Southeast Asia. This becomes more obvious in recent years, as China faces mounting pressure from some ASEAN countries regarding sensitive issues, such as maritime disputes with countries such as the Philippines and Vietnam over territory in the South China Sea. According to Colonel Veasna Var from the Cambodian Royal Army:

For China, Cambodia has the strategic importance of its geopolitical location allowing for security and oversight in the South China Sea with Vietnam, Taiwan, and the Philippines, especially to secure its claim on the disputed Spratly Islands and natural resources. (Var, 2011, p. 32)

China's largesse in Cambodia has yielded success. Cambodia has provided open support for China, even at the expense of irritating ASEAN member states. In July 2012, the ASEAN foreign ministers' meeting in Phnom Penh failed to issue a joint communiqué for the first time in its 45-year history. As the rotating chair, Cambodia was blamed for siding with China on the South China Sea disputes (BBC, 2012). Colonel Veasna Var noted that 'Cambodia's foreign policies are heavily influenced by China. Cambodia is playing a strategic[ally] important role for China's political diplomatic interests in the region and the world' (Var, 2014, p. 10). He also argued that the Cambodian government has taken different approaches to the construction of dams by China and Laos along the Mekong River. While expressing strong opposition to the construction of dams in Laos, due to China's massive economic influence in Cambodia, the Cambodian government took a softened stance on Chinese dams and was reluctant to take up this issue directly (Var, 2011, pp. 28–29). In April 2016, Cambodia, along with Laos and Brunei, reached a four-point consensus with China that supported China's position on the settlement of the South China Sea disputes (MFA, 2016b).

Others argue that the Cambodian government acted in China's favour on several sensitive issues, including denying the visa to Dalai Lama, repressing Falun Gong practitioners in Cambodia in 2002 and withdrawing support for Japan's 2005 bid for a permanent UN Security Council seat (Ciorciari, 2015, pp. 261–262). While the US slammed Cambodia's deportation of 20 Uyghur asylum seekers to China in December 2009 (Cable News Network, 2009), China's MFA spokeswoman, Jiang Yu, insisted that 'every country [referring to Cambodia] has its right to make decisions according to its domestic laws' (People's Daily, 2009). She reiterated China's no-strings-attached aid principle amid speculation that this deportation case was linked to China's aid in Cambodia (People's Daily, 2009). In April 2012, China's former ambassador to Cambodia, Hu Qianwen, credited Cambodia's support for China. He said that 'Cambodia has provided a "high-degree" of understanding and support for China's core interests including the Taiwan and Tibet issues, and also maintained a "just" position on the South China Sea issue' (Xinhua, 2012).

It is fair to admit that the geo-strategic factor has dominated China's foreign aid to Cambodia due to its geopolitical importance to China's diplomacy. China has a much stronger strategic interest in Cambodia than in the other two recipient countries—PNG and Timor-Leste, which are my selected cases of trilateral cooperation in Chapters 5 and 6. However, it is evident that this geo-strategic factor alone is insufficient for explaining China's adoption of trilateral cooperation in Cambodia. First, as bilateral aid would better serve China's geo-strategic benefits because China would not need to share the credit with other donors—diluting its influence on the Cambodian regime—why should China agree to conduct this cassava project in a trilateral way? Second, Cambodia, PNG and Timor-Leste have different geo-strategic weights in China's diplomacy, but China has conducted trilateral aid cooperation in each of these countries. This makes the geo-strategic consideration not a necessary and decisive factor in China's trilateral aid cooperation. Conversely, the global image factor has a stronger explanatory strength in analysing this trilateral cassava project in Cambodia.

Learning by Doing

As discussed in Section One of this chapter, China hopes to improve its aid delivery by learning from the UNDP's experiences. For example, China expects its trilateral project with the UNDP on renewable energy in Ghana 'will support the review and updating of South–South cooperation policies and guidelines' and 'contribute to solid capacity building, enabling China to engage more systematically in South–South cooperation' (UNDP China, 2015c). China's learning desire is also evident in this trilateral cassava project. As one Chinese agricultural expert involved in the cassava project suggested, China wanted to learn from the UNDP's expertise and this project has exactly combined China's funding with the UNDP's expertise (Interview, Beijing, 25 August 2015).

China hopes to learn to pilot its aid in soft areas by moving away from over-concentrating on difficult infrastructure projects, which could improve China's aid delivery. This problem has been highlighted by Chinese scholars, such as Song Lianghe from Xiamen University and Wu Yijun from Jilin University (Song & Wu, 2013). Currently, most of Chinese aid projects in Cambodia are supported by concessional loans (see Figures 12 and 13), with fixed interest rates of 1, 1.25 or 2 per cent.

4. THE UNDP AS A CATALYST FOR CHINA'S DEVELOPMENT COOPERATION

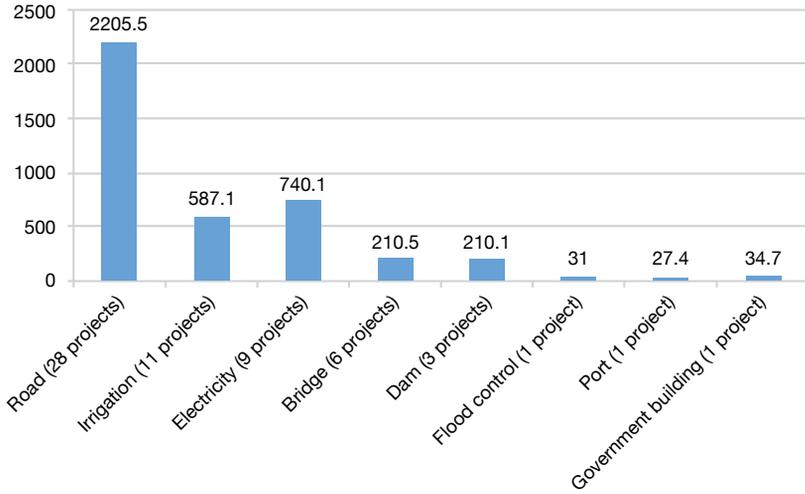


Figure 12. China's infrastructure concessional loans projects in Cambodia by value, USD million

Source. Compiled by the author from the CDC aid database.

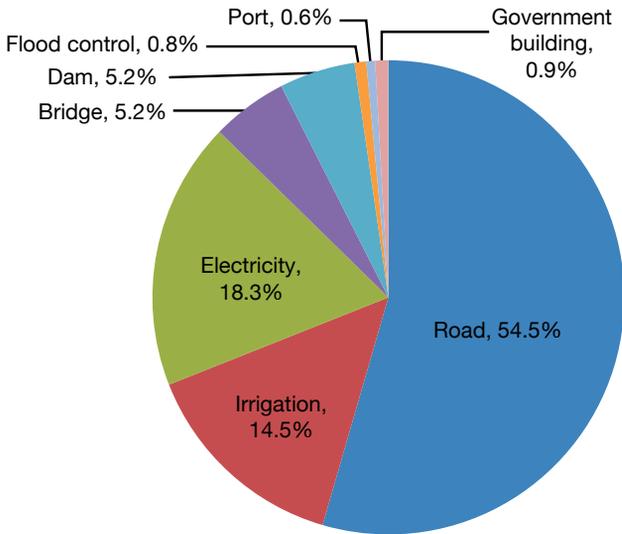


Figure 13. China's infrastructure concessional loans projects in Cambodia by percentage

Source. Compiled by the author from the CDC aid database.

Though infrastructure projects are of great significance to Cambodia, China is mindful that it must increase its aid in soft areas such as capacity building to complement the hard projects. As such, China's economic and commercial counsellor's office in Cambodia expressed interest in the trilateral cassava project, noting that "soft, grassroots-oriented" trilateral cooperation helps shape "hard" bilateral aid and business towards more poverty reducing outcomes' (UNDP China, 2014a). Hannah Ryder, head of the policy and partnership unit of UNDP China, concurs with this view. She elaborated:

What have we learned about China's south-south cooperation from this project? I think there are two things we have learned. First that China's south-south cooperation at the moment especially is very hard infrastructure focused. We hear about it all the time. But with this project and increasingly so, China is expressing a real interest in more grassroots poverty reduction livelihood-focused type projects. They are harder to implement and harder to get results from but China is really interested. The second thing we have learned is that China really cares about the fact that government (of the recipient country) owns the project. (UNDP China, 2015b)¹⁸

Facing donors' evolving aid policies, including China's attempt to invest more aid in 'soft' areas, the Cambodian government's position has been detached to a great extent. Some scholars argue that Cambodia welcomes emerging donors' aid as an alternative to aid from traditional donors and that it is reluctant to address aid fragmentation (Sato, Shiga, Kobayashi & Kondoh, 2010, p. 18; Greenhill, Prizzon & Rogerson, 2013, pp. 28-30). As a response, Cambodian senior aid officials argued that their government has been promoting aid coordination and that it has welcomed donors to provide aid to areas of comparative advantage, 'But at the end of the day, donors, especially those who bring in their own grants and own money, they have a lot more say than the Cambodian government' (Interviews with Cambodian officials, Phnom Penh, 3 and 7 July 2015).

In light of this, while the Cambodian government welcomes Chinese aid in the infrastructure in Cambodia, it is also open to China's growing input in aiding 'soft' areas. To elaborate, while appreciating China's no-strings-attached principle and huge contribution to the infrastructure in

18 This transcript is derived from a video clip on the UNDP China website regarding the trilateral cassava project.

Cambodia, Cambodian aid officials have also shown interest in improving Chinese aid practices in Cambodia by promoting China's learning from traditional donors. One senior Cambodian aid official revealed his observation of aid projects from China and Japan in his country: while working on the same type of aid, such as road projects, the Japanese aid workers will talk to the local people including the villagers and establish good public relations, while the Chinese workers seldom do this and just focus on their work. This official noted that it would be beneficial for China to learn from their Japanese colleagues (Interview, Phnom Penh, 27 May 2015).

Agriculture is a major sector for Chinese aid in Cambodia. It has been highlighted as one of the three priority areas for bilateral cooperation¹⁹ since 2002 (Li, Ye & Mi, 2002). It is also included in the areas of cooperation under the China–Cambodia ‘Strategic Comprehensive Partnership Agreement of 2010’, an umbrella document that guides bilateral cooperation. As China's aid to the agricultural sector in Cambodia traditionally focused on individual infrastructure projects and technical training, the second phase of the trilateral cassava project ‘brings in a more systematic way of providing support in the form of a longer-term development project’ (UNDP, 2015a). The cassava industry is an ideal sector for experimentation as China is the largest importer of cassava products, importing 84 per cent of global import for fresh/dried cassava and 34.5 per cent for cassava starch in 2012 (Cambodian Government, 2014, p. 319). The Cambodian government places high hopes on the Chinese market. Moreover, there is great room for Cambodia's export, as the bilateral trade is in China's favour with a surplus of \$2.8 billion in 2014, nearly six times that of Cambodian export to China (\$483 million)—though food export accounts for 6.6 per cent (He, 2015).

The UNDP's Motivations

The UNDP has aligned its development assistance with the development priorities that have been set out by the Cambodian government. The UN development assistance framework (2011–2015) for Cambodia has made economic development and sustainable development (including enhancing Cambodia's agricultural sector) as the UNDP's first priority in Cambodia (UN Cambodia and Cambodian Government, 2010).

19 The other two areas are human resources development and infrastructure construction.

As the UNDP pledges to scale up its support for south–south and trilateral cooperation in its strategic plan for 2014 to 2017 (UNDP, 2013), it has been enthusiastic to shift from providing aid to China to promoting trilateral partnership in Third World countries. This can potentially promote aid effectiveness in other developing countries by leveraging China’s resources and fresh development experiences and UNDP’s expertise, management and worldwide networks. Further, as some Chinese and UNDP officials stated, by trilateral cooperation, the UNDP expects to influence the reforms of Chinese aid policies by encouraging China to learn from the UNDP (Interviews, Beijing, 18 and 20 August 2015). Moreover, the UNDP is keen to maintain the networks with the Chinese government.

The UNDP has taken the lead in promoting trilateral partnership with China and has maintained the trust it has earned over the years from MOFCOM. For example, while insisting traditional donor states should provide funding for trilateral projects with China, China is willing to fully underwrite trilateral cooperation projects that are completed with the UNDP, allowing the cash-poor UN agency to bring only technical assistance to the table. Cooperating with the UNDP is appealing to the Chinese government in two main ways. First, it bears plenty of symbolic significance, as the UNDP is the UN’s largest development agency. Partnership with the UNDP could strengthen China’s image as a responsible member state within the UN system. Second, the Chinese government is keen to benefit from the UNDP’s abundant expertise and wide network in development (UNDP and MOFCOM, 2010). However, compared to some other multilateral agencies such as the World Bank, the UNDP’s available funding to China is limited, which to some extent limits its influence in China.

The roles of different UNDP offices in this trilateral cassava project must be explained. The UNDP head office was not directly involved in project implementation, but their support, such as through UNDP administrator Helen Clark’s two visits to China in 2009 and 2013, set the general tone for trilateral cooperation with China. UNDP China played a major role in the project, such as by liaising with all the relevant actors, selecting Chinese cassava experts and making project assessment. Their main goal was to make this trilateral project a model for the UNDP’s trilateral partnership with China. UNDP Cambodia was responsible for liaising with the Cambodian government, jointly selecting Cambodian trainees for the first phase of the project and jointly managing the second phase

together with the Cambodian government. UNDP Cambodia's role was more supportive compared to UNDP China. It is helpful to mention that although UNDP China's communication with offices in other countries was blamed for being weak in some cases, its coordinating role in this project has seemingly been successful based on interviews with numerous actors.

Cambodia's Motivations

The Cambodian government is open to trilateral cooperation. Heng Chou, director-general from the Council for the Development of Cambodia noted that 'we welcome trilateral cooperation because of the advantages each partner brings to us' (Interview with Heng Chou, Phnom Penh, 7 July 2015). However, Cambodia's endorsement for this trilateral cassava project was pragmatic. This project was designed as an important part of larger support to the cassava industry under the Cambodia Export Diversification and Expansion Program funded by the Enhanced Integrated Framework under the Cambodia cassava trilateral assistance and diagnostic trade integration strategy enhancement program (Cambodia MAFF and UNDP Cambodia, 2013). Enhancing the agricultural sector has been persistently highlighted as the first side of the 'growth rectangle' in Cambodia's rectangular strategy phase I, II and III (Cambodian Government, 2004, 2008, 2013).

Cassava is the second-most important agricultural crop in Cambodia after rice. It is potentially among the five top global exporters of fresh/dry cassava and a conservative estimate of Cambodian cassava by informal exports was about \$200–300 million in recent years (Cambodian Government, 2014, p. 318).²⁰ The planting area of cassava in Cambodia has increased dramatically from around 16,000 hectares in 2000 to more than 345,000 hectares in 2012 (Cambodian Government, 2014, p. 324).

However, the cassava sector faces serious challenges, such as rare technical support to the sector and limited market information. In addition, the Cambodian government noted that they need a trustworthy report with scientific evidence regarding the environmental impact of cassava cultivation to help them make decisions in the cassava industry (Cambodia MAFF and UNDP Cambodia, 2013, p. 3). Teng Lao, secretary of state

20 According to the Cambodia government, most of its cassava export belongs to the informal and unrecorded cross-border trade with Thailand and Vietnam.

from Cambodia MAFF, noted that ‘though 80 per cent of Cambodia’s population work in the agriculture sector, lack of access to the market information and technology has made the export of Cambodian agricultural products extremely difficult’ (Mo, 2013).

For cassava exports to China, one challenge is transport costs and seaport loading capacity. Another hurdle is the inability of Cambodian cassava products (e.g. chips, starch, ethanol and animal feed) to meet stringent sanitary and phyto-sanitary requirements in China (Cambodia MAFF and UNDP Cambodia, 2013, p. 3). Due to technical and information constraints, Cambodian farmers, processors and exporters struggle to compete with their counterparts in other countries for the Chinese market.

To meet the challenges, the Cambodian government has emphasised the application of new technologies and the adding of value to agricultural products (Cambodian Government, 2013, p. 17). The Cambodian national strategic development plan (2014–2018) and the Cambodia trade integration strategy (2014–2018) established targets for enhancing cassava quality to meet sanitary and phyto-sanitary requirements, increase the direct export of cassava to China and Korea and reduce the dependence on exports of unprocessed tubers to Thailand and Vietnam (Cambodia MOP, 2014, pp. 74, 189; Cambodian Government, 2014, p. 24). This trilateral project was initiated and undertaken as a move in this direction.

Project Assessment

Overall, the three participants of the trilateral cassava project credited the project as a success, at least in public (Interviews with UNDP officials, Phnom Penh and Beijing, June–September 2015). In December 2014, a joint monitoring and reviewing mission led by Liang Hong,²¹ division director of MOFCOM’s DITEA, and Hannah Ryder, deputy country director of UNDP China, assessed the project progress in Cambodia, lauding it as ‘a complete success’ (UNDP China, 2014a). They have drawn the following lessons:

21 Linking this to the previous fact that Deputy Division Director Cai Fang from MOFCOM’s DFA and Deputy Director General Zhu Hong from MOFCOM’s DITEA were involved in Phase I, we can tell that the two departments were both involved in the trilateral cassava project.

The experience gained thus far shows the crucial importance of strong demand and buy-in from the third country government and participating institutions. These are not only core principles for both UNDP and the Chinese Government, but also the key to project success and sustainability. Work done in 2013 has also shown that trilateral cooperation as an innovative modality requires flexibility, with allowance to be made for a step-by-step process as partners learn about each other's approaches. Mutual learning is a key part of trilateral cooperation: different and complimentary contributions are made by all partners, and different approaches to what 'development' means and how it can best be achieved are seen as strengths. (UNDP China, 2014b, p. 5)

This project has yielded tangible results for the cultivation and export of Cambodian cassava to China's market. For example, in March 2013, the first shipment of 8,000 tons of dried Cambodian cassava left for China, which was the first time that Cambodia had exported cassava to China by shipping in bulk (Mo, 2013). The sanitary and phyto-sanitary issue is also being addressed. With a grant of around \$9.26 million (over RMB 60 million), China funded the construction of the Cambodia agricultural laboratory building and donated three whole sets of sanitary and phyto-sanitary equipment for agricultural products (Peng, 2013).

However, although the two phases of the trilateral cassava project have exposed the Cambodian farmers, processors and traders to advanced cultivation technologies and market information in China, this is only a first step in a long journey. Dr Somany from Cambodia MAFF emphasised the need for follow-up. He highlighted that there are 500,000 cassava growers in Cambodia, while fewer than 120 of them have received training through the trilateral project. To test whether the training manuals are effective, the donors and the Cambodian government must provide trainees with more support, such as fertiliser. Otherwise, the farmers could not afford to buy fertiliser and follow the cultivation instructions in the manuals (Interview with Dr Prum Somany, Phnom Penh, 15 July 2015), which suggests to some extent that the training manuals are unrealistic, as they do not match with agricultural conditions and the financial circumstances of farmers. With a top-up of \$50,000 from the UNDP, Cambodia MAFF was planning to establish 12 one-hectare family farms and provide inputs that included seeds and fertilisers to test the result of the training manuals (Interview with Dr Prum Somany, Phnom Penh, 15 July 2015). In addition, more work is needed in the long run to integrate different sectors of the cassava value chain, including growth, processing, marketing and

exporting, as well as promoting closer coordination among government agencies and the private sector. Improvements in infrastructure, such as expanding seaport loading capacity, is needed. High-level commitment and support from Chinese and Cambodian governments on these issues are also needed.

Reservations exist for this cassava project. As this cassava project was small, some participants think it was set as too ambitious a target from the beginning, in regard to issues such as the environmental study and the link to the Chinese market (Interviews with one Chinese aid official and one UNDP official, Beijing, 4 and 18 August 2015). Niels Knudsen, assistant country director of UNDP China, stated that the UNDP–China joint assessment mission in December 2014 thought that the cassava project had reached the ceiling and faced practical challenges, including infrastructure and transport problems in Cambodia (Interview with Niels Knudsen from UNDP China, Beijing, 30 July 2015). A third phase pilot project apparently cannot help solve these problems. A third phase thus seems unlikely, unless the high-level leadership of MOFCOM and the UNDP wills it.

Conclusion

This trilateral cassava project in Cambodia is a model of China's trilateral cooperation with the UNDP that has played a catalytic role in promoting China's experimentation of this new modality. As the above discussion has demonstrated, China participated in this project for two main reasons. The first is because China values its cooperation with the UNDP and wants to use trilateral aid cooperation to promote its global image as a responsible power. Second, the four-decade-long engagement between China and the UNDP in development cooperation has formed the perception in the mindset of Chinese policymakers that the UNDP could play a positive role in China's development cooperation, and that China could benefit by learning from the UNDP's aid practices and expertise through trilateral cooperation. These findings support the arguments of constructivism and cognitive learning theories regarding a state's identity, interests and ideas, as well as the role of engagement in eliciting idea changes.

While trilateral cooperation with the UNDP has occurred in Cambodia, it could be more difficult for China to conduct trilateral projects with Western donor states. Colonel Veasna Var argued that although Cambodia turns to China for foreign aid and to the US for defence cooperation, the competition between the two superpowers places the Cambodian government's future policymaking in a dilemma, one between the extremely important issues of aid and democracy (Var, 2011, p. 31). It is also sometimes in the Cambodian government's interest to play the superpowers against each other. Therefore, China and the US will readily endorse bilateral rather than trilateral cooperation in Cambodia. However, this does not rule out the potential for trilateral cooperation between the two superpowers in less sensitive areas, such as agriculture and public health. However, as the strategic motivations behind China and the US's aid to Cambodia are strong, the start of a trilateral cooperation will require high-level political commitment from the two governments.

Let me conclude this chapter with a quotation from a Chinese official regarding his view of trilateral aid cooperation. This could illuminate China's future trilateral cooperation with the UNDP, other UN agencies and traditional donor states. Ambassador Wang Min clearly stated China's official position for trilateral cooperation with the UNDP in September 2013:

While identifying trilateral cooperation projects with the UNDP, the Chinese government mainly has three factors in mind. First, the will of the government of the third country involved in the project should be fully respected. Second, the project should give full play to the synergy of China and the UNDP in terms of experience and resources. Third, the outcome of the project should bring maximum benefit to all three sides. (Wang, 2013, para. 13)

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