

## Regional Snapshot

February 2015

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Total aid from China (2006-)	\$1.474.4 billion USD
Total number of Chinese aid projects (2006-)	167

### Top donors (2006-2013)

1	Australia	\$6.831 billion USD
2	United States	\$1.770 billion USD
3	Japan	\$1.225 billion USD
4	New Zealand	\$1.096 billion USD
5	China	\$1.057 billion USD

### Context

China has diplomatic relations with 8 Pacific Island countries: the Cook Islands, Federated States of Micronesia (FSM), Fiji, Niue, Papua New Guinea (PNG), Samoa, Tonga, and Vanuatu. This regional snapshot also includes Timor-Leste. The other 6 Pacific Island countries recognise Taiwan.

During the 1990s and early 2000s the region was the site of very active 'chequebook diplomacy' as China and Taiwan sought to win diplomatic recognition from the Pacific Island states. Some Pacific Island governments tried to capitalise on this competition, playing them off against each other in an attempt to secure more funds. After the election of Taiwanese President Ma Ying-jeou in 2008, however, China and Taiwan negotiated a tacit 'agreement' to no longer engage in overt tactics designed to sway each other's allies. Since then no Pacific Island country has switched allegiance.

Although most Chinese aid is negotiated and disbursed bilaterally, China provides support to key regional organisations, particularly the Pacific Islands Forum Secretariat (PIFS). China has been a Post-Forum Dialogue partner since 1996. It provides approximately US\$850,000 per year to the PIFS to support trade, development, and investment initiatives, including the Pacific Trade & Invest office in Beijing.

China has held two main regional meetings in which it announced a range of aid measures to strengthen economic development and diplomatic engagement with the region:

- 1st China Pacific Islands Countries Economic Development and Cooperation Forum – April 2006, Fiji
  - Pledged a RMB 3 billion (US\$376 million) concessional loan package
  - Cancelled all outstanding debts of Least Developed Countries in the region that matured at the end of 2005
  - Extended payments of debts that matured in 2005 by 10 years for other island countries
- 2nd China Pacific Islands Countries Economic Development and Cooperation Forum – November 2013, Guangzhou
  - Pledged US\$1 billion in concessional loans
  - Announced a commercial loan facility of US\$1 billion, administered through China Development Bank (CDB)
  - Committed to zero-tariff treatment for 95% of exports from the least developed countries in the region

In addition to its bilateral aid program and support for regional organisations, China also provides scholarships for Pacific Islands students and significant human resources training for government officials.

China has also provided medical assistance to the region through its [PLA Navy hospital ship, the Peace Ark](#), which most recently toured the region in September 2014.

**Top 3 sectors (number of projects)**

Government & Civil Society (36)

Education (27)

Transport (21)

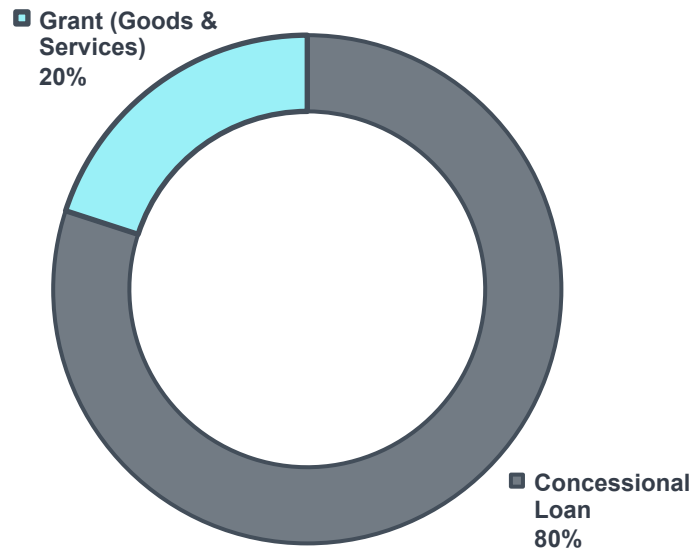
**Top 3 sectors (% of total Chinese aid)**

Transport (42%)

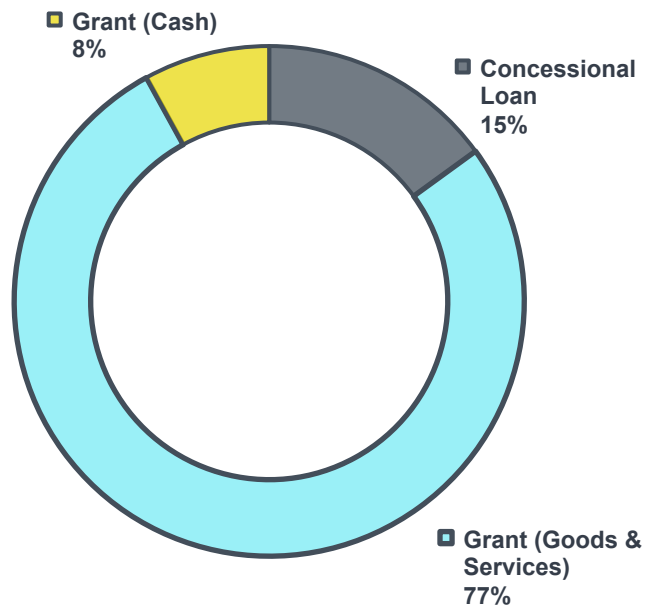
Government & Civil Society (13%)

Education (9%)

### Chinese aid by type (as % of total value)



### Chinese aid by type (as % of number of projects)



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