Active agents, passive recipients? Negotiation of Chinese development assistance and concessional lending by Pacific Island Governments
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Chinese development assistance has attracted increasing attention since the China-Pacific Island Countries Economic Development and Cooperation Forum was held in 2006. At this meeting, the Chinese Premier Wen Jiabao, announced a range of assistance for the region, including RMB 3 billion of concessional loans. This has led to China becoming the major creditor to Pacific island countries such as Tonga. Most studies have focused on geostrategic implications of such assistance, and on the relationship between China and traditional aid donors. What has been missing is analysis of the role played by Pacific island governments, and Chinese contractors, in establishing and implementing China-funded projects. An understanding of these roles is important, given their impact on the effectiveness and developmental outcomes of both grants and concessional finance.

This paper presents research exploring how Pacific island governments pursue and implement projects funded by Chinese official development assistance, including concessional loans. Our results are based on interviews with civil servants, political leaders, and Chinese embassy staff across four case study countries where assistance has been significant: Tonga, Vanuatu, Samoa and Cook Islands. The way in which these Pacific island governments have pursued and implemented projects has differed considerably. We argue that this is a key determinant of both the effectiveness, and perceived effectiveness, of Chinese assistance in each country. There is considerable scope for Pacific island governments to learn from the successes and mistakes of regional neighbours when utilising Chinese funding.