



China's SSC in Numbers

2 billion USD

Initial contribution to the new South- South Cooperation Aid Fund

Chinese President Xi Jinping addressed the UN Sustainable Development Summit 2015 on September 26 at the UN Headquarters in New York, as part of his UN visit. In his 10-minute speech, President Xi made a number of announcements of support and assistance measures for the implementation of the post-2015 development agenda, also known as the Sustainable Development Goals (SDGs). These announcements include the **US\$2 billion fund** to support South-South cooperation and SDG implementation; raise investment to **US\$12 billion of investment** for least developed countries in the next 15 years; **cancel debt** from outstanding interest-free loans owed by least developed countries, landlocked developing countries and small island developing countries due by the end of 2015, among others.

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From January to August this year, Chinese enterprises have made foreign direct investment (FDI) in 48 countries along the **Belt and Road**, with an accumulative value of US\$10.73 billion, marking a **48.2 percent** annual increase compared to the same period in the previous year, mainly in countries such as Singapore, Kazakhstan, Laos, Indonesia, Russia and Thailand. Belt and Road countries are seeing faster growth of China's FDI than other countries.

48.2%

Increase of investment in Belt and Road countries

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1.6 billion USD

Investment in Pakistan

The historic Forum of the China Pakistan Economic Corridor (CPEC) was held on August 11-12 in Karamay, Xinjiang Uygur autonomous region. China and Pakistan signed 20 Memoranda of Understanding (MoU) worth **10.35 billion yuan (US\$1.6 billion)**. The MoUs involved Sino-Pakistani cooperation in various fields such as energy, electricity, industrial part construction, agriculture, health, culture and education. The Forum also resulted in the issue of the *Karamay Declaration* which highlights the significance of the CPEC and China's Belt and Road. **More than 300 officials** and representatives from businesses, research institutions and social sectors of both countries attended the Forum.

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Voices



“China can provide their experiences through their development policies, where they have excelled many other countries in meeting the Millennium Development Goals, starting from lifting many hundreds of millions of people out of poverty”.

Ban Ki-Moon, UN Secretary-General, spoke at an [interview for the UNDP—Baidu E-Waste project](#) during his visit to Beijing, China on September 2-6, 2015.

“Development is meaningful only when it is inclusive and sustainable. To achieve such development requires openness, mutual assistance and win-win cooperation”.



Chinese President Xi Jinping, called on the international community to adopt a new type of international relations featuring win-win cooperation at the [United Nations General Assembly](#) in New York, September 28, 2015.



“South-South Cooperation is an important instrument to implement the SDGs and from a SIDS point of view, we would seek and encourage programmes that are premised on effective partnering and results-focus, particularly those that build and support the resilience of our countries to lessen the impacts of harmful exogenous factors like climate change or global financial crises”.

Tuilaepa Lupesoliai Sailele Malielegaoi, Prime Minister of Samoa, spoke at the [High-Level Roundtable on South-South Cooperation](#) during the UN Summit, September 26, 2015.



Commentary in Focus

China's Economic Slowdown: Opportunities for Developing Countries?

China's [economic slowdown](#), accompanied by the recent [currency depreciation](#) and the [plunging stock market](#), has caused real panic globally. At the same time, China is still projected to grow at a rapid 7 percent, from an average rate of 10 percent a year over the past decade, providing strong resilience during the 2008 financial crisis. China also continues to share its successful growth story with the rest of the world.



Yet, because of increasing interdependence between China and the rest of the world, it is not an overstatement that [when China sneezes, the world could catch a cold](#). China's slowdown has already begun to [affect some countries and some giant multinational corporations](#), pressuring them to adapt. As China has become the top trading partner of many developing countries and regions, especially resource-rich ones, heavy dependence on China's demand has rendered some industries in developing countries vulnerable. Take copper for example, of which China accounts for 40 percent of global consumption. Zambia, an important copper exporter for China, now [finds itself at a center of a storm](#) as its currency, the kwacha, has plummeted to all-time lows and Chinese mining companies are suspending their operations in the country. China's falling demand for Chile's copper has even fueled [tension between mining companies and miners' unions](#) in the country, due to falls in companies' revenues.

Despite these global concerns about the Chinese economy and its potential long-term impact on other developing countries, there are reasons to be optimistic. **Firstly, the Chinese top leadership has sent a positive message about the Chinese economy.** At the recent summer meeting of the World Economic Forum in Dalian on September 9-11, [Chinese Premier Li Keqiang reassured the world](#) that the slowdown of China's overall growth rate is an expected and reasonable result of China's transition to an economy driven by consumption and innovation. He also called on developing countries and developed countries to work together to promote production capacity cooperation, which offers developing countries a growth opportunity. **Secondly, China's slowdown has revealed some domestic problems within developing countries that could prompt them to carry out necessary social and economic reforms.** For example, it is pointed out that there has been plenty of talk about diversifying economies and structural reform in Latin America, but when metals are selling for high prices, [there isn't much incentive](#) to make reform decisions. For Africa, it is recognized that measures to restructure the economies involve [tough policy tradeoffs](#). China's slowdown could push these countries and regions to speed up their economic transformation agenda, which leads us to **the third point that developing countries will be pushed to look for new avenues of growth.** For example, it is suggested that Africa should rely more on intra-regional trade and investment, and look to [other markets such as India](#). For the [Gulf States](#), although China's economic slowdown will affect the oil industry, China's growing middle class and their increasing demand for imported products and consumer goods will represent opportunities for them.

Many have now come to realize that China's economic slowdown is part of global economic shifts, as well as a result of China's own structural reform. Despite all the concerns, the general trend of China as an economic partner is unlikely to be undermined. For example, China's Belt and Road initiative will significantly boost trade, investment and development cooperation and promote cooperation around, for example, special economic zones with countries involved. This could not only help China solve its domestic overcapacity issues but also support the industrialization process of the Belt and Road countries. In addition, the Asian Infrastructure Investment Bank and China's recent cooperation agreements with Latin America and the African Union, largely focusing on infrastructure, especially transportation networks, will play an important role in promoting Africa's regional connectivity. Last but not least, with over 1.3 billion consumers, China still represents a giant market for the rest of the world to tap into. To be sure, China's economic slowdown presents developing countries with many challenges, but also provides an opportunity for them to adjust their China policies and adapt to the changing realities.



News Highlights

President Xi makes new pledges during his UN visit

Chinese President Xi Jinping paid his first official visit to the UN Headquarters in New York on 26-28 September where he attended a series of events, making the 70th anniversary of the UN. These events include: the [UN Sustainable Development Summit](#) which saw the adoption of the 17 Sustainable Development Goals for 2015-2030 by all Heads of State; the [High-Level Roundtable on South-South Cooperation](#) hosted jointly by the UN and the Chinese Ministry of Foreign Affairs; the [Global Leaders' Meeting on Gender Equality and Women's Empowerment](#); the [UN General Assembly High-Level Debate](#); and the [Leaders' Summit on Peacekeeping](#) convened by the US.

During his UN visit, Xi made a number of new pledges to promote international development cooperation (see box on the right) and put great emphasis on the importance of “win-win cooperation”. In relation to this, UNDP Administrator [Helen Clark emphasized](#) the strong legacy and potential of China's contributions to South-South and trilateral cooperation in the context of the new global goals. The UN Secretary General Ban Ki-moon also praised China's role in promoting peace and development as well as providing solutions to regional and international issues, calling China “[an indispensable partner for UN agenda](#)”. It is expected that more details on these announcements will be released by the Chinese government. Currently, it is unclear whether some of the initiatives will require entirely new institutional arrangements, or will be able to be implemented through existing ones. In addition, their overlap with other initiatives promoted by China such as the Belt and Road and the Forum on China Africa Cooperation will also be useful to clarify.

Highlights of China's commitments

- Initial US\$2 billion aid fund for South-South cooperation and US\$1 billion China-UN Peace and Development Fund
- US\$2 million to WHO and US\$10 million to UN Women
- 120,000 training opportunities for professional technicians; 150,000 scholarships; 100,000 skills training programmes for women from other developing countries
- Establish a South-South Cooperation and Development Academy and an International Development Knowledge Center
- US\$ 100 million of military assistance to the African Union; set up a standby peacekeeping force of 8,000 troops; train 2,000 foreign peacekeepers
- Investment to LDCs to reach US\$12 billion by 2030
- The “Six 100s” initiative (100 poverty reduction projects, 100 agricultural cooperation projects, 100 hospitals and clinics, 100 schools and vocational training centers, 100 environmental protection and climate change projects and 100 trade promotion projects)

The 21st – Century Maritime Silk Road strengthens China-ASEAN cooperation

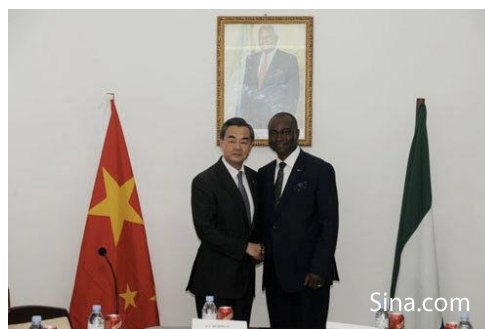


At the China-ASEAN Foreign Ministers' Meeting in Kuala Lumpur, Malaysia on August 5, China put forward [10 new proposals](#) on further deepening China-ASEAN cooperation, including launching cooperation in production capacity, enhancing connectivity with ASEAN countries, and establishing new mechanisms to promote sub-regional development. Chinese Foreign Minister Wang Yi said that China regards the ASEAN as a [key region for constructing the "21st-Century Maritime Silk Road"](#) and is willing to [align its "Belt and Road" initiative](#) with ASEAN countries' respective development strategies. On September 18-21, the [12th China-ASEAN Expo](#) was held in Nanning,

Guangxi Province, featuring the “21st-Century Maritime Silk Road” as the theme. A total of [62 international economic cooperation projects](#) were signed at the Expo, relating to logistics, new equipment manufacturing, finance and trade, hi-tech and information software services. With the establishment of the [ASEAN Community](#) this year, China's initiatives including the "Belt and Road" initiative and the Asian Infrastructure Investment Bank (AIIB) are expected to create new prospects for China-ASEAN cooperation and growth.

China promises continued support for post-Ebola Africa

On August 8-10, 2015, Chinese Foreign Minister Wang Yi [visited Sierra Leone, Liberia and Guinea](#), the three West African countries most devastated by the Ebola outbreak since last year. China promised to provide continued support to each of the three African countries for rebuilding in the post-Ebola era, including infrastructure building, resumption of trade and export, food security guarantee and other areas to enhance their resilience capacity against such crises. China's response to the Ebola outbreak by sending aid and medical personnel to Africa marks the first time for China to provide such support to combat a health crisis in other countries. During the visit, Wang met with the President of Sierra Leone, Ernest Bai Koroma, and confirmed China's [support in five key priority areas](#) of the country, including infrastructure development, mining, agriculture, public health system and human resources. China agreed to help Liberia with the construction of a US\$60 million [ministerial complex](#) that will host about 10 ministries, as well as a [coastal highway](#). During Wang's last stop in Guinea, he met with President Alpha Conde and said China would [continue sending medical teams](#) to the country and encourage more Chinese enterprises to participate more actively in Guinea for the construction of ports, roads, railways and electricity networks. According to the [latest World Health Organization figures](#), there have been a total of 28,220 reported Ebola cases in Guinea, Liberia and Sierra Leone, with 11,291 reported deaths. China has provided four tranches of assistance to 13 countries in and around the affected area with [a total of US\\$120 million](#), and sent over 1,000 medical staff, treated more than 900 patients and trained about 13,000 medical workers in affected countries.



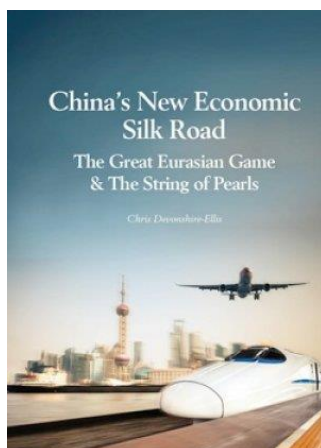
UNDP partners with Athletics for a Better World to celebrate South-South cooperation in sports



On August 26, the fifth day of the World Championships of the International Association of Athletics Federations (IAAF) in Beijing, UNDP partnered with Athletics for a Better World (ABW), the social responsibility programme of IAAF, to celebrate international partnerships in sports. At the national stadium – the Bird's Nest, and joined by two IAAF Ambassadors and Olympic champions, Joanna Hayes and Dwight Phillips, UNDP and ABW hosted a “World of Winners” reception and signed a [Memorandum of Understanding](#) to promote the role of sports in South-South cooperation. The event concluded that all these efforts made by UNDP, ABW and IAAF along with a variety of partners have strived to achieve sustainable and inclusive human development worldwide. 2015 marks the [fifth year of the China-UNDP partnership in South-South cooperation](#). Over the past five years, UNDP and China have delivered many results together. The reception was part of a series of events that celebrate the China-UNDP partnership and the [UN Day for South-South Cooperation](#) on September 12 each year.



Publications



China's New Economic Silk Road: the Great Eurasian Game & the String of Pearls

This unique and currently only available study into the proposed Silk Road Economic Belt examines the institutional, financial and infrastructure projects that are currently underway and in the planning stage across the entire region. Covering over 60 countries, this book explores the regional reforms, potential problems, opportunities and longer-term impact that the Silk Road will have upon Asia, Africa, the Middle East, Europe and the United States.

Chris Devonshire-Ellis (2015). *China's New Economic Silk Road: The Great Eurasian Game & The String of Pearls*. Asia Briefing Ltd.

[View publication](#)

Why is China Investing in Africa? Evidence from the Firm Level

The study reveals the profit-driven nature of China's investment in Africa and finds that: 1) China's share of the stock of foreign investment in Africa is small, though growing rapidly; 2) China's attraction to resource-rich countries is no different from Western investment; 3) China's investment is uncorrelated with a measure of property rights and rule of law, whereas Western investment favors the better governance environments; and 4) Contrary to common perceptions, there are few projects in natural resource sectors. Most projects are in services, with a significant number in manufacturing.

Wenjie Chen, David Dollar, and Heiwai Tang (2015). "Why is China Investing in Africa? Evidence from the Firm Level". The Brookings Institute. August.

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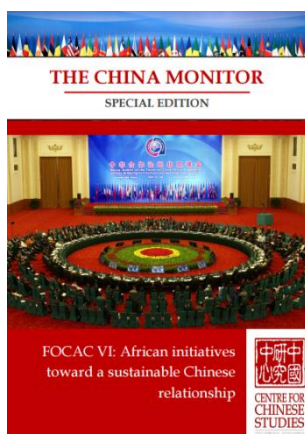


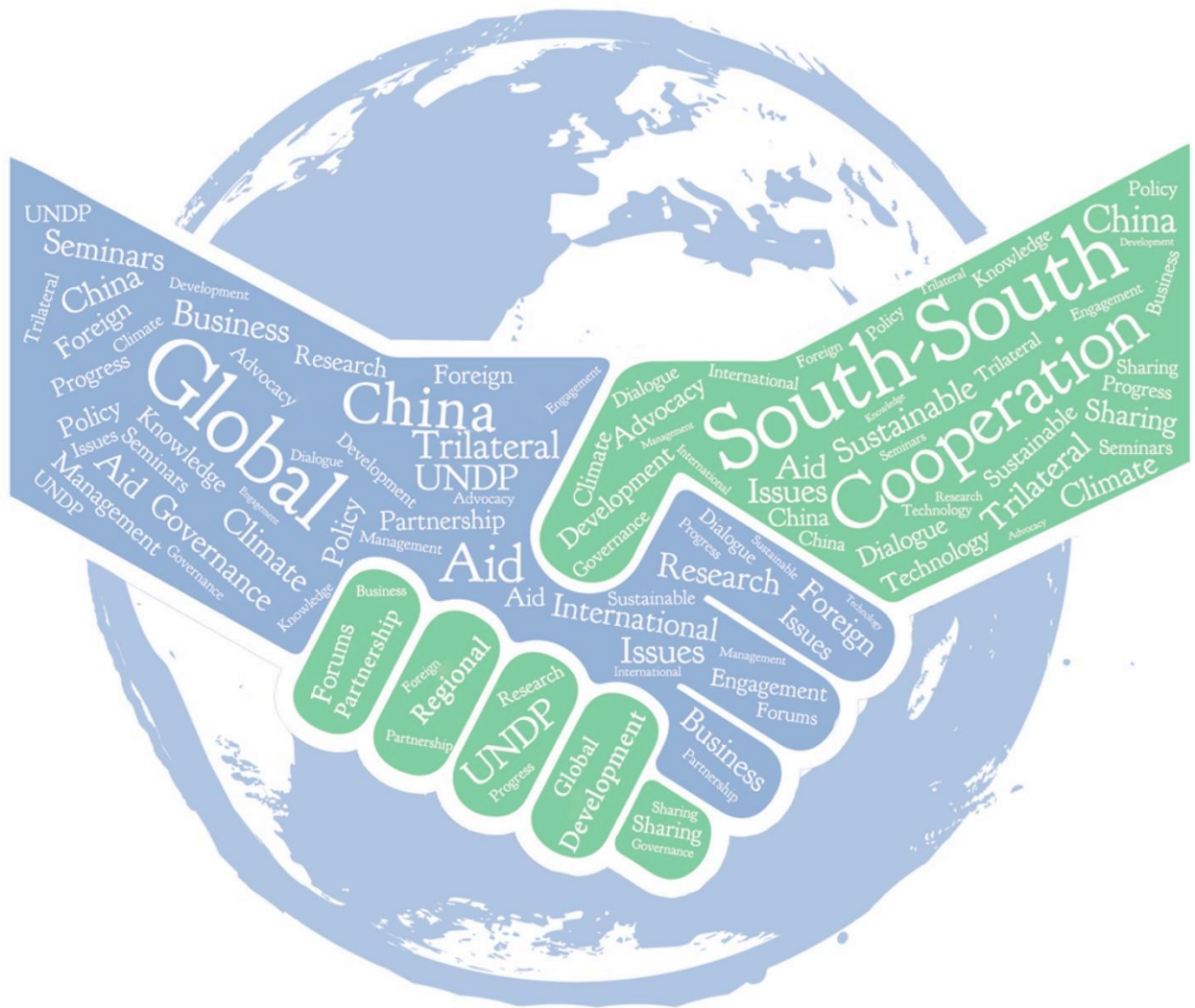
FOCAC VI: African Initiatives toward a Sustainable Chinese Relationship

Prior to the 6th Forum on China-Africa Cooperation (FOCAC), to be held in South Africa in December 2015, it is crucial that scholars and stakeholders review previous FOCAC commitments so as to enhance and deepen understanding on the African side and maximize benefits in the upcoming engagement. FOCAC 2015 provides an opportunity to assess China's presence on the continent and map out its future direction, but doing so vis-à-vis the maximizing of African benefits and opportunities. The special edition of the China Monitor seeks to raise awareness and provide balanced perspectives towards FOCAC and China-Africa relations through debate and information exchange.

Ross Anthony eds. (2015). *FOCAC VI: African Initiatives toward a Sustainable Chinese Relationship*. The China Monitor. Stellenbosch University. July.

[View publication](#)





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This newsletter forms part of a series to promote the understanding of Chinese South-South development cooperation and encourage the sharing of development experiences between China, other developing countries and the donor community.

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