

China can learn from the US on African aid

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Illustration: Luo Xuan/GT

There have been debates over whether China should set up an independent agency to manage foreign aid programs like most traditional donor countries. In December 2016, the OECD Development Assistance Committee (DAC) released peer reviews of the US' foreign aid efforts, which identified some problems in US aid to Africa based on field visits to Malawi and South Africa. China can draw lessons from these assessments as the country seeks to optimize its strategic plan for aid to Africa, improve the management of projects and financial contributions and reform the foreign aid management mechanism.

According to the OECD report, on a strategic level, the US needs to make significant efforts to promote coherence between foreign policy and development. The 2010 Presidential Policy Directive on Global Development (PPD-6) recognizes the elevation of development as the core pillar in US foreign policy, which helps promote coherence between foreign policy and development. But the coordination currently focuses solely on international affairs and rarely tackles conflicts between international and domestic policies, according to the report. This issue is particularly important given that the Trump administration has been skeptical of the necessity of US aid to Africa and has questioned how much US aid is susceptible to corruption and gets wasted. But President Trump overlooks the fact that the African Growth and Opportunity Act (AGOA) trade agreement has created more than 120,000 jobs in the US.

On the policy execution level, there has been a lack of a whole-government development strategy as well as clear guidance on how to put into operation the alignment of the US Agency for International Development (USAID) and broader US development efforts with sustainability development goals.

Other issues are that US aid volumes are small compared with the size of its economy, USAID uses an outdated and inefficient human resources operating system and there is a lower level of participation from recipient countries.

These problems that OECD identified can provide guidance for China as it seeks to reform its foreign aid mechanism and deepens cooperation with African countries.

First, China should strengthen coordination between its foreign aid agencies. The independent USAID cannot solve problems of policy coordination, and the key to an efficient mechanism is in the creation of a top-down design. Therefore, China needs to work out a top-down plan for foreign aid, which outlines the government's priorities in promoting development in certain areas as well as the responsibilities of each government agency to avoid fragmented efforts. A central leading foreign aid group can be set up to mobilize resources, coordinate foreign aid projects and allocate funds to different government agencies. Business departments and chambers stationed overseas should be given more power to coordinate and develop funding channels and guide the execution of foreign aid projects.

Meanwhile, China's foreign aid agencies in Africa should step up personnel management reform. Over the past five years, USAID has expanded its pool of talent but three-quarter of its workers are inexperienced, which adds to the administrative costs. When expanding its talent pool, Chinese foreign aid agencies in Africa should focus more on quality and institute an incentive mechanism to retain talent. They should reform the existing recruitment system to hire more local workers and build a project management team. Orientation and training in rotation should be provided to employees to foster a learning-oriented organization. Separate performance-based assessment systems should be designed for overseas Chinese public servants and local African employees so that experienced and well-performing employees have a greater scope to develop their potential.

Furthermore, Chinese foreign aid agencies in Africa should try to encourage the government, private sector and local communities in recipient countries to participate in the aid programs. No matter how capable a foreign aid agency is, its efficiency will be undermined if it cannot motivate recipients to get involved. Compared with the DAC countries, China positions aid to Africa as part of the South-South Cooperation initiative. This emphasizes equal partnership between China and African countries, which will create favorable conditions for China to mobilize recipient countries to jointly contribute to the aid programs. Chinese aid agencies could extend their cooperation with the

governments of African recipients, try to understand their development needs and encourage them to take the initiative to oversee the execution of programs. The result of project assessment can be shared with local government departments. They should also establish a long-term relationship with local communities to expand the influence of China's aid and allow them to play a part in guiding public opinion. Additionally, local private commercial institutions should be encouraged to co-finance aid programs to spread risk.

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