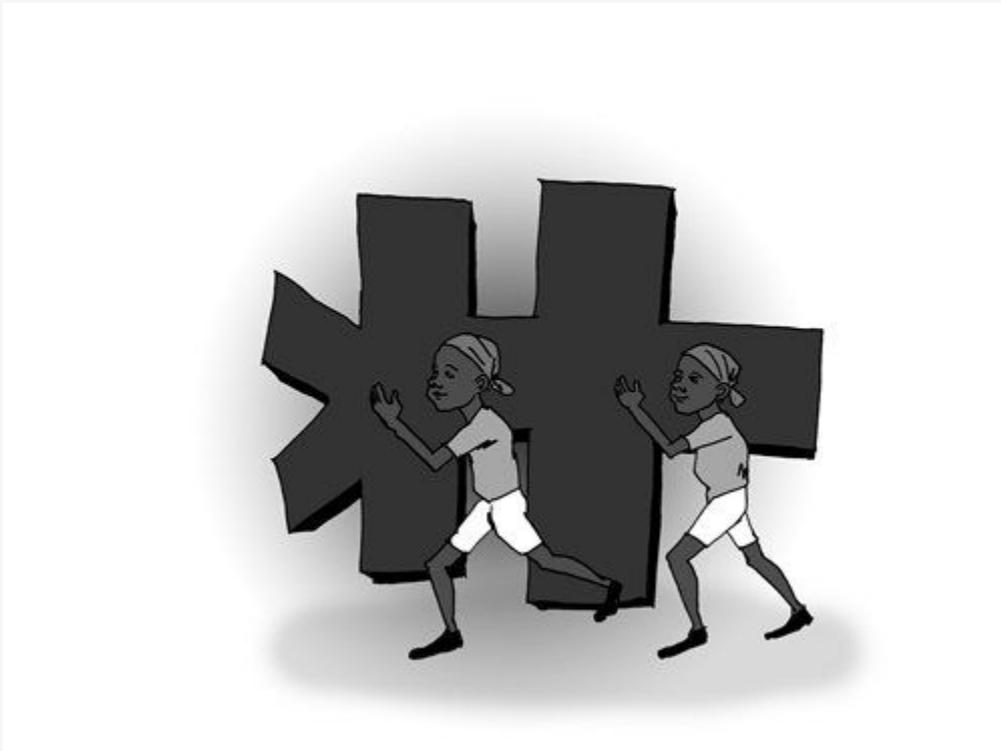


# China can learn from the UK on aid for Africa

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**Illustration: Luo Xuan/GT**

In December 2016, the UK Department for International Development (DFID) published a five-year report assessing the performance of the UK's multilateral aid institutions. As the only G7 and **G20** country that provides up to 0.7 percent of gross national income as foreign aid, the UK has always attached great importance to cooperation with multilateral institutions, with multilateral aid accounting for about 40 percent of the country's total foreign aid.

For aid recipient countries in Africa, the UK has actively used the multilateral aid channels to expand its aid scope in the region. The UK is the largest contributor in the 11th, 12th and 13th rounds of capital replenishments for the African Development Fund, the financing window of the African Development Bank (ADB), taking a 14 percent stake in the fund. Against such a backdrop, the UK believes that it is necessary to assess the performance of multilateral aid institutions to ensure the interests of its taxpayers and people from the recipient countries. China could also learn from the UK to optimize its aid to Africa and improve the efficient usage of aid funds.

The DFID established two indices to effectively score each multilateral institution. The first is assessing multilateral institutions' match with the UK's priorities in foreign aid, which includes three components. First, what it does: whether the institution has a critical role in delivering the UK's strategic objectives and whether it provides an advantage over UK bilateral aid. Second, how it delivers: whether the institution works well with others, whether it ensures a suitable focus on females in its policies and whether it supports "climate smart" development. Third, where it works: whether the institution performs well in fragile and conflict-affected states.

The second is assessing multilateral institutions' own organizational strengths, which also includes three components. First, results and value: whether the institution demonstrates delivery against results and objectives, whether it takes action to lower costs, whether it demonstrates efficiency in managing its operations and program choices and whether it deploys human resources for maximum impact. Second, risk and assurance: whether the institution promotes risk management and assurance and whether it takes action against corruption. Third, transparency and accountability: whether the institution strives to exceed global aid transparency standards and whether it is accountable to recipient countries.

Under this index system, the DFID used a range of evidence sources, including publicly available information from multilateral institutions, external evaluations and reviews such as the Multilateral Organization Performance Assessment Network, and feedback from UK employees working overseas and British non-governmental organizations, to score each institution.

The assessment has made a positive impact. First, it increased the transparency of international assistance. Using the assessment results, the DFID positively explained the distribution of the international donation to the domestic population. Second, it expanded the influence on regional development banks. As regional development banks emphasized the voice of local members, the DFID has undoubtedly strengthened the influence on these banks by aligning assessments with pledges. Third, it improved the efficiency of UK aid funds. In response to the problems identified in the assessment, the UK will send temporary consultants to assist with institutional reform.

This is an important route for participating in global governance. Against a background of major countries significantly reducing their aid budgets, numerous African recipients are attaching higher and higher expectations to China. However, in the short term, China's total aid budget cannot be expanded rapidly, which indicates that enlarging the cooperation with multilateral aid agencies and enhancing the fund utilization rate by learning from the UK is a good choice.

The first thing that needs to be done is to promote multilateral and bilateral assistance coordination. In view of cross-regional issues such as the spread of infectious diseases and regional conflicts, China should actively promote the development of voluntary

contributions and equity financing. While keeping bilateral coordination as the main choice, cooperation with multilateral institutions like the African Development Bank and the World Bank should also be strengthened. Second, China should establish and refine its assessment system to gauge the performance of multilateral aid agencies. On the basis of clarifying the priority areas for foreign aid, China should refine the specific aid targets in each field and establish a multilateral institutional scoring system.

The second thing China needs to do is to actively promote multilateral assistance cooperation. On the one hand, China could mobilize and guide funds from sub-regional or cross-regional development banks such as the Shanghai Cooperation Organization Development Bank toward fields where the funds are needed. And when dealing with international multilateral institutions not founded by China, Beijing could get actively involved with their agenda.

Finally, China should also participate in the reform of multilateral aid agencies, which do have some weaknesses. China could analyze the reasons for the incompetence sometimes shown by multilateral institutions and propose corresponding improvements. In addition, China should strengthen the sharing of experience among multilateral and bilateral associations, to make full use of the Chinese contribution.

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