



Sub-Committee on the Work of ICAI

House of Commons, London, SW1A 0AA

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From Theo Clarke MP, Chair

Rt Hon Amanda Milling MP
Minister of State
Foreign, Commonwealth and
Development Office

By email

18th March 2022

Dear Minister Milling,

Last September, the Committee took evidence from the Independent Commission for Aid Impact (ICAI) on its information note on the UK's aid engagement with China. Our evidence session focused on the changing nature of the UK's aid relationship with China, as China grows closer to graduating from ODA eligibility.

In particular, we were concerned by ICAI's evidence that the Government has not done a sufficient level of planning for the likelihood of China's progression beyond aid recipient status. We also heard that the Government has been reluctant to publicise details of its aid programming in China because of the risk of an adverse reaction from the public, which has led to concerns about the level of transparency of UK aid in China.

Since a FCDO Minister has not been available to give evidence on this topic, and given the significance of the UK's aid relationship with China, it would be helpful to have a written response to the following questions.

The UK's changing aid relationship with China

- 1. Sir Hugh Bayley told us that, in his view, the Government is not well prepared for China's likely transition beyond aid recipient status in the next few years.¹ What is your response to that assessment?**
 - a. Please can you set out, in response to this letter, what planning the Department has done for this transition?**

- 2. There is a heavy focus on the relationship with China in the Integrated Review. How do you believe that the changing aid relationship will impact UK-China relations more broadly?**
 - a. In your view, is China a partner or a competitor for the UK on international development?**

¹ [Q27](#)



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Aid spending and poverty reduction

Last year, the former Foreign Secretary confirmed that the FCDO's ODA spend on programme delivery in China would be reduced to £900,000 for 2021-22. In 2019, however, reported levels of bilateral ODA to China stood at £68.4 million, the highest level ever recorded in real terms.

- 3. Why has the Government continued to spend so much ODA in China over the past decade, despite DFID stating its intention to end its bilateral programmes in 2011?**
 - a. Why has the Government decided to channel its ODA spend through particular departments, such as BEIS?**
- 4. How will you measure the effectiveness of this year's spend?**
 - a. How will this spend address specific drivers of poverty?**
- 5. How much ODA has the Government spent in China this financial year (2021-22) through other funding channels?**

ICAI told us that the UK's programmes in China had "less emphasis on poverty reduction" than those in lower income countries. ICAI provided examples of programmes that have resulted in significant secondary benefits to the UK, such as securing an agreement from China to import technology worth "hundreds of millions of pounds" from a UK company.² The Prosperity Fund told ICAI that its aid programming had resulted in an additional £912 million of UK exports to China.

- 6. How have you ensured that the UK's aid engagement with China has not lost sight of the goal of poverty reduction?**
 - a. What assessment have you made of how UK aid engagement with China has contributed to poverty reduction and the Sustainable Development Goals?**

Transparency

We were concerned by ICAI's evidence that there is a "reluctance" within government to describe its aid work in China publicly because of the risk of an "adverse public reaction".³

- 7. How will you look to improve both the transparency of the UK's aid engagement with China and how you communicate this to taxpayers?**

It would be helpful to have a response to this letter by 19th April 2022.

Yours ever,

Theo Clarke MP

Chair of the Sub-Committee

² [Q6](#)

³ [Q29](#)