

# The UK's aid relationship with China up to 2023-24

A further update

**March 2024**

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# 1. Introduction

- 1.1 In April 2021, the Independent Commission for Aid Impact (ICAI) published an information note on the UK's aid engagement with China<sup>1</sup> which provided an account of the extent, nature, and purpose of UK development cooperation with China from 2015 to 2019. A week before the information note was published, the then foreign secretary, Dominic Raab, announced in a written ministerial statement (WMS)<sup>2</sup> that the Foreign, Commonwealth and Development Office (FCDO) had decided to implement a 95% reduction in its official development assistance (ODA) for programme delivery to China. Media reports at the time assumed that the foreign secretary's statement meant that this applied to all UK aid<sup>3</sup> and FCDO did not correct them.<sup>4</sup>
- 1.2 The term 'programme delivery' had not been used before in this context so ICAI asked the government to clarify which ODA-funded programmes were being cut. FCDO explained that the term was being used to describe two of the eight FCDO ODA budget lines described in the original information note – the Prosperity Fund, which was to be closed, and the International Programme funding work on open societies and human rights, which would continue with an annual expected spend of £0.9 million. ICAI reported this in an update to its information note in July 2021,<sup>5</sup> and "pledged to continue to track emerging plans for UK aid to China and report on significant new developments".<sup>6</sup>
- 1.3 In July 2023, ICAI produced a further update<sup>7</sup> that examined the 13 portfolios covered in the original information note (eight managed by FCDO and five by other government departments). In this note, ICAI reported that the Prosperity Fund had closed in 2021-22, and the Open Societies and Human Rights Programme was continuing with a budget of £0.9 million a year. The other six FCDO-funded ODA portfolios continued in 2021-22: the British Council (spending £7.8 million in China), Chevening Scholarships, the Great Britain-China Centre, ODA-eligible administration costs,<sup>8</sup> the former Department for International Development (DFID) China programme, and the former DFID centrally managed programmes (with spending ranging from an estimated £12.06 million for ODA-eligible administration costs<sup>9</sup> to £0.5 million for the Great Britain-China Centre). The 2023 update also reported that ICAI expected administration costs to fall to about £1 million, though FCDO has provided a 2022 figure of £4.07 million in this update (see [paragraph 2.7](#)), and that there would be no further guaranteed ODA

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1 [The UK's aid engagement with China: information note \(including July 2021 update\)](#), Independent Commission for Aid Impact, July 2021

2 [UK official development assistance departmental allocations 2021-22](#), Foreign, Commonwealth and Development Office, 21 April 2021

3 For example, in response to the 21 April WMS, [the Daily Mail published an article with the headline "Britain slashes aid to China by 95% to less than £1 million..."](#)

4 In evidence to the International Development Committee on 22 April 2021 Dominic Raab said "... we have cut the ODA spend in China by 95% ..." On 26 April 2021, in reply to an urgent question in the House of Commons, the FCDO minister, James Cleverly, said "... we have significantly, almost completely - reduced our aid support to China ..." Neither minister clarified that the 95% reduction applied only to part of the FCDO ODA spend and did not apply at all to ODA spending by other government departments

5 [The UK's aid engagement with China: information note \(including July 2021 update\)](#), Independent Commission for Aid Impact, July 2021

6 [The UK's aid engagement with China: A further update](#), Independent Commission for Aid Impact, July 2023, p.2

7 [The UK's aid engagement with China: A further update](#), Independent Commission for Aid Impact, July 2023

8 FCDO includes a proportion of the total costs of running its embassies in developing countries within its estimate of FCDO's total ODA eligible administration costs. The method for estimating these total costs evolved from a similar methodology applied by the former Foreign and Commonwealth Office (FCO) and informed by the OECD's directives on ODA reporting. The methodology requires each country and directorate to estimate "the proportion of the outcomes in their business plans that constitute ODA eligible activities". See also Explanatory note: [Statistics on international development – Interim method to capture FCDO's ODA eligible administrative costs](#), Foreign, Commonwealth and Development Office.

9 The estimated £12.06 million figure is for ODA eligible admin costs in the 2021 calendar year, not the 2021-22 financial year.

funding for the Great Britain-China Centre and the former DFID-China programme in 2022-23.<sup>10</sup> Four of the five ODA programmes managed by other government departments were due to cease spending by 2023-24. The Illegal Wildlife Trade Challenge Fund (IWTCF), managed by the Department for Environment, Food and Rural Affairs (Defra), would continue but with estimated spending with China of only £0.2 million in 2023-24.

- 1.4 As noted in the 2023 update, ICAI differentiated between aid ‘to’, ‘with’ and ‘in’ China in the 2021 information note but did not make the same distinction between the three types of aid spend in that update, as virtually all of the existing portfolio is categorised as aid ‘to’ China. We have taken the same approach in this latest update, but for consistency will continue to use the term ‘engaging’ China if referring to the UK’s entire aid portfolio relating to China in 2019; that is aid ‘to’, ‘with’ and ‘in’ China at that time.<sup>11</sup>
- 1.5 The 2023 Integrated review refresh<sup>12</sup> provides the UK’s overarching policy on aid to China. It commits to “strengthen our national security protections, align and cooperate with our partners, and engage where it is consistent with our interests”. It does not provide a specific set of development objectives for ongoing work in China. The UK approach was reinforced in the 2023 Mansion House speech delivered by the then foreign secretary, James Cleverly, where he said, “to give up on dialogue with China would be to give up on addressing humanity’s greatest problems.”<sup>13</sup>
- 1.6 This note follows up on ICAI’s 2023 update to track whether UK aid spending for China has continued to fall, as predicted.

## 2. Findings

- 2.1 ICAI has now gathered information on the changes in UK aid to China in 2023-24. In producing this update, ICAI asked the government to share information on the six portfolios covered by the original information note which were reporting indicative spend for 2023-24 at the time of the last update (see **Table 1** for a summary). What follows is an overview of the trends and key developments that emerge from ICAI’s analysis of this information.
- 2.2 **UK bilateral aid to China has declined rapidly.** ICAI found that total UK aid engaging China fell from about £80 million in 2019 to about £48 million<sup>14</sup> in 2021-22 and to about £8 million in 2023-24 plus ODA-eligible administration costs.<sup>15</sup> FCDO expects aid to China to remain at, or around, this level while China remains ODA-eligible.
- 2.3 **While Dominic Raab pledged to spend £0.9 million annually on FCDO’s Open Societies and Human Rights Programme, actual spending has remained below that level.** In the April 2021 WMS the then foreign secretary committed to continue to allocate £900,000 a year to the programme although it has proved difficult to spend at this level in practice. FCDO reports this was due to operational challenges in delivering during the COVID-19 pandemic in 2021-22 when actual spending was around £760,000, and 2022-23 when actual spending was only around £32,000. In 2023-24 (currently estimated) actual spending is approximately £505,000 (see **Table 1**).<sup>16</sup>

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10 FCDO informs us the Great Britain-China Centre is still eligible to apply for funding in China through the Open Societies and Human Rights (OSHR) programme.

11 [The UK’s aid engagement with China: A further update](#), Independent Commission for Aid Impact, July 2023, para 1.3, p.1

12 [Integrated review refresh 2023: Responding to a more contested and volatile world](#), HM Government, March 2023

13 [Our position on China: Foreign Secretary’s 2023 Mansion House Speech, 25 April 2023](#)

14 [The UK’s aid engagement with China: A further update](#), Independent Commission for Aid Impact, July 2023, p.2

15 Based on estimated 2023-4 spend (see Table 1). Actual 2023-4 will be reported in the Final Statistics for International Development (SID) 2023 around September 2024.

16 Final 2023-24 actual spend figures will be available in the 2023 Statistics on International Development (SID) around September 2024.

- 2.4 **FCDO ODA funding to China continues through its arm’s-length body (ALB) the British Council**, which is currently the largest portfolio of UK aid to China, with an estimated spend of £5.8 million in 2023-24, **and through the Chevening Scholarship Programme** which spent an estimated £1.24 million in 2023-24 (see [Table 1](#)). FCDO funding to ALBs, such as the British Council, is ‘untied’, that is FCDO does not specify where or how ALBs should spend their ODA allocation, though strong governance and partnership relationships are expected to ensure there is strategic alignment with UK government policy and priorities.
- 2.5 **Further amounts of ODA continued to be spent in China in 2023-24 by FCDO** through its global Forest Governance, Markets and Climate (FGMC) programme which aims to address global challenges in sustaining tropical forests in developing countries, at just under £0.5 million in 2023-24, **and by Defra** through its Illegal Wildlife Trade Challenge Fund (IWTCF), which spent around £0.2 million in China in 2023-24 (see [Table 1](#)).
- 2.6 **The Government has decided to stop publishing ODA-eligible administration costs on a country-by-country basis.** In 2022, the OECD Development Assistance Committee (DAC)<sup>17</sup> updated its guidelines on donor reporting of ODA-eligible administration costs, because it discovered that donors were not reporting costs on a consistent basis.<sup>18</sup> The updated rules require donors do not assign these costs to a specific country as there is “no cross-border transfer of funds or direct benefit to a recipient country/region”.<sup>19</sup> FCDO has decided to report these costs in future only at an aggregated global level. Nevertheless, ICAI expects to be provided with country-specific figures in future, as in the past, when preparing country portfolio reviews and information notes, such as this one. We will discuss further with the FCDO statisticians how to present these figures in a transparent and informative way.
- 2.7 **For the purposes of examining the broader UK aid relationship with China the ODA-eligible administration costs therefore remain a significant component of the total ODA spend.** They are not the cost of managing ODA programming in China, but rather a reflection of the overall “effort” (not time) that the FCDO officials working on China devote to ODA-eligible activities. They include, for example, activities focusing primarily on improving the overall human rights situation through both policy and programming activity, work conducted by the development team and a small proportion of climate activity. Our last update, published in 2023, which was fact-checked by FCDO, estimated that FCDO’s 2022 ODA-eligible administration costs for China would be about £1 million, but the department informed us in February 2024 that the actual figure was £4.07 million in 2022. This compares with £1.83 million spent on direct FCDO ODA programming in China in 2022-23. FCDO estimated, for example, that 28% of the “effort” by their staff in China in 2021-22, and 4% in 2022-23 was ODA-eligible. FCDO statisticians aggregated the China figures together with those for other countries to produce a total figure for FCDO ODA-eligible administration costs. These figures are produced by calendar year as the OECD-DAC reports in calendar years.
- 2.8 **In 2022-23, FCDO calculations of ODA-eligible administration costs for China were around twice the amount FCDO spent on ODA programming in China.** FCDO’s ODA programming in China in 2022-23, excluding the British Council and Chevening which have their own administration budgets, came to £1.83 million. In 2023-24 FCDO ODA programming in China is expected to be just under £1 million. If FCDO calculations of the ODA-eligible administration costs remain at the same level as the previous year, it will mean the administration costs will be four times the programming costs.

17 The DAC is a forum for consultation among 29 donor countries and the European Commission. The DAC sets the definitions and classifications for reporting on official financing for development internationally, including official development assistance (ODA).

18 [Explanatory Note: Changes to ODA-eligible administrative costs methodology](#), Foreign, Commonwealth and Development Office, September 2023

19 [Explanatory Note: Changes to ODA-eligible administrative costs methodology](#), Foreign, Commonwealth and Development Office, September 2023, p.1

2.9 **Transparency about aid to China is reducing.** ICAI’s last update highlighted problems with transparency about UK aid to China. However, transparency has reduced further this year with the decision to stop routinely publishing ODA-eligible administration costs on a country-by-country basis. FCDO has advised that under the current methodology based on the updated OECD guidance, country-level data used to determine FCDO’s total ODA-eligible operating costs are not a robust measure of ODA-eligible operating costs at a country level. However, this does not prevent the UK from developing additional methodology to calculate and report a reliable country-level figure or provide reliable internal estimates. FCDO statisticians have committed to reviewing the methodology and having further discussions with ICAI on this. Current reporting of ODA-eligible administration costs appears to run counter to the pledge in the November 2023 white paper on international development that the UK will build “on our existing commitment to attain ‘very good’ in the 2024 global Aid Transparency Index [...] committed to displaying the highest transparency standards among all foreign ministries globally”.<sup>20</sup> The British Council – which has by far the largest UK aid portfolio in China – still does not publish data on the implementation, results or budgets and expenditures of its country-level programmes despite the government’s acceptance of ICAI’s recommendation in its review of transparency in UK aid that ambitious standards for transparency should be applied to ALBs.<sup>21</sup> Improving transparency is made more challenging by IT limitations that require ALBs to report through the FCDO transparency team when publishing information on the UK government development tracker website.<sup>22</sup>

2.10 **Plans to transition ongoing programmes in China from ODA to non-ODA funding remain nascent.**

In 2021 ICAI reported that while China was currently ODA-eligible, it was likely to cross the eligibility threshold “within the next four to six years”.<sup>23</sup> The 2023 update highlighted that there were still gaps in transition planning for China’s expected graduation from the OECD’s list of ODA-eligible countries.<sup>24</sup> At the time of this update, although some initial discussion has taken place, planning for the transition is not seen as an immediate priority by the UK government. The OECD-DAC reviews which countries are eligible for ODA every three years. Graduation out of ODA eligibility is based on World Bank data which are reviewed every year and countries that have exceeded the high-income threshold for three consecutive years at the time of the review are removed from the list of ODA-eligible countries.

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20 [International Development in a contested world: A White Paper on International Development](#), HM Government, November 2023, p.35

21 [FCDO response to the Independent Commission for Aid Impact’s recommendations on: transparency in UK aid publication](#), Foreign, Commonwealth and Development Office, 2 December 2022

22 [Development Tracker: Making development assistance more transparent](#), HM Government

23 [The UK’s aid engagement with China: information note \(including July 2021 update\)](#), Independent Commission for Aid Impact, July 2021, p.ii

24 [The UK’s aid engagement with China: A further update](#), Independent Commission for Aid Impact, July 2023, p.6

Table 1: UK bilateral aid to China by department and portfolio

Dept.	Portfolio	Calendar year 2019	Financial year 2021-22 (actual)	Financial year 2022-23 (actual)	Financial year 2023-24 (estimated)	Financial year 2024-25 (budgeted)
BEIS/ DSIT*	Newton Fund/Global Challenges Research Fund (GCRF)	£36.4 million	£9.16 million	£6.61 million (budgeted)	No further ODA spend	No further ODA spend
	International Climate Finance (ICF)/UK Partnering for Accelerated Climate Transitions (PACT)	£1.3 million	£2 million	No further ODA spend	No further ODA spend	No further ODA spend
FCDO	Prosperity Fund	£7.3 million	£7.22 million (exit costs)	No further ODA spend	No further ODA spend	No further ODA spend
	Open Societies and Human Rights (OSHR) Programme <sup>†</sup> (formerly International Programme)	£1 million	£0.76 million	£0.03 million	£0.5 million	£0.9 million
	British Council	£10.8 million (2019-20 financial year)	£7.79 million	£6.68 million actual	£5.8 million	£6.12 million projected
	Chevening Scholarships	£1.7 million	£1.65 million (2021 calendar year)	£1.07 million actual spend	£1.24 million <sup>†</sup>	Not yet decided
	Great Britain-China Centre (GBCC)	£0.5 million	£0.5 million	No further ODA spend <sup>§</sup>	No further ODA spend <sup>§</sup>	No further ODA spend <sup>§</sup>
	ODA-eligible administration costs	£12.1 million	£12.06 million (2021 calendar year)	£4.07 million (2022 calendar year) <sup>†</sup>	Not available	Not available
	Former DFID-China (supporting third countries on their engagement with China)	£1.7 million (2019-20 financial year)	£0.65 million	No further ODA spend	No further ODA spend	No further ODA spend
	Former DFID centrally managed programmes – Forest Governance, Markets, and Climate programme (FGMC) <sup>†</sup> ; Joint Global Health Trials (JGHT) <sup>**</sup>	£2.1 million	£1.02 million (FGMC, final spend)  £0.03 million (estimated JGHT spend)	£1.77 million (FGMC, final spend)  £0.03 million (estimated JGHT spend)	£0.461 million (FGMC, final spend)  JGHT – no further spend, programme finished	No further ODA spend currently programmed through FGMC though new programme under development



Dept.	Portfolio	Calendar year 2019	Financial year 2021-22 (actual)	Financial year 2022-23 (actual)	Financial year 2023-24 (estimated)	Financial year 2024-25 (budgeted)
Defra	Illegal Wildlife Trade Challenge Fund <sup>††</sup>	£0.03 million	£0.04 million	£0.08 million	£0.2 million	£0.075 million
DHSC <sup>‡‡</sup>	Global Anti-Microbial Resistance Innovation Fund (GAMRIF) China	£4.8 million	£4.6 million	£0.98 million <sup>††</sup>	No further ODA spend	No further ODA spend
	Global Health Research (GHR) programmes <sup>§§</sup>		£1.04 million	£0.12 million <sup>††</sup>	No further ODA spend	No further ODA spend
TOTAL		£79.73 million	£48.52 million	£21.44 million	£8.2 million plus ODA-eligible administration costs	£7.1 million plus ODA-eligible administration costs

\* Department for Business, Energy and Industrial Strategy (BEIS), Department for Science, Innovation and Technology (DSIT).

† The actual 2021-22 and 2022-23 spend and estimates for 2023-24 spend are lower than the £0.9m budgeted.

‡ Estimated £1.24m for the full financial year, based on outstanding tuition fee & stipend payments.

§ The GBCC no longer receives ODA as core funding but has been bidding for ODA from FCDO's programme budgets for China.

† FCDO has decided that it will no longer routinely publish direct ODA-eligible administration costs on a country-by-country basis; ICAI requested its internal estimates of the China figure for 2022-23.

¶ FGMC spend figures are estimates – they include all the grantees that primarily work with Chinese markets, but exclude costs to organisations that work across different supply chains including China.

\*\* Figure is an estimate based on an assumption of an even distribution of spend between countries and over time. This programme with The George Institute, Australia, is part of the Joint Global Health Trials portfolio. It started on 1 March 2020 and has an overall budget of £2,280,496 over three years. It is jointly funded by FCDO, the Medical Research Council and DHSC and works in nine countries, including China. The benefits of this research are global and not specific to China.

†† Projects identified are multi-country projects, with spend/budget split equally between project countries to get an estimate of China spend. Figures do not include the most recent round which is in the approval stage.

‡‡ Department of Health and Social Care (DHSC).

§§ Since the last update DHSC has provided final reconciled 2021-22 and 2022-23 figures for the Global Health Research (GHR) programme in China which was completed in March 2022.

†† Programme activity ended in March 2022, but final payments were made in 2022-23.

## Remaining portfolios of UK aid to China

### Open Societies and Human Rights Programme

2.11 FCDO continues to manage the Open Societies and Human Rights programme in China, which as we reported in 2023, funded small-scale projects related to freedom of expression, including media freedom; religious and cultural rights, including for minority groups; technology and human rights; criminal justice reform; and civil society resilience. The programme expects to spend an estimated £505,000 on similar themes in 2023-24, which is considerably less than the budgeted £900,000. FCDO reports that the programme is already well-positioned to transition to non-ODA funding once China is no longer ODA-eligible.

### British Council

2.12 British Council programme delivery continues to be the largest portfolio of UK aid to China, estimated at £5.8 million<sup>25</sup> in 2023-24 and expected to be £6.12 million in 2024-25, which is the final year in its current three-year funding cycle. The British Council told us its programmes in China align with the ‘protect, align, engage’ strategy set out in the 2023 Integrated review refresh.<sup>26</sup> Its corporate plan describes its work under three global pillars – Education, Arts and Culture, and English.<sup>27</sup> £2.8 million of the £6.68 million of ODA the British Council spent in China in 2022-23 can be attributed to the pillars (see **Table 2**) but there is not sufficient transparency in the corporate plan to identify how the remaining £3.88 million of ODA was spent.

Table 2: In-country programmes supporting one of the British Council’s three global pillars<sup>28</sup>

Pillar	Objective	Programmes	Spend in 2022-23
Education	To help build trust and understanding with young people around the world	Going Global Partnerships GREAT Campaign and Global Alumni Insight and Engagement Premier Skills and Premier League Primary Stars	£1.53 million
Arts & Culture	To strengthen creative and economic development through connections and collaboration between sectors in the UK and internationally	Cultural Exchange programme Culture Responds to Global Challenges programme	£0.81 million
English	To increase opportunities for all, including girls, women and marginalised groups across the world through English language skills	English Connects English Language Teaching (ELT) in Education	£0.46 million

25 The total costs include regional and corporate overhead costs which cannot be disaggregated by ‘pillar’ and hence are not reflected in the costs reported against each of the three pillars below.

26 [Integrated review refresh 2023: Responding to a more contested and volatile world](#), HM Government, March 2023.

27 [British Council Corporate Plan 2023-24 to 2024-25](#), British Council, 2023.

28 For a brief overview of each of these programmes see [The UK’s aid engagement with China: A further update](#), Independent Commission for Aid Impact, July 2023, p.5, noting that ‘English Connects’ is a new programme that offers digital resources to all teachers and teacher educators of English worldwide, whilst the ‘Insight and Engagement programme is a recategorisation of ongoing activities from the ‘English’ to ‘Education’ pillar.

2.13 The British Council has made some efforts to improve transparency since the last update in its most recent annual review<sup>29</sup> and corporate plan<sup>30</sup> as well as publishing its overall ODA spend in China<sup>31</sup>, including through the International Aid Transparency Initiative (IATI).<sup>32</sup> However, it still does not publish data on the implementation, results or budgets and expenditures of its country-level programmes. Subject to the next Comprehensive Spending Review (CSR) the British Council's programmes in China are anticipated to remain at a similar scale in the next three-year funding cycle from 2025-26 to 2027-28, and FCDO tells us that the British Council is developing plans to transition to non-ODA funding as needed in the future.

## Chevening

2.14 The Chevening Scholarship Programme<sup>33</sup> is a global scheme overseen by FCDO which provides scholarships to UK universities for individuals selected based on their motivation to develop their career and to establish a position of leadership in their own country.<sup>34</sup> The number of Chevening Scholarships for students from China has declined from an average 65 scholarships a year between 2015-19,<sup>35</sup> to 37 in 2020, 41 in 2021, 33 (and five fellows) in 2022 and 29 (and nine fellows) in 2023-24. Chevening reported that this aligns to a global decline in the number of scholarships available, rather than any change in the programme's approach to China. Whilst there are no plans to increase the numbers of scholarships, there are also no current plans to transition the programme away from ODA funding. However, Chevening expects the number of scholarships will rapidly decline when ODA ceases to be available.

## FCDO's Forest Governance, Markets and Climate (FGMC) programme

2.15 FCDO's centrally managed Forest Governance, Markets and Climate (FGMC) programme that works with international markets to leverage governance reforms in tropical forest countries will close in 2024. Programme activities related to trade from developing countries remain the same as reported last year and include those related to (a) greater controls over Chinese timber imports to prevent illegal trade; (b) Chinese recognition of regulatory systems in developing countries; (c) regulating the behaviour of Chinese enterprises in developing countries; and d) Chinese overseas investments in forest products, natural rubber, palm oil and mining.<sup>36</sup> FCDO spent £461,000 in China on this programme in 2023-24. It has a focus on addressing forest management challenges globally.

## Defra's Illegal Wildlife Trade Challenge Fund (IWTCF)

2.16 The Illegal Wildlife Trade Challenge Fund (IWTCF) launched in 2014 and is a competitive grant scheme that funds projects to combat the illegal wildlife trade worldwide, with an emphasis on reducing poverty in developing countries. It has an annual project call and application process, and applicants are assessed by an independent, expert-led IWTCF Advisory Group (IWTAG), who make recommendations to Defra based on the technical proficiency of projects, value for money and their alignment with strategic priorities. The IWTCF has completed nine funding rounds to date committing more than £51 million to 157 projects working with local communities in more than 60 countries across Africa, Asia, Latin America and Europe. There are three IWTCF projects in China tackling the illegal trafficking or trade of tigers, parrots and pangolins, and spending an estimated £0.2 million in 2023-24. It is expected that successful applications for projects in China will continue to receive funding through IWTCF while China remains

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29 [Annual Report and Accounts 2021-22](#), British Council, 2023.

30 [British Council Corporate Plan 2023-24 to 2024-25](#), British Council, 2023.

31 [Official Development Assistance \(ODA\): British Council](#), Foreign Commonwealth and Development Office.

32 [FCDO British Council ODA](#), International Aid Transparency Initiative (IATI).

33 [About Chevening](#), Foreign Commonwealth and Development Office.

34 [The UK's aid engagement with China: A further update](#), Independent Commission for Aid Impact, July 2023, p.5.

35 This was reported by Chevening as a total 328 scholarships between 2015-19.

36 [The UK's aid engagement with China: A further update](#), Independent Commission for Aid Impact, July 2023, p.6.

ODA-eligible, though there are reportedly plans to propose a position on Defra's future aid programming in China for consideration by its ODA Board.<sup>37</sup>

### 3. Conclusions

- 3.1 Bilateral aid to China, spent by all UK government departments, is estimated to be £8.2 million in 2023-24, compared to nearly £80 million spent engaging China in 2019. This equates to a 90% reduction, not taking into account ODA-eligible administration costs.
- 3.2 FCDO's bilateral aid to China, expected to be £8 million in 2023-24, has declined from £37 million in 2019. However, it is surprising that the ODA-eligible administration costs, described as the estimated cost of "efforts" to deliver development objectives in China in 2022, were calculated to be £4 million when FCDO's ODA programmes, excluding the British Council and Chevening which have their own administration budgets, spent less than £2 million in China in 2022-23, and are expected to spend only £1 million in 2023-24.
- 3.3 FCDO tells us that bilateral aid to China is expected to remain at current levels until the OECD-DAC decides that China is no longer eligible to receive ODA. This decision will be made by consensus between DAC members, who review eligibility every three years. The next review is due in 2026 but FCDO reports that China's graduation is "a number of years" away.
- 3.4 While efforts to improve transparency were reported in some areas, it has declined in others – particularly in relation to the way the UK reports on ODA-eligible administration costs – and there is still only limited information in the public domain on how the British Council's aid to China is being spent.
- 3.5 It is likely that dialogue with China on issues such as global health and climate will remain a priority for the government after China graduates from aid eligibility, and at that point it will have to be funded from other budgets. The lack of transition planning remains a concern – particularly for the work of the British Council.

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<sup>37</sup> The ODA Board is a director-level Board with responsibility for overseeing Defra's ODA strategy and budget. It includes representation from FCDO.