

## China sets up agency to focus on foreign aid, Belt and Road

China is setting up an agency that will channel foreign aid and plan strategic projects related to the Belt and Road Initiative.

The formation of the State International Development Cooperation Agency (SIDCA) is part of a massive institutional revamp to steer China's ongoing transition, marked by domestic reform and deeper engagement with the rest of the world.

The SIDCA will be answerable to the State Council, China's Cabinet, led by Prime Minister Li Keqiang. It integrates roles which were earlier fragmented between the Foreign and Commerce Ministries.

Its focus will be to "better serve the country's global strategy and to build the Belt and Road Initiative", the State Council said.

Xinhua reported that the new agency "will be responsible for making strategic guidelines, plans and policies on foreign aid". It will also be involved in making "foreign aid plans and overseeing and evaluating their implementation", it observed.

### Global aid donor

The decision, which is pending final approval during the ongoing session of the National People's Congress, is in tune with Beijing's emergence as a global aid donor, nearly at par with the U.S. According to a study by U.S.-based AidData, China pitched \$350 billion in foreign aid and other forms of state financing between 2000 and 14. The U.S. overseas aid figures were marginally higher, at \$394.6 billion.

Analysts say that the formation of SIDCA suggests China's increasing reliance on economic and foreign aid as levers to project its international influence.

China is also planning to streamline its domestic financial governance through consolidation of existing multiple agencies.

Lawmakers have set up for approval the formation of a market regulatory administration.

**END**

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