



HOUSE OF COMMONS

# International Development Committee

## Oral evidence: Future of UK aid, HC 148

Wednesday 18 May 2022

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Members present: Sarah Champion (Chair); Mr Richard Bacon; Theo Clarke; Mrs Pauline Latham; Chris Law; Mr Ian Liddell-Grainger; Nigel Mills; Kate Osamor; Dr Dan Poulter; Mr Virendra Sharma.

Questions 253 - 353

### Witnesses

I: Rt Hon Elizabeth Truss MP, Secretary of State, Foreign, Commonwealth and Development Affairs, Foreign, Commonwealth and Development Office; Sir Philip Barton KCMG OBE, Permanent Under-Secretary, Foreign, Commonwealth and Development Office; Nick Dyer, Director General, Humanitarian and Development, Foreign, Commonwealth and Development Office.



## Examination of witnesses

Witnesses: Elizabeth Truss, Sir Philip Barton and Nick Dyer.

Q253 **Chair:** I am delighted to start this session with the Foreign Secretary and her team. Foreign Secretary, thank you so much for joining us today. We really appreciate the time that you are making for us. It is perfect timing, as of course we have your development strategy that came out on Monday, so lots of questions on that, but also some more topical ones as well, if that is okay. I wonder if you could start by introducing the team you have brought with you.

**Elizabeth Truss:** Thank you for having us in front of the International Development Select Committee this afternoon. On my left is Philip Barton, who is the permanent secretary of the FCDO. On my right is Nick Dyer, who is the director general for development. That is a new position that we created in the Department.

Q254 **Chair:** Foreign Secretary, if it is acceptable, we will direct the questions to you, and then you can divide them up accordingly. We are here with you for 90 minutes. We all have questions and may well have supplementaries as well. The first one from me is a very simple one. We have the development strategy document. It is 30 pages long. Fundamentally, what is the problem that you think this document can solve?

**Elizabeth Truss:** We want to ensure that our development strategy is a very coherent part of our overall foreign policy. It is dealing with the issues that we face in the world today. We need to do all we can to alleviate immediate human suffering, and we have raised the level of our humanitarian budget to do just that. We are very engaged in Ukraine. We are one of the leading humanitarian donors.

We also want to help countries move in the right direction over the longer term, so they become prosperous countries with strong human rights and strong governance, and are able to support their populations, with those people able to live prosperous lives without fear for their safety. That is the ambition of what we want to do.

We recognise that there is increasing activity by authoritarian states, particularly in terms of investment in countries, trade with countries and economic coercion, as well as security interference. Our development strategy is about creating a strong alternative offer that is honest and reliable and helps those countries develop in the direction that is going to lead to a sustainable future, rather than a direction of unsustainable debt and increasingly authoritarian policies, which would lead to huge problems in the population. We can see the adverse effects, for example, of the Wagner Group's activities in certain African countries, of the heavy levels of indebtedness some countries have to China. We can see what the perils of going down that route are.



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What this means for our development policy is that, first of all, we are putting more money into bilateral development aid. Over the period, by the final year of our budget, 75% will be bilateral aid. We still remain a major donor. We are still the third-largest donor to the World Bank, but we are reducing our donations overall and putting more through bilateral aid. We are putting more into investment. The amount of money we are putting through British International Investment goes from £1 billion this year to £8 billion by 2025.

We are changing the way we do development. We are doing more bilaterally and through investment to create the long-term conditions in those countries for a successful, thriving society and to pull them away from the orbit of authoritarian regimes that are, essentially, leading those societies in a direction that does not support women and girls and the human rights we believe in, and instead helping them on an alternative path. The next thing I would say about our development strategy is that it is restoring the budget for women and girls. That was important—

**Q255 Chair:** That's great, and we will break down all these topics, but there's one thing I'm struggling with. I hear everything you have said, and I am really glad that you said that the main objective is to alleviate poverty and hopefully eliminate poverty in the long term. Am I right in thinking that your approach is an economic trade-empowering approach, rather than about directly going to the very poorest, those in really extreme poverty, and giving them the fundamentals of water, sanitation and health, for example?

The document talks almost exclusively about low and middle-income countries, whereas obviously those in extreme poverty tend to be in the low-income countries. Also, it is quite striking that "poverty" is mentioned nine times, whereas "economic" is mentioned 50 times. Do you believe that, if you invest in businesses, the trickle-down will reach the poorest? Is that the main driver of this document?

**Elizabeth Truss:** Our main investment will still be in the poorest countries. That is absolutely clear. As to your point about economics, poverty is also about economics. We want to have a sustainable increase in income over the long term. The strategy seeks to balance out the short-term humanitarian work to alleviate suffering with the more long-term development that we want to see those countries have. That will lead to long-term sustainable increases in incomes.

It is not particularly about how you deliver in-country. In fact, we want to give our heads of mission a lot more responsibility for deciding how funding is allocated in-country. We think that people closer to the ground are better placed to make those decisions than people in Whitehall, so it is not about that. It is about being very conscious that, when we invest, it is not neutral. There are other countries seeking to influence African states and states in the Caribbean through the use of coercive finance. We want to be more actively engaged.



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This is not just the United Kingdom. This is something that I discussed with our G7 partners over the last week in Germany. We want to be more actively engaged in challenging those authoritarian regimes' hold over countries. If you look at trade, for example, trade and development are very closely linked. China is the largest trading partner of 124 countries, whereas for 56 countries it is the United States. We are already seeing very strong trading relations and investing relationships with China. I have talked already about the Wagner Group and its security activities. We need to be a much better alternative for countries that are looking for investment and finance. That will help those countries move in a better direction.

Q256 **Chair:** I do not disagree with anything that you have said, but how will you mitigate development being used just as a facilitator for foreign policy and trade?

**Elizabeth Truss:** I see them as part of the same whole: a successful society where people are empowered, women and girls are empowered and people are able to develop their own talents is a society that is less poor. Those things go hand in hand, as far as we are concerned.

Q257 **Chair:** Unfortunately, when you look at authoritarian regimes and the misogyny that there is across the world, there is a very real ceiling for a lot of people to reach their full potential.

**Elizabeth Truss:** I agree with that

Q258 **Chair:** You said that poverty was about economics. I would argue that poverty is often about political choices that are made. I am concerned that, by putting all your eggs in the economic basket, you are going to forget some of the really left-behind people. I am thinking about people with disabilities. You rightly mentioned women and girls. They do not have a seat at any table, let alone the top table. If you are just investing in the richer parts of society, how is that going to raise those people at the very bottom?

**Elizabeth Truss:** I do not think I have at any point said that we are investing in the richer parts of society at all.

Q259 **Chair:** The BII, which is our main vehicle, it seems—it is the main identified vehicle in this strategy—will only be investing in businesses of a certain scale. Therefore, by its very nature, it is going to be the richer people who are, first, working there and, secondly, owning those companies, or they will be Government-owned. How does investing in a corn or palm oil plantation actually help a woman who is in troubled labour where there are no health facilities for her?

**Elizabeth Truss:** Take the Pacific islands, for example, which are struggling with the impacts of climate change and need to transition to clean energy. Through the BII, we will be supplying the finance that those countries need to get the appropriate renewable energy, whether that is wind power, hydrogen power or small modular nuclear reactors.



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The impact of that more affordable, sustainable energy in those countries will be that all of the population benefit from reliable, clean energy.

**Chair:** If they can afford it.

**Elizabeth Truss:** Coming on to the point you made about women and girls, as I have said, we are restoring the women and girls budget to what it was two years ago, so back to £745 million, in 2022-23. That money can specifically be used for three key priorities.

**Chair:** We will come on to women and girls.

**Elizabeth Truss:** We are doing both of those things. We are investing in the long term to help countries get the reliable finance they need to modernise their economies and drive economic growth, which will ultimately reduce poverty over time.

Q260 **Chair:** What percentage of our aid money is going to the Pacific islands? You gave that as your best example.

**Elizabeth Truss:** I think we have a distribution by geography.

Q261 **Chair:** I think Australia is the main support there, so it seems an odd example when we are only going to be, at best, a small contributor.

**Elizabeth Truss:** We are working with Australia on a number of projects into the Pacific islands. If you look at what has recently happened with the Solomon Islands, that is a very good example of a country that has seen investment by China that is potentially detrimental to the future of that country.

Q262 **Chair:** In the Prime Minister's speech announcing the merger, which is almost two years ago now, he questioned the value of giving aid to countries like Tanzania and Zimbabwe and said that giving aid to Ukraine was in our security interest. Does this strategy represent a formal step away from countries like Tanzania?

**Elizabeth Truss:** No, it does not.

Q263 **Chair:** Great. We are also interested to get some more detail on the potential geopolitical shift in the integrated review. It is obviously an Indo-Pacific shift. Can you give us assurances, aside from the investment BII is going to be making, that we will still be investing in the poorest in Africa?

**Elizabeth Truss:** Yes. I can tell you that support to Africa will increase over the three-year spending review period. We are absolutely committed to continuing our support to Africa.

**Chair:** We just found out it was £10 million in 2021 to the Pacific islands, out of what would then have been a £13 billion budget.

Q264 **Mr Bacon:** Could you explain how this new strategy represents value for money? Is there evidence or analysis that you can point to that helps



support this?

**Elizabeth Truss:** The new strategy, as I have said, focuses on humanitarian aid. We always make sure that the humanitarian aid we supply is value for money. It goes through value for money tests. One thing I want to do is reduce the level of bureaucracy that we currently have, so we can get the money out faster, while maintaining that value for money. The long-term projects I have just described also go through proper value for money tests.

It is important to recognise that we also need to look at the lens of geopolitics on this. Which countries are particularly under threat from influence from malign regimes? Which countries could particularly be going down a path that leads to increased authoritarianism? Where will our money have most bang for our buck? It can have bang for buck in terms of, "What is the return on this project versus the return on that project?" We talked about the Pacific islands. It might be a relatively small amount of money invested in a given Pacific island that will help them become less economically dependent on authoritarian regimes. That could be good value for money overall. Nick, do you want to say a bit more about how we assess that?

**Nick Dyer:** I would make a distinction between the what and the how. The strategy lays out the what. You could allocate your money in multiple different ways. To a great extent, that is about a judgment and a political priority choice, in terms of where you want to focus your resources.

When it comes to the how, that is where the value for money really kicks in. That is a question about whether we know what works. If we are investing in an education project, do we know what the best types of investments in education are? There is an awful lot we know about what works in education. We know that the best investment is to focus on training teachers, because that gives you the biggest bang for your buck. We know what works in terms of reducing partner violence against women, because we have done some good analytical work on it. Value for money comes from how you "do" and how you implement the choices you have made.

Q265 **Mr Bacon:** There was a trend some years ago for budget support. I remember an NAO report on this in 2009 that actually shocked me when I read it. There was a lot of money going towards Ministries to give them general support that turned out to be paying for phantom civil servants in some cases in some jurisdictions. The fashion then changed and it was much more about direct interventions. Where are we now on that? Is it still much more focused on direct interventions? Has budget support basically ended completely now?

**Nick Dyer:** We have actually given some budget support to Ukraine recently through direct fiscal support.

**Mr Bacon:** That is an exceptional case.



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**Nick Dyer:** Yes, that is an exceptional case. In some exceptional cases, there may still be money that we are putting through Government budgets, but it is small. We have done away with general budget support.

Q266 **Mr Bacon:** There was streamlining that was taking place. DFID had more than one country office in some places. I know that Oxfam had three Oxfam bits in Tanzania at one point. Has that all now been done, following the merger? Is that all streamlined?

**Nick Dyer:** Absolutely, yes.

Q267 **Chris Law:** The strategy is very thin and very light on detail. In particular, what is really astonishing about this document is that it only has one fleeting reference to sustainable development goals, the development goals that we are all signed up to through the UN—195 nations. There is one reference. Are you not a bit embarrassed about that, Foreign Secretary?

**Elizabeth Truss:** We are very supportive of the sustainable development goals and they are baked into all the work we do.

Q268 **Chris Law:** Can you explain why there is only one reference in this entire document?

**Elizabeth Truss:** I do not think that you can judge the importance of a particular issue by the number of times it is mentioned. I have heard that already during this hearing. As I have said, those are core to what we are aiming to achieve.

Q269 **Chair:** Why is that not explicit then?

**Elizabeth Truss:** It is pretty explicit in the document. We mention the sustainable development goals.

Q270 **Chair:** If we went through all the sustainable development goals, we would not be able to match what is in this document against them. It would have been really helpful to have a chart, for example.

**Nick Dyer:** To be honest, I would be surprised by that. There are 17 goals and 264 targets. It is pretty hard not to actually hit one of them.

Q271 **Chair:** Randomly hitting one is like me throwing something at a dartboard.

**Nick Dyer:** The thing that the SDGs did better than the MDGs was recognise that it is more than basic services. One thing that it talks about is planet, climate change and prosperity—investment.

Q272 **Chair:** We are going for two.

**Nick Dyer:** That is not fair, because then you look at the girls and women, in terms of the people. We are doing the people part of it. We are doing the planet part of it. We are doing the prosperity part of it. We talk about conflict, so we are doing the peace part of it. I would reject any suggestion that this is not SDG-compliant. This is all about how you



deliver the SDGs. The choice is the balance in which you are investing in different parts of the SDGs.

**Q273 Chris Law:** There is a calculation for that. Each country, country by country, has calculations showing how poorly or how well they are doing. Ours is somewhere below the middle, which is quite disappointing indeed. I have a couple of supplementary questions specifically. The first case study identified in the strategy document is that of Liquid Telecom, established in the UK and now building fibre broadband in the DRC—the Democratic Republic of the Congo. Why did you want to highlight this investment in particular? What sustainable goals does it achieve? Can you tell me how exactly it reduces poverty?

**Elizabeth Truss:** As I have explained, our overall strategy is making sure that societies are able to grow and generate jobs and opportunities for people in those countries. Clearly, telecoms is a key service that countries need to help their development. It is an area that the UK is very strongly placed to assist in. This is about a balance. Our budget also has a lot of immediate humanitarian support. We have increased our humanitarian budget at the same time, but we also need to help those countries invest in the long-term facilities that are going to get those countries out of poverty and make sure the population has the opportunities that they deserve.

**Q274 Chris Law:** Focusing on the DRC, it has been estimated that 73% of the Congolese population live on less than \$1.90 a day, yet UK aid to the DRC has been cut by around 60%. Last year, 19 aid agencies appealed to the FCDO, stating that 27.3 million people in the DRC are experiencing acute food insecurity. Why is there no mention of any uplift in ODA food and nutrition programmes, one of the key goals of the SDGs, particularly in the current global food crisis that we have?

**Elizabeth Truss:** We are working very hard with our counterparts around the world to address the global food crisis. At the recent spring meetings, the World Bank agreed to extra funding. We are a major contributor to the World Bank. As I said, even after the end of this SR period, we will be the third-largest contributor to the World Bank.

**Q275 Chair:** We were the first, were we not—the main contributor?

**Elizabeth Truss:** We were the first.

**Q276 Chair:** It is quite a big drop.

**Elizabeth Truss:** If you look at where our economy is in the global league table, we are still a very strong contributor to the World Bank, so we are helping with food aid through that. We are also supplying food aid directly through our budget.

**Chris Law:** It is an SDG.

**Elizabeth Truss:** We have to achieve a balance of helping the long-term development of countries and making sure also that that investment is





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reliable, honest investment and not investment that comes with strings attached and leaves those countries in more debt, at the same time as helping on immediate needs. This is the work that Nick and his team do, constantly weighing up the immediate short-term issues that we need to help out with.

Of course, we are all very concerned about the global food price hike. We are working very hard to help the Ukrainians export wheat to alleviate those immediate issues, at the same time as making sure that the investment that is going into countries for development is honest, reliable investment. That is very important too. We have to maintain a balance. It is not one or the other. It has to be both.

**Q277 Chris Law:** I accept that. It is difficult too. You have the long term as well as the short term. On the short term, your strategy says, "We will make more targeted investments of our resources and our efforts in fragile states or where there are compelling trade and investment opportunities." Last year, Action Against Hunger stated that the UK aid cut to the Democratic Republic of the Congo would kill 50,000 children who would have otherwise survived. At what point does a trade or investment opportunity become more compelling than saving starving children's lives?

**Elizabeth Truss:** Over the period of the SR, we will be increasing funding to Africa.

**Q278 Chris Law:** This was a cut made last year, and you said "short term". This was a 60% cut to the DRC. I understand the longer-term strategy, so what was the problem with the short-term strategy?

**Elizabeth Truss:** You will appreciate that I took on this role seven months ago and this is the first budget that I have set as Foreign Secretary, so this is the first time that I have been able to look at the figures and allocate those figures. Of course, the budget has limitations.

**Q279 Chair:** Has the budget been signed off now?

**Elizabeth Truss:** Yes.

**Q280 Chair:** Do we have a copy of that? I do not think we have.

**Elizabeth Truss:** We have been able to share it internally within Government, so we have been able to make the allocations.

**Q281 Chair:** When will we get a copy of that? It is very hard to read the document without the cash.

**Elizabeth Truss:** We should be able to do it in July. Is that right?

**Nick Dyer:** It will be in the report and accounts.

**Elizabeth Truss:** I can assure you that the budgets have been set, so we are able to get on with these projects as soon as we can.



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Q282 **Chair:** What timescale does this cover? Is this a three-year, five-year or 10-year strategy?

**Elizabeth Truss:** This is a longer-term strategy than the budget we set out.

Q283 **Chair:** How long is it?

**Elizabeth Truss:** It is a 10-year strategy.

Q284 **Chair:** Is the budget for one year?

**Elizabeth Truss:** It is for three years, so it covers 2022-23, 2023-24 and 2024-25.

Q285 **Dr Poulter:** Picking up on the point about the sustainable development goals, would it be fair to say that—we heard an example from the Congo a moment ago—that some of the way the reductions in aid spending were applied last year may have had some consequences on specific programmes in health and education that we would consider to be undesirable, in terms of morbidity and mortality?

**Elizabeth Truss:** I have not conducted an analysis of that, to be frank. I know that the Department conducted an analysis at the time. I am looking forward and seeing how we can maximise the positive impact we have with the money we are spending. The reality is that every additional pound we spend can achieve more. There is always going to be a limited pot. The question is how we can best allocate that pot.

Q286 **Dr Poulter:** I very much appreciate your commitment to that going forward. Would Sir Philip perhaps be able to address my question?

**Sir Philip Barton:** As I am sure you know, the NAO conducted a review of the way in which the Department looked at the reductions. You know the reason for that: the Government taking a difficult decision, in the light of the impact of the pandemic on public finances, to temporarily go down. It found that we had taken a clear approach and had clear parameters for the way in which we allocated the reduced budget, taking account of the performance of individual programmes. The NAO independently had a look at the overall process and the way we went about it and has issued a report on that.

Q287 **Theo Clarke:** In the new international development strategy, I notice that there is a significant emphasis now on trade and economic development. Does this mean the Government are returning to tied aid?

**Elizabeth Truss:** No, we are not returning to tied aid. In the report, we are highlighting the fantastic expertise the UK has to offer. I want to be clear: none of the aid that we provide is conditional on that expertise. We have a lot to offer. I talked about renewable energy and the benefits that our technology can have for countries that are seeking to transition and deal with the impacts of climate change. We have incredibly strong expertise on education. As Nick said, quite a lot of that is on education policy. When we are looking at women and girls support in particular, we



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are strongly committed to 12 years of girls education. UK expertise can really help deliver that as well.

Q288 **Theo Clarke:** You mentioned that the budgets have now been shared internally. Does that mean that Departments and posts have now received their ODA allocations?

**Elizabeth Truss:** Yes.

Q289 **Theo Clarke:** How much funding has been earmarked specifically in sub-Saharan Africa for aid for trade programming?

**Elizabeth Truss:** Do we have that number yet?

**Nick Dyer:** I do not recognise the phrase "aid for trade", so in that respect zero. I do not quite understand what you mean by aid for trade.

**Elizabeth Truss:** Are you talking about the SheTrades initiative?

Q290 **Theo Clarke:** It is things like SheTrades, TradeMark East Africa. There are a number of aid programmes that help with facilitating trade and helping British businesses.

**Nick Dyer:** That is one of the issues where we are saying now that heads of mission will take receipt of the budget. They will be faithful to the broad handrails in this strategy, but we want the heads of mission to look at what is needed in those countries and make choices about how they are going to allocate those budgets. Some of that may be on particular investments and some of it may be on drawing down on policy advice.

Q291 **Theo Clarke:** How will you ensure that aid is going to countries that need it most, not just the UK's preferred trading partners?

**Elizabeth Truss:** We have allocated budget by country. We have talked about BII. Some of the programmes that we are working on are allocated to BII and then distributed across countries according to which projects are going to be the most effective and impactful. As I have said, we are making sure that the budget for Africa is going up over the spending review period, so we have already allocated according to country. It is allocated according to need. I do not know, Nick, if you want to say a bit more about the allocation process.

**Nick Dyer:** It is a combination of need. Where is the deepest poverty? It is a combination of our historical relationships with a particular country, in terms of where we can make a difference, what kinds of relationships we have and where our bilateral aid can have the biggest impact. Frankly, that is one of the reasons why we are less in francophone Africa than we are in anglophone Africa, which would make sense in terms of who does what across the piece. It is combination of those factors.

**Elizabeth Truss:** It is worth also saying that we are working on many more joint projects with partners. We are working on some projects with India to invest in parts of Africa. We are working with Australia on Pacific



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islands in particular. We are working with Japan. I am about to go to Japan to expand that collaboration as well. Working with like-minded countries, particularly where they already have relationships and expertise, is a really good way of leveraging our finance, but also leveraging private sector finance into projects. We are doing a lot more collaboration.

I am very keen to see the G7 have a much clearer investment offer that is an alternative to the belt and road initiative. If you look at the total amount of development aid the G7 spends, it is more than China, but the belt and road initiative is a brand that countries are aware of. We want to have a G7 democratic alternative, so that countries have somewhere else to go, rather than what is often very strings-attached investment.

Q292 **Chair:** For clarity, is the three-year budget that you said is signed off based on 0.5% or 0.7% of GNI?

**Elizabeth Truss:** It is based on 0.5%.

Q293 **Chair:** We can expect for the next three years that we would not be meeting those—

**Elizabeth Truss:** We are hoping that, when the economic conditions recover, we will be able to return to 0.7% as soon as possible. Ultimately, that is a discussion we are having with the Treasury, as I am sure you can appreciate.

**Chair:** I can appreciate that.

**Elizabeth Truss:** I have frequent discussions with the Treasury on the issue of our development budget.

Q294 **Chair:** We appreciate you fighting our corner. Thank you very much. If it is possible for us to have a completely off-the-record discussion about the budget, we would really appreciate that.

**Elizabeth Truss:** I would be very happy to give a briefing, yes.

Q295 **Mrs Latham:** It is good to see you, Foreign Secretary. The integrated review says that, by 2045, it is likely that 85% of the poorest billion people will be in Africa. How will you reach those people?

**Elizabeth Truss:** I have talked already about the fact that our budget for Africa is going to be increasing over the spending review period. We want to increase the levels of investment through BII into projects. As I have said, we are also restoring the women and girls projects, which are very important. For example, the ending of female genital mutilation is a priority, alongside girls' education and the prevention of sexual violence. It is my very strong belief that, unless a society treats girls and women with respect, they do not have a chance of that economic development. You need to make sure that everybody in society is respected and has those core human rights.

Q296 **Mrs Latham:** Of course, now we can ask other countries not to let their



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girls be married under the age of 18, as we have changed the law in this country.

**Elizabeth Truss:** Congratulations, Pauline, on your work.

Q297 **Mrs Latham:** You have talked about BII, but its definition of low income is \$5.50 a day, rather than the World Bank's, which is \$1.90 a day. That is a very different figure. How can the UK's investments through BII help those poorest people in African countries with the basics of life, such as health and sanitation?

**Elizabeth Truss:** We are continuing to, as I have said, support those countries on the basics as well. This is not an either/or. We are doing both those things. Nick, I do not know if you want to say a bit more about the dollar definition.

**Nick Dyer:** For many years we have been having a conversation with BII and encouraging BII to be doing a lot more in fragile and conflict-affected states and to challenge itself to take more risk in those areas. That is a direction that it has been going in, but this strategy includes two types of investment. One is through BII, but the other is, in the third year of the strategy, additional resources for direct investments from the Government, not through BII, but more directly. That is more within our control, in terms of the sectors and places where we wish to deploy that.

Q298 **Mrs Latham:** I have been listening to what you have been saying, Foreign Secretary, and it all sounds fantastic. We are going to be spending as much as we were spending on certain things. We are going to be spending a lot more on other things. If this is all happening, this is all on a reduced budget—it is not 0.7%, but 0.5%—so I have difficulty understanding how we can be spending much more on lots of things. There must be lots of losers in this. There must be lots of programmes that are being stopped. What are the themes that you have cut out to be able to balance the budget?

**Elizabeth Truss:** The main answer is the multilateral contributions. By the end of the period, we will be spending 75% on bilateral aid. I think that it is now about 50%. Is that right?

Q299 **Chair:** It is 68%, isn't it?

**Nick Dyer:** It is 68%.

Q300 **Chair:** It is 68%, so there is not much wiggle room.

**Elizabeth Truss:** We are significantly reducing it over the period of time. We are going down from being the World Bank's top funder to the World Bank's third-largest funder. After the spending review period, we will continue to reduce the level of multilateral contribution. Dr Poulter mentioned the decisions last year when we moved from 0.7% to 0.5%, but in the case of the multilaterals we were quite tied in, so we disproportionately reduced bilateral spending. We are now reversing that.



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We are reducing the multilateral spending, so we were able to put more into the bilateral spending. That is the biggest change.

Q301 **Chair:** Foreign Secretary, with respect, can I pull you back on these figures? We are looking at a 7% drop in funding to the multilaterals.

**Elizabeth Truss:** No. It is not a 7% drop. It is more than that.

Q302 **Chair:** Sixty-eight per cent. bilateral is going up to 75%. Those contracts that we have with the multilaterals do not end tomorrow. It is going to be a tapered withdrawal. It might be in a year that you are at that point; it might be in three years. We have not seen the figures, and the details are not in this document, so we do not know when those contracts end and when legally you can get out of them, whereas you are talking about a reduced budget now. I wonder if you could answer Pauline's question on who the losers are right now. Are you planning to reinvest in them over the three-year period?

**Elizabeth Truss:** To move away from these percentages, in 2022-23, we have £3.7 billion going to the multilaterals. By 2024-25, it is £2.4 billion, so it is quite a significant reduction in what is going to the multilaterals. Meanwhile, the budget is going up as GNI is forecast to rise, from £9.2 billion to £9.9 billion. That is just for the Foreign Office proportion of ODA. It is not for the entire ODA budget.

Q303 **Chair:** You have not answered the question, Foreign Secretary. Which bits have been cut out of the budget—out of the offer that we had from, say, 2020 until now? That was Pauline's question. Who are the losers in this strategy?

**Nick Dyer:** Do you mean compared to 0.7%? 2020 would be 0.7%.

**Mrs Latham:** No, the changes now from the multilateral to the bilaterals, or the other way round, because you have cut the bilaterals.

Q304 **Chair:** With the budget that you set now, what have you focused on and therefore what has been left out? This document says what you have focused on, sort of, although it was interesting that the detail about the increased investment in Africa is not in this document, so it would help to have the budget. Where have you cut? Where have you shifted?

**Sir Philip Barton:** Last year, we had a pre-existing portfolio of multilateral commitments across the banks, other multilateral funds. We had legal and other binding commitments. We wanted to live up to those, hence, as the Foreign Secretary said earlier, there was a disproportionate level of reductions, because that is where we had choice around the bilateral programme, which I am sure the Committee saw.

We had more optionality in the budget we have set for the three years ahead. We looked across the whole range of our multilateral commitments. A lot of these things are actually not around cuts. It is around whether you are making a choice to make a replenishment when you are looking at the future. We made choices around the balance of the



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overall portfolio to free up capacity to change the balance between multilateral and bilateral.

I am not being difficult, but I do not think there is an answer to your question of where the cuts were. We looked at what we could do going forwards. Were we going to choose to replenish here or not? Were we going to choose to make investments here or there across the whole range of our multilateral or bilateral, as it were? I am afraid that “losers” is not the right word.

Q305 **Chair:** You are doing it on a case-by-case basis.

**Sir Philip Barton:** Yes, exactly.

Q306 **Chair:** There is not an underlying strategy of, “We are going to invest in A, but we are not going to invest in B,” or of value for money: “This sort of project is the best value.”

**Sir Philip Barton:** There is an overall, headline desire to balance back into bilateral, given what we had to do at pace last year. Then we looked at what you could do where, whether through multilateral or bilateral, and then made decisions, as you would expect, on those individually, as it were.

Q307 **Mrs Latham:** Generally, I do not disagree with going out of the multilaterals and putting it into the bilaterals. You have highlighted the World Bank, and there have been issues with the World Bank over many years. The reduction in multilateral funding from 40% to 25% of ODA, if it is equally applied across the board, in terms of the existing multilateral investments, would have a devastating impact on the Global Fund, which we have always funded highly. It has been very effective.

Cutting funding across the Global Fund by approximately a third would put 1.2 million lives at risk. I am particularly interested in malaria, because there is a hope that we might eradicate it by 2040. This is really important. We need to continue with that, because women and girls disproportionately have to look after people who have malaria, and they suffer from it themselves a lot. If they get it and are pregnant, it contributes to maternal anaemia and they are more likely to die during the pregnancy or in childbirth.

I hope, from what you are saying, that your investments in multilaterals will not affect things like malaria, TB, neglected tropical diseases and all those things that are really important and have a disproportionate effect on women and girls. I hope that we can have some assurances that that multilateral fund will not be cut.

**Nick Dyer:** I very much agree with you about the importance and impact of malaria. That is one of the great success stories of course, in terms of the fact that the number of children dying from malaria has gone down quite significantly, principally because of the use of bed nets. Beyond the World Bank, we have not made final choices on the allocation to particular institutions.



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There are two questions we need to take in mind when we look at those institutions. One is whether they are doing everything they can to graduate and exit certain countries. I suspect that they are not graduating as fast as they should be. Countries need their own resources to be able to fund this themselves, which will come from investment, of course. The other question is about the right burden share and everybody stepping up and doing their part. In many of these institutions, we have been the biggest donor for many years. We have helped create the institutions and we are very keen to see other countries play their parts and step up as well.

**Q308 Mrs Latham:** They have been very effective on malaria reduction. If we have a malaria-free world, that is going to empower so many women and girls to get jobs and take part in the economic prosperity of their own countries and households. That is really important. I would like to put a plea in that you look very hard at continuing to invest in the Global Fund, in the sense that, if other places are not stepping up, or if countries are not graduating, we support them through that, but we fund the Global Fund until such time as malaria is eradicated.

**Elizabeth Truss:** We have been through all the different multilateral funds. The most substantial reduction is the World Bank and that has already been done. We have already been through the process of reducing that. Is it 54%?

**Nick Dyer:** It is 54%.

**Elizabeth Truss:** It is 54% over the period, so that is where we have made the biggest reduction, because we really were an over-contributor compared to others. We wanted to be more active in the bilateral space, so we made that conscious decision. As Nick says, there are further decisions to be made down the road.

**Q309 Kate Osamor:** I wanted to go back slightly. It says in your strategy that you will substantially rebalance aid away from multilateral spend towards bilateral spend by 2025. The Committee would like to know what evidence is underpinning this decision, because it has not been clear thus far.

**Elizabeth Truss:** We wanted to have more control of where the funding is deployed. That is the fundamental point. We value multilateral institutions. As I have said, we have just been at the World Bank's spring meeting, among others, making sure that money is being allocated to deal with the global food price crisis. We value those institutions, but it was my view that we were over-contributing to multilateral institutions. That was reducing the level of bilateral spend that we were able to use.

The bilateral spend is an important part of our foreign policy, because we are able to challenge the activities of malign regimes when we invest in countries through honest, reliable investment. We wanted more wherewithal to be able to do that. That is not something we can directly





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do through funding from the World Bank. We have seen authoritarian actors increasingly use aid funding and investment as a way of exerting control and coercion over countries, pushing them in what we think is a negative direction.

There are other discussions to be had about what security support we can give to countries. As I have said, I am very concerned about the activities of mercenaries that have been taken on by some countries. This is a conscious decision to move funding into the bilateral space, where we can help counter the influence of authoritarian regimes, working with our allies. I recognise that the UK alone is not going to successfully challenge the impacts of the belt and road initiative. If you look at all the aid money from all the G7 countries, it is more than what China is investing, so how can we do that better?

**Chair:** You have already made that point, Foreign Secretary. Can I just say, to both the Committee and, with respect, the Foreign Secretary, that we are going to start being a bit more quick-fire?

Q310 **Kate Osamor:** In 2021 the UK spent £7.08 billion in bilateral ODA. This represented a decrease of 25.7% against bilateral spending in 2020. Will you be reinstating the bilateral spend to what we saw in 2020?

**Nick Dyer:** I confess that I do not recognise the £7 billion number.

**Kate Osamor:** They are the figures that we have.

**Chair:** We are very happy to share where those figures come from and then maybe you could come back to us on that specific point.

**Nick Dyer:** I am happy to do that, yes.

Q311 **Mr Bacon:** I wanted to quickly return to Kate Osamor's point. I remember very clearly, years ago on the Public Accounts Committee, one of the permanent secretaries—it was Suma Chakrabarti—agreeing that the money that went multilaterally, which was well over half the total DFID budget, was less effectively spent. There was NAO evidence, and I think European Court of Auditors evidence, pointing this out, but, as it were, he shrugged and there was nothing that could be done about it. Do you still have that evidence base? I know that it is a little older, but did you draw on that to help you decide that you would get more bang for your buck by directing a greater proportion bilaterally?

**Elizabeth Truss:** Exactly how you measure value for money is quite a hotly debated topic. I use the term “patient development” in this document. Some of the impacts of successful development funding are very long term. They are actually hard to measure and hard to attribute. I am not convinced that some of the evidence that presents multilateral funding as being, in some cases, more effective reflects the full value of what development delivers. It is hard to get to a really measurable position on it.

Q312 **Chair:** Repeatedly—I would say in pretty much every inquiry we do—we



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hear that money that goes to micro local organisations gives the best return, basically. Can you tell us how much local organisations, and indeed direct recipients of UK aid, have been involved in the development of this strategy?

**Elizabeth Truss:** We have consulted very widely as we have developed the strategy.

Q313 **Chair:** I am specifically asking about recipients and people on the ground, in the country, who will be giving the support.

**Nick Dyer:** We drew on a range of evidence, in terms of putting this together. We had the roundtables of Ministers. We had a call for evidence; I think that 260 pieces of evidence came back. We had specialist conversations at Wilton Park and drew on our network, in terms of giving their views of what would work and what the priorities in their particular countries were.

Q314 **Chair:** How many of those were actually recipients of UK aid?

**Nick Dyer:** I do not know the answer to that question.

Q315 **Chair:** Is it possible to find that out? Presumably, if they submitted evidence, there will be a list of who attended and who provided written evidence.

**Elizabeth Truss:** Also, there has been an iterative process with our missions around the world of them giving us feedback. They are often the people having the direct discussion with the organisations on the ground. If you look at the Ukraine crisis, for example, we are working with local women's charities. We are working with the Ukrainian Government. The direct discussions there are being had by our ambassador in Kyiv.

This is part of the logic for having more money at the direct discretion of ambassadors, so they are able to take those decisions and understand which organisations on the ground are better placed to deliver that funding. It is quite a hard thing. We cannot control it all from London.

**Chair:** What was interesting about the example of Ukraine is that we did not actually have a list of NGOs, so we had to go out and find it. We find that it tends to be the bigger players that know to submit written evidence or that are on the list, or indeed are the gatekeepers. It would be very interesting to find out whether you went and did focus groups in refugee camps, for example, to see what worked from their point of view. If you could come back to us, that would be very helpful.

Q316 **Dr Poulter:** I have one very quick follow-up on the previous question to Mr Dyer. You said that you did not recognise the figures that were presented a moment ago. What figures do you recognise as being the reduction in bilateral aid spend since 2021?

**Nick Dyer:** The figure that I have for bilateral aid in 2020-21 in my pack here is not £7 billion.



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Q317 **Dr Poulter:** I imagine that you must have an idea of what the reduction in bilateral aid spend is. Do you have your figure now that you can give us?

**Nick Dyer:** No. Sorry; I do not have those figures in my head or in my pack.

**Kate Osamor:** How do you know they are not right?

Q318 **Dr Poulter:** It is unfortunate that you do not have those figures available. Foreign Secretary, you have mentioned the desire to align UK aid policy with the UK's strategic objectives and to have greater control over spending through a focus on bilateral rather than multilateral aid. Do you consider the prevention of mass atrocities to be in the UK's strategic interest?

**Elizabeth Truss:** Yes, absolutely. It is also the morally right thing to do. There is a basic humanity that we need to protect. Of course that is important.

**Chair:** We are very happy to hear you say that. Thank you.

Q319 **Dr Poulter:** In 2015, the UK aid strategy focused very heavily on this area—on fragile and conflict-affected states—but the new strategy barely mentions them. I wondered why that is the case.

**Elizabeth Truss:** It is a core part of what the Department does. We have a very strong team delivering that in the FCDO. In this strategy, we are also looking at the broader picture of how we encourage countries along the right path towards being countries that respect human rights, give freedom to their citizens and ultimately become democracies. How do we get countries along those paths? One benefit of that is to not have a society where it is acceptable that atrocities or crimes against women are committed.

Yes, we need to continue to do the work on atrocity prevention. We have a big programme coming up on the prevention of sexual violence in conflict, including a conference later this year. We are campaigning for a new international convention that puts sexual violence on the same level as the use of chemical weapons in war. At the same time, the strategy is trying to say that we are aligning with our foreign policy the desire to get countries to move in a less autocratic direction.

If you look at what has happened in Russia and the appalling crimes that have been perpetrated by Vladimir Putin's troops in Ukraine, these atrocities have not happened in isolation. They have happened because of the culture that has developed in that country over a number of years, and the impunity towards crimes against people. That is a result of Russia not having a free press and not having a proper democracy, and as a result of a degradation of the value of being human in that society. Yes, it is important that we focus on the specifics of atrocity prevention, but we also need to be working towards a world where it is simply not acceptable



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to send your army into another country and commit those appalling war crimes.

Q320 **Dr Poulter:** The strategy refers to a new conflict and atrocity prevention hub. Where will that hub sit and what role will it play?

**Nick Dyer:** It has now, just recently, transferred into my part of the business. Its main task at the moment is the preventing sexual violence conference, which we will be holding later in the autumn, and to drive this convention proposal that we have on the table. Those are its two priorities right now.

**Elizabeth Truss:** I mentioned it briefly earlier, but we have had a reorganisation within the Foreign Office, so that we have a board level director general in charge of development, so we have a clear focus for our development strategy. That was as well as creating a new director general of geopolitics and security, really to reflect the fact that we wanted to have a coherent development strategy that was a key part of our foreign policy.

Q321 **Chair:** Foreign Secretary, we are a bit lost. There is still an Office for Conflict, Stabilisation and Mediation.

**Elizabeth Truss:** Yes.

Q322 **Chair:** Is there still a Conflict Centre?

**Sir Philip Barton:** The new office overtakes the Conflict Centre. This is our new office. As Nick said, it sits under him in our new organisational structure.

Q323 **Chair:** We have been trying for months to get someone from that department for our atrocity prevention inquiry and there was no clarity about whether it existed.

**Nick Dyer:** I was discussing it with the director recently, just a few days ago, so that will happen.

Q324 **Chair:** Can I confirm that you fully accept that atrocities are not just prevented in a war and conflict situation? I am thinking of the Uighur in China, for example.

**Elizabeth Truss:** Yes, absolutely.

Q325 **Chair:** I have one more question on that. We are also trying to find out whether, across the embassies, there is a very simple tool that they use. When you were talking about Russia, you absolutely rightly talked about the escalation of things—hate crimes and policies directed against minorities, for example—that then lead to violence. The violence can then lead to atrocities. Is there a tick-box tool that your embassies have so that they can start to warn you that there is an increase in hate crime in wherever, so that you can then start to look more closely at that country?



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**Elizabeth Truss:** We, of course, receive regular reports from all our embassies about the general direction the country is going in. I am not sure that you could classify it as a tick-box. We monitor closely what is happening to freedom of speech, democratic rights and media freedom and in terms of violence. Frankly, characterising it in that way is an interesting idea. I see it very much as a continuum. The United Kingdom cannot fix every problem in the world straightaway, but we can make sure everything we are doing is moving in the right direction and we are moving countries in the right direction. With our G7 partners, we are developing much more of a common understanding, recognising that acting collectively is more effective than acting alone. That is a really important part of what we are looking to do.

If there are countries that are in danger of becoming more authoritarian and disrespecting human rights, we can see what we can do about that and what levers we have over those countries. Those levers are not just development levers; they are also foreign policy, diplomatic levers, economic levers and security levers.

**Chair:** Foreign Secretary, I think the report that we will be bringing to you soon about atrocity prevention is mirroring what you are saying. We will have some simple recommendations for you as a consequence of that.

**Elizabeth Truss:** Very good.

**Chair:** I think we could be the world's canary when it comes to preventing atrocities.

Q326 **Kate Osamor:** Secretary of State, your new strategy refers to new centres of expertise. What are these centres of expertise and who will staff them?

**Elizabeth Truss:** This is really what Nick was saying earlier about what we have learned about effective development. Often effective development is about sharing policies and sharing expertise, whether it is on tackling climate change or how to improve education for girls. It is about formalising some of the perhaps more informal expertise that we supply and making that a key part of the United Kingdom offer.

Q327 **Kate Osamor:** Since the merger, would you say that the FCDO has the expertise to run these new centres of expertise?

**Elizabeth Truss:** The answer is yes, and it is not limited to the FCDO. Other Government Departments have a lot to offer. I have mentioned education. We have very strong education policy in the UK, and we can offer that to other countries. I do not know if you want to say more about that, Nick.

**Nick Dyer:** Currently, it is a range of possibilities. Currently, we have relationships with HMRC and the Bank of England to call down advice as needed by the country. We have a relationship with the University of Oxford and LSE over a long period of time in terms of providing world-



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class academic advice as required. It really depends on the sector, where the expertise sits and how to draw it down and draw it in. It depends a little bit on the issue.

Q328 **Kate Osamor:** Would you say that these centres will help to reduce poverty for the poorest in the world, or will it be like-minded academics exchanging ideas?

**Elizabeth Truss:** It is all about helping those countries develop and become more prosperous and more successful, to the benefit of their population. Of course, education is an absolutely core part of that.

Q329 **Nigel Mills:** Just going back to a topic from a few minutes ago, about the appointment of Mr Dyer as the new director general, when you write a paragraph in your new strategy about driving down “bureaucracy which risks smothering our instinct to be innovative and responsive”, you would not naturally think a new director general was a great way to do that. I assume, Mr Dyer, you think you are part of the solution to that rather than part of the problem.

**Nick Dyer:** Should I answer that?

**Elizabeth Truss:** You need to answer that. You have been asked that directly.

**Nick Dyer:** With bureaucracy, there are two problems we are trying to fix. One is that it is just far too slow in the organisation in terms of making decisions. If you just look at the time it takes from concept idea to Ministers or heads of mission signing stuff off, it just takes too long. The other is, if you speak to external partners of ours, they say, “My goodness, you don’t half put a lot of demands on us.” They find it very bureaucratic and time-consuming in terms of their engagement with us.

Those are problems we need to fix, and those are two problems that I want to help the organisation to fix. Those are as we laid out in the strategy. We set ourselves ambitions in terms of what we want to try to achieve, and there are ways in which we can go about doing that. We are going to review the way we do our annual reviews. We are going to review how we do our due diligence. We are going to simplify our grant and concept templates. There are things that we are going to do over the course of the next few months to try to fix that problem.

**Elizabeth Truss:** Just to praise Nick, having a single person in charge of the entire process is a really important part of being able to fix that problem. Nick has already been gripping this with respect to Ukraine, making sure we are getting the Ukraine funding out as quickly as possible, getting it approved as quickly as possible, and of course making sure it is value for money. Nick has really gripped that since he took on the role. When did you take on the role?

**Nick Dyer:** It was six weeks ago.



**Chair:** A good time to land.

Q330 **Nigel Mills:** Secretary of State, how much of your time do you get to spend on development? Are you signing off these project approvals every week, or do you have so much else on your plate that you do not get to spend that much time on these issues?

**Elizabeth Truss:** We have a whole team of Ministers who are empowered to sign off the approvals. As I said, we are now delegating more directly to our heads of mission to be able to do that. I operate in terms of working with the ministerial team to set the strategy, but our team across the Foreign Office are very much empowered to deliver on it, and that is right. Somebody on the ground in Nigeria, South Africa or the Solomon Islands is better placed to make those decisions about exactly how those projects are going to be funded than I am.

The ministerial team and I are very much about setting the direction. We have been very directly involved in Ukraine just because it has been such an urgent crisis, and there has been such a desperate need to get the funding out. Vicky Ford, Minister for Africa, is also very involved in some of the specific issues there. The ministerial team are involved, but our approach is very much that we have this team of excellent officials, and they need to be empowered to get on with the job.

Q331 **Chair:** Should we regard this more as a direction of travel, or a heads of terms, and then be looking for the details in the coming months or years?

**Elizabeth Truss:** It definitely represents a direction of travel, particularly in terms of the budget, because, as we have already talked about with the multilaterals, a lot of those budgets are set in stone quite a long time in advance. Certainly, even by the end of the spending review period, we have not got to the exact position we would want to get to, particularly in terms of some of the investment products. I would like us to be developing more useful investment products for the future.

This is very much the first step of taking our development strategy in a new direction. We are bringing out a women and girls strategy soon, which will go into more detail on that subject. We are bringing out a prevention of sexual violence strategy, which will go into more detail on that subject. Yes, it is the overview of the direction. Last year we launched British International Investment. We gave a clear sense of direction on that, but there will be more to come—I mentioned women and girls and PSVI—including, I hope, on a G7 investment offer for low and middle-income countries. Some of these parts of the strategy will be with other partners; they will not just be for the UK.

**Nick Dyer:** To answer your question as well, my job is to make sure this is implemented on behalf of the Foreign Secretary, and the Foreign Secretary will hold me to account to ensure that it is. That is about making sure the strategy is in place, having overview of where the resources are going and how they are being spent, and making sure we have the capability in place to deliver it over a period of time.



Q332 **Chair:** Do you have particular targets that go alongside it? For example, do you want to take 1 billion people or 2 billion people out of extreme poverty? I know you push back on the SDGs, but they do have quite clear targets that you are aiming towards. Are you also measured against those, and is that a document?

**Nick Dyer:** For instance, if you take the women and girls strategy, it is very clear about what we are trying to achieve in education, in terms of 40 million additional girls getting into education, and every girl having 12 years of education. I would look for the individual elements of it rather than asking for one figure. We cannot bring it down to one figure. It comes down to the individual sectoral ambitions.

Q333 **Nigel Mills:** Can I just switch back to belt and road and your G7 funding strategy? How well advanced are discussions with the G7? Have they all bought in to pooling money to be a rival to China, or is that an ambition rather than a likely outcome yet?

**Elizabeth Truss:** It is certainly something that we have communicated publicly that we want to do. There is more work to do on setting joint standards for the investments that we are putting in. For example, the EU has already developed its Global Gateway, which is their version of the BII. The Americans have their programme, which is called Build Back Better World.

Each of the G7 has its own individual investment offers. It is now about putting those together in a more coherent way, not having a joint pot, but very much being able to communicate more broadly with the world about what is available as an alternative, honest and reliable source of finance with high standards, not with the strings attached that we are seeing from China and others.

Q334 **Nigel Mills:** The "belt" part of the belt and road was through central Asia, if I remember rightly, which is not really an area we have focused investment on. I think it even disappeared as a funding line in 2021-22. Given what has happened in Afghanistan, and now Russia and Ukraine, are you suggesting we might put a bit more focus back into that quite troubled region?

**Elizabeth Truss:** We are very focused on a number of regions. I have talked about Africa. We have now extended BII to cover the Caribbean, which is very important. The western Balkans is an area we are focused on. Again, it is an area of considerable geostrategic competition, where it is very important that we have a strong, reliable investment offer. We are working with Australia on the Pacific as well, and south-east Asia. Those are some of the key areas that we are working on.

We cannot do everything. One of the exercises with our G7 partners is looking at where we are best placed to focus. Clearly, Canada and the US are best placed to focus on the Americas region overall, although we have a specific interest in the Caribbean. Japan has its own interest. Expanding this concept is very important. We and our partners in the G7





understand that there has been a creation of economic dependence through both trade and investment over a number of years, by China in particular but also by other countries, and we need to make sure there is an alternative offer out there. There is a recognition of that, and I am pushing very hard so that we can make further progress with our allies.

**Q335 Nigel Mills:** There are always plenty of rumours and stories that one of the reasons why people pick China is because they make the offer very attractive to individual decision makers as well as to countries as a whole. Are we conscious of the need to build that anti-corruption capacity in these countries so they are not tempted by criteria that really are not appropriate for those decisions, and actually want the best form of investment, not the best for themselves?

**Elizabeth Truss:** Yes, absolutely. That is why it is so important it is part of a coherent strategy that encompasses foreign policy, diplomacy, trade, investment and security policy. We have to make it easy enough for countries to get investment by de-bureaucratising the process while making sure it is absolutely rigorously fair, open and honest, because that is what we are promoting around the world.

**Q336 Nigel Mills:** It takes some doing to find mentions of civil society's role in these countries in holding their Governments to account. Is that still a priority for funding or is that one of the areas that we will leave to somebody else?

**Elizabeth Truss:** We continue to fund civil society and make sure that we are supporting projects, as I mentioned, involving free media and civil society groups. It is back to the point the Chair was making about the direction of travel of the country overall, what we can do to change that and how we can use our economic and development tools to help move things in the right direction.

**Q337 Theo Clarke:** Following the publishing of the international development strategy, can you confirm, Foreign Secretary, that the Independent Commission for Aid Impact—ICAI—will continue to scrutinise the use of the aid budget to ensure we are getting value for the UK taxpayer?

**Elizabeth Truss:** Yes.

**Q338 Mr Sharma:** Nutrition is my main area of concern. If I look at the new strategy, I had a little bit of difficulty finding out about it. In your view, where does nutrition fit into your new strategy?

**Elizabeth Truss:** Nick, maybe you can answer that question. I know we made a commitment on that recently.

**Nick Dyer:** We have been pushing very hard on the series of Nutrition for Growth summits, which we first did during the Olympics, back in 2012. We were pleased that the Japanese had their own Nutrition for Growth summit, and they got commitments of \$22 billion at that summit. We also made a commitment to spend, both directly and indirectly, on nutrition efforts over the period up to 2030.



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Nutrition is clearly a main factor for childhood deaths. We are keen to continue all our nutrition efforts, both in our work with maternal health and also our humanitarian work, where quite a lot of our activity is addressing the most acute and serious nutrition that you can find.

**Q339 Mr Sharma:** I am glad to hear that you were present at the Nutrition for Growth summit last year, but I could not see any further commitment or new money introduced into tackling the malnutrition. You attended it, but there was no new commitment on this issue.

**Nick Dyer:** The commitment we made at that summit was over a 10-year period, and it was also done at a time when we were going through a process of reallocating and looking at our budgets. In the light of something like the international development strategy, now is the moment for our heads of mission, who, as we said before, we have given the responsibility to decide how they spend the money, to look at the nutrition option as part of their choices going forward.

**Q340 Mr Sharma:** What do you say when people, including people who are active in the field, feel that, with no new financial commitment to tackle malnutrition—I am talking about *new* financial commitment—the UK is stepping back from its role as a global leader on nutrition? The UK was seen as a leader.

**Nick Dyer:** I would go back to one of the things we said earlier, which is that the biggest bang for your buck you can get in any development intervention—we have done all our studies on what works in development—comes from policy change. It is not about spending money; it is actually about doing the right policy interventions in the first place. We are doing quite a lot of R&D. We are doing lots of research on nutrition and nutritional activities. I do not actually think spending less money in any area, whatever that area is, necessarily means you have less impact. So long as you are investing in research, as we do, and you are offering people policy advice, which we do, you can have just as big an impact as spending money.

**Q341 Mr Sharma:** The Committee has heard evidence about the devastating impact that the pandemic has had on global nutrition. What are you doing to address this, especially in the light of cuts to the aid budget?

**Elizabeth Truss:** First of all, we recognise how serious the situation is. It was a major topic of discussion at the G7, in terms of, first of all, how we can support countries struggling with food poverty. At the spring meetings in April, we saw the largest ever commitment by the World Bank, of \$170 billion until the end of June 2023, to support countries faced with economic hardship as a result of the Russian invasion of Ukraine.

We are also, in the longer term, supporting food and agricultural markets through British investment partnerships. We have an investment portfolio in the food and agriculture sector. Some of the points Nick was making were about getting better growing techniques and better ways of



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producing food to alleviate those issues. Immediately, we are working to help Ukraine get the grain from Ukraine, which is currently sitting there, to the world. It is one of the world's largest grain suppliers, and we are very focused on that effort as well.

This shows the point of having foreign policy linked to development policy. This is something that Foreign Ministers were discussing, and we have been discussing it with our Defence Minister colleagues as well, in terms of how we can immediately deliver the supplies, as well as how we provide the financing for those countries to be able to get the food that they need.

Q342 **Chair:** Because of time, I have a couple of questions that I just want to throw at you for quick responses. In the strategy, you said that you will restore the funding for women and girls and humanitarian work. What is the timescale for doing that, and are you looking at restoring to pre-2020 commitments?

**Elizabeth Truss:** For women and girls, we are restoring that in 2022-23.

**Chair:** Is that to pre-2020 levels?

**Elizabeth Truss:** This coming financial year, it is to £745 million, which is the same as what it was in 2019-20. That is restored immediately. In terms of humanitarian aid, we will be committing £1 billion this year, which restores the money as it was, I think, two years ago. Is that right?

**Nick Dyer:** No. It makes sure that we are sustaining our commitment on humanitarian compared to last year, and increasing it marginally bilaterally.

**Chair:** The humanitarian is on last year's figure, but the women and girls is pre-2020 figures.

**Elizabeth Truss:** Yes.

**Nick Dyer:** That is correct.

Q343 **Chair:** There is only a fleeting reference to disability within the strategy. There is no mention of a disability inclusion strategy, which is surprising. Does that mean that that is now off the table, or was this an oversight that it is not included?

**Elizabeth Truss:** It does not mean it is off the table. It is a core part of what we do.

Q344 **Chair:** Thank you very much. This Committee is very interested, as you know, in preventing sexual violence. Oxfam was rightly called out, and you put a funding pause on Oxfam. Last year the Charity Commission said that, as far as it was concerned, they were now off the naughty step, and they have been really proactive in trying to get other aid organisations to look into their own practice and remove sexual violence. Why is it that their funding is still paused now, and will you lift that,



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please?

**Elizabeth Truss:** I am currently looking at this very issue, but I wanted to reassure myself that it is absolutely dealt with, because what had been happening was appalling, and we need to make sure that it never happens again.

**Chair:** My concern is that, while they are still being seen to be on the naughty step, it is having a chilling effect on other organisations coming forward. I am really grateful that you are looking into that.

The next one is Ethiopia. Should the UN Security Council step in now? Have things got bad enough?

**Elizabeth Truss:** It is clearly a very difficult situation in Ethiopia. We have allocated extra aid funding. We are doing all we can, and we are looking at that.

Q345 **Chair:** Thank you very much. The famine in the Horn of Africa seems to be not getting the attention that it really needs. Is it high up on your pile of priorities?

**Elizabeth Truss:** It is very much on my pile of priorities.

Q346 **Mr Liddell-Grainger:** Can I talk about Ukraine? We have a Ukrainian MP taking a very close interest in these proceedings at the moment, and I am delighted. We have spent £60 million out of £220 million, according to a letter you recently sent. Can I ask, Foreign Secretary, why it is only £60 million? What are we doing with the rest? How are we going to make up the difference? What is the FCDO's current total for spending? What are we not committed to yet, and what is the humanitarian aid to Ukraine actually being used for? I am just trying to get between what we have spent and what we are going to do, and how we are doing it.

**Elizabeth Truss:** We have allocated £220 million, and we have spent over £87 million. We have also signed agreements with partners for the remaining money, which will be spent according to agreed plans. The money has to last for a certain amount of time, so we could not spend it all on day one, nor would it have been advisable on day one. I can give you a rundown of what we have been spending the money on.

Q347 **Chair:** Foreign Secretary, could you write to us?

**Elizabeth Truss:** Yes. It is quite a long list. We are also supporting on issues like sexual and gender-based violence. We are supporting local charities in Ukraine. We are doing a lot of work to get food into encircled cities. We are doing a lot of work to get things like ambulances into Ukraine. A huge amount of work is going on.

We are also working very closely with the Poles on helping people who have come over the border into Poland as well. Both Nick and I have visited the aid distribution centre to see it all happening.

Q348 **Mr Liddell-Grainger:** Are we intending to expand what we are doing?



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This war is going to go on for quite some time yet. Do we have contingency plans, Foreign Secretary, to spend more than the £220 million, should it be needed, on humanitarian aid in what is obviously a difficult situation?

**Elizabeth Truss:** I continue to be in discussions with the Treasury about further funding that we might need, but there is no doubt that we need the humanitarian funding. We also need the funding to help Ukraine economically, because the economic situation is very difficult. I have just talked about grain. They are not able to export a lot of goods. Their economy is not able to run as normal, so we are supplying budget funding. I know budget funding is being supplied through the international financial institutions as well, and we also need to look at the reconstruction funding.

One thing we are looking at is the possession of Russian assets to help with that funding of the Ukrainian rebuild, but that will not be enough. We will also need to seek wider contributions to the funding of rebuilding Ukraine. The answer is that there is quite a large bill.

Q349 **Mrs Latham:** Ukraine is very important, and there has been huge concern in this country from everybody about Ukraine, but what effect would committing extra resources to Ukraine have on other aid programmes run by your Department? Are you getting extra money to fund Ukraine that is over and above the 0.5%?

**Elizabeth Truss:** Those are precisely the discussions that we are having with the Treasury. We want to be able to commit the funding that I have been talking about to the other very serious issues that are going on around the world, as well as our long-term investment programme, which I have discussed, as well as supporting the people of Ukraine. Those discussions are ongoing.

Q350 **Mrs Latham:** This is the immediate humanitarian crisis, but there is the ongoing rebuilding. Is that likely to come out of aid money, or is it likely to be a separate fund?

**Elizabeth Truss:** This is subject to ongoing discussion. We are also interested in looking at the option of seizing Russian assets to be able to use those to fund this as well, but I do not think that will be enough. We will need to find the funding.

Q351 **Chris Law:** Just very quickly on Ukraine, I know that the UK is an executive board member on the IMF. I am just looking at the figures. In 2020, the UK's publicly guaranteed debt rose to 65% of the country's GDP. You have mentioned using Russian assets as part of structuring and reconstruction going forward, but, as an executive board member of the IMF, do you agree that the UK is in a unique position to lobby for the cancellation of Ukraine's national debt?

**Elizabeth Truss:** That is an interesting proposition.



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**Nick Dyer:** Currently, the Ukrainian Government want to pay their debts. They do not want cancellation

Q352 **Chris Law:** They are in a dire situation, given they are in a war.

**Nick Dyer:** They are in a dire situation, but they do not want to be in a situation where they are telling the world they cannot pay for their debt. We are being led by the Ukrainian Government on this. At the moment they are saying that they do not want it.

**Chair:** It was an incredibly powerful statement when they did pay their debt.

Q353 **Chris Law:** I have a last question on climate. There is very little mention of climate justice, and in fact there is no mention at all of loss and damage, yet they are the key things that came up at COP26. Why are they not in here? Are we lacking ambition? What are we going to do to prioritise those?

**Elizabeth Truss:** They are a priority, and we are committed to all of the climate funding pledges that we made at COP26.

**Chris Law:** I am talking about climate justice and loss and damage specifically.

**Elizabeth Truss:** I appreciate it is about loss and damage as well as about transitioning to a green economy.

**Chair:** Foreign Secretary, we really appreciate you coming to this Committee. Thank you for all the things you have agreed to follow up on, and we hope we have a productive working relationship.

**Elizabeth Truss:** There are lots of letters to write.

**Chair:** There are indeed. Thank you very much.