



Foreign, Commonwealth
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Sarah Champion MP
Chair, International Development
Committee
House of Commons
London
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Dear Sarah.

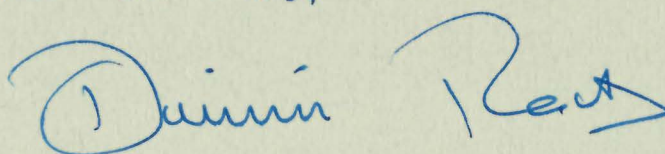
Thank you for your request for a written memorandum regarding the Official Development Assistance (ODA) 2020 reductions process.

I wrote to you on 22 July 2020 to update you on the Government's plans to adjust our ODA spend in response to the forecasted changes in GNI in 2020 resulting from the Covid-19 pandemic. I set out how the agreed package of £2.9bn in reductions was a 'reasonable worst case scenario' and highlighted that we would maintain our flexibility, with arrangements in place to tailor spending further during the remaining months subject to the economic picture.

As per my Statement in the House on Thursday 26th November 2020 we have taken the tough but necessary decision to temporarily reduce the overall amount we spend on ODA from calendar year 2021. We remain a world leading aid donor spending 0.5% of GNI. We will spend more than £10 billion next year to fight poverty, tackle climate change and improve global health. We will return to spending 0.7% of GNI on ODA when the fiscal situation allows. I can confirm we will honour the 0.7% commitment in 2020.

You asked for detailed breakdowns of the agreed reductions. However, given that these figures are still indicative, and taking into account that the final reductions of ODA spend will not be confirmed until after the 2020 year-end, I have not been able to answer questions 1, 2 and 6 in full. I recognise the need for transparency in this process, and I assure the committee that the Statistics for International Development will provide a full breakdown of the UK's ODA spend in 2020 next year as usual.

Responses to the questions you provided can be found in the attached Annex A.

Yours sincerely,


THE RT HON DOMINIC RAAB MP

Annex A: Responses to Questions 3, 4 and 5

Question 3: What consultation was undertaken with (a) delivery partners (b) recipient countries regarding this process, including the criteria for prioritisation?

- a. In implementing the necessary reductions, the relevant SROs (supported by commercial teams) have worked closely with their suppliers to communicate outcomes for each agreement. Where in-year adjustments have been needed, individual programme partners have all been informed, so that they can manage their risk accordingly. We worked hard with our partners to amend or agree responsible exit terms where necessary for our contracts, grants and memorandums of understanding.
- b. Relevant UK Heads of Mission have been briefed on the outcome of the reductions exercise, and have engaged with their respective host governments where appropriate to set out agreed reductions and ensure close consultation with official partners throughout the implementation of the reductions.

Question 4: How were the priorities for the review communicated to (a) FCDO staff (b) other departments?

The review was led by the Foreign Secretary in his capacity as First Secretary of State. The priorities guiding the reductions exercise were agreed with other Ministers from ODA spending departments at a meeting in June 2020. This review took place before the formation of the Foreign, Commonwealth and Development Office.

- a. The priorities for the review agreed at the meeting were issued to the senior leadership in both the Department for International Development and the Foreign and Commonwealth Office.
- b. Relevant senior officials from each department, including the Department for International Development and Foreign and Commonwealth Office were present during discussions to agree the reductions in line with the priorities agreed at the meeting. It was for Ministers to ensure decisions agreed at the meeting were appropriately communicated to their departments.

Question 5: The Foreign Secretary described the priorities to be preserved during the Review as: 'poverty reduction for the 'bottom billion'; tackling climate change; reversing biodiversity loss; championing girls education; UK leadership in the global response to Covid-19; campaigning on issues such as media freedom and freedom of religious belief; ensuring that the UK is a global force for good; and protecting the UK's science and research and development base.'

How is the 'bottom billion' defined?

There is no internationally recognised definition of the "bottom billion". The term was originally coined by Professor Sir Paul Collier who defined it as the countries least able to escape poverty, but it is also sometimes defined as the world's billion poorest citizens. Foreign, Commonwealth and Development Office (FCDO) analysis suggests that over time, these definitions converge. The FCDO takes into account a wide variety of factors when considering who are the most vulnerable countries and individuals.

How is the UK's global leadership in response to Covid-19 being affected via ODA spending?

In his letter from 22 July 2020, the Foreign Secretary set out how the Government had already pivoted our budget to respond to the Covid-19 pandemic. The UK has so far pledged up to £1.3 billion of aid to counter the health, humanitarian, and economic impacts of Covid-19, and to support the global effort to find a vaccine, alongside supporting a sizeable response from the multilateral development banks. We have further allocated £119 million of aid to provide relief to over 6 million people and help prevent famine in countries hit by conflict and COVID-19. We have also appointed the UK's first Special Envoy for Famine Prevention and Humanitarian Affairs to spearhead our combined diplomatic and UK aid effort.

How is the UK's science and research and development base being protected via ODA spending?

Our contribution to research and development remains an important element of the UK's international development offer. Activities are focused on meeting the needs of developing countries by leveraging UK science and expertise. For example, the GCRF, a fund operated by BEIS, addresses challenges across all of the Sustainable Development Goals, bringing together science, research and development experts from the UK and the developing countries. The Newton Fund supports partnership co-created with partner countries, and is directed according to development priorities identified by that country, as outlined in individual country strategies. BEIS has sought to ensure that as much programming as possible can continue uninterrupted in 2020 to support sustainable economic development and poverty reduction in ODA eligible countries – including making specific contributions to their Covid-19 pandemic response and recovery.