

Written evidence submitted by the ONE Campaign to the International Development Committee inquiry on Aid spending in the UK

About the ONE Campaign

The ONE Campaign is an international development advocacy and campaigning organisation, working to end extreme poverty and preventable diseases, especially in Africa.¹ ONE members raise their voices and put pressure on governments to keep their promises to the world's poorest people. ONE has been at the centre of campaigns to increase development budgets in order to raise vital funds for the fight against poverty, and to call for measures to ensure that aid is spent effectively and meets high standards of transparency. We believe that this is vital for maintaining public confidence in our aid budget.

The effect the use of the aid budget to support refugees in the UK has had on the delivery and maintenance of UK-funded programmes in low-income countries

The decision taken by the UK Government to cut the overseas aid budget from 0.7% to 0.5% of GNI in 2020 has been devastating and the situation is worsening as a result of Government use of the aid budget to support refugees in the UK. Whilst supporting Ukraine is without a doubt the correct approach, UK aid is becoming too stretched to fulfil its purpose. ONE is fully supportive of measures to assist refugees, but concerns are held about the impacts of doing so using the Official Development Assistance (ODA) budget. Current uncertainty around the UK's ODA budget threatens to destabilise the UK's reputation as a trusted global partner.

The Government's Statistics on International Development indicate that the amount of bilateral ODA going to the world's least developed countries (LDCs) dropped by £961 million in 2021, a cut of 40%.² The cut to the UK's ODA budget was made prior to the outbreak of conflicts in Ukraine and Afghanistan. Absorbing the impacts of these crises has effectively cut the aid budget further. In October, aid totalled only around 0.3% of GNI once all refugee costs and other spending programmes for Ukraine inside the UK were accounted for.³ In-donor refugee spending has skyrocketed in the UK. Analysis indicates that in-donor refugee costs could reach around £3 billion in 2022.⁴ Previous years saw much lower levels of ODA being spent in this way. For example, in 2018 only £382 million was spent on in-donor refugee costs.⁵ The Government's decision to originally class all refugee costs as part of the 0.5% ODA target led to difficulties in the management of the budget and this is now being realised through both multilateral and bilateral programme cuts. The FCDO has become a residual spender as Home Office costs appear to take priority.

¹ ONE, [About ONE](#) [Accessed 14th December 2022]

² BOND, [What's been happening to UK aid this week?](#) [Accessed 14th December 2022]

³ The Guardian, [Billions in foreign aid never leaves Britain under Sunak rules](#) [Accessed 14th December 2022]

⁴ CGD, [Projections of UK-Hosted Refugees, and the Implications for the UK's Aid Budget and Spend](#) [Accessed 14th December 2022]

⁵ ONE calculations based on the [OECD DAC Database](#)

The unprecedented scale of in-donor refugee costs led the Government to pause all non-essential aid between July and October of this year and UK funding to programmes was frozen during this time period. The Centre for Global Development has predicted that even with the freezes in existing spending, additional cuts of £900 million for aid programmes will be necessary to finance Home Office costs.⁶ The diversion of ODA funding to the Home Office has damaged the UK's ability to maintain its international commitments to programmes carrying out work in low-income countries.

The £400 million cut in the UK's pledge to the Global Fund to Fight AIDS, TB and Malaria is testament to this. On 14 November 2022, the Government issued a written statement to announce a pledge of £1 billion to the Seventh Replenishment of the Global Fund. £1.4 billion was pledged to the previous replenishment cycle. Leaders from key donor nations such as the US, Canada, Germany, Japan and France, announced their pledges at the pledging event in New York on 21 September. However, due to the freeze on non-essential aid spending, the UK was unable to do so. The UK's reputation suffered a significant blow at the summit as the UK sent only ministerial representation with no financial commitment. The UK's Prime Minister did not attend, and the Minister present was unable to join the high level segment. Opinion of the UK was further damaged when the Government further delayed its pledge to mid-November. The UK was the only G7 country to cut its pledge. ONE campaign analysis illustrates that a reduced pledge of £1 billion will place over 1.5 million lives at stake and risk over 34 million infections across the three diseases.⁷

The pause in non-essential spending could also have led the UK to falter on international climate commitments. The UK failed to meet the deadline for payments to the Green Climate Fund and the Adaptation Fund. More than \$300 million worth of payments were missing.⁸

Whether spending from the aid budget to support refugees in the UK is an efficient, effective and ethical use of public money

Prior to the Chancellor's Autumn statement and the announcement of additional funding, the UK was the only G7 member to fund all the costs of Ukrainian refugees from the existing aid budget. Some DAC members set a ceiling for in-donor refugee costs, for example Sweden sets a 30% cap. Australia does not report in-donor refugee costs as ODA and while Canada reports in-donor refugee costs as ODA, its spending is additional to the international assistance envelope. The UK is an outlier in the way in which it processes refugee spending. The UK's spending on in-donor refugee costs should be additional to the FCDO budget earmarked for development spending, whether that is set at 0.5% or 0.7%. Although DAC rules allow for in-donor refugee spend to be classified as ODA, this does not mean the UK should do so. Especially not in such a way as to displace funding for responding to international crises. The

⁶ CGD, [Projections of UK-Hosted Refugees, and the Implications for the UK's Aid Budget and Spend](#) [Accessed 14th December 2022]

⁷ ONE analysis is based on the [Global Fund's calculator on](#) the impact of what every US\$100 million invested through the Global Fund will provide. Full methodology is available upon request.

⁸ Politico, [Britain's climate leadership unravels under Rishi Sunak](#) [Accessed 14th December 2022]

UK's aid budget should be treated as a floor, not a ceiling, with areas of unexpected spending classed as an additional cost. This would provide certainty and allow the Government to deliver on its objectives, as set out within the International Development Strategy.

The effectiveness of spending from the aid budget to support refugees in the UK can be questioned as the diversion of funding is impacting the Government's ability to deliver on the priorities outlined in the International Development Strategy. This is not effective spending. On providing life-saving humanitarian assistance, the UK's capacity to respond to crises in low-income countries has been severely impacted. UK funding for the East African food crisis this year (£157 million) is 82% less than in the last crisis in 2018 when the UK provided £861 million. Further to this, on providing women and girls with the freedom they need to succeed, cuts to the Global Fund to Fight AIDS, TB and Malaria could mean 206,211 fewer mothers will have access to medicine to prevent transmitting HIV.

Further to this, recent research from the Centre for Global Development has found that the UK is spending more per refugee than in previous years. The UK has almost doubled how much in-donor refugee aid it reports per recipient compared to pre-pandemic.⁹ This could be a result of better refugee treatment, and this would be a positive step forward. However, further investigation is required into this area as it is equally possible that in-donor refugee costs are being overbadged. Increased funding without improved conditions would not be an efficient, effective or ethical use of public money.

Whether the use of the aid budget to support refugees in the UK is sufficiently transparent to facilitate scrutiny by Parliament, taxpayers and civil society

There are inconsistencies across government departments on aid spending. On ONE's last Real Aid Index assessment, completed in 2020, the Home Office scored only moderate for transparency.¹⁰ The Real Aid Index assesses each UK Department that spends more than £50 million of aid and their top 3-5 programmes against the principles set out in the ONE Campaign's [Real Aid Charter](#). Further, on IATI's d-portal, total funding commitments are not displayed for the majority of Home Office projects.¹¹

Transparency is also lacking in the responses received from the FCDO to requests for further details on spending, in particular on in-donor refugee costs. Civil society organisations' requests for information from government officials have not been able to elicit clear responses on spending. Responses to written parliamentary questions submitted by MPs on this topic also lack substance. Ministerial responses tend to simply state: *Provisional and final official UK ODA spend data for 2022 will be published as normal in the Spring and Autumn of 2023 respectively*. Difficulties accessing information directly impacts the ability for effective scrutiny. It is impossible

⁹ CGD, [Projections of UK-Hosted Refugees, and the Implications for the UK's Aid Budget and Spend](#) [Accessed 14th December 2022]

¹⁰ ONE (2020) [Real Aid Index 2020](#) [Accessed 14th December 2022]

¹¹ IATI, [D-Portal UK - Home Office](#) [Accessed 14th December 2022]

for the impact of the use of the aid budget to support refugees in the UK to be assessed if confirmed data is not available.