

The HALO Trust
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International Development Committee
House of Commons
London
SW1A 0AA

15 December 2022

Dear Ms Champion MP

Inquiry Evidence: Aid spending in the UK

The HALO Trust welcomes this inquiry. Our evidence draws on the organisation's expertise as a unique international NGO sitting at the intersection of defence, diplomacy, development and trade.

We look forward to working with the Committee in this inquiry its broader work.

Yours sincerely,

Calum Craig

UK Policy & Advocacy Manager

A. About The HALO Trust

1. The HALO Trust, founded in 1988, is an international NGO specialising in the clearance of landmines and other explosive hazards. HALO is a world leader in humanitarian and conflict response, and weapons control. It operates in around 30 countries with over 13,000 staff, 98 per cent of whom are recruited and trained from the communities where we work. HALO's mission is to protect lives and restore livelihoods of people affected by conflict.
2. HALO has a strong record of applying our operational expertise and capabilities to sudden onset emergencies. In June 2022, HALO was a first responder to the earthquake in south east Afghanistan, which killed over 1,000 people and injured more than 6,000. HALO applied its capability and unique presence across Afghanistan to provide front-line emergency response.
3. In Ukraine, HALO had been present in the Donbas region since 2015. Following the Russian invasion, HALO teams relocated to Kiev and other areas. Since then, HALO has been clearing the full range of explosive munitions, including landmines. Our team of over 640 Ukrainian woman and men is expected to increase to over 1,200 in 2023.
4. Since the start of the war in Ukraine, 32,000 civilian buildings have been damaged, including over 700 critical infrastructure facilities. Agricultural land sown is down by 24% on the previous spring, with a reduction of eight million tonnes of cereal exported in 2022. Meanwhile, the World Bank estimates the overall reconstruction cost stands at \$349bn.
5. HALO is committed to preventing the root causes of conflict and instability as a proactive humanitarian NGO sitting at the intersection of intersection of defence, diplomacy, development and trade.

B. Introduction

6. HALO believes UK ODA is a demonstration of the UK's commitment to global poverty reduction, sustainable development, and building resilience in fragile and conflict-affected states. ODA should also promote economic development and welfare of emerging economies. In doing so, the UK can also invest in its own security and prosperity.
7. The newly appointed Minister of Development recently noted the United Kingdom no longer holds its status as an 'aid superpower'. The UK nevertheless remains home to leading international NGOs and other organisations with wide-ranging expertise, including in conflict prevention, mitigation and response.
8. The challenges facing the UK ODA budget are an indicator of growing impact of global challenges, including conflict, COVID, climate and the economic implications of the invasion of Ukraine. The IDC's inquiry is timely in considering efficient and effective use of public funds from all government budgets including, but not limited to, ODA.

C. Context

9. This call for evidence has taken place in the context of Russia's invasion of Ukraine, leading to the displacement of over eight million people from their homes.
10. The broader effects of conflict and climate change are integral factors in the increasing number of displaced persons around the world. Many of these effects can be averted if long-term strategic planning were to be adopted to strengthen resilience and bring stability to countries at risk of conflict, climate stresses, and economic shocks.
11. There are around 50 active conflicts globally, with 14 being amongst the most vulnerable to climate change. The economic cost of conflict and fragility now exceeds \$14.8tr, equivalent to 15 per cent of the global economy and five times UK GDP. According to UNHCR, at least 89.3 million people around the world have been forced to flee their homes, many of whom as a result of conflict.
12. Resource scarcity is a threat multiplier of conflict and fragility. 40 per cent of internal armed conflicts in the last 60 years have been related to natural resources. That is set to increase as the impacts of climate change are seen in water scarcity, desertification, population movements and food insecurity. This has taken place at a time when the UK is dealing with a cost-of-living crisis, an energy price rises and the aftermath of COVID.
13. This year, the UK has also welcomed the highest number of refugees in at least four decades, with around 270,000 arrivals in 2022 compared to a 40,000 per year average, according to the Center for Global Development. The UK has counted the cost of supporting refugees in the UK from Ukraine and Afghanistan as part of its ODA, in accordance with OECD guidance on in-donor refugee costs.
14. It is estimated that the overall sum could be over £3bn per year, equivalent to a quarter of the UK's 2022 annual ODA budget. UK ODA is a fixed budget meaning the increased pressures caused by refugee housing costs has led to significant budgetary pressure. The new Minister for Development recently stated the 2022 ODA budget has increased to 0.55 per cent as a result of these pressures.
15. From July to November 2022, non-essential ODA spending was paused to provide Ministers the opportunity to make decisions on spending priorities and budget allocations with the Treasury. The economic challenges coupled with budgetary pressures on ODA outline the need for an agile, strategically led, and stable budget that can be relied on by FCDO partners.

D. Efficiency & Effectiveness

16. The success of the FCDO in overseeing ODA spend should be assessed against the ability to deliver on UK priorities set out in the International Development Strategy. The creation of the FCDO aimed to create greater cohesion across government and deliver a more comprehensive development strategy when addressing complex and interrelated challenges.

17. The Development Minister should therefore have the authority to work across departments on the delivery of UK priorities overseas to maximise the outcomes ODA can achieve. This will help to remove silos between parts of government, and ensuring ODA spending has greater cohesion, accountability and transparency.
18. An increased focus on resilience building and stabilisation programming in affected countries will lessen the acute effects of these stresses. The FCDO has the ability to aggregate its tools of development, diplomacy, defence and trade as part of integrated programming. ODA achieves its best results when targeted at holistic conflict prevention with a resilience-focused, equitable and sustainable approach.

E. Recommendations

19. We offer the following recommendations to the Committee:
 - a. While ODA can be attributed legally to resettlement costs, the government should also consider the opportunity cost of doing so in terms of poverty reduction, stabilisation and security, including supply chain security.
 - b. The government should explore all other funding opportunities to address resettlement costs and responses to new emergencies, including for Ukraine and the Horn of Africa.
 - c. The government should increase its focus in ODA expenditure on resilience building and stabilisation to ensure the root causes of conflict are addressed at source.
 - d. The government should prioritise ODA programming that will break cycles of endless, protracted wars by supporting conflict prevention, response and recovery.
 - e. The government should develop strategic and cross-departmental coordination in the delivery of ODA. It should also ensure that the full scope of expertise in HMT, DIT, MOD and the FCDO is utilised to ensure UK ODA is most effectively spent across government.
 - f. The government should enhance efforts ensure the full apparatus and tools of Whitehall and HMG's overseas capability can be applied to deal with emerging conflict and their consequences.
 - g. The government should take a leadership role in constructive partnership with the private sector to consider how efficiency and effectiveness in ODA spend can benefit from new sources of innovative and additional funding for sustainable development. This should include the role of British International Investment (BII).

ENDS