

International Development Committee inquiry: Effectiveness of UK Aid Evidence submission from the Institute of Development Studies

About the Institute of Development Studies

The [Institute of Development Studies](#) (IDS) is a global research and learning organisation for equitable and sustainable change. IDS is ranked best international development policy think tank (2019 Global Go To Think Tank Index) and first in the world for development studies by the QS University Rankings, with the University of Sussex.

This submission draws on evidence from:

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1. The definition and administration of UK aid – who should be responsible, and accountable, for targeting and spending aid?

1.1 Administration of UK aid

1.1.1 DFID has played a critical role in building the UK's world-class reputation for ground-breaking research and evidence-based policymaking, which leads the way in tackling the world's most pressing global challenges that have key implications for the UK's security and prosperity - poverty and inequalities, disease and climate change.

1.1.2 The aspiration for a 'joined up' approach to ODA spend across government departments is a positive one and is necessary to make sure their relative portfolios complement one another and avoid duplication. Coordination among departments for UK aid spending is particularly relevant for areas such as climate change mitigation, global health, conflict and migration and achieving the Sustainable Development Goals. However, we would strongly recommend that DFID retains its independence.

1.1.3. Through DFID, UK aid should continue to tackle extreme poverty and support the science that will end the suffering from deadly diseases such as Covid-19, Ebola and malaria, help poorer countries collect the taxes that can fund their own public services, and tackle the urgent climate and environmental problems that will continue to impact on citizens everywhere. Achieving this relies on DFID and the FCO working closely together but retaining their distinct roles.

1.1.4. While there is much scope for a more joined-up approach across HMG to Britain's place in the world, and for DFID's learning to be shared and embedded across departments, any restructuring that diluted DFID's independence, influence or further reduced the share of UK Aid DFID is responsible for distributing, would risk diminishing the UK's global positioning, security and prosperity. Evidence not ideology must drive efforts to improve coordination across UK Government and the evidence on merging departments to achieve greater efficiencies and effectiveness is at best mixed. We would urge the Integrated Review to recognise these points.

1.1.5. A robust institution in the form of DFID supports an accumulation of experience, expertise and experience over time that becomes a unique, and critical resource when

global challenges arise, such as Covid-19. A strong organisation, and institutional capacity, is central to the UK being able to respond, look forward and also work towards alternative futures that are equitable and serve the interests of all.

1.2 Research funded by UK aid

1.2.1 A vital, and globally unique, area of UK leadership lies in transformative research, based on UK capacity to bring social science and humanities expertise together with natural and health sciences to address global challenges such as Covid-19 (and transformations to sustainability, security and prosperity). These strengths in interdisciplinarity and engaged, impact-oriented research have a well-established track record in some key areas – and have been boosted recently by investments such as the Global Challenges Research Fund, which is widely recognised as unique in bringing academics together in a new generation of problem-oriented, transformative science. Key areas of UK leadership in interdisciplinary, problem-oriented research include:

- Urbanisation and urban transformations
- Transformations to sustainability, climate and environmental justice
- Youth employment and mobilisation
- Epidemics and the social dimensions of infectious disease threats
- Digital technologies and their social and economic dimensions
- Conflict and humanitarian research

1.2.3 Expertise in these areas has also helped the UK to be an important thought-leader in development. The UK is home to the Institute of Development and University of Sussex, which together have been ranked as first in the world for development studies by the QS World University Rankings for the last five years. Development/development studies as an umbrella discipline integrates concerns with society, security and prosperity. It is an areas of UK leadership that should be acknowledged and built upon.

1.2.4 UK leadership in development/development studies is also supported by some key institutions including the British Academy, the Economic and Social Research Council (ESRC), and DFID. DFID research and implementation programmes are appreciated around the world and the UK's development leadership through DFID is a crucial part of the UK's positive global presence more generally, synergising well with diplomatic interests.

1.2.5 The ability to be at the cutting edge of development knowledge and research are critical for the UK to maintain its 'soft power' and to project a level of influence across the globe. This is particularly pertinent now given the rolling back of development cooperation and funding predicted to continue in the US and with the UK leaving the European Union. All government departments should learn from DFID's experience and expertise on building and sustaining the global research partnerships necessary to deliver positive change where it is needed most.

1.2.6 For cross-government ODA-funded research, there are four key features of international development research which DFID could be supporting non-DFID ODA funding programmes to achieve:

- Cross-disciplinary - Transformative research on global challenges can often best be achieved by bringing academic and non-academic (government, business, civil society) actors together in consortia and partnerships to work on key problems. This mode of transdisciplinary, engaged research needs to be recognised and supported through suitable funding routes because the problems the world face are

interconnected and difficult and require multiple angles. It requires maintaining a balance between natural science, medicine, environmental science, and social sciences.

- Integrated with policy and practice - not just producing science but feeding it through to policymakers and often co-constructing that research with government agencies and civil society organisations so that the policy implications are integrated and can be used.
- Impact-oriented - invest in research uptake and impact, and in mechanisms to ensure that research translates into solutions to real-world problems. Programmes such as the DFID-ESRC Impact initiative, a partnership between IDS and the University of Cambridge; the Social Science in Humanitarian Action Platform (SSHAP) hosted at IDS with support from DFID and the Wellcome Trust, and the follow-on funds from many research council programmes offer positive examples of world-leading support to innovation in this area.
- International partnerships - involving the people and organisations on the ground in low- and middle-income countries, not just as data collectors or receptors, but in conceptualising and designing work. DFID has been fantastic in supporting exactly that kind of work and other government department funds, particularly the Global Challenge Research Fund would greatly benefit from DFID's expertise.

1.3 Definition of UK aid

1.3.1 Regarding the definition of UK aid, the rules surrounding ODA ensure limited aid resources are focused on poverty alleviation and addressing the basic needs of people around the world. Any process to reform the ODA rules needs to tread the careful balance of making the most efficient use of aid and improving transparency of where and how aid is spent, whilst retaining the focus of sustainable development and ending extreme poverty.

1.3.2 This focus on sustainable development and poverty reduction must continually be returned to when considering any changes around ODA to be used further in peacekeeping operations or in disaster relief in any small island states, with higher incomes per capita and other forms of financial support than lower-income countries.

1.3.3 To maintain the UK's reputation as a global leader we would also urge extreme caution in deviating away from the rules or spirit of the rules of what counts as overseas aid as defined by the OECD. It is not just the 0.7 percent commitment that we should focus on but how that overseas aid is spent.

1.3.4 To tackle the Sustainable Development Goals (SDGs) and the interconnected global challenges that the world faces, it seems essential to have aid cooperation at an international level. Therefore, it would seem counter to that for the UK to use a separate definition of ODA, which would also make it difficult to compare aid spending across ODA members.

1.3.5 As a global leader in development, in transparency, thought leadership and as one of highest contributors of aid, the UK has an influential role among other donors and as such should be working for rule changes to be implemented multilaterally rather than unilaterally.

1.3.6 Tackling significant global challenges requires cooperation and coherence across policy, both domestic and international. So while it is right for other government departments (OGDs) to contribute to these efforts, they need to ensure that their ODA spending and associated activities are aligned with the four main objectives of the UK Aid Strategy 2015, particularly tackling extreme poverty and helping the world's most vulnerable and work

towards the SDGs. The Paris and Busan agreements on aid effectiveness were important landmarks, and it is important that they are also upheld in the administration of ODA with its more disbursed spend.

2. How effective and transparent is the UK aid spent by the Department for International Development (DFID) compared to aid allocated to other Government departments and to the cross-Government funds?

2.1 DFID has led the way on transparency and accountability. DFID was ranked the third most transparent aid department in the world in the 2018 Aid Transparency Index. This compares to the Foreign Office which was ranked 40th out of 45 departments. On maintaining transparency, accountability and taxpayer value for money, it should be recognised that DFID is still the best placed department to deliver the bulk of the UK aid budget.

2.2 As ODA spending by OGDs and cross-government funds increases, along with a large increase of DFID budget being allocated to CDC, there is a significant shift towards a wider dispersal of ODA across government and non-departmental government bodies.

2.3 ICAI's report on the Prosperity Fund identified some concerns around transparency and the limited information in the public domain about its strategy and ways of working, which also appear to echo concerns regarding the transparency level of other OGDs spending ODA. It is important that concerns around transparency are addressed and for ICAI to maintain its scrutiny of funds as they progress.

2.4 DFID and the Research Councils take an approach to open competition and tendering, which although requiring significant investment on the part of bidding organisations, does ensure transparency and enable diversity of applications.

2.5 There appears to be a lower level of transparency from OGDs with regards to their procurement process. From our own experience at IDS, we have identified the excellent online procurement facility that DFID use, which is easy to navigate and provides early procurement notices and Priority Information Notifications (PINS) on expected new programmes and pipeline notifications that outline forthcoming opportunities. This allows for greater forward planning, fostering meaningful collaborations and forging the best partnerships with complimentary organisations.

2.6 The availability of information that greater transparency brings is an important element in strengthening accountability but also in understanding results and impact. Transparency underpins better learning and knowledge sharing between partners.

2.7 Improved transparency is also a vital tool in tackling corruption and other misuses of aid resources, not least through ensuring that local actors are better able to hold their own governments and other aid actors to account. It also provides reassurance to the public and taxpayers in donor countries.

2.8 The Transparency is essential for all ODA spending and DAC members should publish to the International Aid Transparency Initiative standards.

3. How should the national interest be defined, and what weight should it be given, in relation to targeting UK aid?

3.1 Covid-19 has painfully illustrated how interdependent and interconnected the world is. Instead of focusing on national interest, the UK should be leading the way in focusing on mutual interest and mutual learning between all nations – high-, middle- and low-income.

3.2. The universal nature of development challenges – made clear by Covid-19 and inherent to the concept of the SDGs – is that they affect us all, in the UK and internationally. Efforts put in place by DFID to support those providing research, innovation and solutions in a wide range of lower- and middle-income countries are important for them, but also for the UK. Findings in other countries provide opportunities for learning but can also benefit the UK directly with the emergence of new technologies, approaches, methods and relationships that can be adapted (and in some cases even directly applied) in UK contexts.

3.3 Many ‘emerging’ middle-income countries have, or are rapidly developing, strong science and technology capabilities – China, India, Brazil, South Africa are notable. It would be useful for the UK to establish strong ‘mutual learning’ partnerships with such countries, and funds such as the Newton Fund are valuable here. Notably these countries have all nurtured diverse research ecosystems involving multiple institutions, and they have put strong state investment behind science and technology.

3.4 However, the capabilities of low-income countries in generating knowledge for vital transformations should not be overlooked. Whether this concerns waste management innovations amongst poor Indian city residents; advances in mobile banking and home solar systems in East Africa; climate change adaptations amongst Bangladeshi farmers, or movements to secure women’s gains in power and autonomy, there are numerous emerging examples of valuable innovations ‘from the margins’. A vibrant local civil society and a flourishing of local and national think tanks is important in supporting these. The UK has much to learn from them for its own security and prosperity, and should therefore seek to foster knowledge exchanges, mutual learning and joint research/innovation with a wide diversity of partner countries internationally – not just the most obvious strong science leading nations.

4. Accountability of the ‘Government systems and structures’ recommended by the Integrated Review (including arrangements for parliamentary scrutiny)

4.1 Independent scrutiny by bodies such as ICAI and the IDC are vital to ensure UK aid is being spent effectively.

4.2 ICAI plays a crucial role and it is encouraging that they defined the monitoring of aid spend in other government departments as a priority.

4.3 They should continue to closely monitor cross-government spending of ODA, particularly as ODA is increasingly disbursed across government departments that are responding to global challenges such as coronavirus which require cross HMG initiatives. Its work brings a vital cross-departmental view and complements the work of individual select committees, as well as scrutiny from civil society organisations, think-tanks and others.

4.4. For example, ICAI’s 2017 review of the Prosperity Fund identified key concerns around transparency and the limited information in the public domain about its strategy and ways of working.

4.5 In the context of the Integrated Review, ICAI’s reports and analysis play an important role in providing evidence to inform how DFID, the FCO and Defence can complement each other. It should be noted for example that ICAI has previously highlighted the danger of weakening DFID as other departments spend more ODA and eroding DFID’s capacity for learning and sharing its expertise on development research and evidence across HMG.

4.6 Whatever emerges from the Integrated Review, UK government must continue to invest in high quality, rigorous and transdisciplinary research and evidence that is focused on

addressing global challenges such as poverty and inequality, climate change and of course now the coronavirus pandemic – and has tangible impacts on people’s lives, particularly in low-income countries I.e. UK-funded research helped bring an end to the Ebola outbreak in West Africa in 2014-2015 and shaped more effective approaches to subsequent outbreaks, ensuring engagement with communities and their cultural practices such as burials. ICAI has a critical role to play in monitoring the ongoing level and impact of these investments, ensuring that it involves those with the best knowledge of local contexts to do this.

4.7 Civil society organisations and think-tanks also have roles to play and Bond plays a valuable convening role. However other departments and their ministers will need to be held directly accountable.

4.8 We would also encourage close collaboration between HMG on ODA-funded research, building on the work of the Strategic Coherence of ODA-funded Research (SCOR) board, which was established to promote coherence, collaboration and joint action among UK funded global research for global development.