

Norwegian Refugee Council Submission to the International Development Committee Inquiry on the Future of UK Aid

28 May 2021

1. Introduction

- 1.1 The recent changes to the UK's aid strategy, policy, and budget allocations, including cuts to humanitarian and other Overseas Development Assistance (ODA), come at a particularly difficult time for vulnerable communities across the world. A record 235 million people will need humanitarian assistance and protection throughout 2021, a near 40 per cent increase on 2020.ⁱ The humanitarian system is severely overstretched as funding fails to keep pace with rising need. Over each of the past five years, UN-led humanitarian funding appeals for crisis countries have on average faced 40 per cent shortfalls.ⁱⁱ Families living in fragile and conflict-affected states are particularly badly impacted. For examples, in crisis countries such as Yemen and Syria, donors have failed to raise even half of the funds needed to support those requiring urgent assistance in recent donor conferences.
- 1.2 In this context, the UK Government needs to work with other donors, including those not traditionally involved in humanitarian assistance, such as the World Bank, to fill gaps in humanitarian financing, and to set a clear timeline and criteria for its own urgent return to allocating 0.7 per cent of the UK's Gross National Incomes (GNI) to ODA. When humanitarian funds are so limited, it is more important than ever that UK aid reaches those who are most vulnerable, in line with humanitarian principles, and is not allocated on the basis of political or economic interests. Flexible, transparent, predictable, and multi-year financing, in line with the UK's Grand Bargain commitments, is also important to ensure that scarce resources are used to their greatest potential in saving lives and supporting communities.
- 1.3 The Norwegian Refugee Council (NRC) is an independent humanitarian organisation helping people forced to flee violence and disasters. NRC works in more than 30 fragile and conflict-affected countries. NRC acknowledges the critically important role that UK aid plays in supporting vulnerable communities around the world. Funding from the Department for International Development (DFID) and now the Foreign, Commonwealth and Development Office (FCDO) has allowed NRC to help hundreds of thousands of people. In 2019 UK aid made up approximately 5 per cent of NRC's income, supporting humanitarian activities in 13 countries – for example by providing emergency food assistance, clean water, legal aid and education. Beyond NRC's own work, its prominent role in over 100 cluster and humanitarian co-ordination groups, at global, regional, and national levels, has allowed NRC to observe the broader contributions of UK aid in saving lives and helping communities recover from war and disasters.
- 1.4 In its submission, NRC will focus on the following areas of this inquiry: *the strategic targeting of UK aid spending; the effectiveness of the Government's policy; the effectiveness of channels for the delivery of UK aid; and the impact on communities in lower income countries.*

2. The Future of UK Aid

2.1 UK's aid spending strategy and effectiveness of its policy

- 2.1.1 The UK has played a critical global leadership role in delivering effective international aid to crisis-affected communities. It has a record for which the Government should be proud. NRC believe that the following areas need to be considered if the UK is to safeguard this reputation:

- Work with others to urgently fill immediate humanitarian funding gaps

- Maintain a clear separation of political and humanitarian objectives
- Retain focus on fragile and conflict-affected states
- Maximise the use of the FCDO's diplomatic leverage in support of principled humanitarian action

2.2 **Humanitarian funding gaps**

- 2.2.2.1 The UK has a proud status as a global aid superpower. UK aid spending has had hugely positive impacts worldwide. Between 2015 and 2020 DFID supported at least 15.6 million children to gain a quality education and reached 33.7 million people with humanitarian assistance (including food aid, cash and voucher transfers).ⁱⁱⁱ NRC welcomes the Prime Minister's commitment, outlined in the Integrated Review, to "*remain a world leader in international development*".^{iv}
- 2.2.2.2 The UK Government's decision to make deep cuts to ODA comes at the worst possible time. The world faces record levels of humanitarian needs – including a near doubling in the number of people facing starvation globally.^v Urgent and sustained humanitarian action is needed to avoid further deterioration and to prevent the risk of famine in areas on the brink.
- 2.2.2.3 In this context, it is critical that the UK Government not only works with other donors to fill immediate gaps in humanitarian financing but also sets out a clear timeline and criteria for an urgent return to spending 0.7 per cent of GNI on ODA.
- 2.2.2.4 In its new aid policy, the UK Government has said that it will continue to prioritise humanitarian preparedness and response, with a focus on leading a stronger collective international response to crises and famine. NRC welcomes this commitment but is concerned that this will be undermined by the significant overall reduction in humanitarian aid spending. The UK's Government's recent announcement that it has allocated £906m to support 'humanitarian preparedness and response' represents a more than 40 per cent drop compared to the 2019 allocation for humanitarian assistance. The March 2021 pledging conferences for the humanitarian crises in Yemen and Syria gave an early indication of the severity of the UK's aid cuts, with UK pledges falling by 60 per cent and 67 per cent respectively. This may lead to the end of UK financial support to some of NRC's own aid programmes in Yemen that have assisted families facing acute food insecurity, which is just one example of the impact the cuts will have. Media reports indicate that similar reductions are likely in other fragile and conflict-affected contexts.^{vi}

2.3 **Separating political and humanitarian objectives**

- 2.3.2.1 NRC welcomes the UK Government's recommitment in the Integrated Review to *principled* humanitarian assistance.^{vii} However, we are concerned by government statements that aid will focus on where 'development, security, and economic interests align' rather than on where needs are greatest.
- 2.3.2.2 The FCDO should demonstrate its unqualified commitment to Humanitarian Principles and Good Humanitarian Donorship, which aim to ensure the independence, neutrality, and impartiality of humanitarian responses. This is critical to reaching the UK's goal to protect 20 million people from catastrophic famine.
- 2.3.2.3 Demonstrating that the allocation of the UK's humanitarian funding is driven by need, and not compromised or directed by national security or other agendas, has two clear benefits: firstly, it will support the ability of humanitarians to deliver assistance in the most difficult contexts by maintaining safety and access for frontline responders; secondly, such efforts play a critical role in promoting and protecting the UK's own reputation as a global leader in humanitarian action.

2.3.2.4 NRC has extensive experience in providing humanitarian aid in line with Humanitarian Principles in conflict settings. Perceived or actual politicisation of humanitarian assistance puts the lives of aid workers at risk and prevents aid from reaching those in the most vulnerable situations.

2.4 Focusing on fragile and conflict-affected states

2.4.2.1 The world is facing recurring and increasingly protracted wars across the globe, exacerbated by tensions and uncertainty created by the Covid-19 pandemic. In its Integrated Review the UK Government commits to “*work to reduce the frequency and intensity of conflict and instability, to alleviate suffering*”.^{viii}

2.4.2.2 NRC is concerned that this commitment is already being threatened. The March 2021 UN-led pledging conferences for the humanitarian crises in Yemen and Syria, and media reports containing information related to likely cuts in other countries, suggest almost £1 billion in cuts across 10 fragile and conflict-affected countries (FCAS).^{ix}

2.4.2.3 The announcement of a new International Development Strategy represents a clear opportunity to reaffirm the UK’s commitment to spending at least half of ODA in FCAS, in line with past recommendations^x and in accordance with Sustainable Development Goal 16.^{xi} The UK Government can also demonstrate leadership and seek a G7-wide agreement to do likewise at the upcoming UK-hosted G7 Leaders’ Summit.

2.4.2.4 Humanitarian protection interventions in FCAS represent vital means to unlocking the potential of other aid programmes in these countries. For example, the UK Government’s goal to support girls’ education cannot be realised if girls cannot attend school safely. This is especially the case in FCAS where the prevalence and risk of Gender-Based Violence significantly increase. In 2018, just 0.31 per cent of ODA was spent in combatting violence against women and this may drop further as it does not appear to clearly align with the existing priorities outlined by the Government.

2.4.2.5 Historically, DFID has been a leading supporter of other protection activities such as information, counselling and legal assistance (ICLA). These types of activities can be vital to ensure displaced people are for example able to safely obtain the official documents needed to access essential services such as healthcare and education.

2.5 Rally diplomatic leverage in support of humanitarian access and protection of international humanitarian law

2.5.2.1 Past reviews by the Independent Commission for Aid Impact^{xii} and others have called for closer work between DFID and the FCO in support of promoting access and delivering on protection in line with international law. The creation of the FCDO, and the focus of the Integrated Review on joined-up Government approaches, represent opportunities to deliver on these recommendations. NRC welcomes the UK’s intention to use this “*combined power of diplomacy and development*” to be a force for good in tackling root causes of vulnerability and in support of humanitarian assistance.^{xiii} The combined diplomatic weight of the FCDO, UK embassies, and the UK’s seat on the UN Security Council and within other major international institutions should be operationalised to support negotiations for continued humanitarian access that is compatible with humanitarian principles and International Humanitarian Law. In 2019, 90 per cent of humanitarian access incidents which prevented aid agencies from reaching people in need were a result of national government bureaucratic impediments, not conflict or security incidents.^{xiv} Diplomacy can therefore be a powerful tool to ensure humanitarian assistance can be accessed by those who need it.

2.5.2.2 There have been multiple examples of the powerful impact that the UK Government can have when it uses its full range of diplomatic and aid tools to press for positive humanitarian outcomes. In 2016, the UK Government hosted a major conference on the

Future of Syria^{xv} which has delivered tangible benefits to refugees from Syria across the Middle East. In 2017, the UK Government played a key role in preventing famine in Somalia.^{xvi} Such integrated interventions helped avert further catastrophe and demonstrate how the UK can further the goals of the aid programme with diplomatic action.

3. Effectiveness of UK aid channels

- 3.1 The UK is renowned for championing much-needed reform of humanitarian financing policies, such as promoting flexible, multiyear funding, and investing in resilience and preparedness. During the ongoing COVID-19 crisis, the FCDO has demonstrated understanding of the changing circumstances, allowing for increased flexibility in the implementation of NRC- and other NGO-run humanitarian projects, which enabled aid agencies to reach populations and address newly emerging needs. The FCDO should continue to ensure that funding is flexible, timely, transparent, and efficient, and prioritises mechanisms that reach frontline responders easily and efficiently in line with Grand Bargain commitments.^{xvii}
- 3.2 It is also vital that the FCDO continues to review which aid channels it prioritises to ensure the most efficient means are used to reaching populations in need. Both multilateral and bilateral funding play a critical role in meeting humanitarian needs. Direct funding to local, national and international NGOs (for example via the Rapid Response Fund (RRF) or Country-Based Pooled Funds (CBPFs)), and support to UN agencies' efforts to find new ways to expedite the flow of funding to first responders and reach local actors, are two ways the FCDO can positively contribute to more timely delivery of aid.
- 3.3 The UK Government's RRF has proved a vital mechanism for expediting funding to the frontline and should be retained, utilised more frequently and expanded by the FCDO. Country CBPF are another means by which the efficiency and effectiveness of UK aid. In 2020 the UK was the second biggest funding contributor to CBPFs.^{xviii} CBPFs are designed to ensure the assistance they provide is locally appropriate and allows for quick response that promotes the country-level coordination of humanitarian assistance. CBPFs are the largest single source of direct funding to local and national NGOs, with additional funding from CBPFs passing indirectly to national NGOs where these organisations work with UN agencies or INGOs as implementing partners. The FCDO should continue to prioritise funding to CBPFs, ensuring they have the capacity to expand as more donors utilise them.
- 3.4 The UK is also one of the largest direct funders of UN humanitarian aid agencies. While funding provided from the UK and several other donors to UN bodies is often multi-year and fully flexible, funding from the recipient UN bodies to their implementing NGO partners may be in shorter-term cycles and tightly earmarked. For example, Education Cannot Wait (ECW) grants administered by an intermediary UN agency added a requirement on its NGO partners to find match funding, significantly delaying implementation. NRC therefore encourages the FCDO to ensure the requirements passed down by UN and other intermediaries' agencies to front-line NGO responders are in line with their own requirements.
- 3.5 The unanticipated deep cuts to the UK's ODA spending have reduced the FCDO's ability to provide longer-term flexible funding to its operational humanitarian partners like NRC. Looking to the future, the FCDO should prioritise returning to more predictability, multi-year funding as soon as possible, which demonstrably improve the efficiency and effectively of humanitarian operations.

4. UK Aid Cuts 2020-22

4.1 Process of implementing in-year changes to the aid budget and to setting ODA budget allocations

- 4.1.2.1 The UK has been a leader in aid transparency, and the former DFID was rated as 'Very Good' in the 2020 Aid Transparency Index. However, in making changes to its in-year aid budget and setting new ODA priorities, the FCDO has not been able to share critical information related to its existing and future aid allocations.
- 4.1.2.2 Given the sudden change in projections for economic growth as a result of the pandemic, in 2020-21 it was understandable that the UK government needed to identify a large package of reductions at short notice. However, the process by which this was done was not always clear and was generally un-consultative. At a project level, most of the cuts NRC experienced were managed by re-allocating spend into future years. While this meant delaying activities, we hoped we could still reach populations in need at a later date. Following the further reduction in the UKAid budget in 2021-22, the FCDO teams on the ground were often forced to reverse previous decisions and impose new cuts on project budgets.
- 4.1.2.3 Decision making for the 2021-22 year has been slow and inconsistent, with many decisions still pending as existing projects come to an end. Even if the FCDO decides to renew funding later, these delays will result in gaps in programming of several months. At worst, in contexts like Yemen, this may lead to delivery of emergency food aid being cancelled. At best, this hampers delivery, as NRC are unable to plan activities and retain specialist staff who are essential to quality implementation.
- 4.1.2.4 Increased transparency about where cuts will be made, including in relation to specific geographic locations and sectors/activities, will support the efforts of FCDO to work with other donors and mitigate the consequences of cuts and changed prioritisation. It will also help operational aid agencies to plan better and prepare vulnerable communities for the devastating impact that any cuts to assistance can have.
- 4.1.2.5 NRC has very positive engagement with the UK's overseas diplomatic and aid missions as part of our delivery of principled humanitarian action. However, as embassies have had to make decisions in relation to aid spending cuts, the FCDO teams on the ground have faced delays to decision-making which negatively impact on humanitarian operations.

4.2 Impact of aid cuts on communities

- 4.2.2.1 The crisis caused by the COVID-19 pandemic comes on top of already rising global need, with the wider impacts such as falling incomes, rising food prices and school closures hitting the poorest people hardest. As a result, in 2021, for the first time since the 1990s, extreme poverty is projected to increase, and many girls out of school will likely never return to education.^{xix} Meanwhile, the climate crisis continues to intensify, exacerbating extreme weather events such as floods and droughts. In 2020, 30 million people were displaced due to weather related disasters, with climate change likely to drive increased displacement in future.^{xx} In this global context, the impact of deep cuts from the UK, a major donor, will be marked on communities in lower income countries. NRC urge the FCDO and other donors to try and protect humanitarian crises from these impacts as far as possible.
- 4.2.2.2 The anticipated drastic cuts in assistance to people living in some of the most acute humanitarian crises risk exacerbating severe food insecurity and famine. For example, NGOs working in South Sudan have called on the UK Government to reconsider urgently the expected aid budget cuts to food security projects in the country. Around 60 per cent of the population in South Sudan are projected to face crisis or worse levels of food insecurity – and pockets of the country are already reported to be at or close to famine levels.^{xxi} Humanitarian assistance is keeping thousands of people from succumbing to malnutrition and death.
- 4.2.2.3 Similarly, NGOs working in the Democratic Republic of the Congo (DRC) have warned of the human costs of reported possible 60 per cent cuts to a country which is home to the greatest number of food insecure people in the world – 27 million. The DRC is ranked as the world’s most neglected displacement crisis by NRC’s annual assessments, highlighting the chronic levels of under-funding and lack of attention given by the international community to this mega-crisis. As the second largest humanitarian donor to DRC last year, cuts on this scale by the UK could have a further de-stabilising impact, undermining years of investment in the country under previous UKAid projects.
- 4.2.2.4 In Yemen, the UK has cut its aid to the country by half, at a time when 5 million people are in emergency levels of hunger. The country is on the brink of a catastrophic famine. More than 9 million people have already been affected by deep cuts to aid programmes in Yemen. These programmes cover life-saving food, water and health care. NRC for example has had to halve its food aid to 360,000 people since April 2020 due to other funding cuts. NRC and other aid agencies urgently need reassurances from the FCDO and other donors that more money will be allocated this year to ensure millions of people facing starvation can have their food rations restored. However, with UK financial assistance to one of NRC’s aid programmes in Yemen ending in June 2021, it appears certain that there will be a gap, impacting some of the most vulnerable food insecure families in Yemen.
- 4.2.2.5 Elsewhere in the Middle East, where the UK has also significantly reduced its humanitarian assistance, cuts to NRC’s legal and protection assistance will mean that over 65,000 displaced people from Syria will no longer receive aid. This includes support to Syrian children to obtain get birth certificates, assistance which allowed students and schoolchildren to obtain exam or training documents and help to address housing, land and property issues (for example in relation to evictions from homes and shelters). UK aid cuts will also impact on NRC’s education programming in Syria, due to the withdrawal of support into education research in the country.

ⁱ OCHA (2020) ‘Global Humanitarian Overview 2021’ (online) Available at: <<https://gho.unocha.org/>>

ⁱⁱ Lowcock, M. (2021) What’s wrong with the humanitarian aid system and how to fix it. Remarks by the Under-Secretary-General for Humanitarian Affairs, Mark Lowcock, at the Center for Global Development on Proposal for an Independent Commission for Voices in Crisis. 22 April 2021 (online) Available at:

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- vi <https://www.bond.org.uk/news/2021/05/uk-aid-cuts-little-information-but-devastating-consequences>
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