

## Written evidence submitted by the ONE Campaign (INR0026)

### 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<sup>1</sup>. 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. We have significant expertise in development finance, our 'Better Aid Scorecards' report on the latest trends in development finance, including by tracking spending on Official Development Assistance (ODA) by the leading donors<sup>2</sup>. Our Real Aid Index reports on how poverty focused, effective and transparent the largest ODA spending government departments are<sup>3</sup>.

### The Process of the Integrated Review

The integrated review process will need to involve relevant stakeholders and experts, to ensure that the policies are evidenced based. A key objective of the Integrated Review should be to identify the role that the UK can play in avoiding crises rather than responding to them when they arise. The Covid-19 crisis brings this issue into sharp relief: ahead of the crisis, no country was compliant with International Health Regulations agreed in 2005 to respond to the SARS crisis. Yet, improving crisis preparedness makes economic sense: the cost of pandemic preparedness is around \$10bn per year, while global commitments to respond to Covid-19 exceed \$4.6 trillion to date<sup>4</sup>.

While rich and poor countries are equally vulnerable to Covid-19, the impact in poor countries will be compounded by weak health systems, limited health spending, and few social safety nets like health insurance. Only global coordination that surpasses borders, politics and income will stop the global threat of Covid-19. A response that ignores the poorest countries will fail, because reinfection can occur. The UK must lead the international community in responding to the pandemic, by ensuring that fragile states and developing countries are not left behind.

Covid-19 may be the most extreme example, but similar principles apply to other global challenges. The global economic cost of conflict and violence was estimated to be \$14.1 trillion in 2018, or 11.2% of global GDP<sup>5</sup>, yet estimates suggest that \$2bn spent on preventing conflicts each year could save \$35bn of damages caused by conflict<sup>6</sup>.

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<sup>1</sup> <https://www.one.org/international/>

<sup>2</sup> <https://scorecards.one.org/>

<sup>3</sup> <https://www.one.org/international/real-aid-index/>

<sup>4</sup> <https://s3.amazonaws.com/one.org/pdfs/ONE-COVID-19-POLICY-PLATFORM.pdf>

<sup>5</sup> <http://visionofhumanity.org/app/uploads/2019/06/GPI-2019-web003.pdf>

<sup>6</sup> <https://elibrary.worldbank.org/doi/pdf/10.1596/29380>

With this in mind, the Integrated Review should answer the following five questions:

- How can the UK be an effective catalyst for the next wave of economic growth, which leaves no-one behind?
- As global health threats are becoming increasingly devastating and complex, how can the UK strengthen global health security and strengthen health systems around the world?
- How do we help fragile countries become more robust and resilient and avoid collapsing and becoming threats to global security?
- How can the UK's foreign policy help us to play a leading role tackling climate change?
- How are we going to seize the opportunities presented by new and evolving technologies?

### **Priorities for the UK Foreign Policy Strategy**

As Britain looks to find a new role in the world post-Brexit, its commitment to international development should be seen as an asset, and a powerful tool at the UK's disposal to help to build its global influence. Britain is a world leader in pushing for open societies and free-trading economies. It has a uniquely strong position globally, with a seat on the UN Security Council, and membership of the G7 and G20 group of developed nations, all of which allow us to amplify our voice and champion our values and interests.

The UK's positive global influence does not go unnoticed. A British Council survey of young people across the G20 found that the UK's contribution to development was the primary driver of trust in the UK Government<sup>7</sup>. Additionally, a United Nations Association report presented compelling evidence, that the UK's commitment to high quality aid is a key factor in the UK's soft power on the global stage<sup>8</sup>. In 2017, the UK ranked first in educating world leaders, with almost one in six serving heads of state having attended colleges or universities in the UK<sup>9</sup>. In 2019 the Soft Power 30 Index ranked the UK as the second country with the greatest soft power on earth<sup>10</sup>.

Diplomacy and development are instrumental in shaping how the world views Britain, maintaining the FCO and DFID as two separate, independent departments with cabinet level representation, secures this gold standard for a Global Britain.

While debates about the rise of China dominate geo-political discussions, China itself has turned its attention to a long-term vision that rests on demographic trends. This strategy has already seen China rapidly invest in Africa, the continent that by 2030 will contain more than a quarter of the world's young people. These are the young people that, given the right skills and opportunities, will drive the global economy of the future, so investing now will likely yield economic and political returns

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<sup>7</sup> [https://www.britishcouncil.org/sites/default/files/the\\_value\\_of\\_trust.pdf](https://www.britishcouncil.org/sites/default/files/the_value_of_trust.pdf)

<sup>8</sup> [https://www.una.org.uk/sites/default/files/UNA-UK\\_GlobalBritain\\_20190207d.pdf](https://www.una.org.uk/sites/default/files/UNA-UK_GlobalBritain_20190207d.pdf)

<sup>9</sup> <https://www.hepi.ac.uk/2017/08/05/uk-just-number-1-educating-worlds-leaders/>

<sup>10</sup> <https://softpower30.com/>

France too has recognised that it needs to prepare for this trend. Since taking office, President Macron has made 18 trips to Africa, eight within his first year. Theresa May, in 2018, made the first UK prime ministerial trip to Africa in five years. France, which has 11 more embassies on the African continent than the UK, is ramping up diplomatic and security cooperation in the region and taking steps to increase private investment. Far from the images of poverty and famine of the past, many African countries are showcasing innovation in digital financial services, tech and innovation.

This is a massive market that, through partnership in development, could become the UK's next generation trading partner. The UK-Africa Investment Summit led by Prime Minister Boris Johnson, laid the foundations for new partnerships between the UK and African nations based on trade, investment, shared values and mutual interest. The potential for growth in Africa is massive, and it will involve reforming aid and rooting out wasteful spending, ramping up investment in evidence-based programmes with the greatest return on investment, and re-orientating government policy in relevant areas in support of prosperity and sustainability at home and abroad.

Poverty will be increasingly concentrated in fragile states, at present, over half of those states in extreme poverty are also considered fragile, by 2030, this proportion is expected to rise to 85%<sup>11</sup>. In 2018, the FCO's spent 13% of its bilateral ODA in least developed countries and fragile states<sup>12</sup>. As we have learnt from the Covid-19 pandemic, it is vital that we must focus on the prevention of causes that leave the poorest and most marginalised people behind, this means that the FCO must do better in targeting aid to fragile states and least developed countries. Alongside all government departments that spend ODA, it is important to ensure that all aid is evidence based, well targeted, effective and transparent – adhering to these simple principles, as outlined in the ONE Campaigns Real Aid Charter<sup>13</sup>, will not only warrant value for money for the taxpayer, it will also contribute to poverty alleviation.

Investing in poverty reduction, peace-building and conflict prevention will do more to help our national interest than using aid to support short-term national security and economic priorities. In Rwanda, for example, every \$1 invested in peace-building has saved \$16 through the costs of conflict<sup>14</sup>. This is also backed by the public; the Aid Attitude Tracker is a long term study of public attitudes to aid, and their findings show that the people think that aid should be given primarily for the purpose of helping the poorest than to promote UK business and national interest<sup>15</sup>.

The implications of the Coronavirus pandemic will be severe, as the Secretary of State has rightly noted. The Government should consider two big additional areas as part of the Integrated Review. The first is how health systems, and global health security, can be

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<sup>11</sup> <https://www.odi.org/sites/odi.org.uk/files/resource-documents/12411.pdf>

<sup>12</sup> To calculate this, ONE Campaign used the OECD list of least developed countries and fragile states, as well as table A4F in the statistics for international development <https://www.gov.uk/government/statistics/statistics-on-international-development-final-uk-aid-spend-2018>

<sup>13</sup> [https://s3.amazonaws.com/one.org/pdfs/charter\\_for\\_real\\_aid.pdf](https://s3.amazonaws.com/one.org/pdfs/charter_for_real_aid.pdf)

<sup>14</sup> [http://visionofhumanity.org/app/uploads/2017/03/Measuring-Peacebuilding\\_WEB-1.pdf](http://visionofhumanity.org/app/uploads/2017/03/Measuring-Peacebuilding_WEB-1.pdf)

<sup>15</sup> <https://focus2030.org/The-Development-Engagement-Lab-project>

strengthened so this kind of disaster never happens again. The UK should take the lead in developing an aggressive plan to ensure every country in the world is prepared for the next pandemic by 2025. The UK has a particular comparative advantage in pandemic response – as demonstrated by our leadership on Ebola – and should scale this up as a matter of urgency.

Secondly, the pandemic provides an opportunity to look again at global governance. Existing institutions and rules have proven slow or inadequate in preventing and mitigating the pandemic. The UK is very well placed to lead a global process of reflection on how to reform the global architecture to make it fit for purpose for the challenges of the 21st century, and the Integrated Review should set out how it will build the necessary global coalitions to take this effort forward.

### **The Relationship of the FCO with other Government Departments**

UK foreign policy is strengthened when the Department for International Development, the Foreign and Commonwealth Office and the Ministry of Defence all work closely together as independent Departments with Cabinet representation.

The UK played a key role in the adoption of the Arms Trade Treaty (ATT) with the Ministry of Defence, DFID, and the FCO all contributing their expertise to various degrees in support of the agreement of the ATT which was negotiated under Labour and Coalition Governments and entered into force in December 2014<sup>16</sup>. Regulating the international proliferation of arms has obvious developmental benefits and is crucial for UK security. DFID brings an understanding of local development approaches and conditions which compliments the FCO's international reach and role, in particular in addressing conflict and fragility. The FCO supports links between international processes such as conferences, treaty negotiations and peace processes and local development partners.

A strong country portfolio management is key in enhancing the development of a recipient country and ensuring maximum impact. The UK government working together in Somalia is a good example of this as highlighted in the National Audit Office report<sup>17</sup>. The report demonstrates that DFID works alongside the FCO, the British Embassy, the Conflict Stability and Security Fund as well as other donors operating in Somalia to ensure its portfolio of programmes complements that of other departments and other donors. Scaling the work of the government and ensuring better cohesion between departments, is a much more cost effective and efficient way to achieve cohesion than restructuring departments.

The FCO is the largest contributor to the Prosperity Fund and the Conflict, Stability and Security Fund (CSSF), it accounted for 55.3% of the Prosperity Fund's ODA budget and 69.5% of the CSSF's ODA budget in 2018. The world we live in today is constantly changing, and it is right that we focus on global challenges such as economic development and maintaining stability in fragile contexts, and the FCO has the expertise needed to combat these challenges. However, it is also important that these funds are well targeted and transparent.

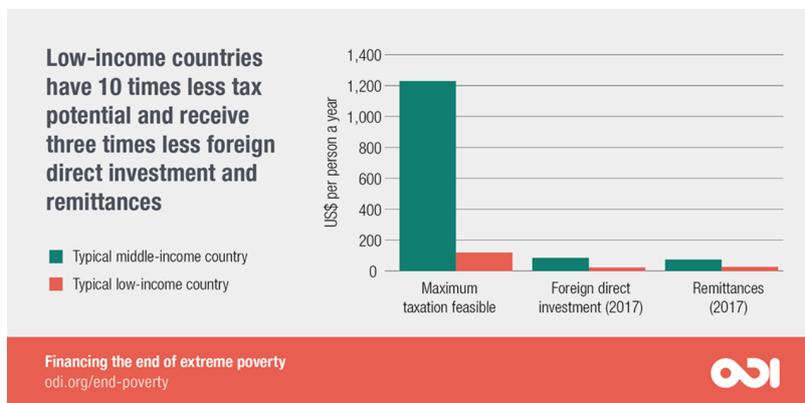
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<sup>16</sup> <https://www.gov.uk/government/news/arms-trade-treaty-enters-into-force>

<sup>17</sup> <https://www.nao.org.uk/wp-content/uploads/2019/06/The-effectiveness-of-Official-Development-Assistance-expenditure.pdf>

Transparency is crucial for accountability, ONE Campaign analysis illustrated that there is a lack of transparency in CSSF programmes, which made it difficult to assess effectiveness. The Independent Commission for Aid Impact (ICAI), in their analysis, found that most of the CSSF programming is “not designed to reach the most marginalised and vulnerable populations”<sup>18</sup>.

The Prosperity Funds programming is focused entirely in Middle Income Countries (MICs). It is commonly argued by those supporting a greater focus of UK aid spending on MICs that a large percentage of extremely poor people live in MICs. While this may be true, it is also the case that MICs have considerably greater access to non-ODA sources of finance than Lower Income Countries (LICs): ODI have shown that LICs have ten times less tax raising potential than MICs and three times less foreign direct investment and remittances.



ODI analysed each country’s financing needs to Leave No-One Behind and the potential of each country to fund their own development out of their domestic taxes. They found that most MICs could afford to finance the end of extreme poverty, but that there are 46 countries, most of which are Least Developed Countries (LDCs) and/or fragile states in Africa, which have need of significant additional ODA<sup>19</sup>. The focus of UK ODA should be to support countries that are unable to finance their own development, which is why ONE recommends that at least 50% of UK aid should be allocated to LDCs and fragile states.

The UK’s foreign policy and its soft power influence, is renowned globally, because of its strong defence, diplomacy and development prowess. Development is a key part of maintaining this status, Lord Hannay of Chiswick, former UK Ambassador to the UN, once stated that; “[The UK’s commitment to spend 0.7% of GNI on aid makes] both an indirect and a direct contribution to Britain’s soft power.”<sup>20</sup> There are some great examples of the FCO spending its ODA budget well, this can be seen in its work promoting human rights and good governance, its focus on girl’s education, the BBC world service and the British Council.

The FCO is the third largest ODA spending government department, with an ODA budget of £633 million in 2018, accounting for 4.4% of the total UK ODA budget<sup>21</sup>. ONE Campaign’s

<sup>18</sup> <https://icai.independent.gov.uk/html-report/cssf/>

<sup>19</sup> <https://www.odi.org/publications/11433-financing-end-extreme-poverty-2019-update>

<sup>20</sup> [https://publications.parliament.uk/pa/ld201314/ldselect/ldsoftpower/150/150.pdf?\\_sm\\_au=iVV4psJrJrnDVJQR](https://publications.parliament.uk/pa/ld201314/ldselect/ldsoftpower/150/150.pdf?_sm_au=iVV4psJrJrnDVJQR)

<sup>21</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/857904/Statistics-onInternational-Development-final-aid-spend-2018d.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/857904/Statistics-onInternational-Development-final-aid-spend-2018d.pdf)

Real Aid Index highlighted that the FCO's ODA budget is less poverty focused, less effective and less transparent than other ODA spending government departments. As a heavily ODA funded government department, it must significantly improve the effectiveness, value for money and transparency of its ODA spend, and focus much more on the long-term causes of poverty and fragility. If the UK foreign policy strategy indicates that the FCO must focus on short term interests, then it should be more fully funded out of general government revenues, as opposed to ODA, which is rightfully heavily scrutinised and should be dedicated to targeting poverty reduction.

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