

## Leonard Cheshire, Response to the International Development Committee's Inquiry into the Effectiveness of UK Aid (May 2020)

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### 1. Introduction

- 1.1. Leonard Cheshire (LC) is a leading inclusive development agency, with 70 years' experience in supporting persons with disabilities across the globe. We deliver our projects through local partners, whilst also contributing to mainstream programmes with our technical expertise on disability and inclusion. We have four regional offices in India, Kenya, Thailand and Zambia and hold the Secretariat for the Leonard Cheshire Global Alliance which is one of the world's largest networks wholly dedicated to supporting people with disabilities. Leonard Cheshire is one of three technical partners for disability for the World Bank, and works closely with the International Labour Organization, as well as collaborating with UNESCO, UNICEF, the UN Girls' Education Initiative and other global actors.
- 1.2. Our response to this consultation is shaped by our experience as recipients of UK aid as well as our engagement with DFID as a leading international development agency supporting persons with disabilities. LC receives direct funding from UK aid for programmes including our 'Inclusion to Innovation' (i2i) programme, our Girl's Education Challenge Transition Fund to improve the inclusion of girls with disabilities in education in Kenya, and our "Inclusion 100" project to improve the economic inclusion of people with disabilities in India. We receive additional funding as a partner in UK aid funded Consortia programmes on women's sexual health, girls' education and life changing assistive technology. LC is also an active member of the Bond Disability and Development Group which plays a key role in ensuring UK aid reaches persons with disabilities. In this response we aim to address the first four questions of the terms of reference for this inquiry.

### 2. Recommendations

- 2.1. All UK government departments responsible for delivering UK aid should adhere to globally agreed principles of aid effectiveness, should ensure decisions on allocations are firmly grounded within key human rights conventions, such as the UN Convention on the Rights of Persons with Disabilities, and are in line with efforts to deliver the [2030 Agenda for Sustainable Development](#) and achieve the 17 Sustainable Development Goals.
- 2.2. DFID's disability inclusion strategy and, in particular the minimum standards for disability inclusion, should be extended to all departments with responsibility for UK aid. We also strongly recommend that the OECD-DAC disability and inclusion marker is used by all government departments disbursing UK aid.
- 2.3. DFID must continue to act as the primary UK government department for the coordination and delivery of UK aid. All other government departments delivering UK aid must also demonstrate how they will adhere to globally agreed principles of aid effectiveness, transparency and accountability.

- 2.4. Leonard Cheshire recommends that all government departments with responsibility for UK Aid spending demonstrate how they will support the implementation of DFID's disability inclusion strategy and work in collaboration with DFID to deliver transparent, accountable and inclusive development programmes.
- 2.5. We strongly recommend that DFID should be retained as an independent department within the UK Government to ensure that its adherence to aid effectiveness principles, its high standards of transparency and accountability and its unprecedented commitment to ensuring the inclusion of persons with disabilities, and other populations at risk of being left behind, are upheld in a way which enables the UK to continue playing its leadership and agenda setting role amongst global international development actors.

### **3. The Definition and Administration of UK Aid**

- 3.1. The UK Government, and DFID in particular, has long been a leader in delivering Official Development Assistance (ODA) that places a high priority on alleviating poverty. In 2015 the UK enshrined in law its commitment to allocate 0.7% of Gross National Income to ODA and, in 2019, was one of just five OECD-DAC members to meet this globally agreed target<sup>1</sup>.
- 3.2. DFID was also a key proponent of aid effectiveness principles developed through the 2005 Paris Declaration on Aid Effectiveness, 2008 Accra Agenda for Action and the Busan Partnership for Effective Development Cooperation agreed in 2011. Key aid effectiveness principles included in these agreements emphasise the importance of: ownership of development priorities by developing countries; a focus on results that have a lasting impact on eradicating poverty, reducing inequality, and sustainable development and align with priorities set out by countries themselves; inclusive development partnerships; and mutual transparency and accountability of ODA. Although DFID played a leading role in securing global agreement to these commitments to improve the effectiveness of aid, in more recent years the UK Government's shift towards mutual prosperity has raised concerns. The Independent Commission for Aid Impact has stressed that there are risks the poverty focus of UK aid may be diluted due to departments coming under increased pressure to use aid to push forward UK commercial interests, and have highlighted a need for greater clarity about the appropriate uses for aid<sup>2</sup>.
- 3.3. DFID has played an important role in ensuring UK aid supports the fulfilment of key human rights conventions, such as the UN Convention on the Rights of Persons with Disabilities, and global agreements such as the 2030 Agenda for Sustainable Development and the Sustainable Development Goals. DFID's commitment to the SDGs' principle of leaving no-one behind has been especially important in ensuring that UK aid reaches those, such as persons with disabilities,

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<sup>1</sup> <http://www.oecd.org/dac/financing-sustainable-development/development-finance-data/ODA-2019-detailed-summary.pdf>; accessed on 07.05.2020

<sup>2</sup> 'The use of UK aid to enhance mutual prosperity', Independent Commission for Aid Impact, October 2019

who may otherwise have been overlooked by development assistance programmes.

- 3.4. DFID has shown strong leadership in supporting disability inclusion, both through its own working practices and its funding commitments. DFID's [Disability Inclusion Strategy](#), for example, aims to double the proportion of programmes that are disability inclusive by 2023, using the internationally agreed OECD-DAC disability inclusion and empowerment marker to monitor this. As part of the strategy DFID has introduced minimum standards requiring all DFID business units to change culture and practices, engage meaningfully with disabled people's organisations, influence others, adapt programmes and collect disaggregated data. Such commitment to disability inclusion, however, is not as clearly evident in other UK government departments responsible for supporting the delivery of UK aid. As highlighted by oral evidence given to the International Development Select Committee in June 2019, DFID's disability inclusion minimum standards do not apply to UK aid spending from other UK government departments, nor do other government departments collect disability disaggregated data on their ODA spend<sup>3</sup>.
- 3.5. Currently 75% of UK aid is delivered through DFID. It is critical, however, that the principles of aid effectiveness outlined above and the commitments to disability inclusion are supported across all departments responsible for delivering UK aid. As such we recommend that DFID's disability inclusion strategy and, in particular the minimum standards for disability inclusion, is extended to all departments with responsibility for UK aid. We also strongly recommend that the OECD-DAC disability and inclusion marker is used by all government departments disbursing UK aid.
- 3.6. We also support the recommendations from Bond, a network of over 400 civil society organisations working to eradicate global poverty, injustice and inequality, that highlight that the UK's development assistance delivered through any government department should adhere to globally agreed principles of aid effectiveness; it should be compliant with the Paris Agreement that aid should contribute to meeting the 1.5 degree target, seeking to actively preserve or restore the natural environment; and that all departments should provide information about UK ODA spending that is clear, comprehensive and easily accessible, with all government departments spending UK aid demonstrating equally high levels of transparency.

#### **4. 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?**

- 4.1 As mentioned above, DFID has made an important contribution to improving global effectiveness of ODA, ensuring that UK aid decisions are made with the aim of leaving no-one behind, and is one of the leading international development agencies supporting disability inclusion in both its operations and its funding decisions.

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<sup>3</sup> Oral evidence: DfID's work on disability, HC1880, 18<sup>th</sup> June 2019

- 4.2 The UK Government's [Development Tracker](#), initiated by DFID and now extended to all government departments delivering UK aid is a useful source of information for top-line data on UK ODA spend. All government departments appear to be contributing relevant information to this resource which is openly available. The level of detail contained in this tracker, however, is not sufficient to gain a good understanding of the progress and lessons learned from individual programmes.
- 4.3 DFID is the UK government department with the greatest transparency of its ODA spend. In 2018 DFID set out a clear approach for ensuring transparency in its aid programmes and in the same year was ranked as the third most transparent development actor. Despite the [2015 aid strategy](#) committing all aid-spending departments to achieving a ranking of 'good' or 'very good' on the Aid Transparency Index by 2020, this level of transparency has not been reflected across other departments.<sup>4,5</sup> The Foreign and Commonwealth Office, for example, was amongst one of the poorest performing agencies for transparency.<sup>6</sup>
- 4.4 Taking into account DFID's leadership on both disability inclusion and aid transparency, we strongly recommend that DFID continues to act as the primary UK government department for the coordination and delivery of UK aid. Where other government departments are required to take responsibility for delivering the UK's ODA, they must demonstrate how they will adhere to globally agreed principles of aid effectiveness, transparency and accountability. They should demonstrate as a minimum how they will support the implementation of DFID's disability inclusion strategy. In addition, they must work collaboratively with DFID to put in place plans for transparent, accountable and inclusive development programmes, ensuring that vulnerable populations are not left behind.

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

- 5.1. International development assistance should be used first and foremost to uphold human rights. It should also help to ensure equitable and sustainable development in line with agreed global commitments and conventions including the UNCRPD, the 2030 Agenda for Sustainable Development and the Sustainable Development Goals.
- 5.2. UK ODA must also adhere to the OECD-DAC's agreed definition of ODA<sup>7</sup>. This means that UK development assistance should not be used for military aid or the promotion of the UK's security interests, nor should it be used for transactions that have primarily commercial objectives.
- 5.3. There are examples, however, of where the UK's ODA can be used to deliver programmes that can be mutually beneficial for both the UK economy and for some of the poorest and most marginalised populations. The UK-Africa Investment Summit, held in January, highlighted the potential for UK investments

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<sup>4</sup> 'UK aid: Tackling global challenges in the national interest', HM Treasury & DFID, November 2015;

<sup>5</sup> 'How UK Aid Leans', Independent Commission for Aid Impact, September 2019.

<sup>6</sup> '[Aid Transparency Index 2018](#)', Publish What You Fund, 2018

<sup>7</sup> <http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/official-development-assistance.htm>, accessed 06.05.2020

in Africa to advance both the UK's business interests and to stimulate the economies of some of the poorest countries in the world.

- 5.4. For persons with disabilities, increasing investment in the labour market could have profound benefits for alleviating poverty. There are an estimated 80 million people living with disabilities in Africa.<sup>8</sup> Analysis carried out by Leonard Cheshire's [Disability Data Portal](#) project reveals that the majority of countries show higher unemployment rates for persons with disabilities compared to those without disabilities.<sup>9</sup> Research conducted by the International Labour Organization (ILO) estimates that the cost of this exclusion from the labour market represents a loss of GDP of between 3 and 7 per cent.<sup>10</sup>
- 5.5. African countries now have the most youthful populations in the world, with over 70% aged under 30.<sup>11</sup> This represents a huge potential pool of talent for business. However, young people make up 60% of the unemployed in Africa<sup>12</sup> and young people with disabilities are routinely excluded from economic opportunities.<sup>13</sup> Targeting youth with disabilities represents an opportunity for businesses to harness the benefits of the growing youth demographic while promoting disability inclusion. As one young person with disabilities has put it: "Persons with disabilities want the opportunity to use their talents and skills." (William, Zambia, 2030 and Counting interviewee).
- 5.6. Leonard Cheshire has worked closely with Accenture Foundation to empower people with disabilities to access employment and live independent lives. Support provided includes career counselling, skills training, matching candidates to employment opportunities, and follow-on support. We use technology to enhance the reach and sustainability of the programme. For example, we developed a Virtual Livelihoods Resource Centre in India that enables people with disabilities to access advice and support without going to a physical centre through a toll-free phone line.
- 5.7. These examples indicate the potential for UK aid funding to deliver results that can be mutually beneficial for both the beneficiaries of UK aid and for UK investments through, for example, supporting the growth of local economies and bringing those who would otherwise have been left out of the labour market into productive and meaningful employment.
- 5.8. However, it is critical that UK aid retains, first and foremost, the ambition to alleviate poverty and achieve sustainable development no matter which UK governmental department it is channelled through.
- 5.9. We support the suggestion highlighted in Bond's response to this inquiry that should the UK wish to invest tax-payer's money in securing market share in

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<sup>8</sup>'Disability in Africa', African Studies Centre Leiden; accessed at:

<https://www.ascleiden.nl/content/webdossiers/disability-africa> on 06.05.2020

<sup>9</sup> '[Disability Data Review: A collation and analysis of disability data from 40 countries](#)'; Leonard Cheshire, 2018

<sup>10</sup> 'Disability Inclusion Strategy and Action Plan 2014-2017, International Labour Organization, 2015

<sup>11</sup> Barford. A & Coombe. R (2019); '[Getting By: young people's working lives](#)', University of Cambridge

<sup>12</sup> Ighobor. K (2017); '[Africa's jobless youth cast a shadow over economic growth](#)', Africa Renewal: Special Edition on Youth.

<sup>13</sup> Groce, N.E. (2004); 'Adolescents and Youth with Disabilities: Issues and Challenges', Asia Pacific Disability Rehabilitation Journal, Vol,15: No. 2.

these economies, this should be done through diplomatic and trade routes rather than through reallocation of UK international assistance away from its primary purpose of poverty eradication.

## **6. How is official development assistance defined, targeted and administered elsewhere in the world?**

- 6.1 Recognising the current government's interest in reviewing the responsibility within UK government departments for the delivery of UK aid, in this section we will highlight some examples of countries which have recently merged the international development and foreign diplomatic ministries and the outcomes this has had for international development.
- 6.2 In 2013, the Canadian International Development Agency merged with the Department of Foreign Affairs and International Trade to become [Global Affairs Canada](#). In the same year Australia folded its standalone aid agency AusAID into the [Department of Foreign Affairs and Trade](#).
- 6.3 Although mergers such as those in Canada and Australia are expected to bring efficiency gains, performance improvements and policy coherence, this is not always the case. According to a report published by the ODI, evidence to date suggests a mixed record for generating these outcomes<sup>14</sup>. For example, while administrative costs seem to have been slightly cut after mergers, it is hard to establish a causal link between the merger and reduced administrative costs. In Canada, for example, administrative costs as a percentage of gross ODA disbursed fell from 5.2% to 4.6% of ODA, rising immediately after the merger but dropping in 2015.<sup>15</sup>
- 6.4 Both Canada and Australia affirmed a stronger regional focus for their aid. Middle-income countries were prioritized and low-income countries' budgets were cut. Canada is now concentrating more on Latin America and the Caribbean, and middle-income countries such as Vietnam. Since 2013, Australia's development assistance has become more focused on the South Pacific and South-East Asia, with Australia's ODA budget for Africa being cut in half<sup>16</sup>.
- 6.5 In Canada, one argument for the merger was due to larger budget and staff numbers the team from the former international development ministry could have a substantial influence on foreign affairs. However, the reverse appeared to happen "so that foreign affairs and international trade are trumping the development side of the equation" (Oxfam)<sup>17</sup>. The two big risks of any merger are over-integration and lack of transparency. In Canada, details on the process were scarce and slow to materialise, with the new structure still unclear a year after the amalgamation was announced<sup>18</sup>.
- 6.6 The question of whether a merger between development agencies and foreign affairs departments enhances aid quality remains under-explored, but there is no

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<sup>14</sup> Gulrajani, N. (2018) '[Merging development agencies: Making the right choice](#)', ODI

<sup>15</sup> ODI, *ibid*.

<sup>16</sup> Sharma, Y, '[What do aid agency mergers mean for development?](#)', SciDevNet, 2014.

<sup>17</sup>The Guardian, '[Aid mergers in Australia and Canada could hit poor regions, warn experts](#)', 2014

<sup>18</sup> SciDevNet, *ibid*.

strong case to justify that a merger can improve aid quality. ODI highlights that both integrated and independent agencies have the potential to be high performing, but only if they are empowered to both set development policy and implement it<sup>19</sup>.

- 6.7 Leonard Cheshire strongly recommends that DFID should be retained as an independent department within the UK Government to ensure that its adherence to aid effectiveness principles, its high standards of transparency and accountability and its unprecedented commitment to ensuring the inclusion of persons with disabilities, and other populations at risk of being left behind, are upheld in a way which enables the UK to continue playing its leadership and agenda setting role amongst global international development actors.
- 6.8 Furthermore, should DFID be merged with the Foreign and Commonwealth Office, or should there be an increase in the proportion of ODA delivered by other UK government departments, it is critical that UK citizens are able to scrutinise this aid to the same degree as they are able to scrutinise DFID's budgetary allocations and decisions. This means that all UK Government departments responsible for delivering ODA must strive to achieve the same level of transparency and accountability that DFID currently achieves.

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<sup>19</sup> ODI, *ibid.*