

INQUIRY ON THE EFFECTIVENESS OF UK AID

EVIDENCE SUBMITTED TO THE INTERNATIONAL DEVELOPMENT COMMITTEE

About The Henry Jackson Society

The Henry Jackson Society (HJS) is a think-tank and policy-shaping force that fights for the principles and alliances which keep societies free, working across borders and party lines to combat extremism, advance democracy and real human rights, and make a stand in an increasingly uncertain world.

About the Author

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Mr Rogers has also worked on research projects for several other institutions, including the Development, Concepts and Doctrine Centre at the Ministry of Defence and RAND Europe. He has been called to give oral evidence to the Foreign Affairs Committee, the Defence Committee, and the International Development Committee in the Houses of Parliament.

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INTRODUCTION

1. In support of its inquiry on the Effectiveness of UK Aid, the International Development Committee has asked for written evidence in relation to the effectiveness of UK aid. This submission is divided into four sections:
 - a. What is UK aid and how does UK aid provision compare internationally?
 - b. Is UK aid ‘efficient’?
 - c. Should UK aid be given to support the national interest?
 - d. The way forward
2. This written evidence is submitted to supplement the author’s appearance before the International Development Committee on 17th March 2020.

WHAT IS UK AID AND HOW DOES UK AID PROVISION COMPARE INTERNATIONALLY?

1. This submission defines UK aid as the money allocated by the state under the definition of Official Development Assistance (ODA), a definition developed by the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD) in 1969, a definition that was amended in 1972 and 2018.¹
2. Since the passing of the International Development Act by the UK Parliament in 2015, Britain has been legally bound to spend 0.7% of its Gross National Income (GNI) on ODA each year, although there is no legal sanction should the Secretary of State for International Development fail to do so (other than issuing a statement in Parliament).²
3. There is no single UK ODA budget. The UK’s ODA contribution (£14.6 billion in 2018) is made up from spending in several government departments, ministries and funds, of which the lion’s share – around 74.9% or £10.9 billion in 2018 – is funnelled through the Department for International Development (DFID).³
4. From 2014 to 2017, progressively more UK ODA spending was delivered through other government departments, ministries and funds – the Department of Business, Energy and Industrial Strategy (DBEIS), the Foreign and Commonwealth Office (FCO), the Conflict and Stability Fund, and the Home Office – although this practice went into reverse in 2018, as DFID witnessed a small increase in its allocation (from 71.9% in 2017 to 74.9% in 2018).⁴
5. According to the OECD’s latest figures (2017), of the 29 national members of the DAC, the UK – spending US\$19.1 billion – is the third largest provider of ODA after the United States (US) and Germany and the fifth largest spender in terms of the proportion of GNI allocated after Sweden, Luxembourg, Norway, and Denmark.⁵

¹ For the DAC’s definition of ODA, see: <http://www.oecd.org/development/financing-sustainable-development/development-finance-standards/officialdevelopmentassistancedefinitionandcoverage.htm> [accessed: 7 May 2020].

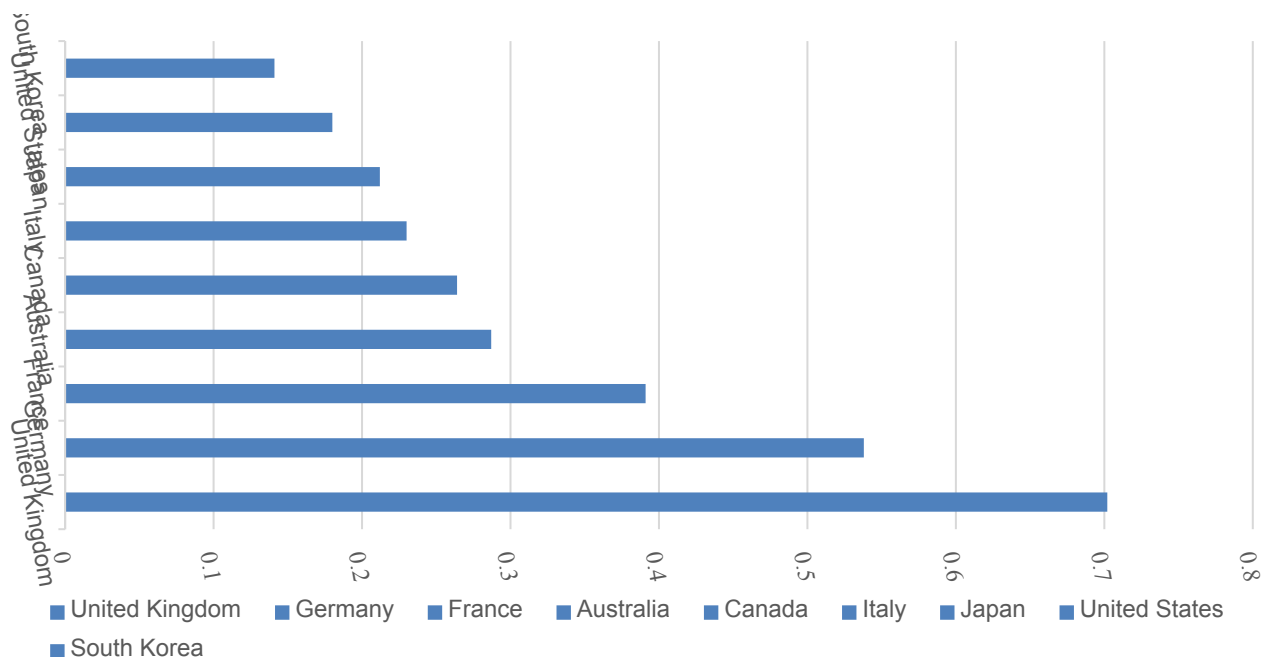
² <http://www.legislation.gov.uk/ukpga/2015/12/contents/enacted> [accessed: 7 May 2020].

³ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/857904/Statistics-on-International-Development-final-aid-spend-2018d.pdf [accessed: 7 May 2020], p. 3.

⁴ Ibid, pp. 11-12.

⁵ <https://data.oecd.org/oda/net-oda.htm> [accessed: 7 May 2020].

6. As the graph below shows, most of the UK's DAC peers spend significantly less than the UK. Britain is the only G7 member to have spent 0.7% of GNI on ODA consistently over the latest five year period for which data is available (2017-2013). Over the same period, most large DAC members spent less than the DAC average (0.31% of GNI) on ODA.



IS UK AID 'EFFICIENT'?

1. This question is hard to answer because the answer depends on the nation's political objectives, how they are measured, over what timeframe, and whether the money could be spent more effectively on other non-ODA development projects, or elsewhere. At the moment, the UK is constrained in how it provides 'foreign aid' because it has subscribed allocate funding in accordance with the OECD DAC definition (ODA).
2. UK ODA is *taxpayers'* money – it is not given charitably or voluntarily; the British people have no choice but to provide the money through taxation. If UK ODA provision is divided by the nation's population, each British citizen contributes the equivalent of approximately US\$290 per year.⁶ Thus, from an ethical standpoint, the British government has a duty to ensure that the money is spent in the most efficient way possible.
3. DFID has come under repeated criticism by the media, public and politicians for supporting projects of dubious efficacy and value – although often small in terms of the overall national ODA allocation – some of which have bordered on the absurd.⁷ The Home Office, the FCO, and the DEIS have also all come under scrutiny for wasting ODA on so-called 'nanny-state' projects in developing countries.⁸
4. In addition, beyond delivery through different ministries and departments, UK ODA is then issued through either bilateral or multilateral channels. The provision of ODA through multilateral channels – i.e., aid distributed to international organisations for re-distribution to

⁶ UK ODA provision was US\$19.109 billion in 2017; the UK population was 66 million. See: <https://data.oecd.org/oda/net-oda.htm> and <https://data.oecd.org/pop/population.htm> [accessed: 7 May 2020].

⁷ See, for example: <https://www.telegraph.co.uk/news/worldnews/europe/eu/11750074/Trapeze-lessons-and-Caribbean-conferences-funded-by-British-taxpayer-via-European-aid-programme.html> [accessed: 7 May 2020].

⁸ https://iea.org.uk/wp-content/uploads/2019/11/DP99_Nanny-state-on-tour_web.pdf [accessed: 7 May 2020].

developing countries – is particularly susceptible to waste or inappropriate use. For example, a study by the Henry Jackson Society found that aid allocated by the United Nations Relief and Works Agency for Palestinian Refugees – of which the UK is a major financial supporter – may have been used to provide extremist literature in schools run by the Palestinian Authority.⁹

5. To its credit, it is fair to say that, DFID is often considered more transparent and efficient in its spending than other UK government departments and ministries, as well as those internationally.¹⁰ But this does not mean that further enhancements could not be achieved, or that UK aid efforts are being directed in the most appropriate way, particularly given the changing strategic outlook in the world.

SHOULD UK AID BE GIVEN TO SUPPORT THE NATIONAL INTEREST?

1. The idea that the provision of ODA and Britain’s national interests are opposed is a false construction. ‘Transactional’ aid – the clumsy promise of aid in exchange for, for example, the purchase of weapons or infrastructure – should of course be avoided. But Britain should not be afraid of using its ODA resources to reinforce its national interests, particularly given that altruism and interests can intersect.
2. In any case, through its 2015 aid strategy⁷ – *UK aid: Tackling global challenges in the national interest* – the UK already claims to allocate ODA to assist with national interests such as:
 - Strengthening global peace, security and governance;
 - Strengthening resilience and response to crises;
 - Promoting global prosperity;
 - Tackling extreme poverty and helping the world’s most vulnerable.¹¹
3. However, the international system is currently experiencing profound geopolitical change – a shift that looks set to accelerate over the next decade. According to Britain’s most recent national security assessment – *The National Security Capability Review* (2018), the world is witnessing ‘the resurgence of state-based threats, intensifying wider state competition and the erosion of the rules-based international order’, which has made ‘it harder to build consensus and tackle global threats.’¹²
4. This is because countries like Russia and China have burst onto the international scene over the past decade. They are only getting started in their efforts to revise the regional or global orders in line with their own interests. They are deeply authoritarian powers, and their vision of how the world should look is very different to our own:

⁹ See: <https://henryjacksonsociety.org/wp-content/uploads/2020/03/HJS-UNRWA-Report-web.pdf> [accessed: 7 May 2020].

¹⁰ <https://www.publishwhatyoufund.org/the-index/2019/> [accessed: 7 May 2020].

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https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/478834/ODA_strategy_final_web_0905.pdf [accessed: 7 May 2020].

¹²

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/705347/6.4391_CO_National-Security-Review_web.pdf [accessed: 7 May 2020], p. 6.

- a. Russia has engaged in ‘non-linear warfare’ in Ukraine and Syria to deliberately destabilise both countries and hold them hostage, indefinitely. In Ukraine, Russia has fermented war and stoked-up instability to prevent the country from moving closer towards the European Union and NATO. In Syria, Russia has engaged in the country’s decade-long civil war to boost its own position in the Levant and broader the Middle East.
 - b. China has ‘weaponised’ international development with its Belt and Road Initiative (BRI), as well as its geo-economic and geopolitical push into Africa and South America. First announced in 2013 by Xi Jinping, the General Secretary of the Chinese Communist Party, the BRI has turned into a 36-year project (lasting to 2049), underpinned by a c. US\$1 trillion budget.¹³ Although not comparable to ODA, China’s efforts through the BRI provide investment for developing countries, while seeking to capture their political elites so they support (or at least do not challenge) China’s broader international interests. This has often been achieved through the establishment of so-called ‘debt traps’: by providing developing countries with loans they will never be able to repay, China is able to compel them into dependency. Importantly, China’s BRI project aims not only to re-centre the Chinese economy, but also to redefine the entire economic order of Eurasia. It is nothing short of a bid for world power. And, lest it be forgotten, the final destination of the BRI is the Mediterranean and Europe – Britain’s own neighbourhood.
5. Besides the intensification of ‘wider state competition’, the world and the UK are also facing increased environmental degradation, particularly in relation to climate change.

THE WAY FORWARD

1. The UK is currently constrained by the definition of ODA. However, despite this and the growing nature of the challenges to the international order, Britain should not become fatalistic. The UK is not without capacity: it spends on ODA approximately 70% of what China spends per year on the BRI.¹⁴ Of course, the UK should not devise an ‘aid’ programme like China’s malicious BRI, but a step change is now needed if Britain is to continue to have impact in the 21st century.
2. Given that ‘wider state competition’ and environmental degradation are becoming increasingly serious challenges to British interests – as well as those of developing countries – it makes sense to re-appraise the meaning of international development and rethink UK aid strategy. This is compounded by the fact that extreme poverty – the proportion of the world’s people living on less than US\$1.90 per day (2011 Purchasing Power Parity) – has fallen around the world from 42% of the world’s population in 1981 to just 10% in 2015.¹⁵
3. The UK’s Integrated Strategic Review, promised by Boris Johnson, the Prime Minister, in February 2020 offers an exciting opportunity to reset Britain’s international role and maximise its sway. In accordance with the ‘Fusion Doctrine’ there is no reason why Britain’s aid policy should not become an intrinsic component of a broader approach. It

¹³ For more on the BRI, see: <https://www.cfr.org/backgrounder/chinas-massive-belt-and-road-initiative> [accessed: 7 May 2020].

¹⁴ The UK provides approximately US\$19.1 billion per year in ODA (set to grow insofar as the British economy grows). China’s US\$1 trillion BRI programme amounts to US\$27.8 billion per year over a 36-year period.

¹⁵ <https://data.worldbank.org/indicator/SI.POV.DDAY> [accessed: 7 May 2020].

should not remain separate, for the simple reason that the UK's competitors – particularly China – have weaponised international development to enhance their own power and influence.

4. To start with, it would make sense to move away from the politicised terms 'aid' and 'international development' and embrace instead the concept of 'international prosperity'. International prosperity is a broader, more positive and more up-to-date term that would put the UK at the forefront of revolutionary change to focus on combatting environmental degradation (including climate change) and promoting non-material forms of development, such as democratic government. It would also allow for the push back against the narratives and ideologies projected by large authoritarian, revisionist powers in developing countries.
5. As part of this re-appraisal, Britain could:
 - a. Rename DFID to the 'Agency for International Prosperity' headed by a Minister of State. This Agency would become an autonomous agency under the ultimate control of the FCO and therefore aligned with the country's national objectives;
 - b. Allocate *all* UK foreign prosperity assistance spending through the new Agency for International Prosperity to ensure that funds are coordinated and not dispersed through multiple actors;
 - c. Maintain the commitment to spend 0.7% of GNI, but not on ODA. Instead the UK should develop and adopt a new and innovative definition: 'Prosperity Assistance'. This new definition could be developed with other DAC members, or – if impossible – by the UK in a unilateral or (new) multilateral context. Spending as a percentage of GNI could even be increased.
 - d. Reduce spending by multilateral channels and develop a broader national system to allocate Prosperity Assistance directly to developing countries to maintain democratic oversight and transparency and efficacy of spending, particularly among the public.
 - e. Boost resources for UK 'soft power' and narrative projection, including a significant uptick in funding for the BBC World Service and the British Council.
 - f. Establish a large funding pool for British-based scientists to undertake research related to overcoming climate change or developing greener, cleaner energy technologies, especially if they are likely to assist developing countries.
 - g. Ensure that Prosperity Assistance is allocated in support of British national interests, ideally with a sizeable proportion allotted as part of publicised and identifiable strategic prosperity plans for specific regions or countries that are of significance to the UK. Such distinct programmes would maximise acceptance among the British public and enhance the UK's international reputation and credibility.
 - h. Encourage international partners to increase their ODA (or Prosperity Assistance) provision to 0.7% of GNI.