

# IDC INQUIRY: EFFECTIVENESS OF UK AID

## WRITTEN EVIDENCE SUBMITTED BY MERCY CORPS

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### Introduction & About Mercy Corps

1. Mercy Corps is a global organisation working in more than 40 countries around the world responding to conflict, crisis and fragility. From Syria to South Sudan, Iraq, to Somalia, we work with some of the 1.5 billion people whose lives are currently riven by conflict and violence, addressing both the devastating impact and the root causes of conflict and fragility.
2. We welcome the continued efforts of the International Development Committee to scrutinise UK aid effectiveness and the opportunity to provide evidence in relation to the Integrated Review.
3. This submission focuses on the questions asked within the scope of this IDC inquiry. It draws on Mercy Corps' experience delivering DFID and CSSF programmes, from observations of the UK's contributions to global poverty alleviation and as steering committee members of the Bond Conflict Policy Group. It is supplemented by evidence from a witness - Mercy Corps' Middle East Regional Director, Su'ad Jarbawi- via video and a separate written submission.
4. Mercy Corps has worked with DFID for more than 20 years since when we have implemented more than 100 programmes across the humanitarian relief, recovery and long-term development spectrum in over 30 countries. We currently lead 15 DFID funded programmes in Africa (9), Asia (3), Middle East (2) and at HQ (1).
5. Our key recommendations are:
  - a. Ensure DFID remains an autonomous department run by a Secretary of State with permanent Cabinet representation.
  - b. Ensure the primary driver for all UK Aid is in support of the world's poorest and most marginalised, in accordance with the 2002 UK International Development Act.
  - c. Recognise UK aid's vital contribution to the UK national interest, in mitigating the damage from global pandemics and infectious diseases; raising the UK's profile on the global stage; and building safer and more prosperous societies overseas and at home.
  - d. Mainstream a cross-government conflict prevention and stability approach, using the Building Stability Framework to guide investments.

### Response to Select Questions

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

#### *Risks from a DFID FCO Merger*

6. In line with evidence submitted by Bond, we recommend the UK continues to provide 0.7% of gross national income as Official Development Assistance and respect the internationally-agreed Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) rules governing ODA. All UK aid should be targeted, rules- and values-based, climate- and nature- positive, conflict-sensitive, transparent, and coherent. **We urge the UK to**

**spend the majority of ODA through an independent DFID led by a Secretary of State with permanent representation in the Cabinet and National Security Council.**

7. The UK is an 'international development superpower' in its current composition and our aid is recognised as some of the most sophisticated, ambitious and effective in the world. As an independent aid body, DFID is highly influential on the world stage, able to drive better policy and practice in aid and development from other donors, multilateral organisations and practitioners - particularly DFID's implementing partners.
8. Although the UK has a joined up aid strategy, the fact that DFID is a separate department ensures Britain remains focused on tackling the world's most pressing challenges and prioritises shared objectives like the Sustainable Development Goals. Placing the aid budget under the FCO could lead to it being reoriented too much towards addressing the UK's immediate foreign policy or commercial interests at the expense of our longer term interest in improving the lives of those living in extreme poverty and most in need of our support.
9. There is also a critical issue of how our aid efforts are perceived around the world by those who are hostile to or sceptical of us. Too often already it is assumed that humanitarians and development organisations are there to pursue our donors' foreign policy and security objectives. This would be exacerbated by a merger with another government department.
10. DFID has deep and long term relationships with civil society, at home and abroad, and is able to champion and protect it in a way other departments may not, particularly in the many countries where we work where authorities may be trying to limit or control civil society.
11. A merger would also be a risk to innovation - DFID has a strong reputation in countries around the world and in international institutions because it is a global guardian of good quality aid. UK aid is often innovative – striving to ensure good value for money, whilst remaining focused on tackling global poverty and promoting sustainable development.

#### *ODA Eligibility of Peacekeeping and the Importance of Peacebuilding*

12. Peace and security is the basis for all development. Peacekeeping is a key contribution to this. We have worked to ensure this is recognised by international aid rules. UK leadership in 2017 helped to deliver an increase in the percentage of contributions to UN peacekeeping missions in ODA eligible countries that count as aid, from 7% to 15%. We will continue to work with like-minded partners at the OECD DAC to establish what further changes could be beneficial. We led the world in driving for much more effective, transparent and accountable aid from all donors, and must not now undermine that system. **We urge the UK to recommit to supporting the rules based international system in what we categorise as 'ODA'.**
13. Peacekeeping is a critical function and something that Britain should be rightly proud of, but cannot replace efforts to prevent or lessen the drivers conflict in the first place. Many of the projects that the aid budget is spent on look to address the root causes of conflict, before the need for military intervention. Peacebuilding and reconciliation, climate adaptation work projects help communities adapt in fragile contexts and avoid conflict. **The UK must not reduce investment in this type of work as it would only increase the demand on peacebuilding operations and would be a false economy.**

*Question 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?*

*Administration of UK Aid*

14. DFID has a cadre of excellent and highly experienced development experts who are world leaders in the sector. This includes many with significant expertise in addressing key technical issues such as conflict sensitivity, human rights and gender through our actions overseas. Other government departments, including the CSSF, also have significant expertise. However aid programmes currently managed by the FCO – within the CSSF – have displayed varying levels of transparency (though have made considerable efforts in this regard) and their effectiveness has been questioned by the Independent Commission for Aid Impact (ICAI) and Parliament.
15. Value for money is best achieved when aid programmes are results-focused and are not tied to commercial interests and goods and services from the UK. However, several departments are failing to clearly identify the results of their aid programmes and some aid spending appears to be de-facto tied. In the context of increasing public and media scrutiny of the aid budget, it is important that we can clearly demonstrate to UK taxpayers that aid is being spent in line with their own priorities and to help the most vulnerable.
16. **We urge the UK to ensure that aid spent by the FCO, including funds they spend through the Prosperity Fund and the Conflict Stability and Security Fund (CSSF), must continue to strive to be more transparent and accountable to the taxpayer, and subject to the same levels of scrutiny as aid spent by DFID.**
17. Our experience delivering CSSF/FCO programmes is more varied than with DFID programmes as templates and standards are less well established. FCO staff in HQ and local field offices have at times different understanding on processes and regulations including pre-financing, which has resulted in delays at times. In addition, staff turnover rates of our CSSF/FCO focal points have tended to be faster than with DFID, at times creating continuity issues. **We suggest DFID supports OGDs to create a standardised format for calls for proposal, financial and reporting requirements, and provides a consistent terms of reference for audits.**
18. On the particular issue of the CDC, we see some merit in the argument that the CDC profits, provided they are reinvested appropriately, could be counted as part of our ODA, provided we could agree this with the OECD. We are leaders in establishing a global rules based and accountable system for ODA, and to act outside the rules we have established would weaken them. What is much more important is ensuring the CDC is delivering on its poverty reduction and sustainable development objectives, and not prioritising profit over those outcomes.

*Alignment Challenges*

19. The Conflict, Security and Stability Fund supports joint working between DFID, MOD, FCO and other departments using a combination of ODA and non-ODA funding. DFID has staff embedded throughout Whitehall to ensure that DFID's work is aligned to the work of other government departments and ensures the UK uses its hard and soft power to deliver our international objectives. DFID works seamlessly with No.10, the Cabinet Office, Foreign Office, Department for International Trade, Ministry of Defence, Department for Business, Energy, Innovation and Skills, Department for Health and Social Care, the Home Office and many other departments to ensure UK aid reduces poverty and supports the UK national interest.

20. Despite the efforts listed above, the UK still struggles to align security, diplomatic, trade and development initiatives under one comprehensive strategy (or within the 'Fusion Doctrine') and peace is rarely viewed as integral to progress on those initiatives. **We urge the UK to mainstream a cross-government conflict prevention and stability approach.** The UK should, through the National Security Council, produce a detailed plan and guidance for how a long-term approach to stability and conflict prevention will be maintained and mainstreamed in practice across Departments, with reference to the achievement of the 2030 Agenda and specifically SDG16, and noting DFID's 2016 [Building Stability Framework](#) as appropriate.
21. DFID's Building Stability Framework has been a key contribution to the global debate and state of knowledge on these issues and provides a useful organising principle for multiple Departments to contribute to SDG16. It was written to inform how aid can best help communities, states and regions transition from fragility to stability but could be used to organise cross-departmental UK conflict prevention efforts too, and help the UK monitor cumulative investment towards SDG16. **Maintain DFID's commitment to spending 50% of its budget in FCAS but ensure activities contribute towards peace and stability goals by applying the Building Stability Framework and ensuring conflict sensitivity.**

#### *Evidence of UK Aid Effectiveness in Peacebuilding*

22. The UK was also an early adopter of conflict sensitive approaches and commissions more research than most donors, contributing to the body of evidence for peacebuilding interventions globally. DFID should amplify efforts by encouraging multi-context or multi-country evaluations, to test key theories and generalisability.
23. The Integrated Review offers the UK a golden opportunity to reconsider its approaches to effectively address some of the world's most critical challenges, including violent extremism and other forms of conflict and violence. **Decisions should be based on what the evidence is telling us about what will actually work in preventing and managing violent conflict.**
24. For example, a 4-year £3m UK-funded CONCUR programme in Nigeria (2012-16) sought to reduce farmer-pastoralist conflict. CONCUR improved relationships and trust through joint projects such as community gardens and marketplaces, and forums to address economic tensions. An impact evaluation compared target communities with control groups and found that 86% of households in target sites reported decreased tensions compared to 56% in comparison sites. Freedom of movement increased by 44% in target areas and trust increased by 49%.
25. Mercy Corps' work in Afghanistan<sup>1</sup> and Somalia<sup>2</sup>, demonstrated that a combination of short term successes (immediate economic relief, community service) plus an opportunity for longer-term investment (livelihoods, education) had a significant effect on reducing willingness to join violent groups. These findings highlighted the value of multi-layered interventions, suggesting that complementary activities and sustained engagement strengthen programmes' intended effect.
26. Conversely, there is a lack of evidence of impact from many hard-security approaches, partially due to their sensitive nature. We do know however that some heavy-handed security approaches to building stability can fuel the very grievances driving support for violence.

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

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<sup>1</sup> Mercy Corps, 2018, [Can Economic Interventions Reduce Violence?](#)

<sup>2</sup> Mercy Corps, 2018, [If Youth are Given a Chance](#)

27. **The long list of what aid and development have achieved around the world clearly is in the national interest.** Aid works to address global problems that affect us all - wars that drive violent extremism and mass displacement, weak health systems that cannot combat or contain deadly epidemics, generations of children cut off from education, healthcare, vital nutrition. A secure, just and prosperous world, healthy populations who will become future trading partners are in all our interests.
28. **However to achieve those lofty goals, we must stay focused on using all our efforts to achieve the Sustainable Development Goals as quickly and effectively as possible.** If we tailor our efforts to achieve narrowly defined and short term 'commercial' or 'security' interests we will weaken our ability to achieve those much larger goals - we risk winning the battle to lose the war.
29. **Stability overseas means stability at home and is squarely in the national security interest.** Inclusive societies that can resolve conflict peacefully and an international system that focuses on conflict prevention rather than crisis response is in our shared interest. So too is a secure, just and prosperous world and healthy populations - who will become future trading partners.
30. **The UK should adopt a human security approach going forward,** that is, to place issues such as civil liberties, rights, health, food security and shelter firmly back on the security agenda. Health system strengthening is more important than ever and should be prioritised by the UK in fragile contexts as a national security priority. NGOs have an important role to play in improving public health.
31. **We ask the UK to put fragile and conflict affected states front and centre of UK foreign-policy, double down on investments towards conflict prevention and peacebuilding, both with ODA, non-ODA and diplomatic activities.** The UK is doing more through ODA to reduce conflict and build peace than most donors and is well placed to lead a rallying cry for other governments to relevant increase investments. However, it could still do more. There is currently an imbalance between what conflict costs the global economy and investments in conflict prevention. Even though conflict mitigation and peacebuilding cost far less than other interventions, these programmes are seriously underfunded and too often driven by policies focused on short timelines, limited scopes and fast, easily-reported results. Initial analysis of OECD-DAC figures indicates that in 2018 the UK only disbursed 3.8% of the total ODA budget under the OECD-DAC "*Civilian peacebuilding, conflict prevention and resolution*" coding.<sup>3</sup> This includes ODA spent by the FCO.

**Question 4: How is ODA defined, administered and targeted elsewhere in the world?**

32. Evidence from other countries that have merged their foreign and development departments, including Australia, and others such as Canada and New Zealand, has shown that these countries witnessed a drop in the quality and quantity of their aid, coupled with little or no obvious benefit to their strategic alignment or global standing.

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<sup>3</sup> OECD-DAC's wider definition of 'peacebuilding' has 16 codes, including 'Civilian peacebuilding, conflict prevention and resolution'. Analysis of spending based on Query Wizard for International Development data.