



INTERNATIONAL DEVELOPMENT COMMITTEE

Written Questions & answers in lieu of oral evidence: Effectiveness of UK Aid
(HC 215)

April 2020

Ordered by the House of Commons to be published on 2 June 2020

Members of the Committee: Sarah Champion (Chair); Mr Richard Bacon; Theo Clarke; Brendan Clarke-Smith; Mrs Pauline Latham; Chris Law; Mr Ian Liddell-Grainger; Navendu Mishra; Kate Osamor; Dr Dan Poulter; Mr Virendra Sharma.

Written Questions 1-44

Witnesses

I: Stephanie Draper, Chief Executive, Bond

II: Romilly Greenhill, UK Director, ONE

III: Rt Hon Andrew Mitchell MP, Secretary of State for International Development, 2010-2012

IV: Rt Hon Hilary Benn MP, Secretary of State for International Development, 2003-2007

Notes

1. The Committee conducted an exchange of written Q&A in lieu of an oral evidence hearing planned for 21 April. Normal practice was constrained by steps taken in mid-March 2020 in response to the coronavirus pandemic. This process was started before facilities for online virtual oral evidence hearings were developed and authorised.
2. Written responses to the Committee's first round of questions were received during the week starting 27 April and to supplementary questions during the week starting 1 May. The Q&A are set out below.



Exchange of written Q&A with witness

Witness: Stephanie Draper, Chief Executive, Bond

WQ1 **Committee:** DFID is in the process of refreshing the 2015 aid strategy. What, in your opinion, should the new strategy prioritise?

Stephanie Draper: Whilst poverty reduction and sustainable development in the developing world are clearly in the UK's "national interest," narrowly-defined economic or foreign policy objectives should never be the driver of our aid programme. If the outbreak of COVID-19 has taught us anything it's that we live on an extremely interconnected planet – a healthy, more prosperous world benefits us all. Aid plays a very specific role that it's only appropriate for public finance to do. It is a relatively small pot of money designed to achieve very specific things, and evidence shows that's when it works best.

The new aid strategy must respond to the Covid-19 crisis and its aftermath, which will undoubtedly heighten existing global challenges in relation to access to healthcare and education, poverty and inequality, food security, conflict, gender equality and the climate crisis. It should champion the 'Leave No-one Behind' agenda and support the achievement of the Sustainable Development Goals (SDGs) by ensuring aid is used to support basic public services such as health and education, provide a social safety net for the poorest and most vulnerable, promote sustainable and equitable economic development and address the climate and nature crises.

WQ2 **Committee:** How has the growth in the proportion of UK aid administered outside of DFID affected the effectiveness of the UK's aid spending?

Stephanie Draper: The NAO's 2019 report on UK aid effectiveness showed that as more departments spend aid, the overall effectiveness of the UK's aid budget is becoming increasingly difficult to determine. It has become increasingly unclear how the impact of UK aid is being tracked and reported, potentially making it less efficient. We are now in a position where we have multiple government departments managing large amounts of ODA spending, making transparency and accountability more challenging.

If we look at what aid effectiveness principles are, which is not just aid is spent well and is good value for money, but also about things like the localisation agenda, and what kind of support aid is giving to the poorest people and those left behind, spending more aid outside of DFID has not just failed to make UK aid more effective, it has potentially made it less effective. Effective aid should first and foremost focus on reducing poverty. Increasingly this has changed. Poverty reduction is no longer the only factor that determines how aid is spent, and therefore, it is potentially not as effective as it could be. In reality, by trying to find and deliver aid projects which both reduce poverty and benefit British business or diplomacy in the same way, we are arguably failing on both counts by having to compromise.



WQ3 **Committee:** How does administering a UK aid project differ from those funded by other international donors? Are there any differences in administering DFID projects compared to those from other government departments?

Stephanie Draper: The majority of UK aid projects are delivered by multilateral institutions (including multi-bilateral programming, 56% of UK aid was delivered through multilaterals in 2018), and are therefore subject to collectively developed administration standards.

There exists a wide variance in approaches to aid project administration both between different countries' bilateral aid programming and, as with the UK, between different aid institutions within the same country, reflecting differing priorities, institutional frameworks and budgets. While there are examples of good practice in many countries, the Nordics - Sweden, Norway and Denmark - are typically exemplars in the administration, monitoring, reporting and impact evaluation of aid programming.

In the UK, DFID has historically been the department primarily tasked with delivering UK international development assistance and has had a remit to do so in accordance with the IDA 2002 which mandates it to prioritise poverty reduction and sustainable development. As a result, it has, or had, developed the policies, systems, processes and institutional capacities necessary to manage effective poverty-focused ODA at scale. While there are other departments with substantial experience of delivering some forms of ODA, for example BEIS in relation to climate finance, DFID remains the department with the greatest experience and expertise in delivering effective aid, and is also the principal source of oversight, training and guidance for the delivery of UK development assistance, as evidenced by the fact that it had 150 staff on loan to other government departments as of October 2019, including 96 to the FCO.

WQ4 **Committee:** Is a focus on mutual prosperity undermining UK aid's effectiveness?

Stephanie Draper: We aren't saying that partner countries don't have a desire to shift towards mutual prosperity, but I don't think we know enough yet about the impacts and whether it is wise to use aid money for this. We believe that there are risks that the poverty focus of aid might be diluted, and that with this agenda, there are increased risks with so many different departments spending from the same pot without an overarching understanding of what 'mutual prosperity' means.

We don't believe there are any set guidelines from the UK Government about how to effectively deliver on this new strategy, and if this is left up to Ministers and departments who are already feeling the pinch from their own budget cuts, we remain worried about how the UK aid budget could be re purposed to meet other demands.

A recent ICAI review found that 'are risks that the poverty focus of UK aid may be diluted, with the mutual prosperity agenda creating the risk of pressure to spend aid in developing countries that are most likely to be important trading partners'

It is changing both what UK aid does and how it does it. It's leading to an increased focus on financialisation and mercantilisation of UK aid, and also potentially



incentivising an expansion in the instrumental use of aid in pursuit of narrow economic and foreign policy objectives.

WQ5 **Committee:** An increasing proportion of UK aid is directed towards Middle Income Countries. Is that trend a concern for the UK aid sector?

Stephanie Draper: We know that extreme poverty can still exist in MICs, and that this is particularly true for vulnerable groups. However, we also know the UK aid best supported when it delivers services that could not otherwise be provided by States or other actors.

What we also know and continue to worry about is the intersection between UK aid going to MICs, and the pursuit of mutual prosperity. So, this isn't yet a debate about whether UK aid should be going to meet the needs of the poorest in MICs or LDCs, it's that UK aid money going to MICs is unlikely, through the prism of national interest, to be spent on ending poverty and reducing inequality, and this is the issue we have at present.

If you look at the way that UK aid is split by the departments and where they spend the money, you will see that DFID spends primarily in LDCs, whereas other government departments spend more in MICs. These are then also the departments where they are tasked with delivering on the mutual prosperity agenda and are focusing on economic development, so it's unlikely that these programmes are designed to meet the needs of the poorest people in MICs

There is a problem of differential oversight, engagement and effectiveness both between DFID, Other Government Department's (OGD) ODA spending and other ODA spending and also within DFID's total spending envelope - for example in relation to multilateral versus bilateral spending (with spending through multilaterals accounting for the majority of DFID's total expenditure), or capital transfers to CDC Group which now account for a substantial percentage of DFID's remaining bilateral spending. There is also an aid effectiveness issue regarding the relative increase in centrally-managed programming versus that managed and delivered by country offices.

The LDC/MIC division is an unhelpful one that often obscures more than it reveals. Given the nature of these categories, it artificially differentiates between countries with very similar national per capita incomes, groups countries with highly dissimilar per capita incomes, and completely fails to account for regional, community or household disparities.

The principal concerns for the UK aid sector are: is UK aid being directed primarily towards countries where the majority of poor people live; and is the aid being directed to these countries being spent in ways that directly benefit the lives of the poor?

UK aid is currently suffering from a series of decisions made in the previous decade to rationalise country office programming and reduce or end bilateral aid for poverty reduction in key middle-income countries. This precipitate disengagement has been followed by a re-engagement led by other less poverty-focused departments and institutions (such as CDC Group), meaning that UK bilateral aid



activity in middle-income countries is often less explicitly poverty-focused than that delivered (and overseen largely by DFID) in LDCs. There is therefore a strong argument for re-expanding the UK's (and especially DFID's) aid programming in high-poverty middle income countries, because on an empirical basis it is currently too low, rather than too high.

WQ6 **Committee:** Is UK aid sufficiently transparent?

Stephanie Draper: Depends which department and what is sufficient? By the Government's own admission because it was its own target – departments other than DFID are still not meeting the required rating of 'good' in the UK aid transparency index, which we should take to be what sufficient means.

The target set out in the 2015 strategy was to be reached by 2020, which the Government has now failed on. We are yet to see what the impact of that result would be on department spending allocations in future, but we would suggest that these departments should certainly not receive an increase in their budget allocation in next year's spending review based on this performance. We are also waiting to see what a new commitment to transparency looks like, and we would urge the Government and departments to be ambitious.

Transparency in aid spending is crucial. We are spending money and operating in some of the most complex places in the world, we have to be transparent about what we are doing, with whom, and what impact it is having. It is the only way we can drive up standards and improve performance, and it should be valued as so in aid spending departments.

We must not forget that we are answerable to the British tax payer, and the more we know about how our aid is being spent and the impact it is having, the better.

UK aid investments, which totalled £10.8bn as of end March 2019 and are set to increase at a rate far higher than total ODA expenditure, are currently highly opaque. For example, the CDC Group, which is solely owned by DFID, had total investments of £4.3bn as of 31st December 2018, within total net assets of £5.8bn. Of these, £2bn are investments in individual companies through intermediary funds the investment value of which CDC Group refuses to disclose.

WQ7 **Committee:** The Government's Integrated Review of International Policy reaffirmed the UK's commitment to spending 0.7% of national income on international development. Does the International Development Act 2002 provide sufficient guarantees that UK aid is targeted towards the poorest and most vulnerable?

Stephanie Draper: The 2015 International Development Act has 0.7% enshrined into law. Campaigners in the international development sector have been pushing for this since the 1980's and when it was finally passed into law in 2014, the idea was that we could finally stop talking about the amount of money we give, and focus our collective energy, both the government and civil society organisations, on the quality of our aid programme.

It is critical that the International Development Act is upheld. Any move to amend, or repeal, is dangerous and threatens the purpose of ODA. Aid is increasingly at



risk of becoming politicised, a move which will do little to reduce global poverty and inequality. The British taxpayer cannot afford for more aid to be wasted going to vanity projects for the UK Government rather than ensuring that those who need our support the most are our priority. The act is one way to stop that from happening.

WQ8 **Committee:** What development-related areas should the Integrated Review taskforce team focus on?

Stephanie Draper: In terms of priorities, the Integrated Review taskforce team should focus on cross-government measures to promote the development priorities set out in the answer to Question 1. It should ensure that an independent DFID, with cabinet-level representation, remains the primary channel for UK aid spending, establish a formal central management and accountability mechanism for DFID oversight of ODA spent through OGDs and cross-government funds, and set out a roadmap for rebuilding DFID's country office capacity to ensure it is able to act as the lead UK development actor at a country level.

Civil society engagement is critical. We know from experience that social dialogue is most effective when it is inclusive, meaningful and deliberative, and rooted in a well-structured and consistent process that promotes accountability and transparency. We can offer information from partners and programmes on the ground, contextualising experiences of vulnerable groups. We can draw on our operational presence and experience, and help the taskforce reach the communities where trust is key and state capacity is weak. Up to now we have heard encouraging noises from government ministers that they want to consult with a wide range of experts, but without meaningful and deliberative engagement with civil society groups and NGOs on the ground, they run the risk of turning the Integrated Review into nothing more than a façade.

WQ9 **Committee:** As a supplementary, how can other government departments achieve the same levels of transparency, with respect to their ODA spending, as DFID? Is UK aid generally regarded as better or worse than comparable donor countries in terms of its transparency?

Stephanie Draper: Other government departments can achieve the same or better levels of transparency as DFID by using the existing mechanisms for ODA programme disclosure built and supported by DFID (the DevTracker site and reporting to IATI standards) to report their ODA spending activities and the programme design, management and reporting documentation underlying them, including how they meet the International Development Act and contribute towards the SDGs; improving their ODA-specific reporting and disclosure through the annual reporting process; and by engaging proactively with the existing institutions tasked with overseeing UK aid spending, including parliamentary committees, the Independent Commission for Aid Impact (ICAI) and the National Audit Office (NAO) and with national and international civil society.

DFID is not only ranked as the most transparent UK ODA spending department, but is also amongst the most transparent of all bilateral and multilateral agencies. In Publish What You Fund's 2018 Aid Transparency Index[1] DFID was ranked third



disclosure, such as the DevTracker site and the UK's standards of compliance with IATI reporting, are generally considered as amongst the best internationally. Where UK aid transparency continues to require substantial additional effort, and this applies to all UK ODA spending, is in the provision of clear, timely and accessible information, including in local languages, about all UK aid programmes across UK aid spending institutions (bilateral and multilateral) at a national level to allow more effective engagement and scrutiny by civil society actors in recipient countries.

WQ10 **Committee:** As a supplementary, as part of the Integrated Review, should the Government consider further safeguards around the 0.7% commitment to protect the focus and objectives of UK aid spending from being diluted or confused?

Stephanie Draper: Bond and our members welcome the Integrated Review, and support a well-funded and effective aid programme, with poverty reduction and sustainable development as the primary objectives, working closely with other government departments and institutions in support of the poorest and most vulnerable. The International Development Act is critical for this.

The Integrated Review taskforce team should focus on cross-government measures to promote sustainable development priorities. This is a great opportunity to double down on the sustainable development goals and achieve a coherent cross government approach on that where development, diplomacy and defence all play their distinct parts. To do that the Integrated Review should quickly ensure that an independent DFID, with cabinet-level representation, remains the primary channel for UK aid spending, establish a formal central management and accountability mechanism for DFID oversight of ODA spent through OGDs and cross-government funds, and set out a roadmap for rebuilding DFID's country office capacity to ensure it is able to act as the lead UK sustainable development actor at a country level.

But there are worries that the whole process is nothing but a vehicle for the government to subsume DfID into the Foreign Office in order to bolster the budget of the Foreign Office – something that the Prime Minister has stated publicly on a number of occasions. Diplomacy is critically important for the UK and the Foreign Office core budget has been subject to sustained funding cuts, however the answer to this underfunding is to restore the FCO's unrestricted funding, not to seek to repurpose aid spending or merge departments. This also allows the FCO to focus on its objectives and for the UK to benefit from the strength and independence of the DFID relationships.

Any government systems and structures recommended by the Integrated Review for coordinating and managing the UK's external relations should have a clear remit for promoting UK development cooperation in accordance with IDA principles, and include clear mechanisms for meaningful and deliberative engagement with Parliament and civil society organisations. It is critical that both the IDC and ICAI are able to fully scrutinise all aid spending, regardless of what department or government institution spends it, and we encourage other departmental select

[1] <https://www.publishwhatyoufund.org/the-index/2018/>



committees to also scrutinise aid spend in their relevant departments to ensure that it is in adherence with the IDA.

WQ11 **Committee:** As a supplementary, in her oral evidence to this Committee on 28 April, Secretary of State Trevelyan stated that Coronavirus “could undo 30 years of UK’s international development work”. What are the implications of the coronavirus pandemic for the focus and assumptions underpinning the Government’s Integrated Review?

Stephanie Draper: We [Bond] agree with the Secretary of State in her concerns about the serious impact of the virus on development progress, which is especially the case in countries with already stretched health systems and among the poorest, most vulnerable and marginalised. This should encourage a renewed focus in the Integrated Review on the UK’s role as part of global response and how it coordinates its efforts with and through multilaterals. It should also include a new focus on how the UK will meet its existing commitments to the Sustainable Development Goals and the Paris Agreement, as these provide the best global framework we have for cross-government policy coherence and recovery in a post-Covid world that will also be dealing with the impacts of climate change.

Due to the impact of the virus, we are likely to see a shift in the UK’s economic and diplomatic global influence which could change the assumptions of the review - for example that the UK will continue to be a primary player in meeting major international challenges. We believe the review should include serious consideration of how the UK will continue to meet its commitments in collaboration with other nations, especially maintaining support to the poorest and most vulnerable people, in the event it has to achieve more with less influence. For example, doing more in collaboration with other nationals and directly supporting local partners and Southern civil society.

Finally, we believe the impact of the virus has increased the salience of, and need for the Integrated Review to address, the need to ensure access to basic services everywhere and enable countries to be resilient in the light of global crises. We have an opportunity to support this by rebalancing foreign policy priorities away from market-driven approaches towards resilient and well-funded public services, sustainable decarbonised economic development, and just global trade and tax policy.



Exchange of written Q&A with witness

Witness: Romilly Greenhill, UK Director, ONE

WQ12 **Committee:** DFID is in the process of refreshing the 2015 aid strategy. What, in your opinion, should the new strategy prioritise?

Romilly Greenhill: The strategy should prioritise the Sustainable Development Goals and the internationally-agreed commitment to Leave No-One Behind (LNOB). The UK has historically been a leader on LNOB, including by making a 'Leave No-One Behind Promise',¹ which states that 'people who are furthest behind, who have the least opportunity and who are most excluded will be prioritised.' This is a very welcome and strong commitment, and should be front and centre of the next aid strategy. This is not only the right thing to do, it also makes economic sense: evidence suggests prioritising the most deprived and marginalised parts of the population when financing access to healthcare and nutrition is nearly twice as cost-effective in saving lives as investments in less deprived and marginalised parts of the population.²

In response to the Covid-19 crisis and other global challenges, the aid strategy should also focus on addressing common global challenges, including health security, peace-building and conflict prevention, gender equality and climate change.

WQ13 **Committee:** How has the growth in the proportion of UK aid administered outside of DFID affected the effectiveness of the UK's aid spending?

Romilly Greenhill: There is now a considerable body of evidence to suggest that UK aid spent outside of DFID is less poverty focused, effective or transparent than that spent by DFID. This is not uniform across the board, with departments such as BEIS' International Climate Fund (ICF) and the DHSC doing well on many indicators.

The Independent Commission on Aid Impact have rated the vast majority (80%) of DFID's programmes as either green or green-amber, while 80% of the FCO's programmes, and the one MOD programme assessed, have been rated amber/red. Other departments have seen a more mixed picture. ICAI rated the ICF programme, largely managed by BEIS, as green-amber, a finding consistent with ONE's Real Aid Index. However, other BEIS-run programmes such as the Newton Fund have been rated amber-red, a finding also consistent with ONE's Real Aid Index.

The NAO and PAC have also raised questions about the effectiveness of spending beyond DFID, with the NAO noting that 'widening ODA expenditure to other departments has increased risks to effectiveness'³, and the Public Accounts

¹ <https://www.gov.uk/government/publications/leaving-no-one-behind-our-promise/leaving-no-one-behind-our-promise>

² https://resourcecentre.savethechildren.net/node/14227/pdf/financing_the_sdgs_low_res_0.pdf

³ <https://www.nao.org.uk/report/the-effectiveness-of-official-development-assistance-spending/>



Committee noting that ‘governments consideration of the effectiveness of [spending outside DFID] has not matched this achievement [of meeting 0.7%]’⁴

WQ14 **Committee:** Is a focus on mutual prosperity undermining UK aid’s effectiveness?

Romilly Greenwood: Broadly understood, mutual prosperity is a legitimate objective of UK aid: indeed, spending aid to enhance economic growth in developing countries can be highly beneficial to donor countries. An ODI study in 2017 found that for every \$1 of direct bilateral aid from the UK, exports increased by \$0.22, and that in 2014, \$5.9 billion of UK direct bilateral aid increased UK exports by almost \$1.3bn, creating 12,000 UK jobs⁵. UK aid spent on education, health, conflict prevention, promoting gender equality and similar areas can also be highly beneficial for global, and hence UK, prosperity. Aid spent by the UK and other donors through Gavi, the vaccine alliance, has helped to generate more than \$150bn in economic benefits globally since 2000, because vaccines create healthier workforces and prevent time lost through illness⁶.

However, it is more problematic when UK aid is used to directly benefit UK companies, so-called ‘tied aid.’ Aid tying can increase the costs of development projects by 15 to 30 percent and limits opportunities for local procurement in developing countries⁷. This reduces value for money and makes aid less effective, actually undermining the benefits to the UK in the long run. This type of aid is also not supported by the public: the Aid Attitude Tracker, a long term study of public attitudes to aid, found that the majority of the UK public think that aid should be primarily for the purpose of helping people in poor countries who need it the most⁸.

WQ15 **Committee:** An increasing proportion of UK aid is directed towards Middle Income Countries. Is that trend a concern for the UK aid sector?

Romilly Greenwood: This is an area of considerable concern for the UK NGO sector. Aid allocation should be based on two key principles: financing needs by country to meet the Sustainable Development Goals and Leave No-One Behind (LNOB); and the capacity of each country to finance its own development. It is commonly argued by those supporting a greater focus of UK aid spending on middle-income-countries (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 LICs: ODI have shown that LICs have ten times less tax raising potential than MICs and three times less foreign direct investment and remittances.

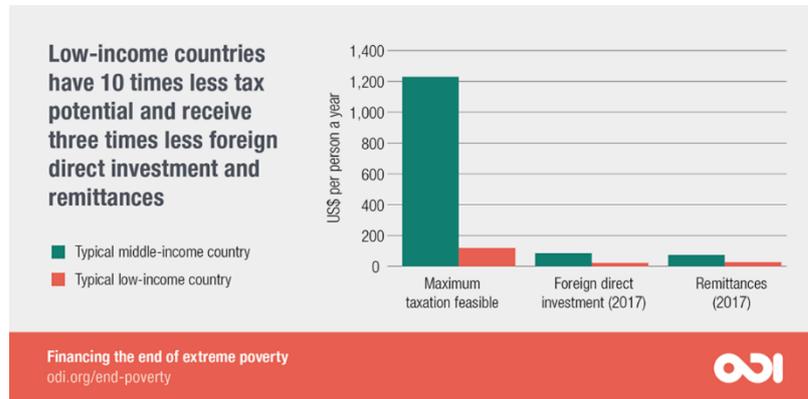
⁴ <https://www.parliament.uk/business/committees/committees-a-z/commons-select/public-accounts-committee/news-parliament-2017/oda-spending-report-published-17-19/>

⁵ Mendaz-Parra and te Velde (2017) ‘Aid, exports and employment in the UK’. London: ODI

⁶ <https://www.gavi.org/programmes-impact/our-impact/facts-and-figures>

⁷ OECD (2018) ‘Untied Aid’, last accessed 15/12/2018, available: <http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/untied-aid.htm>

⁸ <https://focus2030.org/The-Development-Engagement-Lab-project>



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 ODA⁹. 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.

WQ16 **Committee:** Is UK aid sufficiently transparent?

Romilly Greenwood: DFID has played a significant leadership role on transparency internationally over the past decade, including by launching and then hosting the International Aid Transparency Initiative (IATI) and by setting the global standard in the form of the 2010 Aid Transparency Guarantee. This has been reflected in DFID’s high score in global rankings on transparency, for example the 2018 Aid Transparency Index in which DFID scored 3rd out of 45 donors¹⁰. However, other government departments have not matched DFID’s high performance and 7 out of 10 departments are not on track to meet the UK Government’s own requirement of at least a ‘good’ in the Aid Transparency Index by this year¹¹.

It is sometimes argued that departments other than DFID have not had the time to develop the systems required to improve transparency. However, the fact that departments such as DHSC, a relatively newcomer to aid spending, has been able to meet the ‘good’ standard within a relatively short timeframe suggests that progress is possible with sufficient investment and political will.

WQ17 **Committee:** Why did UK aid and, in particular, government departments other than DFID, score so badly on your ‘Real Aid Index’?

Romilly Greenwood: There are five main reasons why departments beyond DFID scored badly in our Index.

⁹ <https://www.odi.org/publications/11433-financing-end-extreme-poverty-2019-update>

¹⁰ <https://www.publishwhatyoufund.org/the-index/>

¹¹ https://www.publishwhatyoufund.org/wp-content/uploads/dlm_uploads/2020/01/How-Transparent-is-UK-Aid_Digital.pdf



- **Poverty focus.** Some departments allocate aid very poorly in relation to country needs. For example, BEIS spends only 5% of bilateral aid in LDCs and fragile states while the FCO spends only 16%. Funds such as the Newton Fund address domestic priorities in MICs such as China, and ICAI have noted of the Fund that ‘the pursuit of secondary benefit has been prominent, while the approach to allocating funds has been poorly suited to the primary objective of promoting development impact.’¹² FCO spending under the Prosperity Fund also prioritises MICs.

Some programmes and funds also fail to identify how their programmes are targeting poverty reduction. In 2017 the FCO spent £240m on ‘enabling frontline diplomatic activities’, providing support for FCO missions in ODA-eligible countries. *Despite* the large sums involved we found no evidence of the developmental impact of this spending and extremely limited transparency around what it is spent on. Similarly, the FCO’s Chevening Scholarship programme provides support for students from developing countries to study in the UK, but shows very limited evidence of impact on poverty reduction and is very poorly targeted.

- **Results focus.** There is a widespread consensus within the international development community that identifying the expected results from a development programme, collecting information on whether those results have been achieved, learning lessons about what has and has not been achieved and communicating the results to the public is important to ensure the effectiveness of development projects and programmes. However, our analysis for the Real Aid Index showed that some departments fail to clearly articulate the results that are expected to be achieved from their aid and do not fully specify how these results will contribute to ending extreme poverty.
- **Tying.** As noted above, tied aid reduces value for money and effectiveness of aid spending. While all UK aid is legally untied, we found de-facto tying in some aid programmes. The GCRF under BEIS requires the initial applicant to be from a UK institution, while the Newton Fund also under BEIS requires applicants to collaborate with or be supervised by a UK university. Students in the Chevening Scholarship programme under the FCO have to study at a UK university.
- **Transparency.** Transparency across a number of departments is very poor. Our Real Aid Index scored programmes which failed to provide good information on spending poorly, so as to incentivise greater transparency. This impacted on scores for the Home Office in particular, although we are pleased to have seen improvements in transparency across the board over the past

¹² <https://icai.independent.gov.uk/html-report/the-newton-fund/>



year.

- **Consultation and local ownership.** International agreements on development effectiveness over the past 15 years have emphasised the importance of local ownership in achieving long-term development. However, we found limited of local consultation or ownership from Home Office or FCO programmes.

WQ18 **Committee:** The Government's Integrated Review of International Policy reaffirmed the UK's commitment to spending 0.7% of national income on international development. Does the International Development Act 2002 provide sufficient guarantees that UK aid is targeted towards the poorest and most vulnerable?

Romilly Greenwood: The 2002 International Development Act creates a legal requirement for aid to be provided where it is 'likely to contribute to a reduction in poverty.' This has helped to position the UK as a world leader on international development. The Act is also important in going beyond the OECD definition of ODA, which states only that ODA must only have 'economic development and welfare of developing countries' as its main objectives. The focus on poverty reduction in the 2002 Act is an important difference.

WQ19 **Committee:** What development-related areas should the Integrated Review taskforce team focus on?

Romilly Greenwood: 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 date¹³. 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 GDP¹⁴, yet estimates suggest that \$2bn spent on preventing conflicts each year could save \$35bn of damages caused by conflict¹⁵.

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

¹³ <https://s3.amazonaws.com/one.org/pdfs/ONE-COVID-19-POLICY-PLATFORM.pdf>

¹⁴ <http://visionofhumanity.org/app/uploads/2019/06/GPI-2019-web003.pdf>

¹⁵ <https://elibrary.worldbank.org/doi/pdf/10.1596/29380>



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?

WQ20 **Committee:** As a supplementary, is there a risk that moving to an FCO-led aid delivery model, and using UK aid to enhance mutual prosperity, will lead to dilution and confusion of objectives for UK aid spending (and reduced effectiveness)? Could such a move lead to the return of tied aid?

Romilly Greenwood: It is difficult to compare UK aid as a whole against other donor countries in terms of transparency. The main way to measure transparency is the Publish What You Fund Aid Transparency Index which measures individual departments/agencies rather than countries as a whole. Publish What You Fund do a global Index every two years. In 2018, only DFID and the FCO were included (as there is a minimum size threshold). In 2019, Publish What You Fund were commissioned by DFID to assess other UK departments using the same methodology.

The 2018 Aid Transparency Index shows that DFID is well above its peers when it comes to transparency, scoring 3rd out of 45 donors. Using the same scoring, the 2019 UK Index showed that DHSC and BEIS also do well. Other departments scored 'fair' or worse in the 2019 Index (including the FCO, Home Office, DEFRA) which would place them in the bottom half when measured against other countries.

Publish What You Fund have a comprehensive set of recommendations for improving transparency available in their report file:///C:/Users/rgreenhill/Downloads/How-Transparent-is-UK-Aid_Digital.pdf. My personal recommendation, having led DFID's work on transparency in 2010, would be that political leadership is absolutely critical. A commitment from Ministers and senior officials is vital to secure the resources and make the necessary internal process and system changes.

WQ21 **Committee:** As a supplementary, as part of the Integrated Review, should the Government consider further safeguards around the 0.7% commitment to protect the focus and objectives of UK aid spending from being diluted or confused?

Romilly Greenwood: The UK has a strong legal framework governing the aid budget. The priority should be to ensure that all UK government departments spending ODA are bound by the relevant acts. At present, it is not clear that departments beyond DFID are bound by the 2002 International Development Act, which states that UK aid 'must be likely to contribute to a reduction in poverty', or the International Development (Gender Equality) Act 2014, which adds the duty to have regard to gender inequality to the 2002 Act.



WQ22 **Committee:** As a supplementary, in her evidence to this Committee on 28 April, Secretary of State Trevelyan stated that Coronavirus “could undo 30 years of UK’s international development work”. What are the implications of the coronavirus pandemic for the focus and assumptions underpinning the Government’s Integrated Review?

Romilly Greenwood: 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 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 health systems strengthening 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.

Exchange of written Q&A with witness

Witness: Rt Hon Andrew Mitchell MP, formerly Secretary of State for International Development, 2010-2012

WQ23 **Rt Hon Andrew Mitchell MP (former Secretary of State for International Development):** I would like to thank the committee for inviting me to give evidence together with my friend and colleague Hilary Benn [see WQs 34-44].

WQ24 **Committee:** The Government’s Integrated Review of International Policy reaffirmed the UK’s commitment to spending 0.7% of national income on international development. In your opinion, does the International Development Act provide sufficient safeguards that UK aid is targeted towards the poorest and most vulnerable;

- is there a case for the Government to explore options to use its own definition of aid, rather than the OECD DAC definition, to broaden the scope of what counts as aid; and

- what would the risks and opportunities be of the UK developing and using its own definition?

Mr Mitchell: You have asked about the definition of aid, what counts as Aid and the 0.7 commitment. The definition of aid is extremely clear: it is laid down by the OECD DAC and it is restrictive as it must be, otherwise money can easily be



syphoned off for other expenditure.

My experience of the OECD DAC is that there are few grey areas and the definition is pretty sharp and clear. The International Development act brought in by the last Labour Government is also clear but it is extremely well drafted because it gives the serving Secretary of State the ability to decide whether the purpose of the money being spent is the alleviation of poverty as it must be and if controversial decisions were to be made where that did not appear to be the case it could be challenged in the courts.

In terms of the 0.7 commitment, this was one of the specific achievements of the David Cameron first Government, in which it was my privilege to serve. I am particularly proud that at a time of considerable austerity Britain did not go back on its promise to the poorest people in the world. We did not seek to balance the budget on the back of the world's poor. I am also proud that it was a Conservative Government that finally implemented our promise of the 0.7.

You ask about the sufficiency of safeguards to ensure UK aid is targeted towards the poorest. I think the combination of the OECD DAC and the International Development act does provide sufficient safeguard and of course the Treasury will always make sure that the money is being spent in accordance with the rules because if it were not to be it would be for the Treasury to make up the amount misspent in order to comply with the law on the 0.7. So, I have no concerns on that point.

On the sufficiency of safeguards to ensure UK aid is targeted towards the poorest, I think that one of the key safeguards rests with the Independent Commission on Aid Impact (ICAI) which I set up on 2010. It was a manifesto commitment of the incoming Conservative Government. The ICAI is independent of Ministers. It reports not to the executive or to DfID but to the International Development select committee and to the legislature and that is a very important defence. This is a great deal of money that is being spent. These funds are provided by hard working tax payers and we need to be able to satisfy them that for every pound that they produce we are really producing 100 pence of value on the ground and that's what the ICAI does. It is the taxpayer's friend. It is independent of Government, and it is an indispensable part of the International Development framework and architecture.

You ask about the pros and cons of broadening the scope of what counts as aid. That is a matter for the OECD DAC to decide and it would require agreement from all the members. This would be quite difficult but at least twice over recent years Britain has secured a significant change. I note also that since the OECD DAC was set up, I think after the war, amongst others by the Americans, even the Trump administration has not suggested leaving the OECD DAC. For Britain to consider at any point leaving it and providing its own definition of what is aid, would pull an important thread out of the international rules based system and I think would be profoundly regrettable. In addition, it would of course remove the protection for development spending and so the budget would be almost certainly be plundered by other stronger departments.



WQ25 **Committee:** In your opinion, does the UK's international aid commitments support the UK's soft power? In what ways does it do this?

Mr Mitchell: International Development is a key tenet of Britain's soft power. Indeed, there are many who would argue that it is currently the main evidence of Global Britain. I want to emphasise that all of Britain's development expenditure contributes to our national interest. Development, diplomacy and defence are well wired together through the National Security Council. That is what gives senior Ministers line of sight over Britain's development spend and soft power activity - how it is being used and how the money is being dispersed. It is not only the 0.7 budget that is important: it is also the rules that govern that spending. Once the rules are removed, as I explained earlier, the game will be up for development policy because the money will be plundered by stronger departments.

British soft power is extraordinarily effective around the world. We have seen over the last 20 years an alleviation of international poverty and the tackling of those discrepancies of wealth and opportunity that so disfigure our world today.

It has never been more necessary than now as Britain has a real expertise and ability to move the dial. Our voice is listened to and at a time like this the investments we have made in the international architecture in the world bank, in the WHO and the regional development banks: these are very important levers of soft power which Britain is in a leadership position to exert and where our view and our efforts are greatly respected around the world.

I want to be very clear on this next point: you ask about the risks of soft power from any aligning of aid more closely with foreign policy goals and national interests. All these things are brought together through the National Security Council where the overall policy of Defence, Diplomacy and International Development are honed and projected. DfID is not a well-upholstered NGO moored off the coast of Whitehall. DfID is a Department of State for Development in the developing world.

The future of international development spending / The UK aid strategy and the changing profile of aid spending

On the future of International Development spending I think it is very important that we always strive to get better values for money out of the results we are seeking to achieve. Among the key priorities are to tackle conflict. To stop it starting or once it's started to stop it and thereafter reconcile communities caught up in violence and misery. Secondly to promote prosperity because the way poor people lift themselves out of poverty in the rich world and the poor world is to be economically active and to have a job and those remain two key priorities for British international development policy as well as developing the sinews of the international rules based system which have been somewhat on the back foot of late.

We should also note with respect the extraordinary reputation of DfID and the congregation of people working with and for DfID- whether in the international development world, amongst our non-governmental organisations and charities, in academia and our universities. Around the world the respect in which DfID is held is a key hallmark of Britain's foreign policy and foreign contribution and it would be



a serious error of judgment to dismantle the Department. I have no hesitation in saying were DfID to be put back into the foreign office, at a stroke we would have destroyed the most respected and successful engine of international development in the world. That is not just the view of a British domestic politician but it's a view shared around the world of those who interact with DfID and who share the same aims and goals that we all share. You would almost certainly see the extremely impressive team that DfID has gathered together leaving or being poached by the international system. That would be in my view a tragedy.

In respect to the pros and cons of the share of UK aid administered outside DfID, I would make just two points: Firstly, it doesn't matter who is spending this money so long as it is being spent in accordance with the rules and the rigour and the effectiveness of that spending is maintained. That is one of the reasons that the ICAI covers any ODA spending whether it is by DfID or any other department. So, I don't think it matters who is spending it, I think what matters- is that it is spent well, and I certainly don't think that DfID would want to ring fence it within their department if they were satisfied that the money was being spent as well elsewhere. But the key point is that the spending is quality spending and within the definition of the OECD DAC. It should be our priority for our tax payers.

WQ26 **Committee:** DFID is in the process of refreshing the 2015 aid strategy. Should poverty reduction remain a focus of the UK government's aid strategy going forward;

- what else should be prioritised; and

- in your opinion, has the growth of the proportion of UK aid administered outside of DFID had an impact upon the effectiveness of the UK's aid spending?

Mr Mitchell: ... I will if I may answer [these] together. I have already said I think it would be an error of judgment to move DfID into the FCO. It is however clearly right, that the head of the UK platform overseas as always is the Ambassador or High commissioner. DfID is part of his/her command. But I don't think it's right to expect an Ambassador to be responsible for the control of multi million pound contracts, which is very much a DfID and not an FCO skill.

WQ27 **Committee:** Is there an argument to align UK aid spending more closely with the Britain's foreign policy goals and national interests?

Mr Mitchell: To mix together in one department what are clearly two very different but important contributors to Global Britain and British foreign policy would in my view be a mistake. They come together tactically through the UK platform overseas and strategically through the National Security Council. But the FCO and DfID are separate and they gain in strength from the fact that they are separate.

WQ28 **Committee:** What are the opportunities and risks of merging development agencies with foreign affairs ministries; and

- what lessons should be learned from experiences elsewhere in the world. For example, Canada, Australia and Denmark?

Mr Mitchell: I think it is widely accepted that the effects of the merger in Canada



and Australia have not been particularly worthwhile but I'm not sure I know enough about this to opine authoritatively. I don't think it matters particularly having joint ministers, and there are some merits to this. But I think that it should be understood that if you are a minister in DfID and the Foreign Office, you are in reality a Foreign Office Minister because it is the grander and more influential Department within Whitehall. I think that lack of clarity may impact on the quality of the decision making that then takes place.

WQ29 **Committee:** In recent months, there have been changes to the ways that the Foreign Office and DFID work together. For example, the junior ministerial teams of the Foreign Office and DFID have been merged; and DFID country directors are now answerable to Ambassadors in country. What are your views on this development and how do you think it will impact on aid delivery?

Mr Mitchell: In respect of the link between UK aid and mutual prosperity, I am in no doubt whatsoever that UK aid is hugely in Britain's interest; it contributes to the security in the developing world where we are trying to assist and state building overseas. It contributes to our security as well. A good example of this can be seen in Somalia. When I was in Government, we did a huge amount to try and boost state governance and bring order to what was one of the most ungoverned countries in the world. We did it not only because we wanted to help the poor suffering Somalis but also because we understood that they were exporters of disorder and indeed terrorism. At one point, there were more British passport holders training in Somali terrorist camps than there were in Pakistan or Afghanistan. That makes the point that it is not just about their security and stability but also about our security and stability as well. The same is true of the prosperity agenda. If we help to build up the prosperity and jobs and markets and economic activities in very poor countries, as they develop they will seek to use our financial services, they will want to trade with us and they will want to develop positive relationships if they can see we have done our best to help and assist them.

WQ30 **Committee:** Is a focus on mutual prosperity undermining UK aid's effectiveness;
- should the UK be looking for 'a return' on its overseas aid investments; and
- an increasing proportion of UK aid is directed towards Middle Income Countries, should that trend be a concern?

Mr Mitchell: It is true that an increasingly share of UK aid is directed towards middle income countries, but these figures are partly distorted by the catastrophe that is the Syrian crisis. Nevertheless, as the world becomes more prosperous and we are more effective at eradicating the extremes of international poverty then the international system in promoting healthcare, economic activity and education inevitably focuses at least in part more on middle income countries.

I very much hope the debate over tied aid is over. Labour untied all British aid and the subsequent Conservative Government enthusiastically supported this decision. I am in no doubt that tied aid is a mistake. Even in America now we are seeing increasing amounts of their aid untied. Also, in my experience the old argument that aid should be tied to British industry and British export has been exposed as false. Most business people don't want a bung from the tax payer: they want a level



playing field so they can compete fairly. This is one of the reasons all British political parties have been so committed to bearing down on protectionism and standing up for free trade. I note that an all-party group in this respect was co-chaired by Peter Lilley and Claire Short! I think it would extraordinary if the arguments for re-tying British aid received any attention whatsoever.

One of the most important reforms within international development policy has been the radical restructuring of CDC. CDC had wandered away from its developmental DNA but is now back where it belongs. I have no doubt that in 50 years' time CDC will be seen as a prime example of Britain's effective and respected contribution to development around the world. It is now regarded as one of the leading DFIs.

The measure of the success of CDC can be seen from the fact that it is employing directly and indirectly in Africa more than 850,000 people (with a similar number of families being fed) and paying into national treasuries more than 3.5 billion dollars of taxation.

WQ31 **Committee:** What, in your opinion, are the key challenges facing international development now and in the future? And what would your message be to the current Secretary of State for International Development in trying to tackle these challenges?

Mr Mitchell: Your final question is in respect of future UK aid challenges. These are of course immense. They are the challenges of a very unequal world where people continue to live in grinding poverty, where children do not go to school, where mothers do not have access to proper reproductive health and where an international trading system distorts opportunities for the poorest. As we will see with coronavirus and have seen with climate change it is the poorest and least developed that suffer first and hardest. My message for the current Secretary of State to International Development is firstly that she has on a bad day a very good job indeed and on a good day one of the best jobs in the world. I am sure she will stand up for her widely respected department and its aims and aspirations. I know she has considerable knowledge of defence she is ideally placed to make a powerful contribution to the review that is taking place about Britain's role in the world through the National Security Council, emphasising the very strong links between defence, diplomacy and development. There is nothing more irritating than your predecessors telling you how to do the job so I would wish to send her only a message of support, as she seeks to tackle these many difficult challenges.

WQ32 **Committee:** As a supplementary, is there a risk that moving to an FCO-led aid delivery model, and using UK aid to enhance mutual prosperity, will lead to dilution and confusion of objectives for UK aid spending (and reduced effectiveness)? Could such a move lead to the return of tied aid?

Mr Mitchell: Yes. Many people remember the facts surrounding the Pergau dam saga. This illustrates the danger both of tied aid and of a confusion in Government objectives. It is also important, in my view, to remember that all UK aid and its disbursements serve our own national interests as well as helping those we are seeking to assist. The skills of the Foreign Office and the skills of DfID inevitably



differ. it is not sensible to expect a Foreign Office Ambassador or Diplomat to deploy the same skill set as a DfID expert managing multi-million pound projects. Indeed, I remember being told that when Prime Minister Blair went off to International summit meetings where money and finance were discussed he always took with him a senior DfID official.

WQ33 **Committee:** As a supplementary, in her evidence to this Committee on 28 April, Secretary of State Trevelyan stated that Coronavirus “could undo 30 years of UK’s international development work”. What are the implications of the coronavirus pandemic for the focus and assumptions underpinning the Government’s Integrated Review?

Mr Mitchell: I believe the current Secretary of State is correct and our aim therefore must be that Covid does not undermine the significant progress that has been made since 1990. The reason why she is right in my opinion is that, firstly, Covid could severely impact the ability of developing countries to build up the sinews of the state- health, education, the rule of law and good governance. This could all be set back in developing countries as they struggle to control the disease with the limited resources they have. In that respect, I think the international community made some progress at the recent G20 meetings on the issue of debt forgiveness for poor countries. As far as the developed world is concerned, as all of us tackle the outbreak of Coronavirus we are inevitably facing increased pressure on our budgets as well as on our attention elsewhere and this also means that developing countries might suffer because the finance may not be available in the same quantities as before, nor the outward focus of countries which find their governments very preoccupied on internal matters.

Exchange of written Q&A with witness

Witness: Rt Hon Hilary Benn MP, formerly Secretary of State for International Development, 2003-2007

WQ34 **Committee:** The Government’s Integrated Review of International Policy reaffirmed the UK’s commitment to spending 0.7% of national income on international development. In your opinion, does the International Development Act provide sufficient safeguards that UK aid is targeted towards the poorest and most vulnerable?

Rt Hon Hilary Benn MP (former Secretary of State for International Development): Thank you for giving me this opportunity to participate in your inquiry.

Firstly, the 2015 and 2002 Acts enshrined in law respectively the 0.7% commitment and the requirement that our aid should be used for the reduction of poverty, but they do not cover the precise distribution of our aid between low and middle income countries. That is a policy decision for ministers, and in recent years the percentage that has been going to middle income countries has been significantly higher than it was 15 years ago. The aim of development assistance is of course to



get more states to move from low income to middle income status, but I think the reduction of absolute poverty should be the department's main focus.

Secondly, there are other factors that Ministers rightly have to consider in deciding where DFID should spend its money; for example, on humanitarian crises and conflict-affected countries (e.g. Syria) regardless of their income status - development without security is not possible and security without development is only temporary - or climate change which, unchecked, will tip countries into economic instability. It is all about finding the right balance as these choices are made.

Thirdly, as we have seen more of DFID's budget spent by other parts of Whitehall, I think it's fair to say that there hasn't been as much scrutiny of, and accountability for, how that money is used compared to DFID's activities. As the NAO put it last year "*Widening ODA expenditure to other departments has increased risks to effectiveness.*" This should be a cause for concern.

WQ35 **Committee:** Is there a case for the Government to explore options to use its own definition of aid, rather than the OECD DAC definition, to broaden the scope of what counts as aid; and

- what would the risks and opportunities be of the UK developing and using its own definition?

Hilary Benn: The OECD DAC definition of aid is internationally-recognised and has stood us in good stead, and I am not in favour of the UK or any other country trying to come up with its own definition, not least because it would make future comparisons between countries' spending extremely difficult.

That is not to say, however, that there isn't discussion about what should be added to the list of agreed activities. Countries can suggest changes, but it should be for the OECD DAC to decide.

For example, there has been a debate about the extent to which activities involving peace and security, and working with the military, should be classified as official development assistance. The rules were changed about four years ago, at the prompting of the UK, to allow some peace and security spending to count as ODA if it is directly linked to promoting development or providing humanitarian aid. The DAC casebook on conflict, peace and security activities seems to me to reflect a commonsense approach and is helpful in explaining what can and cannot be classified as ODA.

I have always been in favour of a sensible interpretation of these rules. For example, during my time as international development secretary we gave support to the African Union mission in Darfur, which included paying for vehicles and fuel contracts, because it was important to enable the peacekeepers to patrol and protect the people living in the camps. In Darfur it was very hard to distinguish between the diplomatic, the humanitarian and the developmental. They were all part of a continuum and that required a single HMG approach.

WQ36 **Committee:** In your opinion, does the UK's international aid commitments support the UK's soft power? In what ways does it do this?



Hilary Benn: Yes, it does.

It is an expression of an internationalist outlook and commitment. It means that as well as having something to say, we also have something practical to contribute to development, reducing poverty and dealing with conflict. And it enables us to develop and share ideas with other countries which can prove to be very influential; for example, the UK played a crucial role in the creation of the International Finance Facility for Immunisation and the Central Emergency Response Fund, it has been a leading advocate of disaster risk insurance and cash transfers in humanitarian relief, and the preventing sexual violence in conflict initiative (PSVI) had a big impact when it was launched. Money and strong political leadership can, in tandem, be a very powerful combination.

I fear, however, that in the last four years that leadership role, for which the UK has been widely recognised, has been less evident. Regardless of the merits of the argument, our national convulsion over Brexit has given some the impression that we have become a more inward-looking nation.

WQ37 **Committee:** DFID is in the process of refreshing the 2015 aid strategy. Should poverty reduction remain a focus of the UK government's aid strategy going forward; and

- what else should be prioritised?

Hilary Benn: Yes, poverty reduction should remain a clear focus for DFID, but there are many factors that contribute towards that objective and they should be reflected in the range of programmes and activities that we support. Helping economies to function better, promoting the rule of law and independent legal systems, and doing our bit to tackle corruption all contribute alongside more traditional but vital aid programmes such as getting more children into school, improving the supply of clean water and supporting health systems.

For other priorities, see answer to WQ42 below.

WQ38 **Committee:** In your opinion, has the growth of the proportion of UK aid administered outside of DFID had an impact upon the effectiveness of the UK's aid spending?

Hilary Benn: I cannot comment directly based on experience, but judging by what the National Audit Office and ICAI have had to say, it is not as well scrutinised as it should be.

WQ39 **Committee:** Is there an argument to align UK aid spending more closely with the Britain's foreign policy goals and national interests?

Hilary Benn: I think it is a fundamental misunderstanding to suggest that the UK's aid is not already in keeping with our national interests.

There are two principal reasons why we should do what we are doing. The first is the moral argument for playing our part in helping other countries to live in peace so they can prosper, to ensure that their children do not die of diseases that our children do not die of, to get children and particularly girls into school and to



promote economic development.

The second reason is self-interest which is not the same as selfishness. In an increasingly interdependent world, we should by now have learned that what happens in other countries will eventually impact upon us.

There have always been times when parts of government have wanted to use Britain's aid spending as an instrument of foreign policy, for our own economic advantage or to get another country to do something that they are reluctant to, but thereby lies the road to ruin. If a government wants do that, then do it and fund it, but don't call it development assistance.

WQ40 **Committee:** What are the opportunities and risks of merging development agencies with foreign affairs ministries; and

- what lessons should be learned from experiences elsewhere in the world. For example, Canada, Australia and Denmark?

And

In recent months, there have been changes to the ways that the Foreign Office and DFID work together. For example, the junior ministerial teams of the Foreign Office and DFID have been merged; and DFID country directors are now answerable to Ambassadors in country. What are your views on this development and how do you think it will impact on aid delivery?

Hilary Benn: If it's alright, I would like to answer [these] questions ... together.

Since it was set up, DFID has established an outstanding international reputation for the quality of what it does and of the staff who work for it. Political leadership and the fact that DFID has been an independent government department played a significant part in making this happen.

I am strongly opposed to DFID being 'put back in its place' inside the Foreign Office. This is a tired old debate and I'm sorry that it's being raised once again by people who have never been very keen on an independent DFID and who have found it difficult to see DFID's budget rising while the FCO's has been cut back. Playing hokey-cokey with DFID's location in Whitehall is, frankly, an unhelpful distraction.

At the beginning, DFID was understandably very keen to show that it was not the creature of any other Whitehall government department. It successfully established its identity and leadership role, but that did create some difficulties and friction.

My view, when I took up post in 2003, was that now the department's reputation had been secured, we had nothing to fear and everything to gain from cooperating with other parts of Whitehall. We did this, for example, through things such as the Africa Pool and the Conflict Prevention Pool, which brought together the FCO, DFID and the MOD to discuss what our strategy should be. Having a sum of money to spend which required the agreement of all three parties was a great way of generating a serious debate about what we were together trying to achieve. We also set up a joint unit between DFID and the FCO on Sudan - a first at the time - which reported jointly to ministers in the two departments.



I don't know how the arrangements for DFID heads of office reporting to ambassadors work in practice, but my question would be on whose authority are ambassadors giving directions to the DFID in-country team? I think you must have clear lines of ministerial and policy accountability, and the place to agree HMG policy is around the cabinet table or through bilateral discussion and agreement between DFID and FCO ministers.

In my experience, the best relationships in-country were where both the DFID head of office and the ambassador had shared objectives and were working together, and not because one was telling the other what to do.

We also need to recognise that the increasing UK aid budget, in keeping with the 0.7% commitment which I strongly support, has created challenges for DFID.

First of all, it has had more money to spend with a falling staff headcount.

Secondly, it has meant that the Secretary of State has been in both the fortunate and uncomfortable position of sitting around the cabinet table in possession of a rising budget while her/his colleagues have been seeing their budgets cut, in some cases substantially. This has led colleagues to look to the DFID pot to help fund things they wanted to do.

Thirdly, and this is a good thing, it has increased the pressure to demonstrate that every penny of aid is effectively used. The creation of ICAI - a sort of Ofsted for DFID - was a very good and timely idea.

WQ41 **Committee:** Is a focus on mutual prosperity undermining UK aid's effectiveness;

- should the UK be looking for 'a return' on its overseas aid investments; and
- an increasing proportion of UK aid is directed towards Middle Income Countries, should that trend be a concern?

Hilary Benn: As I have already said, the growing trend towards spending in middle income countries risks undermining DFID's focus on reducing absolute poverty. There are other donors who don't prioritise the poorest countries and are perfectly happy to spend a lot of money on middle income countries as a means of pursuing their foreign policy. That's fine, but it's not really reducing absolute poverty.

If by 'mutual prosperity' and a 'return' to the UK, you mean direct commercial or economic advantage then that should not be the purpose of our development aid. It was precisely because the then Government got into a terrible mess over the Pergau Dam project that we legislated to make it a legal requirement that the purpose of our aid should be the reduction of poverty. If you get rid of that, then it's not development assistance as I understand it.

WQ42 **Committee:** What, in your opinion, are the key challenges facing international development now and in the future? And what would your message be to the current Secretary of State for International Development in trying to tackle these challenges?

Hilary Benn: I think the great challenges facing us are: the reduction of poverty,



dealing with threats to peace and security, preventing dangerous climate change, ensuring that a growing population does not overwhelm the earth's capacity to accommodate us and our use of natural resources and, as current events demonstrate, responding to epidemics and the threat of antibiotic resistance.

One of the ways in which these challenges will express themselves will be through the movement of people around the globe. I think that when the history of this century comes to be written, the description of that movement will be one of the most important chapters; people moving to flee conflict (for example Syria), people leaving where they were born and brought up in search of a better life (many of the men getting into leaky boats on the north coast of Africa) and, if we fail to tackle climate change, the mass movement of people who are not going to stay where they are to drown or to die of thirst.

All these challenges will test our international rules-based system at a time when, with the rise of 'my country first' nationalism, some world leaders are doing their best to undermine it. If we can't reach international agreement on what to do, then a future of more walls, fences and isolation beckons. This would be a disaster.

To take the example of climate change, if we begin to see large-scale movement of populations then how are we going to decide where people should move to? Should countries each have to take a share, or should we look to create new population settlements, perhaps in places which are now inhospitable but could become habitable as a result of a changing climate?

The real challenge will be to find political leadership with the capacity to bring about change.

If we pause for a moment and think about how we as a country moved in the last 200 years from an era in which very few children went to school, a lot of people lived short lives in poverty, there was no health service to speak of and there was enormous income inequality, it was a process of development – social, political and economic – that brought about a transformation in people's lives.

The challenge today across the world is no different. We have seen that extraordinary progress is possible, through peoples' own efforts and the help and support of others. I am optimistic about the future provided we can overcome narrow nationalism and the advocates of isolation, build and strengthen our international institutions and continue to make the case in our politics that we in the UK should be proud of our aid budget and of our commitment to international development.

WQ43 **Committee:** As a supplementary, is there a risk that moving to an FCO-led aid delivery model, and using UK aid to enhance mutual prosperity, will lead to dilution and confusion of objectives for UK aid spending (and reduced effectiveness)? Could such a move lead to the return of tied aid?

Hilary Benn: Yes, there is a risk. We need clarity of purpose as a country about what our aid is trying to achieve - namely the reduction of poverty - while recognising that there are many different ways in which we can help to make this happen.



Tied aid is illegal under the 2002 International Development Act, so any government that wanted to move in that direction would need to replace the legislation and I think a lot of people would have something to say about any attempt to do so!

WQ44 **Committee:** As a supplementary, in her evidence to this Committee on 28 April, Secretary of State Trevelyan stated that Coronavirus “could undo 30 years of UK’s international development work”. What are the implications of the coronavirus pandemic for the focus and assumptions underpinning the Government’s Integrated Review?

Hilary Benn: I think we are all very worried about the impact that coronavirus may have on developing countries’ economic development and the health of their citizens. We need to listen to what our partners have to say about the priorities, as they see them, in responding to the pandemic and then provide support in a way that meets their needs.

I very much welcome the European initiative, supported by a number of countries including the UK, to launch a global effort to fund research on a vaccine. This is precisely the sort of international leadership that we need to see more of. And when we discover one, we have to make sure that it is available to all people in all countries. We cannot have developing countries unable to give the vaccine to their citizens because of the cost.