

The UK Government's new statement on Foreign Aid – “UK Aid: Tackling Global Challenges in the National Interest” – November 2015

This brief document is the first major policy statement about UK government policy on foreign aid since the General Election earlier in 2015 led to the establishment of a majority Conservative government. It therefore gives some idea of the Conservative view of foreign aid without the influence of their Liberal Democrat partners in the 2010-2015 coalition government.

The first thing which strikes the reader is the fact that it is a joint statement by the Chancellor of the Exchequer and the Secretary of State for International Development. This raises the question of whether the DFID view of foreign aid might differ from that of the Treasury, even given the fact that government statements come with the authority of the Cabinet (of which both signatory ministers are members). The statement makes it clear that it is taking the opportunity to put into practice the principles laid down in the Conservative Party manifesto on which the 2015 General Election was fought.

The second thing which strikes the reader is the extent to which the entire statement is centred on the position of the United Kingdom and of the United Kingdom government. There is little emphasis on the international dimension of the aid relationship between ‘donors’ and ‘recipients’. Indeed, there is hardly any mention of the role of developing country recipients and their relationship with ‘UK Aid’ (an issue which will be returned to in the next paragraph). The reader could be pardoned if they gained the impression that the UK government can make decisions about aid policy without regard to any external or international agencies. There is one mention of the OECD Development Assistance Committee, in a footnote outlining the international definition of ‘Official Development Assistance’.

There is no mention in the statement of the ‘partnerships’ firstly between aid donors (in this case the UK government) and aid recipients (qualifying developing countries), and secondly between the range of international donors (both bilateral and multilateral). Some of the issues associated with these partnerships were highlighted in a recent report of the House of Commons International Development Committee (House of Commons, 2015). In particular, there is no mention at all in the statement of the *Paris Declaration on Aid Effectiveness* (OECD DAC, 2005 and 2008) and of the international network established since 2005 for the monitoring and evaluation of aid effectiveness (Global Partnership for Effective Development Cooperation, 2013). The absence of any reference to these international efforts to improve aid effectiveness is remarkable given the concerns expressed in the statement about the primacy of ‘value for money’ criteria in judging the UK’s aid programme. In particular, the absence of any mention of the role of the principles of the *Paris Declaration* in providing a basis for greater harmony between the multiple aid ‘modalities’ of the large number of donor agencies, and in attempting to control the transaction costs of delivering Official Development Assistance (especially through the application of the ‘budget support’ mode of allocating ODA) is remarkable. Also, the absence of any recognition of the ‘recipient’ country ownership of their development programmes is noteworthy.

The inclusion in the statement of a clear policy change concerning ‘budget support’ is notable. The statement does not announce the end of all budget support, but specifies that ‘traditional’ budget support will be phased out. It is not clear what ‘traditional’ budget support means, and whether it includes both ‘general budget support’ and ‘sector budget support’. The phasing out of budget support flies in the face of the conclusions and recommendations of the Independent Commission on Aid Impact in their 2012 report (ICAI, 2012) and of a number of other evaluation studies.

One welcome area of emphasis in the statement is the clear expression of the need for some reconsideration of the definition of ODA, and particularly the extent to which the spending of aid funds in donor countries in order to achieve international development objectives (e.g. the reception and settlement of international migrants fleeing dire circumstances – and threats to life – in their home countries) should come within the ambit of ODA.

Michael Tribe
8th December 2015

Global Partnership for Effective Development Cooperation. 2013. *Guide to the Monitoring Framework of the Global Partnership* – downloadable from the GPED website - <http://effectivecooperation.org/>

HM Treasury/DFID (2015) UK Aid: Tackling Global Challenges in the National Interest. London: HM Treasury.

House of Commons (2015) *The Future of UK Development Cooperation: Phase 2: Beyond Aid – Tenth Report of Session 2014–15*. London: The Stationery Office.

ICAI. 2012. *The Management of UK Budget Support Operations*. London: Independent Commission for Aid Impact.

OECD DAC (2005 and 2008) *The Paris Declaration on Aid Effectiveness – and The Accra Agenda for Action*. Paris: Organisation for Economic Cooperation and Development – accessible from www.oecd.org