



HM Treasury



Department  
for International  
Development

## **UK aid:**

tackling global challenges in the  
national interest

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tackling global challenges in the  
national interest

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Presented to Parliament by  
the Chancellor of the Exchequer  
by Command of Her Majesty

November 2015

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# Foreword

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Britain will continue to meet its commitments on aid spending.

We firmly believe that spending 0.7% of Gross National Income (GNI) on international development – alongside our commitment to spend 2% on defence – means our country walking taller in the world.

Over the last five years UK aid has reached millions across the world. We have supported 11 million children through school. We have distributed 47 million bed nets, contributing to malaria deaths falling by 60% over the last 15 years. And we have supported over 60 million people to access clean water, better sanitation or improved hygiene conditions.

We recognise, however, that aid spending has sometimes been controversial at home, because people want to know that it is squarely in the UK's national interest.

Recent crises have proved, though, why aid is so important for us as well as for the countries we assist. From our response to the Ebola epidemic to our use of our aid budget to lead the international community in responding to the refugee crisis on Europe's borders, it is clear that strategic aid spending can command widespread support.

So we have used the 2015 Spending Review to fundamentally review how this budget is spent.

This strategy outlines our new approach to aid spending that we believe will command public confidence. The world is changing, and our strategy on aid needs to change with it.

So our aid budget will be restructured to ensure that it is spent on tackling the great global challenges – from the root causes of mass migration and disease, to the threat of terrorism and global climate change – all of which also directly threaten British interests.

We want to meet our promises to the world's poor and also put international development at the heart of our national security and foreign policy.

In line with that principle, we will shape our spending according to four strategic objectives. They are:

- **Strengthening global peace, security and governance:** the government will invest more to tackle the causes of instability, insecurity and conflict, and to tackle crime and corruption. This is fundamental to poverty reduction overseas, and will also strengthen our own national security at home.
- **Strengthening resilience and response to crises:** this includes more support for ongoing crises including that in Syria and other countries in the Middle East and North Africa region, more science and technology spend on global public health risks such as antimicrobial resistance, and support for efforts to mitigate and adapt to climate change.
- **Promoting global prosperity:** the government will use Official Development Assistance (ODA) to promote economic development and prosperity in the developing world. This will contribute to the reduction of poverty and also strengthen UK trade and investment opportunities around the world.
- **Tackling extreme poverty and helping the world's most vulnerable:** the government will strive to eliminate extreme poverty by 2030, and support the world's poorest

people to ensure that every person has access to basic needs, including prioritising the rights of girls and women. This will build security, stability and opportunity that will benefit us all.

We will achieve our manifesto commitments in full, including getting 11 million children into school, helping 60 million get access to clean water and sanitation, saving 1.4 million children's lives through immunisations, and improving nutrition for at least 50 million people.

We also recognise that badly spent aid betrays both the countries we should be helping and the taxpayers whose money it is. We made significant progress over the last Parliament to drive value for money through all our development spending. But there is always more to do. So we have put in place clear processes to drive value for money and systematically identify poor quality spending, and have reviewed all existing spending. As a result, we have ended projects which were not delivering value for money or which were not in line with our objectives.

The strategy sets out how, as a result of our new approach, we will:

- allocate 50% of all DFID's spending to fragile states and regions;
- increase aid spending for the Syrian crisis and the related region;
- end all traditional general budget support – so we can better target spending;
- use an expanded cross-government Conflict, Stability and Security Fund (CSSF) to underpin our security objectives by supporting the international work of the National Security Council (NSC);
- create a £500 million ODA crisis reserve to allow still greater flexibility to respond to emerging crises such as the displacement of Syrian refugees;
- fund a new £1 billion commitment to global public health (the "Ross Fund") which will fund work to tackle the most dangerous infectious diseases, including malaria. The fund will also support work to fight diseases of epidemic potential, such as Ebola, neglected tropical diseases, and drug resistant infections; and
- use a new cross-government Prosperity Fund, led by the NSC, to drive forward our aim of promoting global prosperity.

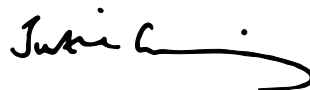
We believe this fundamental shift in how we use 0.7% of our national income will show there is no distinction between reducing poverty, tackling global challenges and serving our national interest – all are inextricably linked.

We will ensure that every penny of money spent delivers value for taxpayers, and projects that do not will be cancelled.

With this new strategy, Britain can be proud to be a country that not only meets its responsibilities to the world's poorest, but in doing so best serves and protects its own security and interests.



George Osborne  
Chancellor of the Exchequer



Justine Greening  
Secretary of State for International Development



# 1 The case for a new aid strategy

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## The UK: a global leader

**1.1** The UK leads the world on international development, and has kept its promises on aid.

**1.2** In 2013, the UK became the only G20 country to achieve the UN target of spending 0.7% of Gross National Income as Official Development Assistance (ODA).<sup>1</sup> This commitment is now enshrined in law, and is a powerful demonstration of the UK's moral commitment to helping the millions of people around the world who live in poverty.

**1.3** Alongside the government's 2% defence commitment and the UK's world-class diplomatic service, the aid budget is a crucial part of the UK's place in the world. It makes the UK the fastest in the world to react to global crises. When a typhoon hit the Philippines, British humanitarian workers were among the first to arrive. With Ebola in Africa, the UK government could afford to act rapidly and comprehensively. The government has also been able to deploy aid rapidly to help address the causes of the current migration crisis.

**1.4** This strategy sets out how the government will build on these successes and make UK aid even more effective in tackling the great global challenges of our age, in order to eliminate poverty and – crucially – also advance the UK's national interest.

## A strong record

**1.5** Since 2010, UK aid has saved and improved the lives of millions of people (see Box 1.A).

**1.6** Five years ago, the government began to reform and improve its approach to international development.

**1.7** The government committed to direct at least 30% of the UK's aid to fragile and conflict-affected states, recognising the crucial role peace and security play in development.

**1.8** The government committed to do more on economic development, which is fundamental to eradicating poverty. It is also strongly in the UK's national interest: a more prosperous world means greater opportunities for UK businesses. UK investment in economic development in developing countries doubled over the last Parliament to £1.8 billion per year.

**1.9** The government has done more to help people when disaster strikes - whether it is an earthquake, a conflict or a disease like Ebola. Since 2010, the government has significantly improved the quality and speed of its humanitarian response, and has prioritised disaster preparedness.

**1.10** The government has increased activity on good governance, which is vital for development. It has supported the rule of law, tackled corruption and crime and helped build robust, strong, open, accountable institutions and strengthened property rights.

**1.11** Since 2012, the UK has put women and girls at the heart of its work. In 2014, the UK hosted the Global Summit to End Sexual Violence in Conflict. The UK also co-hosted the first

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<sup>1</sup> Official Development Assistance is defined by the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee as financial flows to lower and middle income countries and to multilateral institutions which are: provided by official agencies; administered with the promotion of the economic development and welfare of developing countries as their main objective; and are provided as grants or loans which are concessional in character.

global Girl Summit to end female genital mutilation (FGM) and child, early and forced marriage within a generation. The government has scaled up work on preventing and responding to violence against women and girls. And in 2014, the government also supported legislation to ensure that women and girls continue to be at the heart of its international development efforts in the future.

#### **Box 1.A: UK aid achievements between 2010 and 2015**

**Wealth creation** – provided 68.9 million people, including 35.9 million women, with access to financial services to help them work their way out of poverty.

**Poverty, vulnerability, nutrition and hunger** – reached 28.5 million children under five and pregnant women through the government’s nutrition-relevant programmes.

**Education** – supported 11.0 million children, of whom 5.3 million were girls, in primary and lower secondary education.

**Health** – ensured that 5.1 million births took place safely with the help of nurses, midwives or doctors. The UK has funded the distribution of 47 million insecticide-treated bed nets and is investing in vaccines and drugs, helping contribute to malaria deaths falling by 60% in the last 15 years.

**Water, sanitation and hygiene** – supported 62.9 million people, of whom 22.2 million were women, to access clean water, better sanitation or improved hygiene conditions.

**Humanitarian assistance** – reached over 13 million people with emergency food assistance, including 5.5 million women or girls.

**Governance and security** – supported freer and fairer elections in 13 countries in which 162.1 million people voted.

**Climate change** – supported 15 million people to cope with the effects of climate change.

**Tax and transparency** – supported agreement on a new global standard for automatic exchange of tax information, making it easier for governments to tackle offshore tax evasion.

**Scientific research** – helped the global elimination of rinderpest, a cattle disease which led to famine and poverty, and helped breed a new disease-resistant crop which has increased food security for an estimated 3 million people.

**1.12** Since 2010 the Prime Minister has hosted major global events on child vaccination, family planning, fighting hunger and eliminating FGM and child marriage. The UK has led the world on these issues.

**1.13** Since 2010, the UK has significantly increased its investment in tackling malaria. This has contributed to deaths from the disease falling by a third.

**1.14** Before 2010, the Department for International Development (DFID) was an outlier in government. Now, cross-government working is the norm, whether to tackle Ebola, reform trade policy, or address climate change and corruption.

**1.15** The government has also improved value for money in aid, setting up a tough, new, independent aid watchdog and introducing the UK Aid Transparency Guarantee. DFID took major steps to improve value for money, including ensuring that ministers sign off on all spending over £5 million. DFID saved £400 million over the last four years through better procurement.

## The need for change

**1.16** The world faces new challenges. These challenges affect both the world's poorest and people in the UK.

**1.17** Global insecurity is rising and the risk of conflict in previously stable parts of the world is increasing.

**1.18** Migration is a global challenge. Instability, extremism and conflict in the Middle East and Africa have displaced millions of people, with many having sought to travel to Europe. It has created a serious humanitarian challenge, which is creating pressures across the European Union.

**1.19** Poverty is falling – but maintaining this trend will depend on continued strong economic growth. In the future, extreme poverty is likely to be concentrated in fragile countries.

**1.20** Some middle-income countries in the Middle East and North Africa (MENA) are at risk of slipping back into poverty. Other middle-income countries are getting richer, helping to boost global growth and eradicate poverty, while also opening up political and economic opportunity for the UK.

**1.21** Natural disasters are also more frequent, and the threat of climate change is growing more acute for developing nations.

**1.22** The government has learnt lessons from the success of its responses to Ebola and Typhoon Haiyan in the Philippines, and from its efforts to help stabilise Somalia.

### **Box 1.B: Learning from the UK's success in tackling Ebola in Sierra Leone**

The UK led the international response to the Ebola crisis in Sierra Leone, committing £427 million. The response brought together 10 government departments and four other public bodies, along with non-governmental organisations (NGOs) and charities.

Sierra Leone reached the 42 day target for no new cases on 7 November 2015. While huge challenges remain to help Sierra Leone rebuild its economy, rapid, flexible, cross-government UK action saved lives and stopped an outbreak of disease which would have decimated development in Sierra Leone. Halting the disease in West Africa was also the single most important way of preventing Ebola from infecting people in the UK.

**1.23** This year, the world agreed the new UN Global Goals, which the UK helped to shape. The new goals focus on eradicating extreme poverty forever and finishing the job of the Millennium Development Goals in key areas like health, nutrition and education. But they also go further, recognising that economic development, good governance, job creation, peace and security, and the fight against climate change are vital to sustainable development. Addressing all of these issues will also benefit the UK's security and prosperity.

**1.24** The world is increasingly recognising the importance of developing countries' own tax revenues, private capital, and philanthropy in financing development, as well as the continued importance of aid.

**1.25** The UK's approach to aid must change to reflect this changing world. This strategy sets out how it will do so.



## 2 A new aid strategy

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**2.1** This document sets out a new ODA strategy for the British government. The strategy aligns the government's global efforts to defeat poverty, tackle instability, and create prosperity in developing countries. It also strongly supports the UK national interest.

**2.2** The strategy is underpinned by a very clear guiding principle: that the UK's development spending will meet our moral obligation to the world's poorest and also support our national interest. The government will meet its promises to the world's poor and put international development at the heart of its national security and foreign policy.

**2.3** In line with that principle, the government will shape its ODA spending according to four strategic objectives. Each objective reinforces the others. Much of the UK's aid will contribute to meeting several of these objectives. All four of the objectives support poverty reduction and all are aligned with the UK national interest:

- **Strengthening global peace, security and governance:** the government will invest more to tackle the causes of instability, insecurity and conflict, and to tackle crime and corruption. This is fundamental to poverty reduction overseas, and will also strengthen our own national security at home.
- **Strengthening resilience and response to crises:** this includes more support for ongoing crises, including that in Syria and other countries in the MENA region; more science and technology spend on global public health risks such as antimicrobial resistance, and support for efforts to mitigate and adapt to climate change.
- **Promoting global prosperity:** the government will use ODA to promote economic development and prosperity in the developing world. This will contribute to the reduction of poverty and also strengthen UK trade and investment opportunities around the world.
- **Tackling extreme poverty and helping the world's most vulnerable:** the government will strive to eliminate extreme poverty by 2030, and support the world's poorest people to ensure that every person has access to basic needs, including prioritising the rights of girls and women. This will build security, stability and opportunity that will benefit us all.

**2.4** The government will ensure that every penny of existing ODA and all new ODA spend is and remains good **value for money** across government – taking further steps to cut waste, introduce greater transparency, and deliver tough, independent scrutiny.

**2.5** To achieve each of these objectives the government will bring UK expertise to bear. This will include using a whole of government approach to our international development effort, and it will mean leveraging wider UK expertise through the UK's world-leading science, research and development base to tackle global problems.

**2.6** The government will continue to ensure that all spending under the International Development Act meets its provisions, in particular that this spending furthers the sustainable development and welfare of developing countries and is likely to contribute to a reduction in poverty. The government will also continue to ensure that all its development spending is in line with OECD rules.

## Geographic refocus

**2.7** Reflecting the changing global context and the objectives set out above, the government will continue to shift where the UK spends its aid.

**2.8** The government will direct more funding to fragile and conflict affected states including Syria and other countries in the MENA region to address current crises, the root causes of migration, and the threats posed to the UK by the ongoing conflict.

**2.9** The government will continue to give strong support to the world's poorest countries. In order to maximise the impact of UK ODA on poverty, it will also do more to support economic development and prosperity in a broader range of countries which are home to very large numbers of the world's poorest people.

**2.10** The government will also continue to drive development in regions where the UK has close ties, including strong historical, cultural and diaspora links, such as the Caribbean, Africa and South Asia. It will continue to honour its obligations to the Overseas Territories.

**2.11** In allocating aid, the government will carefully consider the fit with its strategic objectives, the level of need, the ability of partner countries to finance their own development, what support they get from others and their future risks, including humanitarian, economic and climate.

**2.12** DFID's country programme portfolios, informed by this strategy, will be announced in early 2016 with the publication of its Bilateral Aid Review (BAR).

## A cross-government approach

**2.13** DFID will remain the UK's primary channel for aid. But to respond to the changing world, more aid will be administered by other government departments, drawing on their complementary skills.

**2.14** To support these objectives and to ensure a joined-up approach, there will also be three cross-government funds:

- supporting global security, the existing **Conflict, Stability and Security Fund (CSSF)** will serve as the cross-government fund;
- supporting resilience and crisis response, there will be a new **ODA crisis reserve**; and
- supporting global prosperity and opportunity, there will be a new **Prosperity Fund**.

## Reforming the ODA rules

**2.15** The government will continue to work closely with other countries to modernise the definition of ODA at the OECD, ensuring it reflects the breadth of the new international development agenda set by the new UN Global Goals, and fully incentivises other countries to meet these goals.

## Driving global progress

**2.16** The government will continue to push other donors and institutions to raise the effectiveness and value for money of their aid, including through DFID's Multilateral Aid Review (MAR). And the UK will drive progress towards the Global Goals – both through our own action and through our leadership in the international community.

### Box 2.A: The government's 2015 manifesto commitments

- Uphold our commitment to spend **0.7% of Gross National Income as Official Development Assistance**.
- Push for **new global goals to eradicate extreme poverty** by 2030 and promote human development, gender equality and good governance.
- Work to **prevent climate change** and assist the poorest in adapting to it.
- By 2020, we will **save 1.4 million children's lives**, by immunising 76 million children against killer diseases.
- Help **at least 60 million people get access to clean water and sanitation**, to stop terrible diseases.
- **Improve nutrition for at least 50 million people**, who would otherwise go hungry.
- Help **at least 11 million children** in the poorest countries gain a decent education.
- Lead a major new global programme to accelerate the **development of vaccines and drugs** to eliminate the world's deadliest infectious diseases, while investing to **save lives from malaria and work to end preventable child and maternal deaths**.
- Continue to **lead the response to humanitarian emergencies**, and establish a means to respond rapidly to crises.
- **Promote girls' education**, encourage equal access to property rights and work to achieve **access to family planning** for everyone who wants it.
- Continue to lead efforts to **tackle violence against women and girls**, end FGM and combat early and forced marriage, both at home and abroad.
- Boost **growth and jobs**, making it easier for people to start up businesses and trade freely with each other.
- Continue to promote the **golden thread** of democracy, the rule of law, property rights, a free media and open, accountable institutions.
- Insist that every government and organisation we fund meets **global transparency standards**.
- Boost partnerships between **UK institutions** and their counterparts in the developing world.
- Triple the size of the **International Citizen Service**.
- Double our successful **Aid Match** scheme.
- Help **people in the UK give or lend money** directly to individuals and entrepreneurs around the world.
- **Expand payment by results** and ensure all money to governments is clearly earmarked for specific purposes.
- **Keep aid untied**.
- **Maintain an independent Department for International Development**.
- Ensure the **OECD aid rules** fully reflect the importance of peace, stability and effective institutions for reducing global poverty.
- Strengthen the Commonwealth's focus on **promoting democratic values and development**.

- Ensure developing countries have full access to global **automatic tax information exchange systems** and continue to build the capacity of tax authorities in developing countries.
- **Work for peace, stability and an inclusive settlement in Syria and Iraq.**
- Uphold the **sovereignty, integrity and capacity of Ukraine.**
- **Support the government of Afghanistan in ensuring that the country remains stable** and never again becomes a haven for international terrorists.
- Lead the world in **tackling sexual violence** in conflict.
- Help **women and children who have fled violence in Syria.**
- **Support a democratic transition in Burma.**



# 3 Implementing the new aid strategy

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**3.1** This strategy will mean a step-change in how the government spends ODA, both in terms of what it does and how it does it.

## The four strategic objectives: what the UK will do

### Strengthening global peace, security and governance

**3.2** Conflict and instability are among the greatest threats to the elimination of poverty; this is now recognised internationally with a new Global Goal on peace, justice and strong institutions.

**3.3** As set out in the National Security Strategy and Strategic Defence and Security Review 2015, conflict and instability overseas also have clear consequences for UK peace, security and prosperity. Violence and conflict in Africa and the Middle East are causing unprecedented migration flows to Europe. In the past decade, weak and unstable institutions overseas have allowed threats to the UK to emerge that resulted in the need for UK military action. The government will work to build stability and tackle the root causes of conflict - both to improve the lives of millions around the world and to make UK citizens safer. The government will also do more to tackle the organised crime and corruption which hit the world's poorest people hardest. Crime and corruption prop up failed and failing regimes, siphon off funds from those who need them most, and provide cash for criminals and terrorists.

**3.4** In 2016, the Prime Minister will convene a global anti-corruption summit, to help transform how the international community tackles corruption. The government will also invest more in tackling tax evasion and avoidance, building on the initiatives led by the UK at the G8 Summit in 2013. It will strengthen and expand cross-government partnerships to stamp out bribery and corruption; identify and return stolen assets; and understand and then break down international criminal networks.

**3.5** This requires a patient, long-term approach. All parts of government contribute, coordinated through National Security Council (NSC) led strategies for countries and regions at risk of instability – with aid spending coordinated with diplomatic activity to deliver these strategies.

**3.6** The cross-government CSSF has increased the UK's development and non-development funding and expertise to support crisis response, stability and security in countries prioritised by the NSC.

**3.7** Under NSC direction, the CSSF provides a greater link between strategic decision-making and action on the ground. **The government will increase the CSSF from £1.033 billion in 2015/16 to over £1.3 billion by 2019/20.** This will include increased resource and expertise to tackle the drivers of violent conflict which threaten stability and development such as extremism, illegal migration and serious and organised crime. It will also include increased cross-departmental spend on security and justice, **a doubling of the existing Good Governance Fund for Eastern Europe and the Balkans to £40 million per year by 2019/20, and an expansion of the CSSF's governance work into North Africa by £80 million per year by 2019/20.**

### **Box 3.A: Stepping up the UK's efforts in Syria, the Middle East and North Africa**

The UK has pledged over £1.1 billion so far to help the victims of the crisis in **Syria and Iraq**. This is building resilience to the conflict in neighbouring countries and preventing regional collapse, including supporting countries to absorb the massive influx of refugees. It is expanding access to health and other critical services and encouraging economic innovation. It is improving education for primary school children in Jordan and improving cohesion between Syrian refugees and host communities. This helps to reduce the risk of violence and instability as the growing numbers place added pressures on already overstretched local services.

### **Box 3.B: Learning from the UK's progress in Somalia**

In 2013, the terrorist organisation Al Shabaab continued to operate across much of Somalia. This was sending Somalia's development backwards, and also posed a direct risk to the UK from terrorism and disruption to key shipping lanes.

The Prime Minister launched a government-wide effort with the 2013 London International Conference on Somalia, and set up the Somalia Stability Fund. This is now widely regarded by British, Somali and international stakeholders as vital for conflict reduction and state building.

Through the fund, the UK is helping tackle many of the most challenging issues in Somalia including:

- playing a key role in the formation of the new federal states in Somalia;
- helping the new states establish themselves as viable governments – paving the way for support from the World Bank;
- supporting the Federal Government of Somalia's Stabilisation Plan for political and development work in districts recently recovered from Al Shabaab; and
- building partnerships with a range of Somali companies, NGOs, and universities to support Somali-designed grassroots projects in parts of Somalia recently recovered from Al Shabaab.

### **Box 3.C: Anti-corruption**

Corruption holds back development. It is bad for the poorest, and bad for business. It corrodes the fabric of society and public institutions. That is why the UK has significantly stepped up its work to fight corruption, and will continue to expand it. The government will reduce the opportunity for corruption; end impunity for those who commit it; and empower those who have suffered from it. It is only by making the international system hostile to illicit funds, creating disincentives and sanctions on corruption at all levels, and ensuring developing countries and their citizens have the tools to tackle it, that we can make progress. The UK will hold a global anti-corruption summit in London in 2016 to drive this agenda forward.

**3.8** The government will also fund new work on global peace, security and governance. It will:

- **allocate 50% of DFID's budget to fragile states and regions in every year of this Parliament.** This is a major investment in global stability, including in regions of strategic importance to the UK, such as the Middle East, South Asia and Africa;

- increase aid spending for the Syrian crisis and the related region; and
- increase funding for the **BBC World Service** by £34 million in 2016/17 and £85 million in the years which follow; a significant proportion of this will be ODA. As a provider of accurate, impartial and independent news the BBC World Service helps to strengthen democratic accountability and governance.

## Strengthening resilience and response to crises

**3.9** Disasters and unexpected crises threaten people across the world. Changes in global climate are likely to make many weather-related crises more common. Crises and shocks can exacerbate instability overseas, and the Ebola outbreak in 2014 showed that some crises can directly threaten UK national security.

**3.10** The British public has always responded generously to large scale disasters, donating millions to those in need. It is therefore right that the government's strategy tackles all forms of crises.

**3.11** In addition to spend by departments, the government will **establish a new £500 million ODA crisis reserve**, enabling flexible, quick and effective cross-government responses to crises as they happen.

**3.12** The government will also do more to strengthen the resilience of poor and fragile countries to disasters, shocks and climate change.

### Box 3.D: Climate change

In September 2015 the Prime Minister announced that the UK would increase its climate funding by at least 50% over the next five years compared to 2011-16, including spending at least £1.76 billion in 2020, rising to at least £5.8 billion over five years. This demonstrates the UK's continued commitment to helping developing countries use clean energy and build resilience to the effects of climate change, ahead of December's crucial climate change conference in Paris.

This will be delivered through a cross-government effort, including a greater focus on climate-smart development in DFID; expanded investments by the Department for Energy and Climate Change; new, aid-funded programmes run by the Department for the Environment, Food and Rural Affairs; and additional investment in clean energy innovation and leveraging private finance.

### Box 3.E: Global diseases and antimicrobial resistance

Health crises can have regional and international impact. Diseases can spread rapidly, including across borders. The emergence of drug-resistant disease is an increasing threat to people around the world, including both in developing countries and in the UK.

The UK will build on our international action to strengthen global health security, such as our contribution to fighting Ebola in West Africa. The government will increase its investment, making greater use of the UK's world-leading expertise in public health and medical research.

The UK has led the global fight against antimicrobial resistance (AMR). In March 2015 the government announced the new £195 million Fleming Fund to strengthen surveillance of drug resistance and laboratory capacity in developing countries. **The government will invest a further £70 million in the Fleming Fund**, implement the UK AMR Strategy 2013–18 and deliver the new Global AMR Innovation Fund launched with China. The government will continue to push for further international financing for research and innovation to tackle AMR.

The government has established a £20 million UK Vaccines Network to bring together the best expertise from academia, philanthropic organisations and industry for developing and trialling new vaccines for infectious diseases. **It will invest a further £90 million in the UK Vaccines Network up to 2020.**

The government will establish a new rapid response team of technical experts to deploy to help countries to investigate and control disease outbreaks. This team will include epidemiologists, infection control specialists and researchers and will be on permanent standby. The government will expand its Emergency Medical Team to provide medical assistance to help contain outbreaks when needed, including hundreds of doctors, nurses and specialist public health experts with field training.

#### 3.13 The government will fund new work to build resilience and prevent and tackle crises, including:

- introducing a new **Global Challenges research fund of £1.5 billion** over the next five years to ensure UK science takes a leading role in addressing the problems faced by developing countries. This will harness the expertise of the UK's world leading research base to strengthen resilience and response to crisis. Funding will include support for research on challenges like beating antimicrobial resistance and protecting animal and plant health, and emerging viral threats in developing countries;
- investing in new health technologies, including a **£1 billion new fund over the next five years for research and development in products for infectious diseases**. This will be known as the Ross Fund, and will enable the development and testing of vital vaccines, drugs, diagnostics, treatments and other technologies to help combat the world's most serious diseases in developing countries. The Ross Fund will **support the UK as it joins the global fight to eradicate malaria altogether**, and will be partnered by the Bill and Melinda Gates Foundation in this work;
- the Ross Fund will more broadly **target: infectious diseases; diseases of epidemic potential, such as Ebola; neglected tropical diseases which affect over a billion people globally; and drug resistant infections** that pose a substantial and growing threat to global health, such as tuberculosis. This will include the government's work on global diseases and antimicrobial resistance set out in Box 3.E;

- **increasing UK climate finance for developing countries by at least 50%, rising to at least £5.8 billion over five years**, to reduce emissions, increase access to energy, build resilience of the poorest and most vulnerable people, and reduce deforestation; and
- a **bigger, better and faster humanitarian response capability**. This means that UK humanitarian response teams will be able to deploy into more natural disasters, more quickly, and harness a wider range of British expertise.

## Promoting global prosperity

**3.14** Every country benefits from global prosperity. Global prosperity is vital for poverty reduction; no country can eradicate poverty or graduate from aid without economic growth. And global growth directly benefits the UK, creating new trade and investment opportunities for UK companies and helping to create prosperity and jobs around the world to help reduce poverty, and also to address the root causes of migration and violent extremism.

**3.15** Emerging and developing economies are becoming increasingly important for global growth, and the government will give greater priority to promoting the sustainable economic reforms needed to continue this. To achieve this, alongside other spending, the government will create a new **NSC-led Prosperity Fund, worth £1.3 billion over the next five years**. Its priorities will include improving the business climate, competitiveness and operation of markets, energy and financial sector reform, and increasing the ability of governments to tackle corruption. These reforms will contribute to a reduction in poverty in developing countries, and will also create opportunities for international business, including UK companies.

**3.16** The government will also fund other new work on prosperity, including:

- implementing a long term plan to ensure CDC (the UK's Development Finance Institution, wholly owned by the UK government) can meet market demand. DFID has agreed to **invest at least £735 million in CDC**. This will enable CDC to invest on a greater scale in businesses which will help transform people's lives;
- continuing to **invest in the International Monetary Fund's Poverty Reduction and Growth Trust**, to provide macroeconomic assistance to the poorest countries;
- **investing in a new Energy Africa campaign**, which will unlock the potential to significantly scale-up the household solar market, expanding energy access across sub-Saharan Africa; and
- building on existing work to support growth and sustainable economic development in many of the poorest developing countries, the government will unlock private and public investment in energy, infrastructure, urban development, and commercial agriculture, and provide help to scale up financial inclusion by harnessing technology (e.g. mobile phone banking) in Africa, the Middle East and Asia.

## Tackling extreme poverty and helping the world's most vulnerable

**3.17** The government will lead the world in implementing the Leave No One Behind Promise agreed by the Prime Minister and other world leaders in September 2015. It will strive to end violence against girls and women, including ending FGM and child, early and forced marriage, and tackling sexual violence in conflict. The government will prioritise work that targets the most vulnerable and disadvantaged, the most excluded, those caught in crises, and those most at risk of violence and discrimination.

**3.18** Delivering the ‘basics’ of development and finishing the job of the Millennium Development Goals will continue to be central to the government’s approach to international development. The government remains committed to meeting in full all its manifesto commitments, including those on health, education, nutrition, water and sanitation and family planning (see Box 3.F).

**Box 3.F: The government’s manifesto commitments to directly help the world’s poorest**

By 2020, the government will:

- save 1.4 million children’s lives, by immunising 76 million children against killer diseases;
- help at least 11 million children in the poorest countries gain a decent education, and promote girls’ education;
- improve nutrition for at least 50 million people, who would otherwise go hungry;
- help at least 60 million people get access to clean water and sanitation, to stop terrible diseases;
- work to end preventable child and maternal deaths;
- work to achieve access to family planning for everyone who wants it; and
- continue to lead efforts to tackle violence against women and girls, end FGM and combat early, child and forced marriage.

**3.19** These investments provide immediate benefit to millions of people, avoiding needless deaths, reducing sickness and building opportunities for individuals to live better and more productive lives. They are also the fundamental building block for all the priorities set out above. For example, a population which has reached basic standards of literacy and numeracy is an essential condition for inclusive economic growth. And new drugs and vaccines require functioning health systems to deliver them.

**3.20** The government will deliver ambitious outcomes on priorities such as vaccines, malaria and family planning.

**3.21** Throughout all its development spending the government will continue to prioritise the needs of girls and women, which has been fundamental to the UK’s approach to development over the last three years. No country can develop successfully if half its population is left behind.

**3.22** This is a moral imperative and it will make for a more stable, secure world for us all. Marginalisation and exclusion sow the seeds for migration, for conflict, for terrorism, and for the spread of disease. UK leadership in this area will cement our global moral leadership, and make a strong contribution to the UK’s soft power and our ability to project our influence across the globe.

### Box 3.G: Beyond aid

International development is about much more than just aid. In 2000, aid was the largest resource flow to 59 developing countries. By 2012, it was the largest flow to only 31 countries. This reflects the increasing financing – such as remittances, trade flows and private investment – which, alongside domestic tax revenues, play a growing role in development. ODA will continue to have a fundamental role in achieving poverty reduction, while these trends in broader financial flows highlight the increasing importance of working ‘beyond aid’ to defeat poverty and promote global prosperity.

The UK is the only G7 country to appear in the top five in the 2015 Commitment to Development Index,<sup>a</sup> which assesses the contribution to poverty reduction across a range of policies. Over the next five years, the government will further strengthen the UK’s contribution to poverty reduction ‘beyond aid’. Working across government, the UK will drive progress on issues like tax policy, company ownership transparency, remittances, debt and trade, in order to address global challenges and deliver poverty reduction.

In support of the government’s work driving progress on tax policy, it will **double the amount it invests in improving the tax systems of developing countries** – currently around £20 million each year – by 2020.

<sup>a</sup> <http://www.cgdev.org/initiative/commitment-development-index/index>.





## 4 Value for money

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**4.1** The government will take further steps to build on the action taken over the last Parliament to cut waste, introduce greater transparency and subject aid to robust independent scrutiny.

**4.2** In 2010 the government established the Independent Commission for Aid Impact (ICAI) which has a remit to review all UK government aid both in DFID and elsewhere. The government will also sharpen oversight and monitoring of ODA spend. This will apply to all government ODA spend including through the cross-government funds.

**4.3** The Secretary of State for International Development is required by the International Development (Official Development Assistance Target) Act 2015 to make arrangements for the independent evaluation of the extent to which all ODA provided by the UK represents value for money and to include a statement on these arrangements in DFID's Annual Report and Accounts. In addition, HM Treasury and DFID will co-chair a working group, reporting to ministers, to ensure value for money.

### Further improving value for money

**4.4** The government has reviewed value for money of all existing ODA spend across government to identify and eliminate poor value spend and re-focus it where it can most effectively deliver UK objectives. As a result of this review a number of programmes that were weak value for money or had a weak fit with the government's strategic objectives have been stopped, and resources re-allocated. This includes **continuing the move away from traditional general budget support** (unearmarked contributions to recipient countries' budgets) to more targeted forms of financing. DFID will neither start any new, nor restart any previous, traditional general budget support programmes in conventional aid settings.

**4.5** This review will be further supported by DFID's Bilateral and Multilateral Aid Reviews, that will conclude by early 2016, and which will set out more detail on how the government is driving value for money in the DFID budget and the international system.

**4.6** All departments spending ODA will be required to put in place a clear plan to ensure that their programme design, quality assurance, approval, contracting and procurement, monitoring, reporting and evaluation processes represent international best practice.

**4.7** The government will require all departments spending ODA to demonstrate how they are using rigorous evidence to underpin spending decisions. There must be clear lines of accountability for all ODA projects, and project performance must be regularly assessed. Poor performing programmes will be closed and funds redeployed.

**4.8** The government will expand Payment by Results in aid, in line with DFID's recent strategy on this.

**4.9** DFID will also support other departments in delivering and quality-assuring their ODA spend. Departments will draw on DFID's rules for programme delivery.

**4.10** The government will ensure co-ordination and collaboration across departments on ODA spending on science and technology, to drive value for money and maximise the impact on poverty.

### Transparency

**4.11** The government will aim for the first time, **for all UK government departments to be ranked as 'Good' or 'Very Good' in the international Aid Transparency Index, within the next five**

years. In addition, it will work with and encourage all implementing partners of UK aid, including private contractors and recipient governments, to meet global transparency standards.

#### **Box 4.A: Leaders in transparency**

In January 2011, DFID was the first major donor to begin publishing to the International Aid Transparency Initiative (IATI) Standard. In the same year, the UK launched the Development Tracker portal, which enables people to see where aid is going. IATI rank DFID as 'Very Good' in the Aid Transparency Index, describing it as 'a leader in aid transparency and in its overall approach to open data for development.' The government will continue to make UK and global aid more transparent.

## **Conclusion**

**4.12** Taken together, the significant reforms outlined in this strategy will drive a step-change in the effectiveness of the UK's approach to aid, in both reducing poverty and supporting the UK national interest.



### **HM Treasury contacts**

This document can be downloaded from  
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