ONE

THE 2013 DATA REPORT

SPECIAL REPORT TRACKING DEVELOPMENT ASSISTANCE

UNITED KINGDOM

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2012 ODA (CHANGE 2011–12)

Global	**£8.56BN (-1.6%)**
Africa	**£3.41BN (-7.4%)**
SSA	**£3.07BN (-9.8%)**

2012 ODA/GNI

0.56%

2015 TARGET

Global	**£11.27BN**
Africa	**£5.18BN**

% AFRICA TARGET INCREASES MET

46.3%

% OF ODA CONTRIBUTIONS TO THE EU, 2012

12.6%

"When we make a promise to the poorest people in the world we should keep it, not turn our backs on people who are trusting us to help them. ... More than 5,000 infants die every day from preventable diseases like pneumonia and diarrhoea. So to those who say we can't afford to act, I say, we can't afford to wait."

Prime Minister David Cameron, New York, September 2012

COUNTRY PROGRESS 2011–12

In 2012, for a second year in a row, the UK's official development assistance (ODA) decreased slightly, with global ODA levels (net of bilateral debt relief) falling by 1.6% to £8.56 billion, according to preliminary data.[1] A rise in bilateral ODA (of £220 million, or 4%) was more than offset by a significant drop in spending through multilateral institutions (down by £412 million, or 12%). Disappointingly, Africa was disproportionately affected by this decrease, with ODA to the continent (including imputed multilateral contributions) down by 7.4% to £3.41 billion, while sub-Saharan Africa saw an even sharper drop, of 9.8%, to £3.07 billion.[2] Given Prime Minister David Cameron's commitment to international development (for example, through his role as Co-Chair of the UN High Level Panel for the post-2015 agenda), ONE attributes the decline in the UK's global ODA less to a lack of political commitment and more to the UK's negative growth in three quarters in 2012. However, this does not explain the disproportionate drop in aid to Africa and to sub-Saharan Africa, which is especially concerning given the UK's commitment to the region. Looking just at bilateral flows, aid to Africa was frozen between 2011 and 2012, and aid to sub-Saharan Africa dropped less sharply (by 2.9%). It therefore appears that the overall decline in aid to Africa and sub-Saharan Africa was strongly affected by the overall drop in the UK's multilateral contributions last year.[3]

Despite the difficult economic environment, the UK achieved its policy aim of maintaining ODA at the level of 0.56% of gross national income (GNI), which it had first reached in 2010. UK ODA fell less sharply than that of many other major donors, particularly among European Union Member States (reflecting the continued crisis in the Eurozone), with the result that the UK has become the second largest donor in the world after the United States – replacing Germany.

The UK has a diverse portfolio of spending priorities. In 2011, its highest share of bilateral development assistance was directed towards education: it disbursed a gross total of £665 million (over 12% of its total bilateral ODA), making it the third largest donor in this field.[4] The UK is also a significant bilateral actor in health (second largest donor) and in government and civil society (third largest donor), investing over £550 million (or around 10% of its total bilateral ODA) in each of these sectors in 2011.[5] The UK has lagged behind on its investments in agriculture, compared with other donors.[6]

Following the Department for International Development's (DFID)'s Bilateral Aid Review in 2011, the UK has reduced the number of countries with which it has significant bilateral programmes from 43 to 27, with a strong focus on fragile states such as Afghanistan, Somalia and Pakistan (whose share of total UK ODA will increase from 22% in 2010/11 to 30% in 2014/15).[7] Regionally, while its assistance to sub-Saharan Africa has declined disproportionately, the UK still focuses the largest share of its ODA on this region, followed by South and Central Asia.[8] During 2004–11,

FIGURE 1: UK ODA, 2004–12

GBP millions	2004	2005	2006	2007	2008	2009	2010	2011	2012
Global ODA	5,227	7,012	7,785	5,537	6,940	7,785	8,863	8,812	8,620
Debt relief	514	2,285	2,189	39	332	29	111	116	62
Global ODA (net of debt relief)	4,713	4,727	5,596	5,497	6,609	7,755	8,752	8,696	8,559
ODA/GNI (net of debt relief)	0.33%	0.32%	0.37%	0.35%	0.41%	0.51%	0.57%	0.56%	0.56%
Bilateral ODA	3,545	5,317	5,458	3,149	4,420	5,100	5,444	5,398	5,618
Multilateral ODA	1,682	1,695	2,327	2,388	2,520	2,685	3,420	3,414	3,002
Total Africa ODA	2,373	3,239	4,686	2,518	2,782	3,123	3,758	3,781	3,458
Africa debt relief	480	1,411	2,063	32	10	13	101	93	44
Africa bilateral ODA (net of debt relief)	1,139	1,063	1,350	1,352	1,555	1,915	1,987	2,079	2,086
Africa ODA (net of debt relief)	1,893	1,828	2,623	2,485	2,772	3,110	3,657	3,688	3,414
Total SSA ODA	2,149	3,125	4,535	2,333	2,532	2,788	3,508	3,496	3,113
SSA debt relief	480	1,411	2,063	32	10	13	101	93	44
SSA bilateral ODA (net of debt relief)	1,029	1,043	1,309	1,295	1,412	1,715	1,856	1,943	1,886
SSA ODA (net of debt relief)	1,669	1,715	2,472	2,300	2,521	2,775	3,407	3,404	3,069

Sources: OECD DAC Tables 1 and 2a and Preliminary Release (April 2013)

Note: Data in GBP millions (2012 prices), converted from USD using the OECD Annual Exchange Rate.

the five largest recipients of UK assistance within sub-Saharan Africa were Nigeria, Ethiopia, Democratic Republic of Congo, Tanzania and Sudan. Ghana, Uganda and Malawi were also notable recipients; however, in November 2012, DFID announced that it was suspending all aid channelled through the Ugandan government after an independent audit found evidence of fraud.[9] In the same month, the UK announced that it would immediately begin to phase out its bilateral aid programme in India, ending it completely by 2015, in recognition of the country's economic transformation.[10] In April 2013, the UK announced that it will also phase out its bilateral aid programme in South Africa by 2015, focusing the relationship instead on trade and mutual cooperation. International Development Secretary Justine Greening stated, "South Africa has made enormous progress over the past two decades, to the extent that it is now the region's economic powerhouse and Britain's biggest trading partner in Africa."[11] In 2011, only 42% of the UK's ODA was allocated to low-income countries (LICs), with 38% going specifically to least developed countries (LDCs).[12]

The UK is one of the most significant contributors to key multilateral funding mechanisms. In total, the UK has provided almost £1.21 billion to the Global Fund to Fight AIDS, Tuberculosis and Malaria since 2001,[13] helping the organisation to deliver life-saving AIDS treatment to more than four million people, detect and treat more than nine million cases of TB, and distribute 310 million insecticide-treated bednets for the prevention of malaria.[14] The UK is one of the GAVI Alliance's six original donors and one of two donor countries that support the organisation through all three funding channels (direct contributions, the International Finance Facility for Immunisation (IFFIm) and the Advance Market Commitment (AMC)). The UK provided a total of £142 million between 2000 and 2011, contributed a further £130 million in 2012, and has so far pledged £760 million for the period 2013–31.[15] At the 2009 L'Aquila G8 Summit, the UK pledged to contribute £1.1 billion to the L'Aquila Food Security Initiative over the period FY2009/10 to FY2011/12. As of December 2012, it had actually disbursed £1.2 billion.[16] The UK is also one of nine donor countries to the Global Agriculture and Food Security Programme (GAFSP), with contributions up to the latest year

COUNTING ODA

In the OECD DAC's preliminary release of 2012 data, it decided for the first time to include certain loans from the European Investment Bank (EIB) as ODA from the EU institutions for the period 2008–11. These loans were previously not included due to questions over concessionality and their eligibility. However, they were only added into the reporting of total aid flows in early April. In a further revision of data on 26 April 2013, the DAC revised its decision so that it now includes these EU loans for the years 2011 and 2012 only, totalling net amounts of £3.0 billion and £3.6 billion respectively. This decision means that now EU institution ODA flows from 2010 and prior include only grants, and will not be comparable with 2011 and 2012 flows. It also has implications for Member States' imputed multilateral contributions via the EU (the proportion of aid allocated to certain regions that is attributable back to Member States based on their overall contribution to the EU).

The DAC does not provide multilateral imputations in its April preliminary release but publishes them the following December. Therefore, ONE uses a set methodology to estimate 2012 multilateral imputations for aid to Africa, which in this case are based on the updated 2011 and 2012 EU institutions' ODA levels. However, at the time this report went to press, the DAC had not yet updated its own 2011 multilateral imputations to match overall EU aid flows. In other words, the DAC's multilateral imputations currently show a higher proportion of EU aid (and hence Member States' aid) flowing to Africa than is actually the case once the EIB loans are retrospectively factored in. Thus, at this time, the decrease in total aid to Africa for EU Member States from 2011 to 2012 appears slightly larger than it will be when the DAC eventually updates its 2011 multilateral imputations.

ONE is concerned at the continuing practice among some countries and multilateral donors of inflating their ODA levels by counting unsubsidised loans, and the lack of clarity in the OECD's definition of concessionality. Although loans are an important resource for development, along with grants, the amount of concessionality should be clearly reported for all DAC flows and only those loans that meet strict criteria should be counted under ODA. Other non-concessional loans should continue to be counted as Other Official Flows (OOFs). This debate has implications not just for EU loans, but also for other countries that count substantive loans within ODA reporting, such as France and Germany.

totalling £30 million.[17] In addition, the UK is the leading contributor to the Global Partnership for Education, pledging £220 million for the period 2011–14, enough to support the enrolment of 2.4 million children in primary school.[18]

AID EFFECTIVENESS

The UK is one of the global champions of, and leaders in, aid effectiveness and transparency. It has endorsed the Open Aid Partnership, the World Bank-backed alliance of development partners working together to enhance the openness and effectiveness of development assistance. It is also a founding member of the Open Government Partnership (OGP) – serving as lead co-chair from September 2012 – and has included aid transparency in its OGP National Action Plan.[19] The OGP aims to promote transparency, increase civic participation, fight corruption and harness new technologies to strengthen governance. The UK announced an Aid Transparency Guarantee in 2010, which pledged to make its aid "fully transparent".[20] All UK Government departments produced open data strategies in June 2012 to accompany a Cabinet Office White Paper on open data.[21]

UK institutions were assessed by Publish What You Fund's 2012 'Aid Transparency Index'. The Index scores 72 organisations on their levels of transparency based on the public availability of information, where 100% is perfectly transparent. DFID was one of only two organisations to achieve a score of 'good' and at 91% was ranked most transparent of all organisations surveyed in the 2012 Index.[22]

The UK is a founding signatory of the International Aid Transparency Initiative (IATI), a common standard for publishing aid information that is comprehensive, open and comparable. The UK's IATI data feed currently includes information from DFID, which covers approximately 90% of UK ODA, as well as the CDC, the Department of Energy & Climate Change and the Home Office. ONE encourages other government departments and agencies which spend UK ODA (such as the Foreign and Commonwealth Office) to add their data so that the UK record is complete.[23]

Additionally, the UK is a leader in results-based development. DFID's recently developed Results Framework sets out, with a deadline of 2015, the development outcomes to which the department is seeking to contribute, the actual results it will deliver, and the metrics that will be used to measure the effectiveness and efficiency of programmes. This is the first results framework where DFID will measure development outputs for which it can be held accountable, marking a significant step towards results-based programmes in development.[24] DFID is also a partner in the Making All Voices Count initiative, along with the US Agency for International Development (USAID), the Swedish International Development Cooperation Agency (Sida) and the Omidyar Network, to fund proposals to help support innovation and research and scale up initiatives that will enable citizen engagement and government responsiveness.[25]

BEYOND ODA

Foreign Direct Investment (FDI)

As a proportion of GNI, the UK's FDI flows to sub-Saharan Africa have been extremely volatile compared with ODA flows. After reaching almost 0.4% ODA/GNI in 2010, 2011 saw net FDI flows fall below zero (to -0.1% of GNI), indicating that UK divestments in the region outweighed new investments.[26] However, over the last decade (2000–10), the UK has been a key investment partner for sub-Saharan Africa, with cumulative FDI flows totalling approximately £30 billion – more than those from France, Germany and the US combined. During this period, the top five sub-Saharan African recipients of UK FDI were South Africa, Nigeria, Kenya, Botswana and Ghana.

Unlike other donors such as France, Germany and the US, the UK provides virtually no development finance in the form of other official official flows (OOFs),[27] as it generally provides a greater proportion of its development finance as grants (which are counted as ODA), rather than loans.

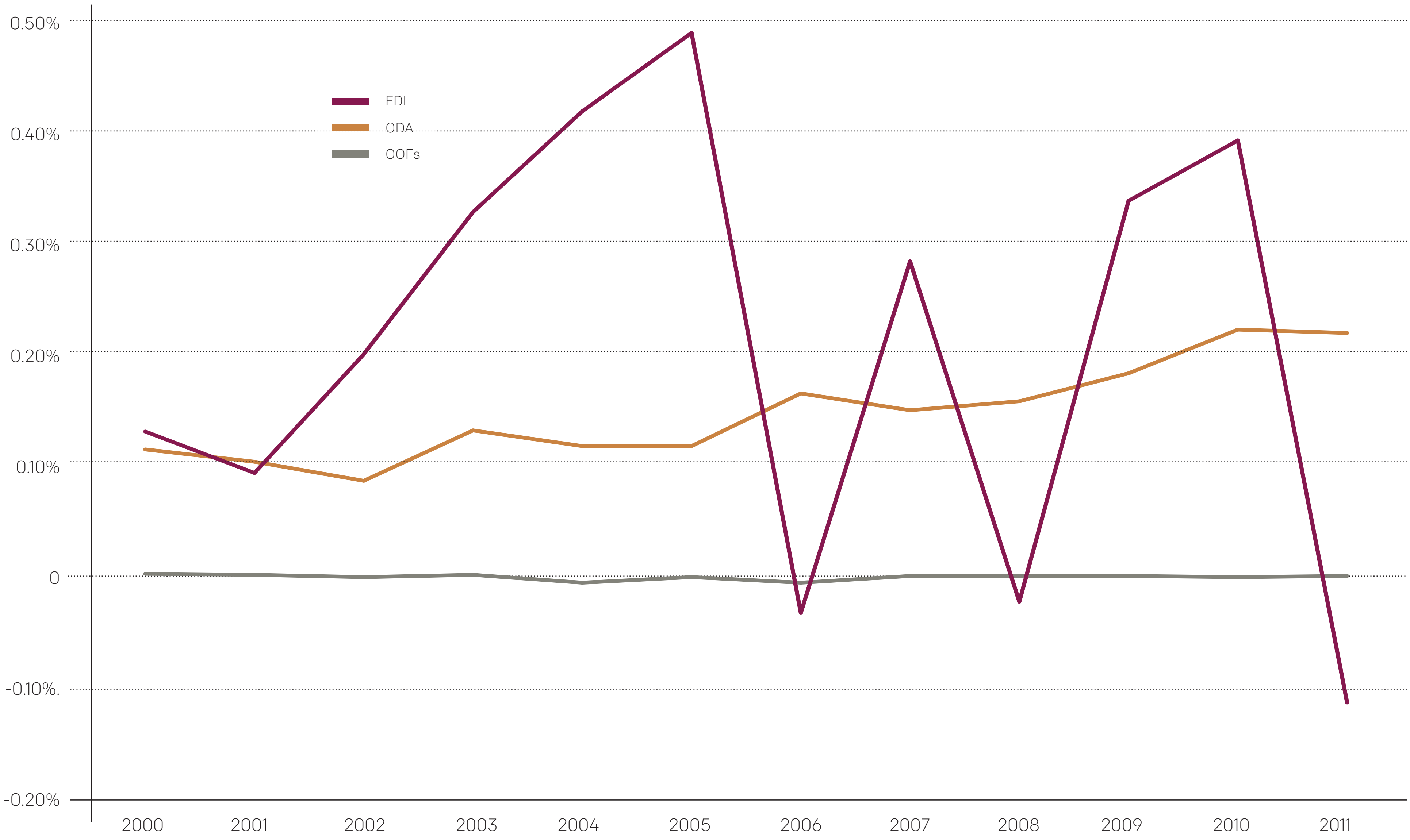
Climate Finance

The UK Government pledged £1.5 billion for 'Fast-Start' climate financing over 2010–12, of which more than £1.4 billion has been spent or committed to date. Of the total pledged, the UK allocated £566 million to climate change mitigation and £490 million to adaptation, with £192 million for REDD+ and £252 million for cross-cutting and other activities. Almost three-quarters of the UK's climate financing is channelled through multilateral mechanisms, notably the Climate Investment Funds, the Global Environmental Facility and the Adaptation for Smallholder Agriculture Programme. In its four-year Spending Review, the Government set a budget of £2.9 billion for climate finance for the period 2011/12 to 2014/15, known as the International Climate Fund (ICF). The ICF thus commits the UK to climate financing for two years beyond the Fast-Start period.

Innovative Finance

The UK is one of the founding supporters of UNITAID, the international facility to finance the purchase of drugs to treat HIV, malaria and tuberculosis. Since the facility's launch in 2006 (through to 2011) the UK has contributed a total of £169 million, and it has pledged £53 million each year for 2012–13. In addition to direct contributions to the GAVI Alliance, the UK also provides financial support to the AMC and IFFIm through GAVI. Between 2010 and 2012, it provided over £60 million to the AMC, and it has pledged a further £247 million for the next three years. Between 2007 and 2012, the UK

FIGURE 2: UK FDI, OOFs and ODA to Sub-Saharan Africa, as a % of GNI



Sources: OECD DAC Tables 1, 2a and 2b, and FDI flows by partner country

Note: OOFs are net flows, thus include repayments to donor countries. ODA excludes bilateral debt relief and includes imputed multilateral contributions.

provided £198 million to the IFFIm, and it has pledged £1.68 billion for the period 2013–31.

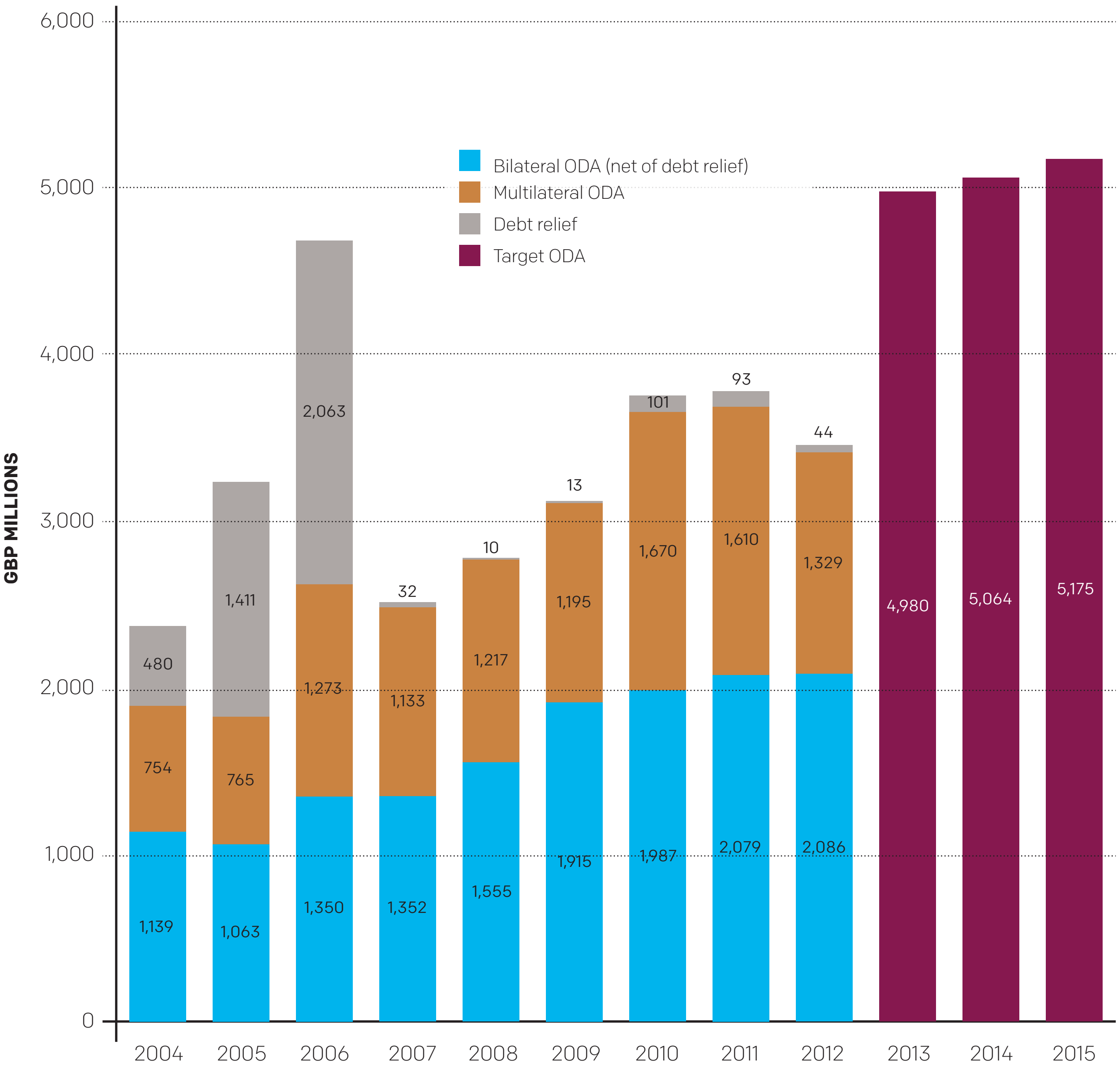
LOOKING AHEAD: 2013–15

In the Treasury's Budget Statement of March 2013, Chancellor George Osborne made the historic and much anticipated announcement that the UK Government would, in 2013, meet the long-held UN target of spending 0.7% of GNI on ODA – making it the first G8 country to achieve this goal, and doing so two years earlier than the timeline set out by EU countries in their 2005 commitment on aid spending.[28] Given this announcement, it is expected that UK aid volumes will see a significant increase in 2013, following their decline in 2012. The downward revisions in GNI set out in government forecasts mean that DFID's budget will not increase as much as previously expected.[29] Nevertheless, the UK's significantly increased investment in development from 2013 will have far-reaching effects, both in its own right and in the power it has to leverage other donor countries to do more.

The UK Government did not act in 2012 to enshrine the 0.7% ODA/GNI target in law, despite its inclusion in the Conservative and Liberal Democrat election manifestos in 2010 as well as in the Coalition Agreement. It also failed to list it in the 2013 Queen's Speech, which set out the Government's legislative programme for the next Parliamentary term, and it is unlikely that this promise will be met before 2015.

Without legislation, the UK must ensure that it maintains this level of expenditure and does not slip back on its commitment. As the UK economy starts to experience more consistent positive growth, we would expect to see the country's aid spending increasing in line with GNI growth. Furthermore, to have the greatest impact in the fight against extreme poverty and to accelerate progress towards meeting the Millennium

FIGURE 3: UK's ODA to Africa and Path to 2015 Africa Target



Sources: OECD DAC Table 2a and Preliminary Release (April 2013)

Note: Target ODA is calculated using GNI projections for 2013–15 with the EU aid commitments to reach 0.7% ODA/GNI by 2015 and to allocate half of the increases to Africa. The UK committed to reach 0.7% ODA/GNI by 2013.

WHAT HAS UK AID ACHIEVED IN 2011–12?

In 2011, DFID published detailed spending plans for bilateral and multilateral aid up to 2015. What are the results so far? Here are some of the highlights from DFID's Annual Report 2011–12:[31]

- Immunised 37.3 million children against preventable diseases (through contributions to the GAVI Alliance)
- Detected and treated 900,000 cases of TB (through contributions to the Global Fund to Fight AIDS, Tuberculosis and Malaria)
- Distributed 12.2 million bednets to protect people against malaria
- Enabled 11.9 million people to work their way out of poverty by providing access to financial services
- Supported 5.3 million children (2.5 million of them girls) to go to primary school
- Improved the land and property rights of 1.1 million people
- Prevented 2.7 million children and pregnant women from going hungry
- Reached 6 million people with emergency food assistance
- Gave 7.3 million households clean water to drink with a new water supply (through contributions to the Asian Development Bank)

Development Goals (MDGs) in the next two years, the UK must focus its ODA increases on the least developed countries.

DFID has stated that it plans to scale up its bilateral programme in Africa from 2013/14. Along with all EU countries, the UK promised that half of its ODA increases from 2005 would be allocated to Africa.[30] In order to meet its target increases to Africa by 2015, the UK will need to increase ODA to the continent to £5.18 billion (£1.76 billion above 2012 levels). The target increases to Africa in 2013 and 2014 shown in Figure 3 are based on the assumption that from 2013 the UK will meet its commitment to provide 0.7% of GNI in global ODA.

With only two-and-a-half years to go until the 2015 MDG deadline, ONE recommends that DFID develops an MDG 'acceleration plan' aligned with developing countries' own plans, as some other donors (such as the Swiss Agency for Cooperation and Development) have done. Such a plan would enable the UK to articulate implementation priorities and emphasise technical expertise for those goals where partner countries are furthest behind on their 2015 targets – for example, scaling up targeted interventions and introducing innovative resource mobilisation mechanisms.

In autumn 2013, DFID will also publish an update to its 2011 Multilateral Aid Review (MAR). The original MAR assessed 43 multilateral organisations to which the UK contributes, rating 17 organisations as 'very good' or 'good' value for money, nine as 'adequate' and nine as 'poor'. Following the review, the UK decided to withdraw core funding to four agencies (UN-HABITAT, ILO, UNIDO and UNISDR). The 2013 MAR update will provide an opportunity for the UK Government to assess which organisations have made progress since 2011 and to make decisions on future multilateral funding allocations.

ENDNOTES

1. OECD DAC International Development Statistics (Preliminary Release, April 2013), 2012 prices. All currency conversions from USD to GBP use the OECD Annual Exchange Rates.
2. Net of bilateral debt relief and including estimated imputed multilateral contributions; 2012 prices.
3. As the preliminary data does not include regional breakdowns for the small portion of ODA provided through government departments other than the Department for International Development (DFID), the UK's aid levels to Africa and sub-Saharan Africa may rise when the final statistics are published.
4. OECD DAC Creditor Reporting System, 2012 prices.
5. The 'government and civil society' category includes areas such as public sector policy, public financial management, democratic participation and women's rights.
6. For more, see ONE (2013) 'A Growing Opportunity: Measuring Investments in African Agriculture'.
7. Bond. 'UK aid'. *http://www.bond.org.uk/pages/ukaid.html*
8. OECD DAC Creditor Reporting System.
9. DFID, 16 November 2012. 'Uganda: UK suspends aid to government'. *https://www.gov.uk/government/news/uganda-uk-suspends-aid-to-government*. See also Mark Tran and Liz Ford, *The Guardian*, 16 November 2012. 'UK suspends aid to Uganda as concern grows over misuse of funds'. *http://www.guardian.co.uk/global-development/2012/nov/16/uk-suspends-aid-uganda-misuse*
10. DFID, 9 November 2012. 'India: Greening announces new development relationship'. *https://www.gov.uk/government/news/india-greening-announces-new-development-relationship*. See also BBC, 9 November 2012. 'UK to end financial aid to India by 2015'. *http://www.bbc.co.uk/news/uk-politics-20265583*
11. DFID, 30 April 2013. 'UK to end direct financial support to South Africa'. *https://www.gov.uk/government/news/uk-to-end-direct-financial-support-to-south-africa*
12. Low-income countries are defined as those with a 2010 per capita GNI of less than $1,005. Least developed countries are those defined as such by the UN, according to three criteria: three-year per capita GNI average of less than $905, human resource weakness and economic vulnerability.
13. 2012 prices.
14. The Global Fund, 'Fighting AIDS, Tuberculosis and Malaria'. *http://www.theglobalfund.org/en/about/diseases/*
15. 2012 prices. This long-term pledge relates to IFFIm bond repayments (the IFFIm issues bonds based on legally binding grants from nine sponsor countries, which have agreed to pay these obligations over a long-term schedule of payments).
16. ONE (2013) 'A Growing Opportunity: Measuring Investments in African Agriculture'.
17. 2012 prices.
18. Global Partnership for Education, November 2011. 'Statement from the Government of the United Kingdom'. *http://www.globalpartnership.org/media/Replenishment/UK.pdf*. See also Global Partnership for Education, 'Conference Pledges'. *http://www.globalpartnership.org/finance-and-funding/replenishment/pledging-conference/conference-pledges/*
19. UK OGP National Action Plan. *http://www.opengovernment.org.uk/national-action-plan/*
20. UK Aid Transparency Guarantee. *https://www.gov.uk/government/policies/making-uk-aid-more-open-and-transparent/supporting-pages/uk-aid-transparency-guarantee*
21. UK White Paper on Open Data, 'Unleashing the Potential'. *https://www.gov.uk/government/publications/open-data-white-paper-unleashing-the-potential*
22. *http://www.publishwhatyoufund.org/index/*
23. Publish What You Fund, 2012. 'Index Results, Major donors: United Kingdom'. *http://www.publishwhatyoufund.org/index/2012-index/uk/*
24. DFID Results Framework. *https://www.gov.uk/government/publications/dfid-results-framework*
25. Making All Voices Count. *http://makingallvoicescount.org/*
26. OECD Foreign Direct Investment Statistics.
27. OOFs are official sector transactions with recipient countries that do not meet ODA eligibility criteria (being not primarily aimed at development and/or having a grant element of less than 25%). Figure 2 represents net OOFs, which include repayments of previous loans to the donor. However, because OOFs are predominantly repayable loans that are less concessional than those that qualify as ODA, the difference between net and gross flows is likely to be greater than for ODA. ONE therefore also examined gross OOFs for all donors. The UK's gross OOFs are relatively low (as low as £828,000 in 2010 and £26,000 in 2011); especially in comparison with other major donors; see OECD DAC Table 2a for details.
28. DFID, 20 March 2013. '2013 Budget Statement: Justine Greening's Comments'. *https://www.gov.uk/government/news/2013-budget-statement-justine-greenings-comments*. See also: Development Initiatives, March 2013. '2013 Budget and UK Aid'. *http://www.devinit.org/wp-content/uploads/DI-2013-Budget-UK-aid-briefing_2013-03-21.pdf*
29. For the statement in full, see HM Treasury, 20 March 2013. '2013 Budget Statement'. *http://www.hm-treasury.gov.uk/budget2013_statement.htm*
30. This pledge includes North Africa.
31. DFID (2012) 'Annual Report and Accounts'. *https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/48979/Annual-report-accounts-2011-12.pdf*

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