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CHANGE

The UK's International Aid Commitment

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Foreword

For all of us who had the privilege of working for, or in support of, the Department for International Development, it has not been a good year.

First was the decision to abolish DfID as an independent government department and move it inside the Foreign Office – the third time that a Conservative government has done this in the past 50 years – and then came the announcement that the UK's aid budget is to be cut by a third. Why on earth, of all the promises that we have made to the world, would any UK government abandon this particular promise to the world's poorest?

Although some Conservative voices have spoken out, perhaps we should not be surprised that in a year dominated by Covid-19, the reaction has been somewhat muted. But it does mark a turning point – the breaking of a 25-year political consensus that the Labour Party created.

When we were elected in 1997, the amount of aid we gave as a proportion of our national income had halved over the preceding 18 years and was just 0.26 per cent. By the time we left office, we were on our way to achieving the 0.7 per cent target.

This was down to the political leadership of Tony Blair and Gordon Brown, who brought the lives of the world's poorest people into the heart of Whitehall.

I was lucky enough to have played a part inside that government in achieving the commitment to reach the 0.7 per cent target by 2013, and I saw our aid budget increase year on year as a result. I spoke at the UN when our proposal for the Central Emergency Response Fund was agreed, and I was at the G8 in Gleneagles in 2005, the high point of Make Poverty History, when the world's leaders made commitments to increased aid and more debt relief. Not every country kept their promises, but we did. And the determination that was shown at that summit was proof that politics can and does change things for the better; more babies born safely, more children vaccinated (so they don't die of diseases that our children don't die of) and more children being able to attend school. This is so important, especially for girls, because we know how it opens a window on the world, improves our life chances and gives us self-confidence and aspiration.

We hear a lot these days about “Global Britain”, but cutting aid and leaving the EU are both decisions which will reduce our influence in the world.

Looking back on my time at DfID, I see just how much influence the department had. It was not just because of the amount of money we put into aid but also because of political leadership, the extraordinary staff I had the privilege of working with, the ferment of ideas, the willingness to try things out and to learn, and the sheer determination never ever to give up on the task that we had set ourselves.

The current debate about aid is a far cry from those days. For the current prime minister to describe DfID as a “giant cashpoint in the sky” shows that he has no idea what it does. But that approach sums up the conflict between the two great political forces of our age – the inward-looking and the outward-facing.

One represents the desire for greater control, self-determination, independence – call it what you will – which is in part a reaction to the pace of change and the fact that globalisation has not distributed its benefits equally. But it also reflects a desire by some to close the doors and shut the curtains and wish that the rest of the world would go away.

The other recognises the need for even greater international cooperation to deal with the great challenges we face as humankind. Fighting coronavirus; the reason we have several vaccines is because of an extraordinary collaboration between scientists across the globe. Tackling threats to peace and security; so much of DfID’s humanitarian relief is used to deal with the consequences of people being forced to flee the land of their birth because of conflict. Overcoming poverty; this paper tells the story of how British aid under the last Labour government made such a big difference to so many people’s lives. And the greatest challenge of all – the threat of dangerous climate change. If we fail to act, and the climate changes in the way in which scientists predict, then those affected are not going to stay where they were born to drown or die of thirst. They will move in search of a better life and this will affect all of us, wherever we live.

We need to rebalance these political forces in order once again to win the argument as to why aid matters. It’s not about turning up to improve other people’s lives. It’s actually about providing the right support so that they can do that for themselves. It is both the moral thing to do but also in our self-interest. We are more interdependent as human beings today than we have ever been in human history. And as we try and chart a way through all of these challenges, it is an outward-facing approach that we will need more than ever.

We have all heard the comment on the doorstep that “politics never changes anything”. This paper, and the story it tells, is a reminder that that isn’t true. Politics, together with the right values and the right leadership, can bring about the most profound transformation in people’s lives.

We did so before, and we can do so again.

Hilary Benn

Secretary of State for International Development, 2003 – 2007

Overview

The commitment to spend 0.7 per cent of gross national income (GNI) on aid was first codified in a UN Resolution in 1970, which the UK signed up to.

But by 1997, the UK was committing just 0.22 per cent of GNI to aid. The incoming Labour government made international development a central commitment of its government, and in 2004 Tony Blair committed the UK to meeting the 0.7 per cent target by 2013. By the time Blair left office, in 2007, the UK had increased its GNI aid commitment to 0.38 per cent.

The UK government met this target in 2013; in 2015, it enshrined in law the commitment to spend 0.7 per cent of GNI on aid each year.

Through its commitment to aid, under Labour, the UK helped lift 3 million people out of poverty each year, helped get 40 million children into school, helped make huge strides in the eradication of polio, and ensured 3 million people had access to life-saving drugs for AIDS and HIV. It also improved water and sanitation services for more than 1.5 million people.

These achievements have continued since 2010, with the UK committing to the eradication of polio, helping ensure girls in the most marginalised places around the world have access to education and assisting in humanitarian crises around the world.

In 2019, apart from the UK, the other countries meeting the 0.7 per cent commitment were: Denmark, Luxembourg, Norway and Sweden. The biggest spenders in terms of aid were: the US, Germany, Britain, Japan and France.

The leadership position the UK has played in international development has not only meant the country has had a significant impact on helping those most in need around the world, but it has also had a significant impact, as David Cameron recently noted, on other countries following our example. This was particularly true, for example, at the 2005 G8 summit in Gleneagles.

Cutting the aid commitment from 0.7 per cent to 0.5 per cent not only reduces the country's ability to make a difference around the world, but it also sends a signal to others who have followed our leadership that international development spending is now, again, a subject of political debate. The UK risks damaging our global reach and soft-power influence and, long-term, puts the country at greater risk, for instance, of significant migration flows, spillovers from conflict and the impact of climate change.

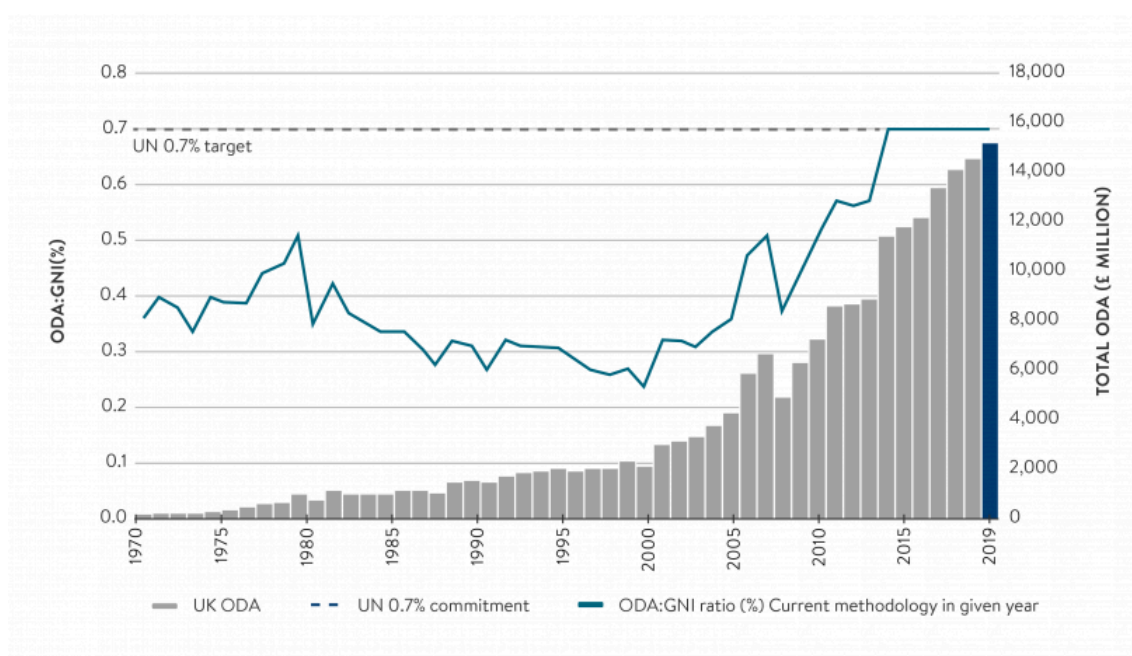
Speaking to us about this paper, David Miliband made clear that, "The reduction in the aid budget takes away an important source of substantive and moral leverage" from the UK's global leadership position.

What Is the Commitment?

The 0.7 per cent aid commitment is a target for donor countries to contribute 0.7 per cent of their GNI as overseas development assistance (ODA); this target was set by a resolution of the UN General Assembly in 1970.

In 1970 Britain agreed to spend 0.7 per cent of its national income on aid and first met the target in 2013 after reaffirming its commitment to do so in 2004. By 2015, the 0.7 per cent commitment was enshrined in UK law.

Figure 1 – UK overseas development assistance (ODA) 1970 to 2019 vs UN 0.7% aid target



Source: <https://www.gov.uk/government/publications/statistics-on-international-development-provisional-uk-aid-spend-2019/statistics-on-international-development-provisional-uk-aid-spend-2019>

The majority of the UK's aid budget is spent bilaterally (67 per cent in 2019), and in recent years, the UK committed to allocating at least half of its annual aid budget to fragile states and regions. In 2019, the UK provided bilateral aid to 136 countries, with aid primarily concentrated in East Africa and the Middle East.

The UK was the first G7 country to meet the 0.7 per cent commitment, which has contributed to Britain's position as a leader in overseas development. Through this commitment, the UK has created lasting positive impact for developing nations but also direct positive results for the UK.

The Context of the Cut

Following the economic shock of the pandemic, the Office of Budget Responsibility (OBR) believes that UK GDP will be 11 per cent lower than forecast in 2020.¹ In addition, it believes that GDP will be 4.5 per cent lower in 2025 than it forecast prior to the pandemic. This weaker economic outlook has also affected public finances, with the OBR forecasting revenues to be £58 billion lower in 2024/25 than it forecast in March 2020.

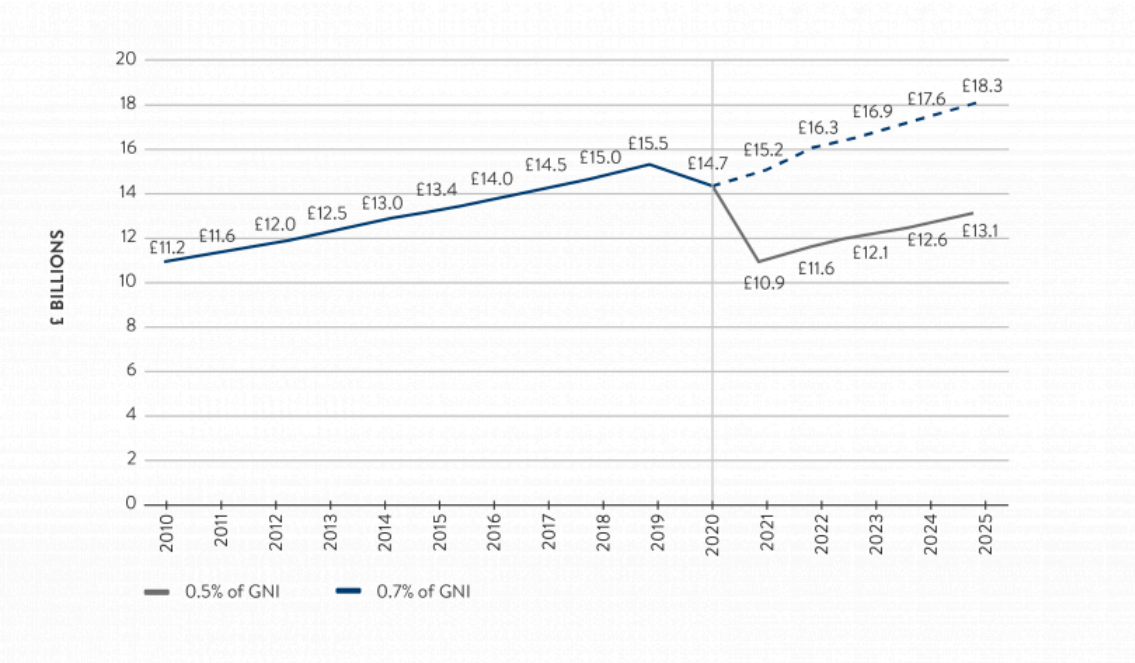
Against this backdrop of weaker public finances, the chancellor, Rishi Sunak, sought to justify the cut to the ODA budget, in part, as necessary to begin repairing public finances.² Yet, the ODA budget had already taken a significant hit this year as a result of forecasted falls in GNI. The cut announced by the chancellor will further reduce the ODA budget by £24 billion by 2025.³

However, the savings from the ODA budget were spent elsewhere by the chancellor in the Spending Review, including on:

- an additional £16.5 billion over the next four years for defence spending, which will go some way in addressing the £13 billion hole in the Ministry of Defence's 10-year equipment plan;
- a £4 billion Levelling Up Fund aimed at addressing regional inequalities in infrastructure; and
- £3 billion in new funding to help the UK meet its net-zero commitments.

The economic uncertainty has also led to the government delaying its Integrated Review of foreign, defence and security policy. Consequently, the chancellor has made significant cuts to the ODA budget, which is expected to fall by £2.4 billion over the next four years, and increases in defence spending, without the government having set out a new strategic vision for foreign policy that should inform such spending decisions.

Figure 2 – Projected decrease in UK overseas development assistance (ODA) from 2021 – 2025



Source: House of Commons Library, OBR, and FCDO

The Impact of Aid in Africa

Overall, research by the IMF demonstrates that foreign aid could have very strong, positive effects on economic growth, depending on what the aid is used for, how efficiently it is invested, and what the domestic policy response is.⁴ In particular, the overall effectiveness of aid is connected to a variety of factors, including a stable underlying economic and political environment; pre-existing income levels; and the levels, focus and governance of aid allocation.

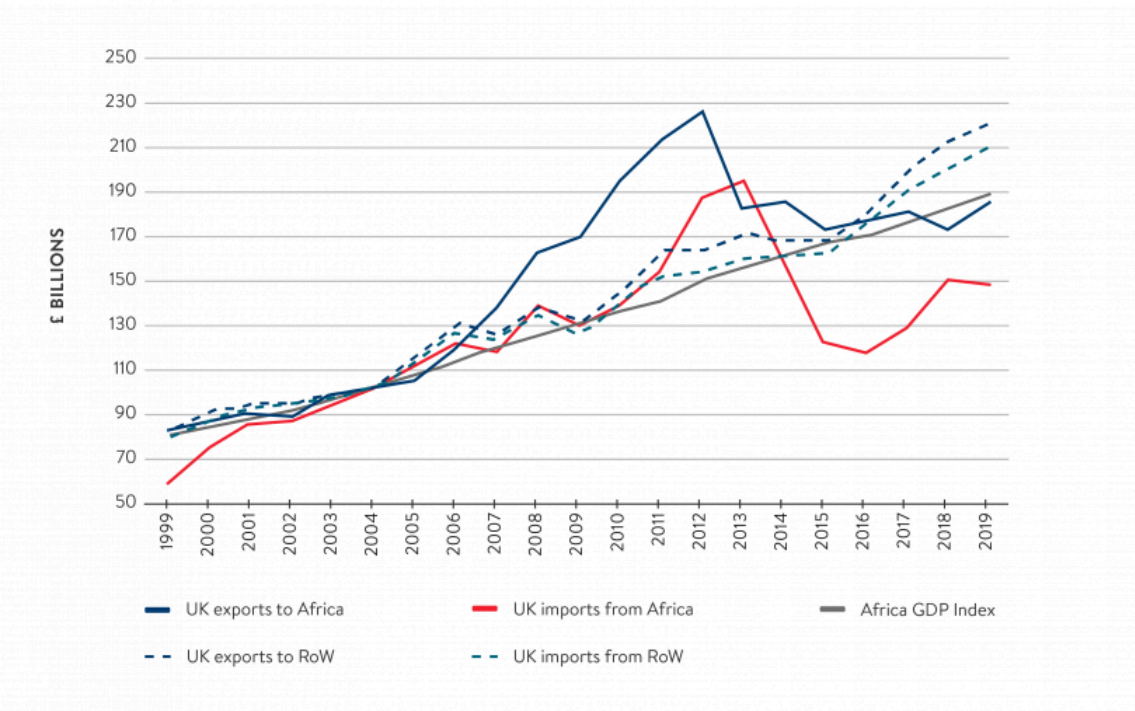
Over the longer-term, foreign aid can benefit growth by supporting investment in domestic capabilities, such as infrastructure and export competitiveness, which will help attract additional international inward investment into a growing private sector.

A study that examined aid to sub-Saharan Africa from 1995 to 2012 found that that foreign aid designated for social infrastructure, in particular in education and health and general budget support, had a positive, significant impact on economic growth.⁵

Analysis by the Overseas Development Institute (ODI) has demonstrated that every £1 increase in aid provided by the UK boosted exports by £0.22, and that the level of aid provided in 2016 under the 0.7 per cent target created 11,700 jobs in the UK, including 8,900 medium- and high-skilled jobs.⁶

In the decade following the UK reaching its target foreign aid commitment in 2013, GDP growth across Africa was on average 14 per cent per year higher than in the decade prior to the commitment.⁷ This growth partly stemmed from rising commodity prices in the period from 2004 to 2008, but also because many African countries remained resilient even as commodity prices fell, and through the aftershocks of the global financial crisis.⁸ As such, exports from the UK to Africa rose by 125 per cent between 2004 and 2012, as Figure 3 shows. Exports from Africa to the UK also surged, doubling from 2004 to 2013; they only slowed after oil prices collapsed and the Ebola crisis hit in 2014.⁹

Figure 3 – Index of trade and GDP



Source: ONS, IMF.

What Has the UK's Aid Commitment Achieved?

The UK's role in international development led to significant positive impact around the world, both during the Labour government and since.

Under the Labour Government

In 1997, the UK was spending 0.22 per cent of its GNI on aid. The Labour government made international aid and development a key priority.

The Department for International Development was created in 1997. In 2004, the UK committed to meeting the UN aid target of 0.7 per cent by 2013. By 2007, when Tony Blair left office, Labour had increased aid spending from 0.22 per cent to 0.38 per cent.

Between 1997 and 2010, Labour helped to: lift 3 million people out of poverty each year; get some 40 million more children into school; push Polio to the verge of eradication and enable 3 million people to access life-preserving drugs for HIV and AIDS; and improve water or sanitation services for over 1.5 million people.

Key Achievements:

- Labour tripled Britain's aid budget and committed to reaching the UN agreed target of 0.7 per cent of Gross National Income to be spent on development assistance by 2013. The investment and international leadership have contributed to significant results on the ground lifting 3 million people permanently out of poverty each year.
- At Gleneagles in 2005, the party led an international campaign to cancel 100 per cent of multilateral debts for the world's poorest countries and secured agreement on an extra billion dollars of aid for all developing countries. In September 2008, the UK played a key role in the UN summit in New York on the Millennium Development Goals which saw significant new commitments made in the priority areas of malaria, food, education and health.
- The Labour government untied aid so poor countries could use the money to buy goods and services from the most cost-effective source, and led efforts to secure support for an International Aid Transparency initiative to ensure citizens can hold their governments and donors to account and increase the effectiveness of aid.
- Labour announced the UK's biggest ever investment in fighting HIV and AIDS, making the UK the world's second largest donor to the global fight against these diseases.
- One of DfID's first key achievements was a complete ban on the manufacture, transfer, import and

export of anti-personnel mines.

- The government launched a Governance and Transparency Fund which provided resources to local civil-society groups to improve governance and increase accountability in poor countries – for example, by helping citizens, media and parliaments hold governments to account.
- It committed significant support to an Environmental Transformation Fund which will support developing countries to tackle climate change.
- In 2008 DfID's Secretary of State Douglas Alexander pledged that 50 per cent of bilateral aid would go to vulnerable and conflict-affected countries. This has been matched or increased by subsequent governments.

Wider DfID Achievements

Since 2010 the country's continued commitment to aid spending has continued to see the UK play an oversized role in international development around the world. In its 2019 synthesis report, the Institute of Chartered Accountant of India (ICAI) concluded that UK aid has made major contributions to global development goals; DfID has shown strong leadership in driving evaluation; and, on the "leave no one behind" principle, significantly assisted in strengthening the international response to challenges such as Ebola and climate change, and in tackling violence against women and girls.

• Girls' Education

DfID's commitment to gender equality is long-standing. Its 2018 Strategic Vision built upon the 2011 *Strategic Vision for Girls and Women* and its 2007 *Gender Equality Action Plan*. In 2018 alone, DfID spent £4.2 billion on programmes with a gender equality focus. ¹⁰

DfID's Girls' Education Challenge was launched in 2012 as a 12-year commitment to help the most marginalised girls in the world by ensuring they receive a quality education. The scheme has helped up to 1.5 million girls and young women.

From April 2015 to March 2019, DfID's nutrition programmes reached 60 million people including children under 5, women of childbearing age and adolescent girls.

• Maternal Health

Between 2011 and 2015, DfID invested £1.3 billion on family planning, reproductive health care, and maternal and neonatal health. During the same period, DfID extended access to family planning to nearly 10 million women and girls. ¹¹

DfID also hosted two major international pledging conferences in 2012 and 2017. At the 2017 summit, the UK brought together 65 donors and organisations from around the world, who promised an additional £45 million per year, through to 2022.

- **Violence Against Women and Girls**

In 2019, Britain became the largest government funder of programmes aimed at eliminating violence against women and girls after announcing a £67.5 million, seven-year project targeting countries with some of the highest levels of abuse. ¹²

The programme supported 13 small-scale projects in Africa and Asia that ranged from couples' counselling in Rwanda to introducing school play time in Pakistan, and also encouraged research into the drivers, prevalence, and social and economic costs of violence. ¹³

According to the Guardian, levels of violence against women in two regions of Tajikistan fell from 64 per cent to 34 per cent following 10 weeks of counselling, skills training and mentoring in 2018. ¹⁴

A project in the Democratic Republic of the Congo trained faith leaders to challenge abuse in their sermons which led to a reduction in domestic violence by nearly 60 per cent in 15 villages over two years. ¹⁵

- **Humanitarian Assistance**

From 2015 to 2019, DfID helped 32.6 million people with humanitarian assistance.

DfID played a key role in helping to respond to the crises in Syria, Yemen, the Democratic Republic of Congo, Bangladesh and Afghanistan, providing support that included access to clean water, sanitation, food, protection, shelter and health services.

UK aid match-funded Christian Aid's Partnership for Improved Child Health (PICH) programme that ran from September 2016 to September 2019. The programme reached over 369,000 infants with life-saving treatment and provided training to nearly 1,000 community health workers to continue their work. ¹⁶

In Afghanistan, DfID supported initiatives such as the Afghanistan Business Innovation Fund (ABIF), which helped local business owners develop and expand their businesses, as well as the Afghanistan Reconstruction Trust Fund which provided access to clean water, sanitation, electricity and road networks in villages that otherwise would not have had access to such infrastructure. ¹⁷

- **Reducing Poverty**

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- **Reducing Poverty**

The UK is widely accepted as a “superpower” in regard to international development with its clear commitment to the reduction and eventual elimination of global poverty. This is driven by a recognition of the expertise of DfID and its strong focus on value for money, which increased the impact and effectiveness of its aid.

DfID also worked with ActionAid in countries such as Kenya, Zimbabwe, Bangladesh, Myanmar, Malawi and Ethiopia. Nearly a third of the UK aid budget is spent through international organisations like the United Nations, World Health Organisation and World Bank, that tackle poverty and respond to humanitarian disasters like earthquakes or famines.

The International Development Association (IDA), part of the World Bank Group, has been the largest recipient of UK multilateral ODA since 2013. IDA aims to reduce poverty by providing concessional loans and grants for programmes that boost economic growth, reduce inequalities and improve people’s living conditions.

The world has made great strides in reducing poverty and UK aid has played a vital role in that. In 1990, nearly half the population in developing economies in the developing world lived on less than \$1.25 a day. In 2015, the number of people living below the poverty line has fallen to 14 per cent of the developing world’s population.

Cash-transfer programmes have played a key role in DfID’s ability to help reduce poverty for the poorest households around the world. For example, in Zambia, households that received cash transfers were found to be more resilient to shocks and fluctuations in income due to various factors including reduced debt, increased investment in assets, reduced reliance on casual labour as well as livelihood diversification. ²⁴

- **Fighting Malaria**

It can cost as little as £3.25 to avert a case of malaria, which can provide an astonishing return on investment as malaria control result in £36 in social and economic benefits for every pound spent. ²⁵

The UK has been at the forefront of the efforts to eradicate malaria. The UK has helped to cut global malaria deaths by over 60 per cent since 2000 and has saved more than 6.8 million lives. ²⁶

Between 2017 and 2019, UK aid provided £1.2 billion to the Global Fund to Fight AIDS, tuberculosis and malaria. In 2017, the Global Fund distributed 197 million mosquito nets and treated 108 million cases of malaria around the world.

These efforts have contributed to the annual number of deaths caused by malaria being halved since 2000 as the figure dropped from 839,000 that year to 405,000 in 2018.

- **Eradicating Polio**

DfID has been central in the fight against polio through support for the Global Polio Eradication Initiative (GPEI). To date, GPEI has prevented over 18 million people from being paralysed by polio. Support from the UK has helped 220 million children across 47 countries in Africa.

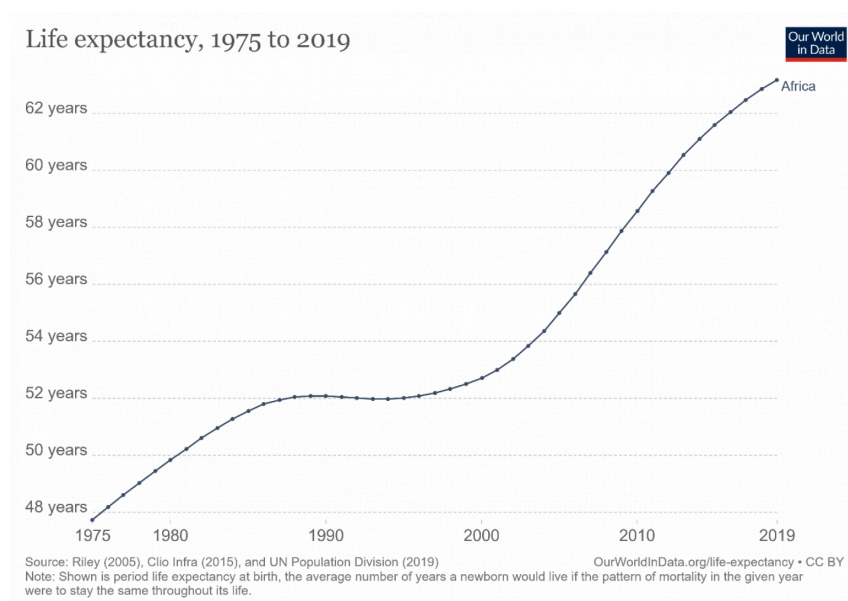
The UK is one of the biggest funders of GPEI and committed £400 million between 2013 and 2020. The initiative has helped vaccinate more than 400 million children against polio each year. This funding will help vaccinate more than 750 children a minute in developing countries around the world from 2020 to 2023. Since 1995, the UK has provided £1.7 billion to fight polio around the world.

According to the World Health Organisation, since the GPEI was launched, the number of cases has fallen by more than 99 per cent globally. ²⁷

- **Life Expectancy**

Life expectancy across the African continent has improved dramatically since 2000. More than 37 countries have seen life expectancy rise by more than 10 per cent since 2000; 30 of those are in sub-Saharan Africa, including the 15 with the biggest gains. Not one sub-Saharan country saw life expectancy fall between 2000 and 2014, with the exception of war-torn Syria. ²⁸

Figure 4 – Life expectancy in Africa, 1975–2019



Humanitarian aid directed at improving the health and well-being of those in African countries, as well as the efforts to reduce the prevalence of HIV and AIDS, including the introduction of affordable antiretroviral drugs, have all contributed to the growing life-expectancy rates.

Case Study: Pakistan

In 2019, Pakistan received £305 million and was the top recipient of UK bilateral, country-specific ODA.²⁹ The UK's long-standing aid for Pakistan has:

- helped more than 9 million children (of which 4.6 million are girls) receive primary education,
- provided skills training for over 256,000 people (47 per cent women),
- improved access to small loans for 5.8 million people (53 per cent women),
- enabled more than 1 million safer births,
- contributed to cash supplements for 5.2 million of the poorest women and their families, and
- supported humanitarian assistance for over 7.6 million people after natural disasters and conflict.

Since 2011, the UK has also provided aid not only for health, but also for economic development and infrastructure projects, too. UK aid was integral to Pakistan's completion of a three-year International Monetary Fund (IMF) programme in September 2016, which allowed the country to avert a financial crisis in 2013. Between 2013 and 2016, economic growth rose from 3.7 per cent to 4.7 per cent, and the tax take has increased from 10 per cent of GDP in 2013 to 12.5 per cent in 2017.

The UK works to build capacity, improve public-sector institutions and delivery, and tackle corruption. With the UK's support and collaboration federally and provincially, £160 million in bank loans have been facilitated for 30,000 small and medium enterprises and 17 million poor people have access to digital banking.³⁰

What Is the International Context for Aid Commitments?

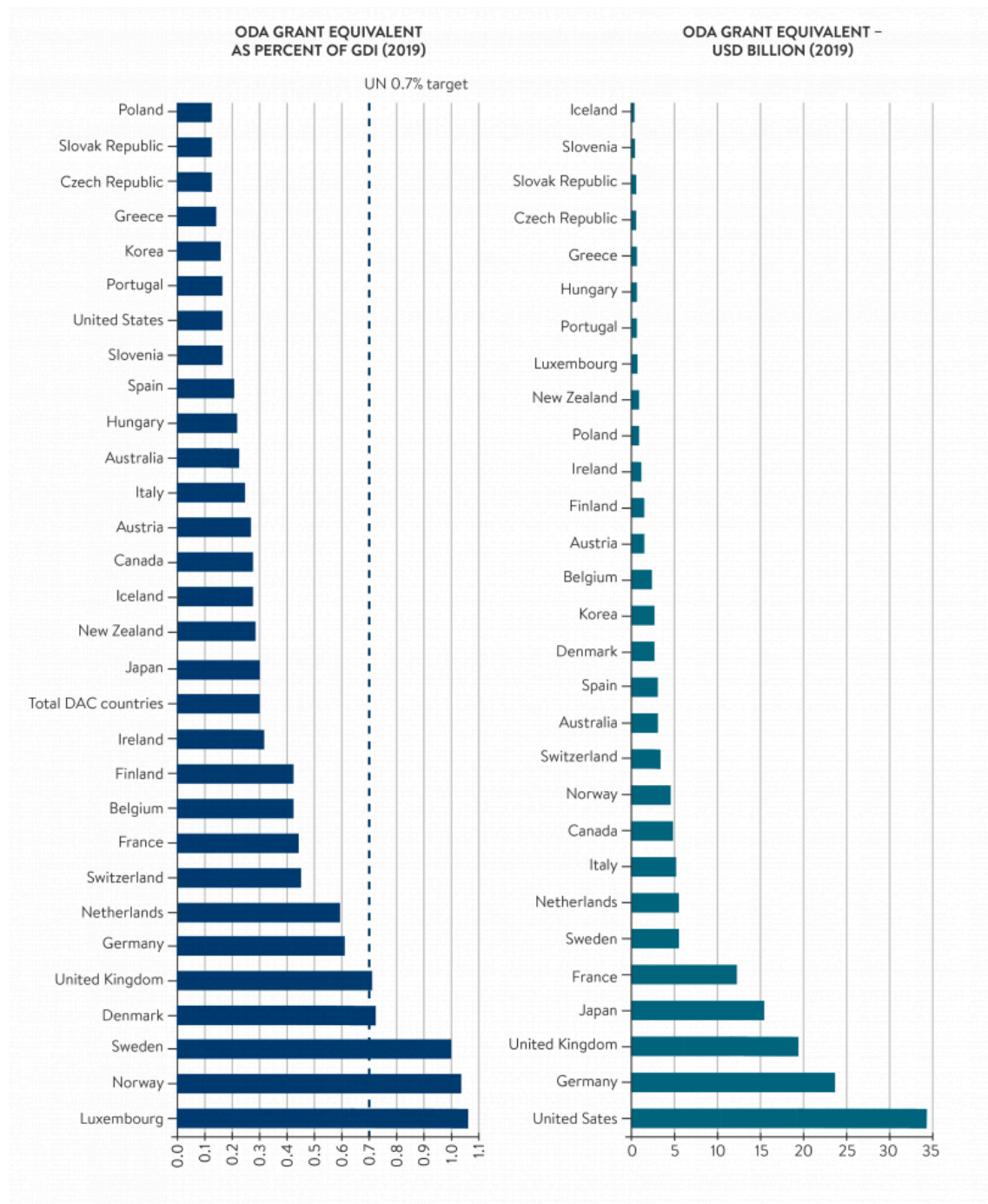
Alongside the UK, several other countries have now exceeded the UN target. This includes:

- Denmark (0.71 per cent)
- Luxembourg (1.05 per cent)
- Norway (1.02 per cent)
- Sweden (0.99 per cent) ³¹

Overall, the biggest spenders in terms of aid are the following countries:

- The US (which spent \$34.6 billion in 2019)
- Germany (\$23.8 billion)
- Britain (\$19 billion)
- Japan (\$15.5 billion)
- France (\$12.2 billion) ³²

Figure 5 – Overseas development assistance (ODA) by country in 2019

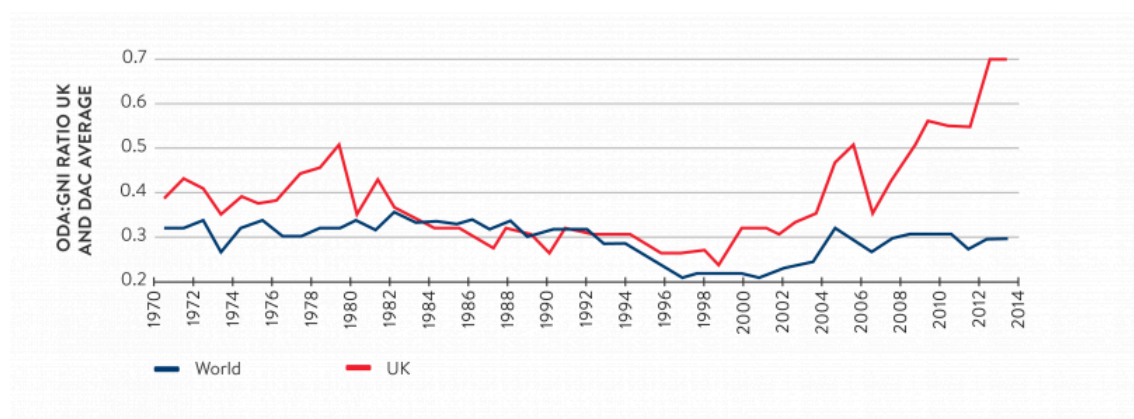


Source: <https://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/official-development-assistance.htm>

The UK's Leadership Role

The UK's leading role on international aid not only meant we were able to achieve more progress on our own terms, but we also influenced other countries to follow our example. Over the two decades of its existence, DfID built a strong track record in development, invested in its capacity and capability, and developed systems and expertise for appraising the costs and benefits of competing interventions, managing projects, and measuring, recording and evaluating results.³³

Figure 6 – Overseas development aid (ODA) as a percentage of GNI for the UK compared to the Developm



Source: <https://journals.openedition.org/rfcb/1082>

Speaking recently on the issue of the cut to the UK's aid spending, former Prime Minister David Cameron made this specific point: "I think 0.7 per cent was a noble thing for this country to do; it was leadership by this country. It inspired others to do more. It did amazing good at vaccinating children and stopping them from dying of diseases that we wouldn't dream of our own children dying of. It fed the hungriest. I saw myself what a massive difference it made in helping with refugee situations and humanitarian situations. It helped in so many ways."

Since 2011 the UK's humanitarian aid has grown more than 200 per cent, with approximately half of that money spent through UN humanitarian agencies. DfID has actively promoted improvements in humanitarian practice and has used core funding to support other efforts that strengthen UN humanitarian agencies.³⁴

The UK has been one of the leading supporters of the UN's Central Emergency Relief Fund (CERF) since its inception. From 2006 to 2020, the UK has remained CERF's top overall contributor, donating \$1.5 billion over the last 14 years. ³⁵

The 2005 G8 Summit in Gleneagles

In 2005 the UK had signalled very clearly and early on that it would make Africa central to its presidency of the G8. This culminated in the G8 summit in Gleneagles that year.

In the outcomes arising from the summit, the G8 agreed to the following:

- To increase aid to Africa to \$25 billion per year by 2010.
- To increase aid to all developing countries to \$50 billion per year by 2010.
- To cancel 100 per cent of debts for eligible Heavily Indebted Poor Countries to the IMF, World Bank and African Development Fund. ³⁶
- The US specifically announced new initiatives on malaria, and also committed new resources of around \$600 million per year. ³⁷

US Aid Spending

The UK's close working relationship with the US during this period of Labour government meant we were in a position to carefully lobby the Bush administration to move aid up its agenda. Aid ultimately became an important element in the US's overseas role.

Speaking to us in the context of this paper, Jack Straw said: "It is undoubtedly the case that the close and trusting relationship which we had with the US government did give us traction on all sorts of issues. It was not a one-way street, nor did we always land in the same place, but it was immensely productive for the UK."

The President's Emergency Plan for AIDS Relief

In May 2003, the US government introduced the President's Emergency Plan for AIDS Relief (PEPFAR), the largest commitment by any nation to address a single disease at the time. The commitment allocated £15 billion over a five-year period to 15 countries in sub-Saharan Africa. ³⁸

In 2008, President Bush signed legislation to re-authorise PEPFAR, committing an additional \$48 billion over the next five years to combat global HIV/AIDS, tuberculosis and malaria.

Through PEPFAR, the US government has invested over \$85 billion in the global HIV/AIDS response, saved over 18 million lives, prevented millions of HIV infections, and accelerated progress towards controlling the global HIV/AIDS epidemic in more than 50 countries. ³⁹

When PEPFAR launched, only 50,000 people in Africa had access to life-saving antiretroviral treatments. As of 30 September 2018, PEPFAR has provided treatment to more than 14.6 million people. PEPFAR quickly became the one of the largest health initiatives undertaken, and the US government continues to provide funds of approximately \$6.5 billion a year. ⁴⁰

The President's Malaria Initiative

In 2005, President Bush launched the President's Malaria Initiative (PMI), committing \$1.2 billion over five years to reduce malaria deaths by 50 percent in 15 targeted African countries. The next year the president and first lady hosted a White House Summit on malaria to discuss and highlight measures needed to prevent the disease. ⁴¹

In 2007, more than 6 million long-lasting, insecticide-treated mosquito nets were distributed through public-private partnerships to which PMI contributed.

In 2008, President Bush announced a new initiative to combat neglected tropical diseases (NTDs) around the world. This Initiative committed \$350 million available over five years to provide integrated treatment for more than 300 million people in Africa, Asia and Latin America.

The Importance of Aid for the Future

In a fast-changing, multipolar world, with varied and complex international challenges, the UK's aid spending has never been more important. Especially in a global context where the IMF's June 2020 World Economic Outlook predicts that the global aid budget could fall to \$141 billion in 2021 – a drop of \$12 billion compared to 2019.⁴² How we shape the future development of global events will have a significant impact internationally and here in the UK. Nowhere is this more evident than in the case of Africa.

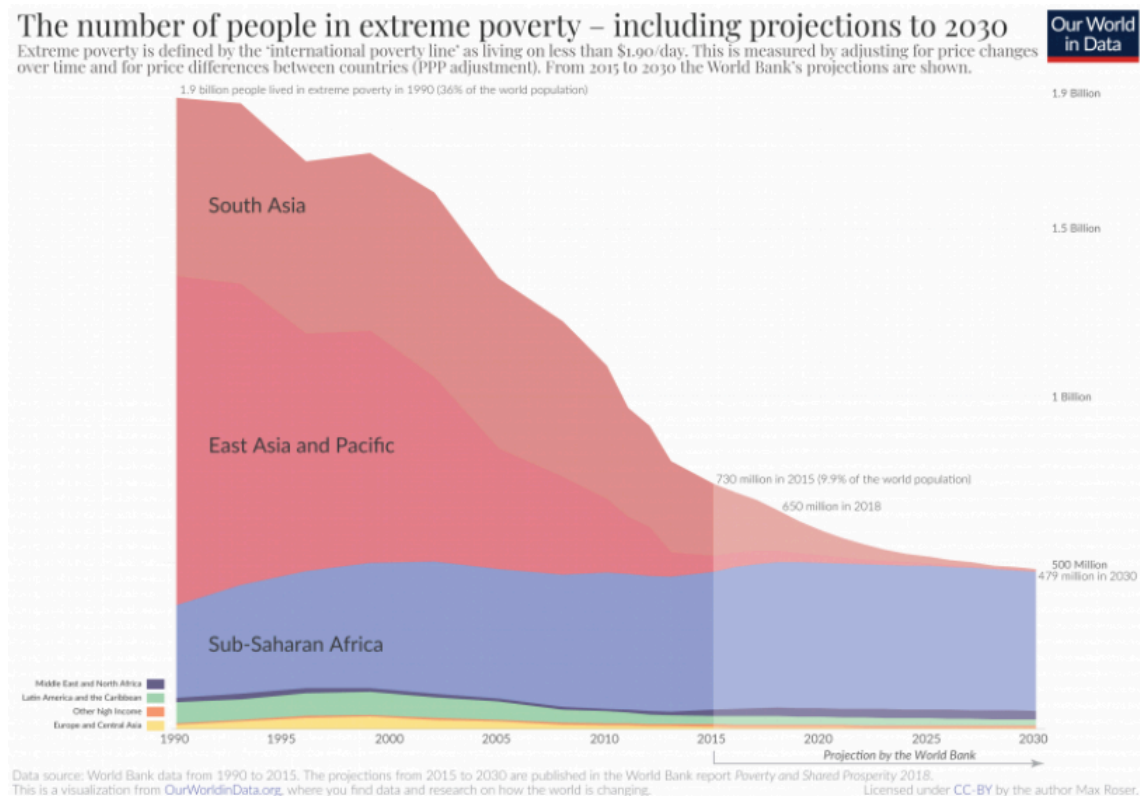
Africa has one of the fastest-growing populations but also one of the youngest – 77 per cent of the population is aged 35 or younger. By 2050, two of every five children born in the world will be born in Africa.⁴³

Evolving simultaneously with Africa's rapid population growth is the rate of urbanisation in sub-Saharan Africa. By 2050, Africa's urban population will triple to an unprecedented 1.34 billion people. This trend towards urbanisation is driven by rural-urban migration, but city planners and management are not always prepared.⁴⁴

Poverty and lack of resources are pushing young people away from their rural lives and into cities with modern technology, connectivity and entrepreneurial opportunity.

Based on current projections and according to the World Bank, 87 per cent of the world's poorest are expected to live in sub-Saharan Africa in 2030 if economic growth follows the same trajectory as recent years.⁴⁵

Figure 7 – Number of people living in extreme poverty, with projections to 2030



Source: <https://ourworldindata.org/extreme-poverty-projections>

If not addressed, climate change could push a further 100 million people into extreme poverty. Africa, although one of the continents that has contributed least to global climate change, is one of the most exposed to its effects.⁴⁶

GDP exposure in African countries that is vulnerable to extreme climate patterns is projected to grow from \$895 billion in 2018 to about \$1.4 trillion in 2023, which is almost half of the continent's GDP.⁴⁷

In 2019, International Development Secretary Rory Stewart announced UK aid's biggest ever single direct commitment to tackle climate change in Africa. The £250 million UK aid package was designed to help cope with the impact of environmental damage over the subsequent five years.

The Covid-19 pandemic has put additional strain on African governments and health systems. For example, lockdown measures impeded people's ability to access and receive their medication. Some evidence suggests that the AIDS-related death toll could double in sub-Saharan Africa from 2020 to 2021 if HIV services continue to be disrupted, or if the level of disruption increases.⁴⁸

The coronavirus pandemic has also had an impact on migration that could cause lasting repercussions for many Africans. Data collected by the International Organisation for Migration (IOM) indicated that regional migration dropped by nearly 50 per cent during the first half of 2020 due to Covid-19 travel restrictions. ⁴⁹

The disruption to cross-border mobility and trade, although beneficial in limiting the spread of the virus, has been devastating to regional trade and livelihoods. The World Bank projected that remittances to sub-Saharan Africa will drop by 23 per cent. Most people who rely on remittances (one in nine people globally) live in small towns and rural villages and depend on that money to put food on the table, educate children and support local businesses. ⁵⁰

In addition, across West and Central Africa there are over 6 million internally displaced persons who are all almost exclusively reliant on humanitarian aid, which has already been hindered by restrictions on mobility. ⁵¹

Conclusions

Internationally, the UK has held a highly respected position as a global leader in development cooperation and as an effective development actor. However, the potential reduction of the 0.7 per cent commitment is viewed as the UK turning its back on the world's poorest. This view is shared by many in governments around the world and the private sector, as well as domestic and international charitable organisations.

The scale of opposition to the cut in aid is visible from a [letter](#) to the prime minister, dated 20 November 2020 and signed by 187 UK humanitarian, development and domestic charity leaders and organisations. The letter called on the prime minister to uphold the UK's commitment to spend 0.7 per cent the UK's gross national income on aid and development. Climate change organisations, former prime ministers, opposition parties, senior Tories, church leaders, Nobel prize winners and global philanthropists have also come out against the proposal.

In the letter, the signatories stress: "At a time when 115 million people look set to be pushed back into extreme poverty, now is the time for an international, collaborative response to Covid-19, as set out in your speech at the UN General Assembly. Now is not the time to renege on our promise to spend 0.7 per cent of our gross national income on aid and development. Stepping back from our international commitments is not the solution and risks damaging the UK's standing globally as we define our role in the world post-Brexit".

The UK, along with every other country, faces genuine financial challenges as a result of Covid-19. However, the 0.7 per cent ODA spending makes up just a small portion of the governments overall budget. The decision to cut development aid will harm the world's vulnerable populations who are already struggling with Covid-19 and will tarnish the UK's reputation as a global leader in development aid.

Not only does this risk diminishing our standing internationally, but it also puts in jeopardy the commitment of other countries around the world. In the context of fast-changing geopolitical dynamics, not least Brexit, the UK's soft power is more vital than ever. The cut to the 0.7 per cent commitment constricts our reach, damages our standing in the world and limits the country's soft-power capability. With some of the changes coming in the next decades, particularly the dramatic growth occurring in Africa, if the UK does not step forward to shape events positively, we will be shaped by them negatively.

Speaking to us about this paper, David Miliband commented: "UK leadership on tackling international poverty has been about ideas, money, persistence and networks. The reduction in the aid budget takes away an important source of substantive and moral leverage, and puts greater onus on the other aspects of the leadership package. The problems of an interconnected world mean that we need stronger efforts

to help others as a matter of self-interest, not just compassion. If governments retreat from that commitment then civil society, NGOs and the private sector need to step up.”

This paper has sought to set out the ways in which the UK’s commitment to the 0.7 per cent target has benefitted countless people around the world, as well as having served the country’s national interest. A critical element in making overseas aid spending sustainable in the long term, both politically and economically, is completely rethinking the model of development. We will be publishing more on this topic in the coming months.

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