

## UNITED KINGDOM



**26% OF THE COMMITMENT HAS BEEN DELIVERED**

UK'S PROMISED INCREASE



### WHAT WAS THE DEVELOPMENT ASSISTANCE COMMITMENT IN 2005?

At the Gleneagles Summit, the UK committed to double its bilateral spending in sub-Saharan Africa between the financial years 2003/04 and 2007/08. It announced a timetable to reach 0.7% ODA/GNI by 2013. The UK's commitment was made as part of the 2005 EU commitment on development assistance, which also stipulated that 50% of the increases would be directed to sub-Saharan Africa. In 2007 the UK established an additional interim commitment of 0.56% ODA/GNI by 2010/11.<sup>1</sup>

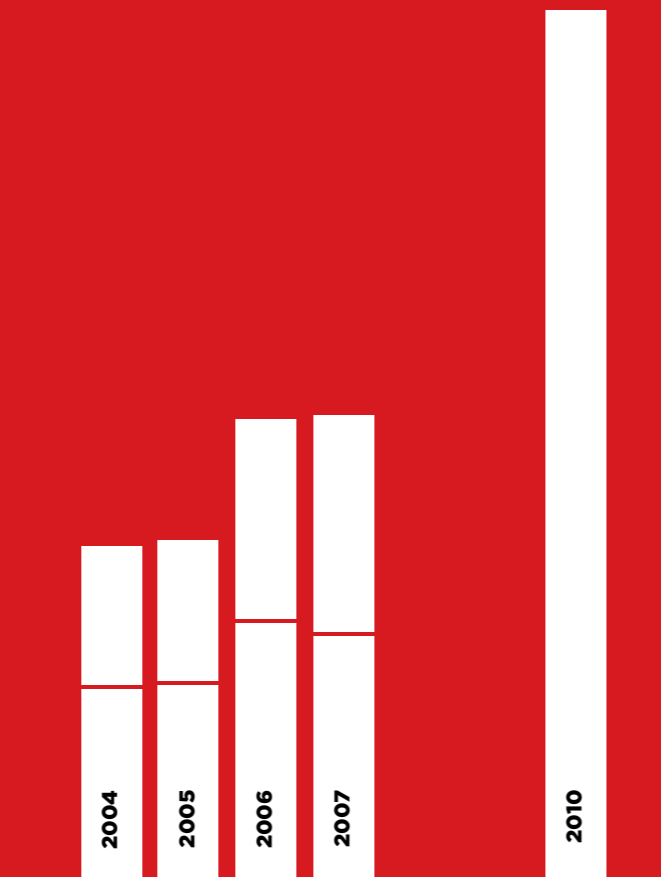
### STATEMENT FROM HEAD OF STATE

‘And let me say to governments of developed countries: we must deliver on our previous promises – on 0.7 per cent, on making our aid more effective, on debt cancellation, on trade, on universal access to AIDS treatment, on reducing carbon emissions... And let us not just fulfil the commitments we have already made but work with everyone who has a contribution to make. Not just more reports or more studies – for we know what needs to be done – but action.’

**GORDON BROWN**  
31 JULY 2007, SPEAKING AT UN HEADQUARTERS IN NEW YORK <sup>2</sup>

## OVERALL ASSESSMENT

Based on current available data, the UK did not meet its 2007 commitment to double bilateral ODA to sub-Saharan Africa but nevertheless it has increased the volume of ODA to Africa more than any other G8 country. DATA's estimates of 2008 ODA to sub-Saharan Africa project that the UK will remain off track in its effort to meet the 2010 target, but longer-term budgetary commitments show a positive trajectory that will bring it very close to doing so. On aid quality and education, the UK is a clear leader. It has also led calls within Europe for pro-development trade reform, even though the EU has failed to deliver.



### HOW DOES DATA INTERPRET THE UK'S COMMITMENT AND CALCULATE THE TARGET?

In past years, DATA has held the UK accountable to its commitment to double bilateral ODA to sub-Saharan Africa by 2007/08. The UK has not met that commitment. Going forward, DATA will track the UK's progress in meeting its goals of reaching 0.56% ODA/GNI by 2010/11 and 0.7% ODA/GNI by 2013, with half of these increases being directed to sub-Saharan Africa.

DATA uses UK government estimations provided in its 2007 Comprehensive Spending Review to estimate the value of 0.56% of GNI in 2010/11, and converts this total into an estimate that aligns with calendar years so that it is comparable with DAC figures. The 2010 target for sub-Saharan Africa is calculated by adding half of the global increase to total ODA for sub-Saharan Africa provided in 2004. Such estimates reveal a target for UK ODA to sub-Saharan Africa in 2010 of £3.551 billion (\$6.508 billion).

In lieu of interim targets between 2008 and 2010, DATA tracks progress against a projected straight-line trajectory between the most recent year for which data are available and the 2010 target. To measure progress toward this commitment, The DATA Report tracks ODA to sub-Saharan Africa net of bilateral debt relief.<sup>3</sup> Debt relief is immensely important to development, but bilateral debt relief as recorded by the DAC skews the true value to the recipient, as well as the true cost to the donor. Though donors did not explicitly make commitments in real terms, the data in this report are recorded in 2004 prices to ensure that the full value of the commitment made in 2005 is delivered by 2010.

### IS THE UK ON TRACK TO MEET ITS OWN COMMITMENTS ON DEVELOPMENT ASSISTANCE TO SUB-SAHARAN AFRICA?

**2010 TARGET £3.551bn** (\$6.508bn)

**2007 ODA £1.985bn** (\$3.637bn)

**CHANGE 2006-07 £26m** (\$48m)

**CHANGE 2004-07 £566m** (\$1.037bn)

**% OF INCREASE ACHIEVED 26%**

In 2007, UK ODA net of bilateral debt relief to sub-Saharan Africa was lower than expected, increasing only by £26 million (\$48 million). The bilateral component of ODA to sub-Saharan Africa, net of debt relief, actually fell by £32 million (\$59 million), while multilateral spending increased by £58 million (\$106 million). In order to have been on a straight-line trajectory to meet its 2010 target, the UK would have needed to increase ODA to sub-Saharan Africa by £662 million (\$1.213 billion).

To date, between 2004 and 2007, the UK delivered a total increase of £566 million (\$1.037 billion).

Even though this report remains focused on the UK's commitments to sub-Saharan Africa, it is important to note that these were set within broader global ODA commitments. This year's weak performance in ODA to sub-Saharan Africa, net of bilateral debt relief, reflected similar trends in the UK's global ODA net of bilateral debt relief – which actually declined by £94 million (\$172 million) between 2006 and 2007, from £4.665 billion to £4.571 billion (\$8.549 billion to \$8.377 billion).

FIGURE 1

## WHAT HAVE ODA FLOWS BEEN SINCE 2004?

IN \$ MILLIONS, 2004 PRICES (IN £ MILLIONS, 2004 PRICES)	2004	2005	2006	2007
<b>TOTAL GLOBAL ODA</b>	7905 (4314)	10645 (5809)	11892 (6490)	8437 (4604)
BILATERAL DEBT RELIEF (Global)	782 (427)	3480 (1899)	3344 (1825)	60 (33)
<b>TOTAL GLOBAL ODA (net of bilateral debt relief)</b>	<b>7122 (3887)</b>	<b>7165 (3910)</b>	<b>8549 (4665)</b>	<b>8377 (4571)</b>
<b>TOTAL SSA ODA</b>	3253 (1775)	4841 (2642)	6741 (3679)	3678 (2007)
BILATERAL DEBT RELIEF (SSA)	727 (397)	2142 (1169)	3151 (1720)	40 (22)
MULTILATERAL ODA TO SSA	968 (528)	1116 (609)	1590 (868)	1696 (926)
BILATERAL ODA TO SSA (net of bilateral debt relief)	1558 (850)	1584 (864)	2000 (1091)	1941 (1059)
<b>TOTAL SSA ODA (net of bilateral debt relief)</b>	<b>2526 (1378)</b>	<b>2700 (1473)</b>	<b>3590 (1959)</b>	<b>3637 (1985)</b>

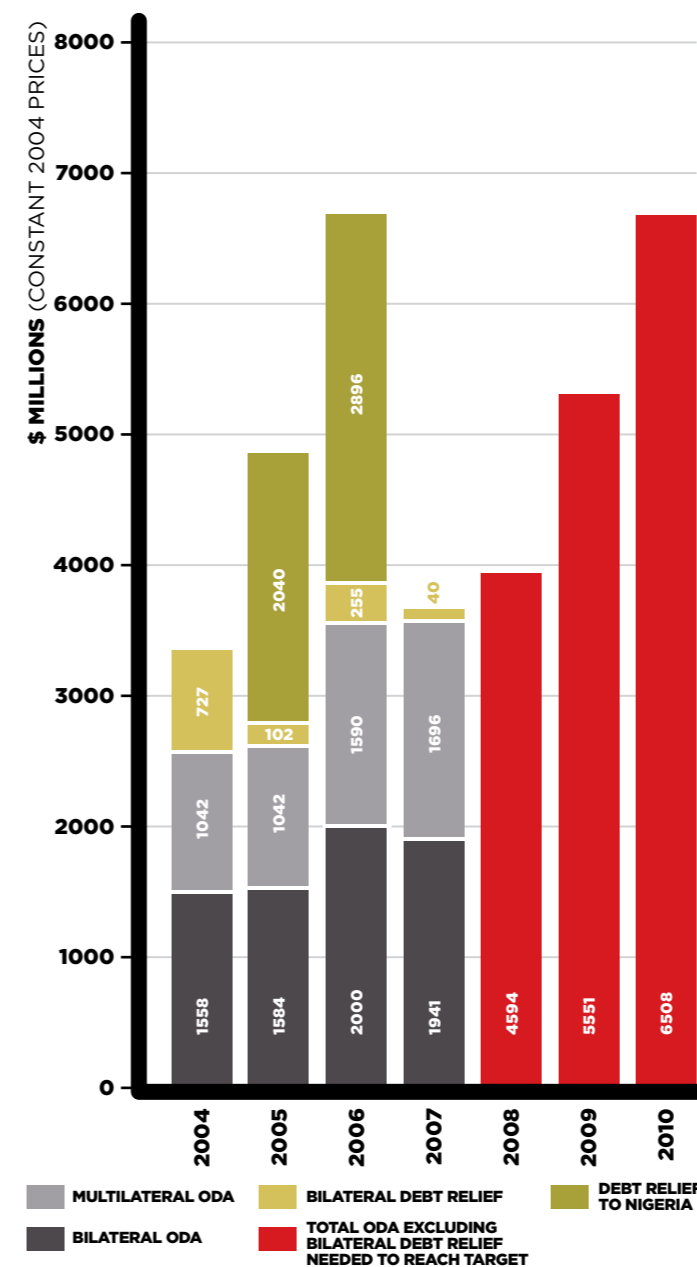
### WHAT PROGRESS DOES THE UK NEED TO MAKE ON AID TARGETS TO AFRICA?

All figures in this section are provided in GBP sterling in 2007 prices and US dollars in 2004 prices for the purposes of comparing these figures with both the current UK budget and with the DAC figures given elsewhere in The DATA Report that are in 2004 prices.

In order to get on track to reach its target of £3.824 billion (\$6.508 billion in 2004 prices) by 2010, the UK would need to increase ODA by £562 million (\$957 million 2004 prices), net of bilateral debt relief, in 2008. This increase would represent an increase of 26% over the 2007 figures.<sup>4</sup>

FIGURE 2

## UK'S ODA TO SUB-SAHARAN AFRICA AND TRAJECTORY TO 2010 TARGET



ESTIMATED INCREASE 2007-08  
**£287m** (\$490m IN 2004 PRICES)

INCREASE NEEDED 2007-08  
**£562m** (\$957m IN 2004 PRICES)

The UK's Comprehensive Spending Review provides firm three-year spending commitments, including spending levels on overall development assistance. An increase of 74% in global ODA, including a 46% increase in the budget of the Department for International Development (DFID), is planned for the four-year period from 2007/08 to 2010/11, although these increases will be back-loaded to the final years. DATA estimates that the UK's global ODA will reach approximately £6.117 billion (\$10.41 billion in 2004 prices) in 2008.<sup>5</sup> Although an estimate of the exact portion that will be allocated to sub-Saharan Africa is not available, DATA estimates, based on an average of allocations since 2004, that the UK's ODA to sub-Saharan Africa will be approximately 39.6% of its total ODA, or £2.425 billion (\$4.127 billion in 2004 prices) in 2008. This is an increase of £287 million (\$490 million in 2004 prices), and less than the necessary increase of £562 million (\$957 million in 2004 prices) required in 2008 to be on DATA's trajectory.<sup>6</sup> Longer-term budgetary commitments show a positive trajectory that will bring the UK very close to meeting its target by 2010.

The figures in the chart on the left are for 2008, 2009 and 2010 are in constant 2004 prices. The equivalent targets for 2008, 2009 and 2010 in 2007 prices are \$5.402 billion, \$6.527 billion and \$7.652 billion respectively.

## IS THE UK DOING ITS PART TO MEET THE G8'S SECTORAL COMMITMENTS?

The UK has been an advocate for development and has prioritised global education in particular. There was a notable increase in DFID's contributions to sub-Saharan Africa through general budget support in 2006.<sup>7</sup> In total, the UK transferred an additional \$368 million directly to sub-Saharan African governments to spend on national priorities and to deliver services to their populations.<sup>8</sup>

Figure 3 details the performance and efforts of the UK in relation to each of the 2005 sectoral commitments that DATA monitors on debt, trade, health, education, water and sanitation, governance and security and innovative finance. This section also discusses recent changes and relevant developments in the UK's ODA as it pertains to these sectors. OECD DAC numbers used in this section are from 2006 data on commitments, the most recent available figures.

## TRACKING THE COMMITMENTS

FIGURE 3

### ON TRACK DEBT

- As of 30 September 2007, the UK made unqualified pledges of \$113.86 million for 2007–08 to compensate IDA for the Multilateral Debt Relief Initiative (MDRI). In addition, the UK made unqualified pledges of \$1.06 billion for 2009–16, and a qualified pledge of \$4.38 billion for 2017–44.
- The UK had pledged \$4.272 billion to IDA15. Beyond the technical compensation for the MDRI, this general contribution to IDA shows the political will to ensure that IDA, which is the biggest contributor to the MDRI, is properly compensated.
- The UK has cancelled 100% of bilateral debts owed by HIPC countries. This includes 100% of its post-cut-off-date commercial debts.

### EDUCATION

- The UK provided \$205 million for primary education to sub-Saharan Africa in 2006. In order to provide its proportionate share of the total needed to fund universal primary education, it would need to maintain this level of assistance in 2008 with no less than \$208 million. The UK has led the way in providing a predictable flow of resources by announcing \$15 billion for universal primary education over the ten years up to 2015. It recently announced a partnership with France to put 16 million children into school in Africa by 2010. The UK will support eight million of these children and intends to spend \$1 billion in support of education in Africa by 2010/11.

- The UK has also launched an educational 'Beyond Borders' initiative that will deliver education in emergency, conflict and post-crisis countries, utilising education experts from UNICEF and Save the Children. As part of the plan, the UK will provide additional support for education in Sierra Leone, Burundi, Somalia, Afghanistan, Nepal, the Democratic Republic of Congo and Liberia.

### NEARLY ON TRACK

#### WATER AND SANITATION

- Compared with other G7 donors, the UK has made the most improvement since 2005 in terms of increasing and prioritising ODA to water and sanitation in sub-Saharan Africa. In 2006, it spent \$219.2 million on water and sanitation in the region, compared with \$122.2 million in 2005. The 2006 total represented 5.1% of its total ODA to the region, compared with only 1.93% in 2005. Despite this progress, the UK is still slightly off track in fulfilling its Gleneagles commitments on water and sanitation. According to the methodology used in The DATA Report, the UK would have needed to spend \$235.7 million on water and sanitation in sub-Saharan Africa in 2006 to fully meet the 5.5% target.

### ON/OFF TRACK CANNOT BE ASSESSED, BUT PROGRESS IS MONITORED IN THE FOLLOWING SECTORS

#### HEALTH

- Total UK health sector spending for sub-Saharan Africa in 2006 was \$587.2 million, an 8.9% decrease from 2005.
- The UK committed to spend a total of approximately \$3 billion on HIV/AIDS between 2005/06 and 2007/08.
- The UK pledged and contributed \$202.5 million to the Global Fund in 2007, in line with its proportionate share of the total based on percentage of G7 GNI, and has pledged \$218.6 million for 2008. The UK pledged \$728.6 million for the period 2008–10 during the last replenishment conference in Berlin.
- The UK has contributed \$712.2 million to GAVI since its inception and allocates approximately 34.1% of its health sector spending to health systems development, compared with the G7 average of 18.7%.
- The UK government is leading the International Health Partnership (IHP), an initiative that recognises and attempts to address systemic challenges in the health sector. The IHP was launched in September 2007 with Germany, Canada, Italy and France, and aims to improve 'the way that international agencies, donors and poor countries work together to develop and implement health plans, creating and improving health services for poor people'.<sup>9</sup>

## GOVERNANCE AND SECURITY

- The UK has both signed and ratified the UN Convention Against Corruption (UNCAC).
- The UK has provided \$2 million to the African Peer Review Mechanism (APRM) Secretariat Trust Fund and \$300,000 to the UN Economic Commission for Africa to support the APRM. It has also provided funds through bilateral programmes to support country review processes in Ghana, Kenya, Rwanda, Mozambique and Uganda.
- The UK is the largest contributor to date to the Extractive Industries Transparency Initiative (EITI), providing almost \$6.5 million –significantly more than its proportionate share of \$710,000.
- The UK is aiming to support the training of at least 17,000 African troops by 2010. Towards this goal, the British government is working specifically in Kenya, Ghana, South Africa and Nigeria.
- The UK is also a major financial contributor to the Kofi Annan International Peacekeeping Training Centre (KAIPTC), providing £2.5 million and senior-level staff. The centre was due to train approximately 1,400 personnel in 2007, rising to 2,500 per year as it reaches its full capacity.
- The UK contributed €67 million (\$85.4 million) in 2004–07 to the African Union Mission to Sudan.
- The UK has made the biggest commitment to the UN Peacebuilding Commission, pledging almost \$59 million from 2006–08, which is larger than its proportionate annual share of \$12.38 million. The UK has so far contributed \$36 million of its \$59 million contribution.

- The UK made a \$70 million contribution to the CERF in 2006, an \$83.8 million contribution in 2007 and an \$80.2 million contribution for 2008. The UK's annual proportionate share for the CERF is \$22.3 million.

## INNOVATIVE FINANCING

- Over a 20-year period from 2006, the UK has pledged to contribute up to £1.38 billion (\$2.5 billion) to the International Financing Facility for Immunisation.
- The UK contributed £14 million (\$25 million) to UNITAID in 2007, and is expected to deliver €30 million (\$44.2 million) in 2008.
- The UK is the second largest contributor to the Advanced Market Commitments programme to accelerate the production of vaccines to combat deadly diseases in poor countries. It has committed a total of £265 million (\$485 million).<sup>10</sup>

## OFF TRACK TRADE

- The UK is represented in the Doha Development Agenda and Economic Partnership Agreement negotiations by the European Union. The EU is a key player in the Doha negotiations and continues to be engaged in trying to reach a deal, but sensitivities in the agricultural sector, combined with market-opening interests in the manufactured goods and services sectors, continue to make it difficult to reach a deal that is truly focused on development.
- The EU is the largest subsidiser of its agricultural sector: in 2006, the OECD estimated that the EU spent approximately \$63 billion on agricultural subsidies.<sup>11</sup> The UK is a net contributor to the CAP of €2.2 billion (\$2.8 billion).<sup>12</sup>
- Towards the end of 2007, the EU initialled interim Economic Partnership Agreements (EPAs) with 18 sub-Saharan African countries, as the original programme that provided special market access expired at the end of 2007.<sup>13</sup> These deals provide duty-free access to the EU market and improved rules of origin in some export sectors, in exchange for sub-Saharan African countries opening their markets to EU products over time. The EU would like to make EPA deals more comprehensive, but many sub-Saharan African countries, as well as the African Union and African civil society, have voiced concerns over this broader approach. Negotiations on what will be contained in 'full EPAs' are supposed to conclude by the end of 2008.

- Least developed countries (LDCs) can also gain duty-free/ quota-free access to the EU market through the Everything but Arms (EBA) programme, which provides nearly 100% access. However, this programme does not cover all sub-Saharan African countries and has been criticised for maintaining complicated rules of origin that make it difficult for poor countries to utilise.
- In 2005, at the WTO Ministerial meeting in Hong Kong, the EU pledged to increase aid for trade to all developing countries by €2 billion (\$2.5 billion) per year by 2010.
- The UK provides the most bilateral aid for trade to Africa of the G7 countries. Its contributions between 2000 and 2006 averaged \$794 million per year.<sup>14</sup> The UK is expected to increase its total global aid for trade by spending approximately £409 million per year by 2010.<sup>15</sup> It is unknown how much of that total will be allocated to sub-Saharan Africa.

## EFFECTIVENESS AND QUALITY OF UK DEVELOPMENT ASSISTANCE

The UK leads all other G7 countries when ranked on a series of ten criteria across four measures of aid effectiveness. However, though the quality of UK assistance is significantly higher than any other G7 donor, it still needs to improve coverage of its reporting on tied/untied aid.

The Declaration agreed at the Paris High Level Forum on Aid Effectiveness in 2005 set out a growing consensus on what is necessary for aid to be most effective. At Gleneagles, the G8 referenced the Declaration in agreeing to 'implement and be monitored on all commitments we made in the Paris Declaration on aid effectiveness'. DATA has chosen four indicators of aid effectiveness to measure country performance: predictability (as measured by the extent to which planned ODA is delivered), transparency and reporting (as measured by the extent to which ODA is reflected in recipient budgets), the use of national systems (as measured by the extent to which ODA uses recipient systems) and the extent to which aid is untied and open to local competitive bidding. These four indicators were selected by DATA because of their importance and because of the availability of data.

In terms of performance on the selected DATA indicators for aid effectiveness, the UK ranks in the top two (and frequently in first place) for all the indicators on transparency and reporting, working with country systems and untying. It is noted, however, that the UK only reports the tying status on 80% of its ODA. In terms of predictability, the UK ranks in third place amongst G7 donors on recipient government surveys of predictability of aid.

## LOOKING AHEAD

There have been a series of significant political changes in the UK since the Gleneagles Summit, including the former Chancellor Gordon Brown taking over as Prime Minister in June 2007. A new International Development Minister, Douglas Alexander, has also been appointed and there is a new Permanent Secretary to the Department for International Development.

The UK has played an important leadership role in pushing more robust international agendas on development, aid and trade, and continued leadership will be required in the year ahead, leveraging a series of important events focused on development. The UK's role in the EU will be essential on reform of the Common Agricultural Policy (CAP), the WTO's Doha Development Agenda and the establishment of Economic Partnership Agreements (EPAs) with sub-Saharan Africa.

Above all, as one of only two G8 countries with clear sums in the pipeline to deliver on promises, and as a leader on the quality of development assistance, the UK has a crucial leadership role to play through the EU and G8 to encourage donors to agree accountable annual timetables for delivering upon commitments with clarity.