UK development assistance in Somalia focuses on improving governance, the business environment, and access to healthcare, as well as providing humanitarian assistance.
THE UNITED KINGDOM
at a glance

ODA funding trends

- The United Kingdom (UK) is the third-largest donor country, spending US$19.4 billion on official development assistance (ODA) in 2018. Net ODA increased by 2% between 2017 and 2018.

- The UK has met the United Nations (UN) target of spending 0.7% of gross national income (GNI) on ODA since 2013. While senior government leadership have reaffirmed their commitment to the target, which is mandated by law, it has grown increasingly controversial within the Conservative Party.

- The Department for International Development (DFID) is the main provider of the UK’s ODA, managing 72% of total spending in 2017, down from 86% in 2014. This is a deliberate strategy of the current government to allocate more ODA through other ministerial and cross-government funds, with DFID’s share expected to decline to 70% by 2020.

Strategic priorities

- The UK’s development strategy, ‘UK aid: tackling global challenges in the national interest’, outlines four priorities: 1) strengthening global security; 2) resilience and response to crisis; 3) promoting global prosperity; and 4) tackling extreme poverty.
The strategy explicitly links “promoting global prosperity” with strengthening UK trade and investment opportunities and promoting global security with strengthening UK security, committing DFID to allocating at least half its budget to fragile states and regions.

The UK government committed in June 2019 to ensuring that all of its development assistance is spent in ways that align with the Paris Climate Agreement, as part of a wider government commitment to ensure that the UK delivers net-zero carbon emissions by 2050.

Outlook

- In 2020, the UK Treasury will conduct a multi-year Comprehensive Spending Review, which will set medium-term spending limits of all government departments for three to five years, starting in 2021. The Spending Review offers an opportunity to shape policy objectives that DFID and other UK ODA-spending departments will commit to delivering with their budgetary allocations.

- Given the UK’s emphasis on greater cross-government allocation of ODA, there may be increasing avenues to shape UK development efforts through engagement with actors outside of DFID, such as the Foreign and Commonwealth Office and the Department of Business, Energy and Industrial Strategy.

- The UK is scheduled to leave the European Union (EU) on March 29, 2019. At present there is a high degree of uncertainty over the exact terms on which the UK will depart the EU.
UK is the 3rd-largest donor country; 0.7% target enshrined in law since 2015

The UK is the third-largest donor country, after the United States and Germany. Total ODA stood at US$19.4 billion in 2018 (current prices), according to preliminary data from the OECD Development Assistance Committee (DAC).

These numbers are based on the new methodology for measuring ODA loans which the OECD DAC will apply to ODA reporting for 2018 onward. Preliminary ODA figures for 2018 using this new methodology were first released in April 2019. This methodology, called ‘grant-equivalent’ methodology, provides a more accurate way to count donor efforts in concessional ODA loans because only the ‘grant’ portion of loans, expressed as a monetary value, is counted as ODA. The UK disburses very small amounts of ODA as loans, making the impact of this reform insignificant for its ODA volume. According to the previous methodology, known as the ‘cash basis’ methodology, net ODA was 0.2% below ODA figures using the new methodology.

To allow for comparison overtime, the OECD still publishes net ODA disbursements according to the cash basis methodology. ODA has gradually increased since 2012 and grew by 2% between 2017 and 2018, driven by the UK’s commitment to spend 0.7% of its GNI on ODA. Most of this increased spending was due to increased funding to the UK’s development finance institution and increased contributions to the World Bank, according to the OECD DAC.

In 2013, the UK became the first G7 country to achieve the UN target of spending 0.7% of its GNI on ODA, and it has maintained this level since then. In 2015, the UK Parliament passed a bill enshrining the target in law under a conservative minority government after all three major parties endorsed it in their manifestos during the previous general election. Future growth of ODA will therefore move in step with economic growth, which is forecasted to be modest in the coming years.

DFID is the main implementing agency for development assistance. According to the UK government’s ‘Statistics on International Development’, DFID managed 72% of the country’s ODA in 2017, down 14% in just three years. This is part of a deliberate strategy under the Conservative Party to allocate increasing shares of ODA through other ministerial departments and cross-government funds. According to the Parliament’s International Development Committee, DFID’s share of ODA spending is expected to further decline to about 70% by 2020. Other parts of the UK government that have emerged as significant channels of ODA are the Department of Business, Energy, & Industrial Strategy; the Foreign and Commonwealth Office; the Conflict, Stability and Security Fund; and the Home Office.

There is growing support within some parts of the Conservative Party for merging DFID with the UK’s Foreign and Commonwealth Office after the UK’s exit from the European Union (‘Brexit’), with full integration both at headquarters and in the field. Supporters argue this would reduce wasteful spending and better align development cooperation within broader foreign policy. Supporters of this approach have pointed to Australia and Canada as potential models for integration, while also noting that the UK itself has housed global development with its foreign ministry before.

Exactly how Brexit will impact UK development cooperation in the long-term is not clear, but the UK government has said that it is open to continuing to partner with the EU on key development matters particularly around humanitarian, security, and migration-related assistance, provided the UK is allowed a measure of oversight. This would likely happen through the UK contributing to EU facilities and trust funds that are already open to contributions from non-EU actors, e.g., the EU’s External Assigned Revenue Facility for humanitarian funding that allows European Free Trade Association countries to contribute.

Exiting the EU would have a direct impact on UK ODA spending; in 2017, 26% of its multilateral ODA went through the EU. The UK government has committed, under the assumption of a smooth and orderly exit, to maintaining its ODA funding to the EU’s European Development Fund (EDF) until 2020, when the EDF’s current funding cycle runs out. These and other rolling commitments mean the UK would continue to spend potentially between £3 billion-£4 billion (US$3.9 billion-US$5 billion) of its ODA through the EU until 2026. Provided the 0.7% target continues to be respected, any ODA funding return to the UK from the EU would be available for spending through other channels.
THE UK’S GROSS/NET ODA DISBURSEMENTS
US$ millions; in 2017 prices

TOP 10 DAC DONOR COUNTRIES, 2018
Total ODA disbursements; US$ billions; in current prices

OECD DAC preliminary data (April 2019).
Further information: 2017 prices

To compare ODA levels in any given year with ODA levels provided in other years, figures need to be adjusted to account for inflation and exchange rate fluctuations. The OECD provides data that accounts for these fluctuations. In this profile, and unless indicated otherwise, figures are stated using 2017 prices.
What are the UK’s priorities for global development?

The UK’s strategy directly links development cooperation with promoting national economic interests

The UK development strategy (‘UK aid: tackling global challenges in the national interest’), released in 2015 under a conservative minority government, highlights four strategic objectives for the UK’s development assistance:

1) strengthening global peace, security, and governance;
2) strengthening resilience and response to crisis;
3) promoting global prosperity; and
4) tackling extreme poverty (see more details in the box).

The strategy explicitly links promoting economic development and reducing poverty in partner countries with strengthening UK trade and investment opportunities.

The strategy also commits the Department for International Development (DFID) to spend at least half of its budget on fragile states and regions. The commitment will not likely result in a major shift in funding, however, given that DFID was already achieving the target before the 2015 strategy (according to the independent organization Development Initiatives).

The priorities laid out in the 2015 strategy still form the basis of DFID’s Single Departmental Plan, last updated in May 2018, which reports performance against the priorities as well as ‘value for money’. Single Departmental Plans were introduced in 2015 and are long-term plans that are intended to provide a comprehensive, costed business plan, bringing together a department’s activities and spending in a multi-year plan. They are refreshed annually.

Within the UK Aid Strategy, DFID focuses on the following priorities: 1) humanitarian assistance; 2) global health partnerships; 3) developing economies and human capital; 4) security, rule of law, human rights, and tackling crime and corruption; and 5) connecting partner countries with expertise and knowledge from UK entities. Under Mordaunt, issues related to disabilities have also taken center stage, owing to her interest in disability rights and inclusivity. This has included hosting a global summit on addressing discrimination based on disability in July 2018 and DFID’s first-ever Disability Inclusion Strategy.

The UK is a strong supporter of multilateral initiatives, particularly to health. It is the largest donor to Gavi, the Vaccine Alliance, and has announced it will host the replenishment pledging conference in 2020; the largest donor to the Global Partnership for Education; the third-largest donor to the Global Fund to Fight AIDS, Tuberculosis and Malaria; and among the largest funders of the Global Financing Facility.

Three review documents play a key role in shaping the UK’s bilateral and multilateral approaches to development funding. First, the Bilateral Development Review (BDR), published in December 2016, assesses the composition of DFID’s bilateral portfolio, geographic priorities, and delivery channels. The BDR highlights several priority areas, including global health, security, climate, disability inclusion, and migration.

Second, the Multilateral Development Review (MDR), published jointly with the BDR, assesses the effectiveness of multilateral organizations and their approach to ‘value for money’. The MDR introduces performance agreements, which restrict the disbursement of funds if agencies do not meet pre-agreed performance targets. DFID plans to link 30% of its multilateral funding to UN development and humanitarian organizations that have

The UK’s strategic priorities for development (as outlined in 2015 development strategy):

- **Strengthening global peace, security, and governance**: At least 50% of DFID’s annual budget will be spent in fragile states and regions; a Conflict Stability and Security Fund established.

- **Strengthening resilience and response to crisis**: £500 million (US$644 million in 2017 prices) ODA crisis reserve established to enable rapid response to emergencies.

- **Promoting global prosperity**: Prosperity Fund set up (£1.2 billion until 2023) to promote economic reforms and improve business climate in developing countries, in response to DFID Economic Development Strategy goal of a stronger role for UK development finance institution CDC Group, specialized in the private sector.

- **Tackling extreme poverty**: Focus on eliminating extreme poverty by 2030, supporting the world’s most vulnerable people, and improving access to basic needs; particular focus on rights of girls and women.
demonstrated improved results. The MDR also points to the need for multilateral organizations to better coordinate their work to reduce duplication and competition, as well as to be more open about their management and budgets to improve transparency and accountability.

The Civil Society Partnership Review, the third key review, released in November 2016, assesses the role, funding options, and effectiveness of civil society organizations (CSOs) in the UK. The review outlines four new mechanisms for CSO funding, and a move away from unrestricted core funding to a more competitive and results-focused funding model, with an expanded network of CSO partners.

DFID spells out its private-sector approach through its Economic Development Strategy, released in early 2017. The strategy outlines five priority sectors for DFID’s work in this area: 1) infrastructure, energy, and urban development; 2) agriculture; 3) exports, manufacturing, and services; 4) extractive industries; and 5) economic inclusion. The strategy also outlines a stronger role for the UK’s development finance institution, the CDC Group, within the UK’s development programs. In line with that strategy, DFID announced in October 2017 that it would channel up to £703 million per year (US$905 million in current prices) for five years through CDC. The move followed the passage of legislation in February 2017 that quadrupled the total funding the CDC Group can receive from the UK government from £1.5 billion to £6 billion (US$7.7 billion).
UK’s mix of bilateral and multilateral spending is stable and aligns with DAC averages

The UK has long maintained a relatively stable ODA portfolio in terms of its ratio of bilateral to multilateral spending, and this trend has continued in the years since it first reached the 0.7% ODA/GNI target. In 2017, 37% of the UK’s ODA was core funding to multilaterals, not far from the 40% average among countries in the OECD’s Development Assistance Committee (DAC). Bilateral ODA and bilateral ODA channeled through multilaterals (‘earmarked funding to multilaterals’) were also in line with DAC averages, at 44% and 19% respectively. Owing to the UK’s commitment to the 0.7% ODA/GNI target, bilateral and multilateral ODA have steadily increased in absolute terms in line with economic growth but stayed largely stable as a proportion of overall funding for global development.

According to OECD data, CSOs implemented 20% of the UK’s bilateral programs in 2017, above the 17% average among countries in the OECD’s Development Assistance Committee (DAC).

Bilateral funding centered on humanitarian assistance and global health

Reflecting its strategic priorities (see ‘Key Question 2: What are the UK’s priorities for global development?’), the UK focuses much of its bilateral ODA on humanitarian assistance and global health, as well as security and governance.

Humanitarian assistance surpassed global health as the UK’s largest sector of bilateral support in 2015, the first year of a new ODA strategy that emphasizes security and fragile states/regions, but the sector was already growing rapidly. In 2017 the UK spent US$1.8 million on humanitarian assistance, 16% of overall bilateral ODA and up 6% from 2016. The related sector of Conflict, Peace, and Security has also seen rapid growth in recent years, more than doubling since 2014 to US$585 million in 2017.

The second-largest sector of bilateral funding in 2017 was global health, accounting for 15% or US$1.7 billion. This total represented growth of 24% over 2016. Other large sectors of bilateral ODA in 2017 were Government and Civil Society (US$926 million or 8%) and education (US$916 million or 8%), though education funding fell 28% from 2016, a year marked by several unusually large disbursements (e.g., to the Global Partnership for Education and the Girls’ Education Challenge) that may prove to be an outlier. Much of the increased spending on strengthening governance and civil society, as well as addressing conflict, peace, and security, was channeled through the Foreign and Commonwealth Office.

The UK prefers grants to loans for its bilateral ODA. In 2017, almost all (99.7%) of the UK’s bilateral ODA went as grants, in line with recent years.

Bilateral ODA focuses on poorest countries and sub-Saharan Africa

The UK currently allocates the largest share of its bilateral ODA to sub-Saharan Africa (on average 30% between 2015 and 2017), which is well above the average among DAC members (21% in 2017). Asia received the second-largest share (16%), slightly above the 2017 DAC average of 14%.

Overall, the UK’s bilateral ODA focuses on low-income countries (LICs). The largest share of bilateral ODA (33%) between 2015 and 2017 went to LICs, well above the DAC average of 24% in 2017. The UK’s development strategy, ‘UK aid: tackling global challenges in the national interest’, published in 2015, commits DFID to allocating at least half of its annual budget to fragile states and regions. However, the independent organization Development Initiatives suggests that this target may not result in a major shift in funding, given that DFID was already achieving the target before the new development strategy.

The top recipients are Pakistan (US$543 million on average per year between 2015 and 2017), Ethiopia (US$439), Syria (US$407 million), Nigeria (US$398 million), and Afghanistan (US$346 million).

For a deeper understanding of funding at the recipient level, please consult data from the International Aid Transparency Initiative (IATI). IATI is a reporting standard and platform on which organizations and governments voluntarily publish data on their development cooperation, including more recent activity than is available through OECD data.

Data can be searched by recipient country, the ‘publisher’ (including funders that do not report to the OECD), and other filters. Click here for more information on IATI’s data. Click here to go directly to IATI’s ‘d-portal’, a user-friendly interface for data searches.
The UK is the largest donor to multilaterals; funding is determined by ‘value-for-money’ assessments

According to OECD data, the UK was the largest provider of core contributions to multilateral organizations in 2017. Core funding to multilateral organizations amounted to US$6.8 billion that year, corresponding to 37% of the UK’s total ODA.

The largest recipients of this funding in 2017 were the World Bank (US$1.8 billion or 26%), the European Union institutions (US$1.7 billion or 26%), the International Monetary Fund (US$1.3 billion or 14%), and a host of multilaterals that includes Gavi, the Vaccine Alliance (US$258 million) and smaller multilaterals focused on immunization and drug purchasing; the Global Fund to Fight Aids, Tuberculosis and Malaria (US$408 million); and the Green Climate Fund (US$158 million). Overall funding for multilaterals was up 6% over 2016, with most of this increased spending going to the International Monetary Fund’s Poverty Reduction and Growth Trust (+US$348 million) and the World Bank.

The UK uses the Multilateral Development Review (MDR; see ‘Key Question 2: What are the UK’s priorities for global development?’) as an instrument to assess the effectiveness of multilateral organizations and their approach to ‘value for money’.

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**THE UK’S BILATERAL AND MULTILATERAL ODA**

**US$ millions**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Bilateral ODA</th>
<th>Earmarked funding to multilaterals</th>
<th>Core contributions to multilaterals</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>16,391</td>
<td>4,000</td>
<td>4,500</td>
<td>7,891</td>
</tr>
<tr>
<td>2016</td>
<td>17,726</td>
<td>4,500</td>
<td>4,600</td>
<td>8,626</td>
</tr>
<tr>
<td>2017</td>
<td>18,239</td>
<td>4,400</td>
<td>4,600</td>
<td>9,239</td>
</tr>
</tbody>
</table>

OECD DAC 1 table. Gross disbursements; in 2017 prices.
THE UK’S BILATERAL ODA BY SECTOR, 2017
Total: US$11,461 million

- Humanitarian aid: 15.8% (US$1,813m.)
- Health & Population: 15.0% (US$1,719m.)
- Multisector: 8.6% (US$1,012m.)
- Education: 8.0% (US$916m.)
- Government & Civil Society: 8.1% (US$908m.)
- Donor Admin Costs: 6.1% (US$609m.)
- Conflict, Peace & Security: 5.1% (US$566m.)
- Financial Services & Business Support: 4.9% (US$507m.)
- Refugees in Donor Countries: 4.2% (US$469m.)
- Agriculture*: 4.9% (US$560m.)
- Other: 19.0% (US$2,182m.)

OECD CRS. Gross disbursements. *Includes agriculture, forestry, fishing, and rural development. In 2017 prices.

THE TOP 10 RECIPIENTS OF THE UK’S ODA
average 2015-2017, excluding debt relief; US$ millions.

- Pakistan: 543
- Ethiopia: 439
- Syrian Arab Republic: 437
- Nigeria: 384
- Afghanistan: 346
- Tanzania: 245
- Somalia: 242
- South Sudan: 238
- Sierra Leone: 224
- Bangladesh: 221

OECD CRS. Gross disbursements; in 2017 prices.
THE UK’S BILATERAL ODA BY INCOME-GROUP, 2015-2017

average 2015-2017: US$11.1 billion

- Unallocated by income: 42.8% (US$47.5bn.)
- Lower middle-income countries: 16.3% (US$180bn.)
- Upper middle-income countries: 8.2% (US$90bn.)
- Low-income countries: 32.7% (US$380bn.)

OECD CRS: Gross disbursements, in 2017 prices.
KEY QUESTIONS

the big six

Who are the main actors in the UK’s development cooperation?

DFID leads on strategy setting and funding decisions for the UK’s development policy

The UK currently has a minority government headed by the Conservative Party unand supported by the Democratic Unionist Party (DUP) of Northern Ireland. The UK prime minister can exercise significant influence over development policy, for example through funding commitments for international initiatives, though the degree of involvement varies in practice.

The Department for International Development (DFID) leads on strategy setting and funding decisions for the UK’s development policy. DFID has been headed by the Secretary of State for International Development, Penny Mordaunt, since November 2017. DFID’s Executive Management Committee, chaired by the Permanent Secretary for International Development, Matthew Rycroft, since January 2018, oversees implementation and is accountable for ensuring that DFID divisions deliver results consistent with ministerial priorities. DFID has about 2,700 employees and implements programs in 28 priority countries through various regional programs (for more details, see question three: ‘How does the UK spend its ODA?’).

Cross-government oversight: While DFID is responsible for how it spends ODA, the UK has several cross-government groups that exercise oversight. The Cross-Ministerial Group, co-chaired by the Chief Secretary to the Treasury and the Secretary of State for International Development, scrutinizes ODA spending from a ‘value-for-money’ standpoint across all government departments. The Senior Officials Group on ODA, a director-level group co-chaired by the UK Treasury and DFID, monitors spending relative to the 0.7% ODA/GNI target and promote collaboration across government to help ensure it is reached. The last group, announced in March 2018, is a Ministerial Committee overseeing governance of cross-government spending and is chaired by the Minister for the Cabinet Office.

Other government departments: Recent conservative governments have prioritized allocating more ODA through other ministerial departments and cross-government funds, which has resulted in DFID’s controlling 72% of ODA in 2017, down from 86% in 2014. This elevates the importance of actors outside of DFID, particularly the Department of Business, Energy & Industrial Strategy, which largely funds climate-related projects; the Foreign and Commonwealth Office, which focuses on strengthening global peace, security, governance, and prosperity in support of the ‘UK Aid Strategy’ in 2017; and the Conflict, Stability and Security Fund, which funds action on (‘Key Question 5: ‘How is the UK ODA budget structured?’).

Parliament: The UK Parliament is composed of the House of Commons and the House of Lords. Within the House of Commons, ‘select committees’ review the work of ministerial departments. The International Development Committee scrutinizes DFID’s policies and spending and monitors organizations that receive DFID funding. In recent years the International Development Committee has called upon DFID to take more active oversight over ODA spent by other departments and warned against its economic development strategy focusing too closely on national interests, among other issues. Reporting to the International Development Committee but sitting outside of government is the Independent Commission for Aid Impact, which produces in-depth reviews of the UK’s development governance, policy, and financing.

In addition to select committees, All-Party Parliamentary Groups (APPGs) are influential in policymaking, bringing together members of Parliament, the private sector, and civil society organizations (CSOs) on key policy issues, including on international development (e.g., the APPG on the UN Global Goals for Sustainable Development, the APPG on Global Education, the APPG on Global Health, the APPG on Malaria and Neglected Tropical Diseases, and the APPG on Agriculture and Food for Development).

Civil society: CSOs in the UK play a strong role in implementing development funding and shaping the agenda. They frequently engage with the government through formal and informal consultation processes. Bond, the UK’s membership body for development CSOs, has more than 400 and has been key in maintaining the UK’s strong commitment to development. DFID provides funding to CSOs, both through its country offices and as direct funding through DFID headquarters.

Academia, think tanks, and the media: Academic institutions (e.g., the London School of Economics, Sussex University’s Institute of Development Studies, and Bir-
Programming of DFID’s bilateral funding is highly decentralized

Programming of DFID’s bilateral funding is largely decentralized, as DFID’s country offices mostly manage program development. Programming is based on the Treasury’s Comprehensive Spending Review (CSR), which sets DFID’s budget normally for three to five years. Based on the CSR, DFID sets out high-level priorities in its multi-year Business Plan.

Reflecting the Business Plan’s priorities, DFID’s country offices develop Operational Plans (OPs), which guide DFID’s bilateral cooperation within the partner country. An OP includes indicative multi-year budgets for ‘strategic pillars’ (e.g., health), including ‘results targets’ to be achieved by the end of the OP period. Once the OP is finalized, country offices will still have an opportunity to make adjustments during the annual budget process, based on the overall multi-year budget framework set by the CSR and DFID’s Business Plan. In addition, DFID headquarters originates and manages programs that go beyond the scope of a single country, such as specific thematic and regional initiatives.
How is the UK’s ODA budget structured?

DFID manages 72% of the UK’s ODA; this share is expected to decline to 70% by 2020

The Department for International Development (DFID) is the primary funder of the UK’s ODA. According to the UK government document ‘Statistics on International Development’, DFID contributions accounted for 72% of ODA in 2016. Most of the remaining 28% is managed by other government departments, including the Department of Business, Energy, & Industrial Strategy (5.4%); the Foreign and Commonwealth Office (4.5%); the Conflict, Stability and Security Fund (3.9%); and the Home Office (2.4%).

The remaining ODA is not attributed to a particular department or ministry. In 2017 this included the UK’s contributions to the International Monetary Fund’s Poverty Reduction and Growth Trust (5.2%) and European Union contributions to global development funding (3.2%). According to the UK Parliament’s International Development Committee, the UK government expects DFID’s share of ODA to further decline to about 70% by 2020.

DFID plans to spend £10.4 billion (US$13.4 billion) through its various programs in fiscal year (FY) 2018-19 (see table below, based on data from ‘DFID’s Annual Reports and Accounts 2017-18’). It is important to note that the spending plan is indicative. This means that DFID has the authority to make changes to its allocations and distribute funds to different programs and divisions throughout the year.

<table>
<thead>
<tr>
<th>DFID programs’ spending plans for FY2018-19, in millions</th>
<th>£</th>
<th>US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional Programs</td>
<td>3,964</td>
<td>5,104</td>
</tr>
<tr>
<td>East and Central Africa Division</td>
<td>1,341</td>
<td>1,727</td>
</tr>
<tr>
<td>Asia, Caribbean and Overseas Territories Division</td>
<td>1,148</td>
<td>1,478</td>
</tr>
<tr>
<td>West and Southern Africa Division</td>
<td>787</td>
<td>1,013</td>
</tr>
<tr>
<td>Middle East and North Africa Division</td>
<td>688</td>
<td>886</td>
</tr>
<tr>
<td>Policy, Priorities, International Organisations and Humanitarian</td>
<td>6,072</td>
<td>7,819</td>
</tr>
<tr>
<td>Research and Evidence Division</td>
<td>426</td>
<td>549</td>
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<tr>
<td>Economic Development Division</td>
<td>2,147</td>
<td>2,765</td>
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<tr>
<td>International Relations Division</td>
<td>1,722</td>
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<td>Policy Division</td>
<td>1,421</td>
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<tr>
<td>Conflict, Humanitarian, Security and Stabilization Division</td>
<td>356</td>
<td>458</td>
</tr>
<tr>
<td>Conflict, Stability and Security Fund</td>
<td>104</td>
<td>134</td>
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<tr>
<td>Non-Departmental Public Bodies</td>
<td>72</td>
<td>35</td>
</tr>
<tr>
<td>Other Central Programs</td>
<td>10</td>
<td>93</td>
</tr>
<tr>
<td>Crisis Reserve (central reserve)</td>
<td>200</td>
<td>258</td>
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<tr>
<td>Total DFID (not including cross-government funds)</td>
<td>10,439</td>
<td>13,442</td>
</tr>
</tbody>
</table>

Source: DFID Annual Report and Accounts 2017-18
What are important milestones in the UK’s annual budget process?

Annual budgets run from April to March; final annual spending is determined in autumn

The UK’s budget process is different to that of many other donor countries, as government departments determine annual spending for budget lines based on a multi-year budget process.

The budget process usually begins with the Comprehensive Spending Review (CSR), which sets expenditure limits for government departments for the following three to five years and is led by the UK Treasury. The CSR development process is thus an important opportunity to shape the UK’s overall long-term funding levels for development. The next CSR will take place in 2019. The last CSR coincided with the creation of the UK’s current global-development strategy and contained explicit targets drawn from the strategy that the Department for International Development and other parts of the UK government committed to delivering within the CSR period. It is unclear whether DFID and Treasury are preparing a new strategy or not for the forthcoming Spending Review.

The UK’s financial year runs from April to March:

• **Chancellor presents annual budget to Parliament:** Usually in March, the Chancellor of the Exchequer (Chancellor) presents the budget speech to Parliament, detailing spending limits for each ministerial department. After the budget speech, members of Parliament debate, for four consecutive days, different policy areas such as health, education, or defense. These debates are known as the ‘Budget Resolutions’.

• **DFID adjusts budget based on budget speech:** Following the Chancellor’s budget speech, the Department for International Development (DFID) begins annual resource allocation rounds (RAR) to adjust allocations of its annual budget to align with the budget ceiling set by the Chancellor. DFID can also reallocate funding at this point to adapt to changing demands and to the speed with which different projects are implemented. RARs are conducted again at the end of the year following the Chancellor’s Autumn Statement (see below). Even after the RAR, the budget can be adjusted throughout the fiscal year as divisions respond to new priorities or unexpected delays in program delivery.

• **Parliament debates and adopts the annual budget:** Between May and June, members of Parliament debate the budget resolutions and scrutinize the budget. However, Parliament does not amend any allocations within DFID’s budget, as it is not subject to parliamentary approval. The parliamentary International Development Select Committee debates and scrutinizes UK development policy, which can influence DFID policy and funding decisions, even if the committee has no power to decide on allocations.

• **Chancellor makes Autumn Statement:** The Chancellor’s Autumn Statement in November provides an update on funds available for ministerial departments. DFID makes final adjustments to its annual budget for the current fiscal year based on the Autumn Statement.
November
Chancellor makes Autumn Statement; DFID adjusts final budget

March
Chancellor presents annual budget to Parliament

March - April
DFID adjusts budget in RAR based on budget speech

May - June
Parliament debates and adopts the annual budget
The UK’s global health ODA

The UK is the 2nd-largest donor country to global health; it has strong support for multilateral instruments

According to data from the Organisation for Economic Co-operation and Development (OECD), the United Kingdom (UK) is the second-largest government donor to global health, after the United States, spending US$2.4 billion on health official development assistance (ODA) in 2016. This corresponds to 13% of the UK’s total ODA in 2016, which was much higher than the average spent on health ODA by all OECD Development Assistance Committee (DAC) member countries (8%). The UK’s global health ODA has declined steadily since 2013, when it stood at US$3.4 billion.

The UK provided 41% of its health ODA in 2016 (US$999 million in 2016 prices) in the form of core contributions to multilateral organizations. Key recipients of the UK’s multilateral health ODA in 2016 were Gavi, the Vaccine Alliance (Gavi), the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund); the World Bank’s International Development Association (IDA); the EU Institutions, and the International Finance Facility for Immunization (IFFIm; see figure).

The UK has made substantial funding commitments to a range of multilateral health initiatives. The UK is the largest donor to Gavi, with total commitments of US$6.4 billion (for 2000 to 2029, according to Gavi data as of September 2017), of which US$2.8 billion will go to the IFFIm. The UK’s total contributions for the current funding period (2016 to 2020) amount to US$2.3 billion (in prices at the time of Gavi’s replenishment conference in January 2015).

The UK is the third-largest donor to the Global Fund and has pledged £1.1 billion (US$1.5 billion) for the 2017-2019 funding period. About £90 million (US$122 million) of this pledge is contingent on successful implementation of a ten-point performance agreement that was announced in September 2016. Another £200 million (US$270 million) of the 2017 to 2019 contribution is set aside to double private-sector contributions for tackling malaria, with the UK paying £2 for every £1 contributed to the Global Fund by the private sector.

The UK is the second-largest public donor to the Global Polio Eradication Initiative (GPEI). It pledged £300 million (US$405 million) for 2013 to 2018 at the Vaccine Summit in Abu Dhabi in 2013 but announced in August 2017 an increase to £400 million (US$540 million) and an extension of the contribution to 2020.

At the 2017 London Summit on Family Planning, the UK announced a £45 million (US$61 million) increase of its yearly commitments for women and girls’ access to modern family planning methods, bringing its contributions to an average £225 million (US$304 million) per year from 2017 to 2022, a total of £1.1 billion over five years (US$1.5 billion). At the same summit, the UK announced its first-ever contribution to the Global Financing Facility’s ‘Ever Woman Every Child’ initiative in the amount of £30 million (US$41 million).

According to OECD data, US$1.4 billion of the UK’s health ODA in 2016 was allocated as bilateral funding (59% of its global health ODA). Bilateral investments focused on reproductive health care (22% of bilateral health ODA), basic health care (14%), medical research (11%), basic nutrition (11%), infectious disease control (11%), health policy and administrative management (10%), and malaria control (9%). The UK is one of the only donor countries for which medical research is a top sub-sector of health investment.

The UK is also an international leader on global health research and development (R&D). It has established a new fund, ‘The Ross Fund’, with capital of £1 billion, or US$1.4 billion for the financial years 2016 to 2020. The fund will be managed jointly by the Department of Health and DFID. The Ross Fund is a way to group the UK Government portfolio of investments to support development, testing, and delivery of new health products related to 1) antimicrobial resistance, including malaria and tuberculosis, 2) neglected tropical diseases, and 3) dis-
cases with epidemic potential, such as Ebola.

**DFID leads on global health policy development**

Working with the UK Department of Health and other government departments, DFID leads on the development of UK global health policy and strategy and is responsible for administering most health ODA funds.

Within DFID headquarters, two units are mainly responsible for global health policy and funding. The Global Funds Department manages the UK’s contribution to multilateral health funds and its partnerships with these funds. The Policy Division supports new policy development and provides technical support to country programs. Overall, programming of bilateral health programs is highly decentralized, as DFID country offices lead on designing and managing global health programs within the partner countries.

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**THE UK’S ODA TO HEALTH**

US$ millions

![Bar chart showing the distribution of ODA to health from 2014 to 2016.](chart)

**RECIPIENTS OF THE UK’S HEALTH ODA, 2016**

Total: US$2359 million

![Pie chart showing the distribution of health ODA by recipient.](chart)
THE UK’S KEY GLOBAL HEALTH COMMITMENTS
US$ millions

Gavi (2016-2020) US$2.100m.
IFFIm (2007-2029) US$3.260m.

TOP 10 DAC DONORS TO HEALTH, 2016
Total health ODA; US$ millions; in 2017 prices; incl. bilateral and multilateral funding

United States 10.048
United Kingdom 2.359
Germany 1.184
France 971
Japan 871
Canada 790
Netherlands 969
Norway 568
Sweden 530
Australia 372

OECD CRS and imputed multilateral contributions to the health sector (DAC Secretariiate estimates)
TOP 10 DAC DONORS TO HEALTH, 2016
Health ODA as % of total ODA

United States: 28.1
Canada: 19.2
Luxembourg: 15.6
United Kingdom: 13.3
Ireland: 13.2
Norway: 12.3
Netherlands: 11.1
Australia: 10.6
Korea: 10.4
Sweden: 10.3

OECD CRS and imputed multilateral contributions to the health sector (DAC Secretary estimates)
The UK's global health R&D

In 2016, the United Kingdom (UK) provided US$101 million for product development for poverty-related and neglected diseases (PRNDs), referred to as ‘global health research and development (R&D)’ in this profile. These figures are based on the G-FINDER survey conducted by Policy Cures Research. This makes the UK the second-largest public funder of global health R&D after the United States (US), up from third-largest in 2015, when the UK followed the US and the European Union. Funding levels are higher than 2015 but lower compared to previous years.

According to G-FINDER data, the focus of UK global health R&D spending in 2016 was on malaria (US$23 million, or 23%), tuberculosis (US$19 million; 19%), and HIV/AIDS (US$11 million, or 11%). However, the largest portion of funding went to organizations that engage in R&D for multiple diseases (US$27 million, or 27%).

The UK regards product development partnerships (PDPs) as one of the most important instruments to advance global health R&D. Accordingly, half of the UK’s global health R&D funding in 2016 went to PDPs (US$51 million; 50%). Academic and other research institutions received a combined 27% (US$27 million).

The UK does not have a single strategy for global health R&D. Instead, responsibilities for global health R&D and related areas such as disease surveillance and epidemic response are dispersed across various government agencies and research institutions, with each setting its own priorities. The most important institutions for global health R&D are the Department for International Development (DFID), the Department of Health (DOH), and the Medical Research Council (MRC), which was brought under the umbrella group Research Councills UK (RCUK) in April 2018. The goal of RCUK is to enhance collaboration among the seven UK research councils. There are ongoing discussions among the different institutions about a joint governance mechanism to coordinate strategy on global health R&D specifically, or on ODA-funded research more broadly.

In 2016, DFID managed 55% of spending on global health R&D (US$56 million, according to G-FINDER data), focusing on PDPs and delivery-related research. The MRC manages the second-largest portion of R&D funding (US$42 million; 42%), focusing primarily on basic and early clinical research. Other funds that are central to the UK’s global health R&D activities from 2016 to 2020 include the Ross Fund and Global Challenges Research Fund.

The Ross Fund (£1 billion for fiscal years 2016 to 2020, or US$1.4 billion in 2016 prices) is a government portfolio of investments to support development, testing, and delivery of new health products related to antimicrobial resistance (AMR), including malaria and tuberculosis, neglected tropical diseases, and diseases with epidemic potential, such as Ebola. The Ross Fund portfolio is managed by two departments (DFID and DOH), rather than as a true cross-government fund. The Ross Fund portfolio includes the Fleming Fund (£195 million in planned spending, or US$263 million in 2016 prices), which was announced in March 2015. It seeks to strengthen surveillance on drug resistance and laboratory capacity in developing countries. The Ross Fund also comprises the new Global AMR Innovation Fund to encourage investments from government and the private sector into AMR-related research. The UK ‘aid strategy’ (‘UK aid: tackling global challenges in the national interest’) committed an additional £70 million (US$95 million in 2016 prices) to the Fleming Fund and an extra £40 million (US$54 million in 2016 prices) to the new Global AMR Innovation Fund. Moreover, the Ross Fund portfolio includes £110 million (US$149 million in planned spending in 2016 prices) for the UK Vaccines Research and Development Network, to bring together expertise from industry, academic, and philanthropic organizations to develop and test new vaccines for diseases of epidemic potential.

Another key funding instrument is the Global Challenges Research Fund (£1.5 billion for FY2016-17 to FY2020-21, or US$2 billion) which supports cutting-edge research on challenges related to emerging vital threats in developing countries. This is not limited to global health R&D, but covers a wide range of other development objectives, and is administered through delivery partners that include the Research Council in the UK and national academies.
DFID’s Research and Evidence Division leads on global health R&D policy

DFID’s Research and Evidence Division manages the global health research portfolio, overseen by DFID’s Chief Scientific Adviser and Director of Research. The Research and Evidence Division has an operational plan that sets out its vision and strategic priorities for a five-year period. The current plan runs from 2011 to 2016 and a new one is currently in development (as of February 2018).

Based on the operational plan, the Research and Evidence Division develops business cases for investments and commitments to specific research programs that are approved by DFID leadership. In addition, the MRC, a publicly-funded organization to support research across areas within medical science, has a governing body (the Council) that decides on strategic and financial issues. The MRC receives internal advice from its Strategy Board and the Global Health Group, which includes DFID’s Chief Scientific Advisor. The Global Health Group is responsible for ensuring that the MRC provides an effective health R&D strategy that takes into account research that is relevant to resource-poor settings.

Further information: G-FINDER

G-FINDER is a data source developed by Policy Cures Research that provides information on global investments into R&D for neglected diseases. Figures in this section are based on the G-FINDER survey, which covers basic research and product-related R&D (drugs, vaccines, and diagnostics) for a select group of diseases. The G-FINDER scope has been defined by an expert committee, in line with three criteria: the disease disproportionately affects people in developing countries, there is a need for new products, and the commercial incentives are insufficient to attract R&D from private industry.

For more information see: www.policycuresresearch.org.
The UK is among largest donors to education; focus is on teacher training, accountability, and marginalized populations

The United Kingdom (UK) is the third-largest donor country to education, after Germany and the United States (US). The UK spent US$1.6 billion on education official development assistance (ODA) in 2016, according to data from the Organisation for Economic Co-operation and Development (OECD). 2016 marked a significant increase in education ODA – 32% higher than 2015 – and a peak in funding after several years of decline.

To get a full picture of a donor’s flows of education assistance, it is important to exclude scholarships and other costs of students from developing countries studying in donor countries; some of these costs are reportable as ODA but do not constitute transnational financial flows. If we exclude these costs, the UK is the second-largest donor country to education, after the US, because Germany spends about half of its education ODA on students from developing countries studying in Germany. Nonetheless, education is not a top priority of the UK’s development funding portfolio; according to OECD data, in 2016, it spent 9% of its total ODA on education, ranking only 11th among OECD donor countries (OECD donor country average: 8%).

The UK’s development strategy (‘UK aid: tackling global challenges in the national interest’), published in 2015, outlines four strategic objectives for UK development assistance. Under the objective “Tackling extreme poverty and helping the world’s most vulnerable”, education is listed as one of seven key areas that support poverty alleviation. Specifically, the UK pledges to “help at least 11 million children in the poorest countries gain a decent education and promote girls’ education”.

Within education, girls’ education is a priority for the UK. In 2012, the UK launched the ‘Girls’ Education Challenge’ (GEC), which aims to help up to a million girls access quality education. The UK has so far provided £347 million (US$469 million) through the program (as of December 2017), making it the largest-ever fund devoted entirely to girls’ education. The UK announced in April 2018 £212 million (US$286 million) for the second phase of the program, which will focus on adolescent girls in Commonwealth countries. The focus on girls’ education continues to align with the UK’s education strategy, which was updated in January 2018 and is detailed below.

Three-quarters of funding has gone to primary education, with the rest going to secondary education and basic literacy and numeracy, according to the Department for International Development’s (DFID) DevTracker.

The UK’s total education ODA declined from US$1.7 billion in 2013 to US$1.2 billion in 2015. However, funding picked up again in 2016: education ODA grew 32% between 2015 and 2016, to reach US$1.6 billion. The spike is attributable to an increase in bilateral funding for education, driven by a number of unusually large disbursements, including US$143 million as earmarked funding to the Global Partnership for Education (GPE) for the 2015 to 2018 period (reported as bilateral ODA), US$114 million to GEC, and US$110 million for education at a refugee facility in Turkey.

The UK provides the majority of its education ODA as bilateral funding: 81%, or US$1.3 billion, in 2016. The largest share goes to ‘basic education’, which accounted for 47% of UK’s bilateral education ODA in 2016 (see figure below), a sharp increase from 2015, when it represented 32% of bilateral education funding. Nearly all support for basic education funds primary education. The next biggest funding area is ‘general education’, which largely supports efforts to strengthen partner countries’ education policy and administration but also includes teacher training and educational research (31% of the UK’s bilateral education ODA, but sharply down from 52% in 2013). Funding for secondary education (7% of bilateral education ODA) and vocational training (3%) remains relatively small but at historically high levels for the UK.

Further information: ‘basic’ and ‘general’ education

In this profile, ‘basic education’ refers to the OECD Creditor Reporting System (CRS) sector code ‘basic education’ (112), which includes primary education, basic skills for youths and adults, and early childhood education. ‘General education’ refers to the OECD CRS sector code ‘education, level unspecified’, which includes education policy and administrative management, education facilities and training, teacher training, and educational research.
These funding priorities align with the UK’s stated emphasis on education system improvements, such as teacher training, and a strong focus on primary education. Priorities for the UK’s education funding are detailed in DFID’s January 2018 education position paper (‘DFID Education Policy: Get Children Learning’), which outlines three priorities:

- **“Invest in good teaching”:** DFID supports efforts to reform training, recruitment, and how systems motivate teachers.

- **“Back system reform which delivers results in the classroom”:** DFID emphasizes reforms that “make education systems more accountable, effective and inclusive.” In the absence of receptive national leadership, DFID supports transparency, accountability, and better education through “alternative channels.”

- **“Step up targeted support to poor and marginalised children”:** The UK establishes three priority groups – children with disabilities, “hard-to-reach” girls, and “children affected by crises.”

The largest share of the UK’s bilateral education ODA goes to low-income countries (LICs; 34% on average between 2014 and 2016). OECD donor countries on average allocate 37% to LICs. Sub-Saharan Africa was the largest recipient region of UK education ODA (33% between 2014 and 2016). By comparison, the donor country average for education assistance directed to sub-Saharan Africa was 29% in the same period. The UK channeled its bilateral education ODA in 2016 mostly through multilateral or organizations (30%) in the form of earmarked funding for specific purposes or regions.

The UK is the largest provider of multilateral ODA to education in the world, spending US$308 million in 2016. This represents 19% of the UK’s overall education ODA. Most of this funding was channeled in the form of core contributions to the World Bank’s International Development Association (46%), and the European Union (35%). In addition, the UK is the largest donor to GPE, having contributed US$1.1 million (as of December 2017) since 2002. The UK pledged £225 million (US$304 million) for the 2018 to 2020 period at the GPE’s replenishment conference in February 2018, an increase of approximately 50% per year over the UK’s £210 million commitment (US$283 million) for 2015 to 2018. But that pledge also came with conditions: one-third is contingent on whether GPE focuses on UK priorities, such as raising teaching standards, and, as previously, the UK’s ultimate contribution is capped at 15% of the total amount pledged by all donors for the replenishment period. With US$2.3 billion pledged at the conference, the UK commitment currently sits below a 15% cap, but advocacy organizations have raised concerns, pointing out that the final commitment depends on final contributions from other countries and could result in no increase or even less financing compared to the previous period.

The UK also supports the initiative ‘Education Cannot Wait’, a special fund launched in 2016 that aims to improve access to education services in humanitarian emergencies and crises. The UK has committed £30 million (US$43.6 million) to Education Cannot Wait, making it the largest of five founding donors (other donors: US, the EU, Norway, and the Netherlands). However, overall, education accounts for a small proportion of the UK’s humanitarian assistance: 0.21% (or US$4 million) of UK humanitarian assistance in 2016 was allocated to the education sector, according to the UN Office for the Coordination of Humanitarian Affairs. It is possible there is additional funding for humanitarian assistance not recorded by OCHA. Education may make up a greater proportion of UK humanitarian funding, particularly in light of the large disbursement in 2016 to a refugee facility in Turkey. The global average share of humanitarian assistance spent on education was 2.7% in 2016, according to OCHA. This is still significantly below the minimum 4% target established by the UN Global Education First Initiative.

DFID directs education policy development

DFID drives the formation and implementation of the UK’s development assistance for education. Specifically, the Director General of Policy and Global Programmes directs policy design and global programs managed at headquarters levels, such as the Girls’ Education Challenge. However, as with overall UK development cooperation, design and implementation of education programs in specific partner countries is decentralized and largely driven by DFID country offices. Additionally, increasing amounts of education funding are expected to be controlled by government departments outside of DFID or cross-government funds, such as the Prosperity Fund and the Conflict, Stability, and Security Fund. This is in line with the conservative government’s priorities.
THE UK'S ODA TO EDUCATION
US$ millions

OECD CRS, and imputed multilateral contributions to the education sector: DAC secretarial estimations. In 2019 prices.

THE UK'S BILATERAL ODA TO EDUCATION ACROSS SUB-SECTORS, 2017
Total: US$916 million

OECD CRS. In 2017 prices.
TOP 10 DAC DONORS TO EDUCATION, 2016
Total education ODA; US$ millions; in 2017 prices; incl. bilateral and multilateral funding

<table>
<thead>
<tr>
<th>Country</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>2,984</td>
</tr>
<tr>
<td>United States</td>
<td>1,680</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>1,571</td>
</tr>
<tr>
<td>France</td>
<td>1,357</td>
</tr>
<tr>
<td>Japan</td>
<td>737</td>
</tr>
<tr>
<td>Norway</td>
<td>428</td>
</tr>
<tr>
<td>Korea</td>
<td>278</td>
</tr>
<tr>
<td>Canada</td>
<td>274</td>
</tr>
<tr>
<td>Australia</td>
<td>273</td>
</tr>
<tr>
<td>Italy</td>
<td>234</td>
</tr>
</tbody>
</table>

OECD CRS and imputed multilateral contributions to the education sector (DAC Secretariat estimates)

TOP 15 DAC DONORS TO EDUCATION, 2016
Education ODA as % of total ODA

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Zealand</td>
<td>15.7</td>
</tr>
<tr>
<td>Portugal</td>
<td>14.8</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>14.3</td>
</tr>
<tr>
<td>Hungary</td>
<td>12.9</td>
</tr>
<tr>
<td>Slovenia</td>
<td>12.0</td>
</tr>
<tr>
<td>Korea</td>
<td>11.4</td>
</tr>
<tr>
<td>France</td>
<td>11.2</td>
</tr>
<tr>
<td>Austria</td>
<td>9.3</td>
</tr>
<tr>
<td>Poland</td>
<td>9.3</td>
</tr>
<tr>
<td>Norway</td>
<td>8.9</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>8.4</td>
</tr>
<tr>
<td>Slovak Republic</td>
<td>8.3</td>
</tr>
<tr>
<td>Germany</td>
<td>7.8</td>
</tr>
<tr>
<td>Australia</td>
<td>7.8</td>
</tr>
<tr>
<td>Ireland</td>
<td>7.8</td>
</tr>
</tbody>
</table>
The United Kingdom’s (UK’s) Department for International Development (DFID) has been stepping up its focus on agriculture since the release of its ‘Conceptual Framework on Agriculture’ in 2015. The Framework focuses on the role agriculture and agro-industry can play in supporting economic growth and poverty reduction and prioritizes support for family and smallholder farmers to become commercially viable. The framework outlines three main approaches to guide and prioritize investments: 1) ‘stepping up’ (promoting agricultural commercialization and agro-industry development to generate more income for farmers and create jobs), 2) ‘stepping out’ (promoting job creation in manufacturing and services and mobility), and 3) ‘hanging in’ (supporting agriculture as a holding strategy for those smallholder farmers that are likely to remain in subsistence agriculture).

In addition, the Framework outlines three cross-cutting priorities:

1. Inclusion and women’s economic empowerment: The goal is to promote agricultural transformation to be inclusive and create equal opportunities for women, men, and marginalized groups.

2. Production of nutritious and safe food: The aim is to develop policy and programs to promote agricultural transformation, and analyze how agriculture can increase nutritional benefits and feed into nutrition policies.

3. Environmental sustainability and climate-smart agriculture: Through this priority, DFID aims at promoting growth and reducing poverty, building resilience to climate-related challenges, and reducing the impact of agriculture on the environment.

However, this increased political focus has not led to consistent funding increases. According to data from the Organisation for Economic Co-operation and Development’s (OECD’s) Development Assistance Committee (DAC), the UK spent US$977 million in 2016 on official development assistance (ODA) for agriculture (including forestry and fisheries) and rural development, a 9% decrease from US$1.1 billion in 2015. This corresponded to 5% of the UK’s total ODA, below the 7% average among OECD DAC members. It is important to note that this figure includes significant funding amounts for infrastructure-related investments relating to rural development; the actual amount spent on agriculture is thus significantly lower. Despite decreases in funding since 2014, ODA to agriculture remains significantly above where it stood a decade ago, at US$333 million in 2017.

DFID’s bilateral agricultural programs follow the framework’s approaches and priorities. For example, in Zimbabwe, DFID works with small-scale farmers on how to benefit from rising food prices and focuses on market linkages and access to financing for farmers. In Afghanistan, DFID prioritizes large-scale agriculture, infrastructure and business development as part of broader economic-stability strategies.

Based on OECD data, in 2016, 46% of UK’s ODA to agriculture and rural development was channeled in the form of core contributions to multilateral organizations. Key recipients were the World Bank’s International Development Association (IDA, 19%) and the European Union institutions (EU institutions, 18%), followed by the African Development Fund (AfDF, 4%), and the International Fund for Agricultural Development (IFAD; 2%). In addition, the UK has made smaller commitments to several multilateral partnerships working in agriculture. The UK is an important donor to the Global Agriculture and Food Security Program, committing £136 million (US$184 million) from fiscal years 2012 to 2018, and to the Consultative Group on International Agricultural Research, committing £185 million (US$250 million for FY2012 to FY2017, according to DFID’s Development Tracker website (DevTracker).

DFID co-funds the Africa Enterprise Challenge Fund, which aims to stimulate US$200 million in private-sector investment in agriculture and financial markets across Africa. DFID also participates in the AgResults Initiative (£25 million from FY2012 to FY2024, or US$34 million), which aims to incentivize the private sector in developing countries to invest in the development and delivery of agricultural technologies. More details about DFID’s agricultural programs can be found on DevTracker.

In January 2017, DFID released its first Economic Development Strategy, in which agriculture features as a priority area. Prioritized approaches include:

1. Increase agri-business: financing agriculture infrastructure and promoting commercial agriculture by transferring knowledge to smallholder farmers and linking them to markets
2. Support farmers and their families to access opportunities and jobs outside of their farms

3. Support subsistence farmers with other viable income to prevent malnutrition and extreme poverty

4. Encourage innovative commercial approaches that reduce the cost of nutritious diets.

**DFID drives strategies for the UK’s agricultural development agenda**

DFID drives the strategic direction for the UK’s agriculture development agenda and is responsible for administering agricultural ODA. Within DFID headquarters, the Economic Development Division (within the Growth and Resilience Department) manages the work related to DFID’s ‘Conceptual Framework on Agriculture’ and the link between the agricultural sector and economic growth. The Growth and Resilience Department also works closely with the agricultural research team within the Research and Evidence Division. Overall, design and implementation of agriculture programs is decentralized, as DFID’s country offices manage bilateral programs.

**THE UK’S ODA TO AGRICULTURE**

US$ millions

<table>
<thead>
<tr>
<th>Year</th>
<th>Multilateral agriculture ODA</th>
<th>Bilateral agriculture ODA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>1,068</td>
<td>52%</td>
</tr>
<tr>
<td>2015</td>
<td>1,652</td>
<td>30%</td>
</tr>
<tr>
<td>2016</td>
<td>952</td>
<td>45%</td>
</tr>
</tbody>
</table>

**RECIPIENTS OF THE UK’S AGRICULTURE ODA, 2016**

Total: US$952 million

- **Bilateral** 54.5% (US$516m.)
- **IDA** 18.6% (US$177m.)
- **EU Institutions** 17.6% (US$109m.)
- **Other** 9.2% (US$86m.)

*OECD CRS and imputed multilateral contributions to the agriculture sector: DAC secretariat estimates. In 2017 prices.*
TOP 10 DAC DONORS TO AGRICULTURE, 2016
Total agriculture ODA; US$ millions; in 2017 prices; incl. bilateral and multilateral funding

- United States: 1,564
- Germany: 1,236
- Japan: 1,071
- United Kingdom: 952
- France: 713
- Netherlands: 447
- Italy: 299
- Canada: 292
- Switzerland: 246
- Sweden: 230

OECD CRS and imputed multilateral contributions to the agriculture sector (DAC Secretariat estimates)

TOP 20 DAC DONORS TO AGRICULTURE, 2016
Agriculture ODA as % of total ODA

- Poland: 15.5
- New Zealand: 9.9
- Finland: 8.9
- Ireland: 8.1
- Netherlands: 8.5
- Luxembourg: 7.7
- Belgium: 7.7
- Iceland: 7.4
- Korea: 7.2
- Canada: 7.0
- Czech Republic: 6.6
- Switzerland: 6.3
- Japan: 6.6
- Slovak Republic: 6.3
- Denmark: 6.1
- France: 5.9
- Slovenia: 5.7
- Italy: 5.7
- Austria: 5.4
- United Kingdom: 5.4

OECD CRS and imputed multilateral contributions to the agriculture sector (DAC Secretariat estimates)
The UK’s nutrition ODA

**UK nutrition strategy emphasizes the ‘1000-day window’ from conception to two years of age**

Nutrition has become a top priority for the United Kingdom (UK) government’s development agenda. The UK has played a role in mobilizing the global community to combat undernutrition. The UK hosted the ‘Hunger Summit’ during the London Olympics in 2012, and in June 2013 co-hosted the Nutrition for Growth (N4G) Summit, which aimed to galvanize global efforts to tackle undernutrition.

At the N4G summit, the UK committed to significantly scale up its nutrition investments over the period 2013 to 2020, by 1) providing an additional £375 million (US$573 million) for direct nutrition programs compared with 2010 spend, 2) unlocking a further £280 million (US$428 million) for direct nutrition programs to match new financial commitments by other donors, and 3) providing £604 million (US$922 million) to address the underlying causes of undernutrition over the same period (2013 to 2020).

The Department for International Development (DFID) committed in 2015 “to improve the nutrition of 50 million people by 2020” and updated its strategies toward that overarching goal in October 2017 with the position paper ‘Saving lives, investing in future generations and building prosperity – the UK’s Global Nutrition Position Paper’. The position paper outlines prioritized support to the ‘1000-day window’ from conception to two years of age, as well as preventing “the most severe forms of undernutrition” in children up to age five.

Additional new priorities up to 2020 include:

- “Preventing wasting, micronutrient deficiencies and low birthweight, alongside existing work to prevent child stunting”
- “Addressing the nutritional needs of women and adolescents, particularly adolescent girls”
- “Strengthening the breadth and quality of DFID’s nutrition-sensitive, multi-sector investments as a result of the evidence showing that nutrition-specific interventions will only address 20% of stunting”

The 2017 position paper also outlines a four-pronged approach:

- Providing nutrition-specific and nutrition-sensitive services together and in the same place to maximize impact
- Focusing on reaching the “extreme poor, the most marginalized and those in fragile and conflict affected states”
- Supporting government leadership, capacity, and system strengthening
- Leveraging private-sector investment

According to the 2017 Global Nutrition Report, the UK’s nutrition-specific interventions amounted to US$92 million in 2015 (in current prices), up from US$87 million in 2014. A further US$928 million was spent on nutrition-sensitive interventions, up significantly from US$781 million in 2014 (see box). DFID also supports the global ‘Scaling Up Nutrition’ movement and works in more than 15 countries to support the scale-up of nutrition programs.
DFID shapes the UK’s policy on nutrition

DFID is the key department involved in decision making around nutrition-specific and nutrition-sensitive programs in developing countries. It works to develop more multi-sectoral, integrated programs within DFID’s programs in partner countries. Within DFID’s headquarters, the nutrition team within the Human Development Department leads DFID’s policy engagement, including by working in collaboration with health, agriculture, water, sanitation and hygiene (WASH), and social protection programs.

Further information: ‘nutrition-sensitive’ and ‘nutrition-specific’ interventions

‘Nutrition-sensitive interventions’ are those that address underlying causes of malnutrition and take into account cross-sector actions and impacts (i.e., improving access to diverse foods). ‘Nutrition-specific interventions’ address the immediate causes of undernutrition and have the improvement of nutrition (i.e., support for exclusive breastfeeding, supplementary feeding, etc.) as their primary objective.
About the Donor Tracker

The Donor Tracker seeks to advance and support progress in global development by providing advocates with easy access to high-quality quantitative and qualitative strategic information to support their work. The Donor Tracker is a free, independent website for development professionals that provides relevant information and analysis on 14 major OECD donors.

For more in-depth information on the six donor countries covered in this analysis and to find out more about strategic priorities, funding trends, decision-making, and key opportunities, please visit: donortracker.org and follow us on twitter @DonorTracker

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SEEK Development is grateful for contributions from the Bill & Melinda Gates Foundation in support of this work.