

## KEY QUESTIONS

### the big six

# 2

## 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.

DFID secretary Penny Mordaunt has set out to focus within the UK Aid Strategy 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

### 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.

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

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).