



# STATISTICS ON INTERNATIONAL DEVELOPMENT

# **Provisional UK Aid spend 2019**



**APRIL 2020** 

## **CONTENTS**

1. About this release	3
Provisional UK ODA infographic	4
2. ODA:GNI Ratio	5
3. UK Bilateral and Multilateral ODA	7
4. Breakdown of UK ODA by contributor	8
5. DFID Region-Specific Bilateral ODA	12
6. DFID Non-Region-Specific Bilateral ODA	14
7. Background Notes	15
7.1 Definitions and Sources	15
7.2 ODA spending and reporting	15
7.3 Revisions and Changes to the Publication	17
7.4 Future developments	17
7.5 Timing and Releases	18
7.6 Quality	18
7.7 Related Statistics and Publications	18
7.8 Uses and users	19
7.9 National Statistics	19
TABLES	
Table 1: GNI Estimates for 2018 and 2019 and ODA:GNI Ratios; Curren	t Prices 6
Table 2: UK Official Development Assistance 2018-2019	8
Table 3: DFID and Non-DFID ODA 2018-2019	10

## 1. About this release

This publication focuses on the key international measure of official aid spend, known as Official Development Assistance (ODA). The box below explains the definition of ODA.

## **Key definition: Official Development Assistance**

Official Development Assistance (ODA) is produced according to the standardised definitions and methodologies of the Organisation for Economic Cooperation and Development's (OECD) Development Assistance Committee (DAC). ODA is defined as resource flows to developing countries<sup>1</sup> and multilateral organisations, which are provided by official agencies (e.g. the UK Government) or their executive agencies, where each transaction meets the following tests:

- It is administered with the promotion of the economic development and welfare of developing countries as its main objective; and
- It is concessional, including grants and soft loans<sup>2</sup>.

A glossary, explaining key terms used throughout this report, is available in Annex 1 of SID.

This publication provides statistics about the amount of Official Development Assistance (ODA) the UK provided in 2019, including UK ODA as a percentage of Gross National Income (GNI) (the ODA:GNI ratio) and various other breakdowns of ODA spend. The spend figures in this publication are **provisional** and based on summary data with limited sector and geography breakdowns. A final estimate of UK ODA, the ODA:GNI ratio and more detailed breakdowns of spend will be published in autumn 2020, in 'Statistics on International Development: Final UK Aid Spend 2019' (Final SID)<sup>3</sup>. More information about the UK government's approach to aid spending is set out in the UK Aid Strategy<sup>4</sup>.

Further information on the technical terms, data sources, quality and processing of the statistics in this publication are found in Annexes 1-3 on the Statistics on International Development webpage.

3

<sup>&</sup>lt;sup>1</sup> According to the OECD DAC list of <u>ODA recipient countries</u>

<sup>&</sup>lt;sup>2</sup> ODA is calculated on a grant equivalent basis from 2018 ODA statistics onwards. For more details see the background note 7.2

<sup>&</sup>lt;sup>3</sup> Once released the publication will be available on the 'Statistics at DFID' webpage.

<sup>&</sup>lt;sup>4</sup> UK aid: tacking global challenges in the national interest

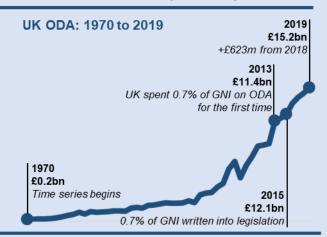
# **UK Official Development Assistance (ODA) 2019**



In 2019, the UK provided £15.2 billion of Official Development Assistance (ODA).



This is equivalent to 0.70% of UK's Gross National Income (GNI) in 2019.



## **UK ODA Contributors**

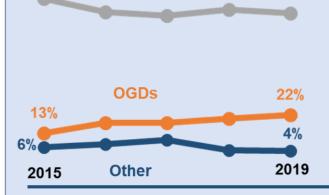
73%

 Over the last five years, DFID's total ODA share has been broadly decreasing while Other Government Departments (OGDs) share has generally increased steadily.

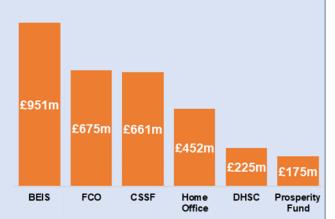
o DFID was the largest contributor of UK ODA, accounting for 73.2%, spending £11,107 million. In 2019, there were six OGDs that each spent more than £100 million of ODA. Of these BEIS was the largest contributor.

## Percentage breakdown of UK ODA by





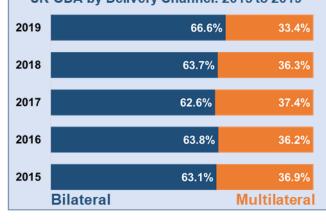
OGDs with total ODA spend over £100m: 2019



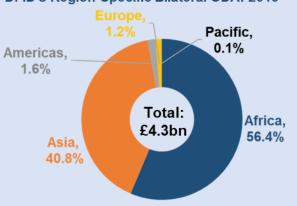
 In 2019, the share of bilateral ODA grew to 66.6% from 63.7% in 2018. Core Contributions to Multilaterals accounted for the remaining 33.4%, the lowest multilateral share in the last ten years.

 In 2019, the split of DFID region-specific ODA was broadly in line with 2018, with Africa receiving the largest proportion. The share of region-specific ODA received by Asia grew from 36.9% in 2018, to 40.8% in 2019.

## UK ODA by Delivery Channel: 2015 to 2019



## DFID's Region-Specific Bilateral ODA: 2019



## **Key Points**

- The provisional ODA:GNI ratio for 2019 was 0.70 per cent.
- In 2019, UK Official Development Assistance (ODA) spend was £15,174 million, an increase of £623 million (4.3 per cent increase) on 2018.
- In 2019, UK bilateral ODA spend was £10,113 million while UK multilateral ODA spend was £5,061 million. For more information and definitions see section 3.
- The Department for International Development (DFID) spent £11,107 million on ODA in 2019, compared with £10,897 million in 2018 (an increase of £210 million). DFID's share of total UK ODA stood at 73.2 per cent in 2019, compared with 74.9 per cent in 2018.
- Non-DFID spend on ODA in 2019 was £4,068 million, compared with £3,655 million in 2018 (an increase of £412 million). The non-DFID share was 26.8 per cent in 2019, increasing from 25.1 per cent of the total in 2018.
- Statistics on bilateral ODA by geographic region are currently only available for DFID spend. Africa received the largest share (56.4 per cent) of DFID's bilateral country or region-specific spending in 2019, representing £2,448 million. Asia received £1,771 million of bilateral ODA from DFID – an increase of £225 million compared to 2018.

## 2. ODA: GNI Ratio

The ODA:GNI ratio presents UK Official Development Assistance (ODA) spend as a proportion of against UK Gross National Income (GNI).

## **Key Definition – 0.70 per cent commitment**

The ODA:GNI commitment of 0.7 per cent was first agreed internationally in 1970 by the United Nations General Assembly. The UK government made a commitment to invest 0.7 per cent of GNI on ODA from 2013. In 2015 the International Development (Official Development Assistance Target) Act placed the 0.7 per cent commitment in UK law from 2015 and in each subsequent calendar year.

#### Table 1 shows that in 2019:

 The ODA:GNI ratio was 0.70 per cent. The commitment to spend 0.7 per cent of GNI on ODA has been met.  UK ODA was £15,174 million, an increase of £623 million (4.3 per cent increase) on 2018.

Table 1: UK GNI Estimates, total UK ODA and ODA:GNI ratios; Current prices (£ millions) 2018 and 2019

					millions
	2018			2019	_
GNI	ODA <sup>a</sup>	ODA:GNI ratio (%)	GNI <sup>b</sup>	ODA <sup>a</sup>	ODA:GNI ratio (%)
2,091,074	14,552	0.70%	2,162,572	15,174	0.70%

a. Measured on a grant equivalent basis. For more detail see background note 7.2.

The Office for National Statistics (ONS) implemented a new methodology for calculating GDP in its September 2019 Blue Book, which in turn had an impact on Gross National Income (GNI). The GNI used to calculate the ODA:GNI ratio for 2019 is based on the pre-2019 Blue Book methodology, since the first quarterly estimate of 2019 GNI under new methodology did not become available until 30 September 2019. From 2020, the ODA:GNI ratio will be reported against the new GNI measure. For more details see background note 7.2.

## Long-term Trends in UK ODA

Figure 1 shows the trend in UK ODA since 1970. Overall there has been a steady increase in the level of UK ODA since 1970, with a spike in 2005 and 2006 which was driven by high levels of debt relief<sup>5</sup>, and then a steep increase in 2013 when the UK Government first met the 0.7 per cent ODA:GNI commitment.

The jump in the level of ODA in 2016 reflects ONS's switch to the European System of Accounts (ESA) 2010 methodology for measuring GNI and the consequent need to increase UK ODA to meet the 0.7 per cent ODA commitment.

b. The Gross National Income (GNI) used is measured on a pre-2019 Blue Book methodology. For more detail see background note 7.2

<sup>&</sup>lt;sup>5</sup> See commitments made by the UK and other donors at the 2005 G8 Summit in Gleneagles: http://researchbriefings.files.parliament.uk/documents/RP07-51/RP07-51.pdf

0.8 ODA:GNI (%) 18,000 16,000 UN 0.7% target 14.000 0.6 12 000 0.5 10.000 8,000 6,000 0.2 4,000 2,000 0 0.0 2019 2015 1975 985 990 995 2000 2005 2010

**UK ODA** ---UN 0.7% commitment —ODA:GNI ratio (%) Current methodology in given year

Figure 1: UK ODA Levels between 1970 and 2019<sup>1, 2</sup>

## 3. UK Bilateral and Multilateral ODA

There are two main delivery channels for ODA: bilateral and multilateral.

**<u>Bilateral ODA</u>** is earmarked spend. This means that the donor has specified where and what the ODA is spent on – this is usually ODA going to specific countries, regions or programmes. For example, delivering family planning services across Malawi through a non-government organisation.

<u>Core multilateral ODA</u> is un-earmarked core funding from national governments to multilateral organisations<sup>6</sup>, which are pooled with other donors' funding and disbursed as part of the core budget of the multilateral organisation. For example, the UK's contribution to the World Bank International Development Association. Core contributions will fluctuate from year to year in part due to the payment schedules of the receiving multilateral organisation.<sup>7</sup>

<sup>1. 2018</sup> and 2019 are measured on a grant equivalent basis

<sup>2.</sup> Underlying data for this graph can be found in the accompanying excel file 'SID Provisional UK aid spend 2019 - accompanying tables'. The bar for 2019 is a lighter colour to represent that this figure is provisional.

<sup>&</sup>lt;sup>6</sup> The multilateral must be on the <u>OECD DAC list of eligible multilaterals</u> in order to receive unearmarked funding. The list also states want proportion of a core contribution to each multilateral can be counted as ODA.

<sup>&</sup>lt;sup>7</sup> The UK core contribution could be used for different programmes or initiatives as well as general operations of the organisation. See <u>Tables A9</u> and <u>A10</u> for estimates on how UK's core contributions were spent in 2018.

## Table 2 shows that in 2019:

- £5,061 million of UK ODA was delivered through core contributions to multilaterals. This was a 4.3 per cent decrease (£228 million) compared to 2018. The decrease was in part due to a smaller annual contribution to the International Development Association compared with 2018 in line with the planned payment schedule.
- £10,113 million of UK ODA spend was delivered through bilateral channels. This
  was a 9.2 per cent increase (£850 million) compared to 2018. The increase in
  bilateral spend was the largest increase seen since 2016, when the UK switched to
  the ESA<sup>8</sup> 2010 methodology for GNI estimates.
- Bilateral ODA accounted for 66.6 per cent of total UK ODA. In comparison, over the
  previous five years (2014 to 2018) bilateral ODA represented on average around
  62.3 per cent. This shift in share was in part driven by the decrease seen in the
  UK's core contributions to multilaterals as well as the actual increase in bilateral
  ODA spend.
- £1,507 million of bilateral ODA spend was for humanitarian assistance (9.9 per cent of total UK ODA). This represents an increase of £208 million compared with 2018 and was partly driven by UK responses to humanitarian crises, for example in Yemen.<sup>9</sup>

Table 2: UK Official Development Assistance 2018-2019

	2018		20	2019		Change since 2018	
	£m	% total ODA	£m	% total ODA	£m	%	
Total Bilateral ODA of which: Humanitarian Assistance	<b>9,263</b> 1,299	<b>63.7%</b> 8.9%	<b>10,113</b> 1,507	<b>66.6%</b> 9.9%	<b>850</b> 208	<b>9.2%</b> 16.0%	
Total Multilateral ODA	5,289	37.6%	5,061	33.4%	-228	-4.3%	
TOTAL ODA	14,552	100.0%	15,174	100.0%	623	4.3%	

## 4. Breakdown of UK ODA by contributor

Table 3 shows 2019 ODA spend by government department and other contributors of UK ODA, as well as changes in ODA spend from 2018. The analysis presented in the table is based on summary provisional returns from government departments and other sources.

\_

<sup>&</sup>lt;sup>8</sup> European System of Accounts

<sup>&</sup>lt;sup>9</sup> For example, the UK Prime Minister announced an increase in UK aid to Yemen in Feb 2019, the press release can be found here: https://www.gov.uk/government/news/new-uk-aid-to-feed-millions-of-people-in-yemen

More detailed spending data will be published in 'Statistics on International Development: Final UK Aid Spend 2019' this autumn.

The overall amount of ODA spend is determined by the size of GNI, however shifts in the percentage shares of departments and other ODA contributors depend on their spending in the given year.

#### Contributors of UK ODA in 2019

- DFID spent £11,107 million of ODA, an increase of £210 million, or 1.9 per cent, compared to 2018. In particular, DFID's bilateral ODA spend increased by £575 million, to £6,952 million in 2019, the largest increase since 2013. An area of bilateral spend which increased in 2019 is DFID's capital injection to CDC, the UK's Development Finance Institution, which increased by £266 million. The increase in capital will be used to make investments in Africa and South Asia. DFID's bilateral spending is explored further in Sections 5 and 6.
- ODA spend by departments other than DFID and other contributors of UK ODA (referred to in Table 3 as non-DFID spend) was £4,068 million in 2019, an increase of £412 million, or 11.3 per cent, on 2018.
- ODA spend by departments other than DFID (Other Government Departments) was
  the driver behind the increase in non-DFID ODA, with the top seven highest
  spending departments all spending more when compared with 2018. Other
  Government Departments spent £3,387 million of ODA in 2019, increasing by £423
  million on 2018.

9

<sup>&</sup>lt;sup>10</sup> This is part of the agreed scale-up of CDC over the 5 year period 2017-2021 to resource CDC's Strategy over that period.

Table 3: UK ODA Contributors 2018-2019; ordered by 2019 ODA spend

	2018		20	2019		Change since 2018	
	£m	% UK ODA	£m	% UK ODA	£m	%	
Department for International Development	10,897	74.9%	11,107	73.2%	210	1.9%	
Of which:	•		,				
EU Attribution	452	3.1%	475	3.1%	23	5.1%	
Total non-DFID <sup>2</sup>	3,655	25.1%	4,068	26.8%	412	11.3%	
Of which:	,						
Department for Business, Energy and Industrial Strategy	851	5.8%	951	6.3%	101	11.8%	
Foreign & Commonwealth Office	633	4.4%	675	4.5%	42	6.6%	
Conflict, Stability and Security Fund (CSSF) <sup>3</sup>	605	4.2%	661	4.4%	56	9.2%	
Home Office	337	2.3%	452	3.0%	115	34.0%	
Department of Health and Social Care	195	1.3%	225	1.5%	30	15.3%	
Prosperity Cross- Government Fund <sup>3</sup>	94	0.6%	175	1.2%	82	87.1%	
Department for Environment Food and Rural Affairs	70	0.5%	87	0.6%	17	24.4%	
HM Treasury	83	0.6%	80	0.5%	-3	-4.1%	
Department for Work and Pensions	25	0.2%	27	0.2%	3	10.2%	
Department for Education	20	0.1%	19	0.1%	-2	-8.7%	
HM Revenue and Customs	11	0.1%	13	0.1%	2	20.6%	
Department for Digital, Culture, Media and Sports	9	0.1%	13	0.1%	4	41.7%	
Ministry of Defence	5	0.0%	6	0.0%	1	21.8%	
Department for International Trade <sup>4</sup>	Z	Z	2	0.0%	2	Z	
Office for National Statistics <sup>5</sup>	~	0.0%	~	0.0%	~	17.0%	
Cabinet Office	21	0.1%	0	0.0%	-21	Z	
Export Credits Guarantee Department	4	0.0%	0	0.0%	-4	Z	
Other contributors of UK ODA							
EU Attribution (non - DFID)	471	3.2%	470	3.1%	-2	-0.4%	
Gift Aid	148	1.0%	159	1.0%	10	6.9%	
BBC World Service	27	0.2%	30	0.2%	3	9.4%	
Scottish Government	11	0.1%	14	0.1%	3	28.7%	
Other In-Donor Refugee Costs <sup>6</sup>	5	0.0%	6	0.0%	1	12.7%	
Welsh Government <sup>7</sup>	1	0.0%	2	0.0%	1	45.8%	
Colonial Pensions administered by DFID	2	0.0%	1	0.0%	0	-22.4%	
IMF Poverty Reduction and Growth Trust (PRGT)	26	0.2%	0	0.0%	-26	z	
Total UK ODA	14,552	100.0%	15,174	100.0%	623	4.3%	

<sup>1.</sup> Figures may not sum to totals due to rounding.
2. 2018 and 2019 are on the new grant equivalent basis, see Grant Equivalent Technical Note for information
3. CSSF includes a contribution of £27.5 million for peacekeeping activities carried out by the EU, as it is the fund responsible for the spend. This is not counted in EU Attribution (non-DFID) to avoid double counting.
4. 2019 is the first year Department for International Trade has reported spend
5. ONS ODA spend for 2018 was £270,104 and £316,068 in 2019
6. This includes ODA eligible support to refugees in the UK which has been administered by the devolved administrations.

7. Welsh Government record their ODA by financial year.

<sup>7.</sup> Welsh Government record their ODA by financial year.

"z" comparison is not applicable, "0" is null and "~" is less than half the smallest unit displayed.

- The largest year on year increases were:
  - BEIS spent £951 million of ODA in 2019 an increase of £101 million, or 11.8 per cent, on 2018. Funding on research activities increased by £81 million while spending on climate-related programmes increased by £21 million.<sup>11</sup>
  - Home Office spent £452 million of ODA in 2019, an increase of £115 million, or 34.0 per cent, on 2018. This was due to a rise in spending to support asylum seekers in the UK, primarily reflecting an increase in Asylum Support volumes in 2019, in comparison to 2018.
  - The Cross-Government Prosperity Fund spent £175 million of ODA in 2019, this was an increase of £82 million, or 87.1 per cent, on 2018. The Cross-Government Prosperity Fund has increased its ODA spend year on year, since the fund started spending ODA in 2016, as they move more programmes into implementation.
- Non-departmental ODA, for example Gift Aid claimed by charities carrying out ODA eligible activities and spend by Devolved Administrations, contributed £681 million in 2019, a slight decrease of £11 million compared to 2018. For the first time since 2014, there was no core contribution to the IMF-Poverty Reduction Growth Trust.

## Contributors' share of UK ODA

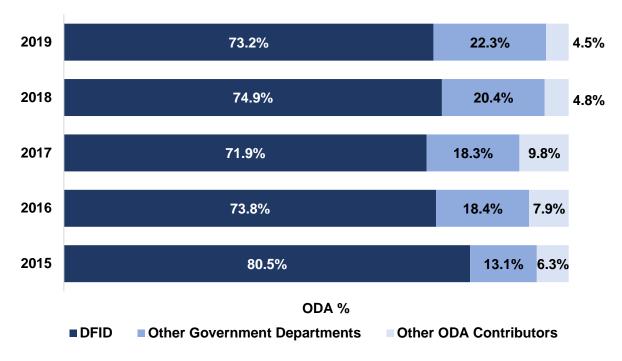
- Despite DFID's ODA spend increasing, DFID's share of total ODA dropped from 74.9 per cent in 2018 to 73.2 per cent in 2019. This decrease in share contrasts with the direction of travel in 2018 when DFID's share increased for the first time since 2013.
- The share of total ODA spent by non-DFID contributors increased from 25.1 per cent in 2018, to 26.8 per cent in 2019. This share was still below the 2017 level of 28.1 per cent.
- Of the non-DFID contributors, Other Government Departments' (OGD) ODA accounted for 22.3 per cent of total UK ODA, their largest share since the time series began. The largest OGD shares of ODA were: the Department for Business, Energy & Industrial Strategy (BEIS) (6.3 per cent of ODA); the Foreign and Commonwealth Office (4.5 per cent), the Conflict, Stability and Security Fund (4.4 per cent); and the Home Office (3.0 per cent).

\_

<sup>&</sup>lt;sup>11</sup> Figures may not sum due to rounding

 The largest non-departmental sources (referred to as Other UK Contributors of ODA in Figure 2) were non-DFID EU attribution<sup>12</sup> (3.1 per cent of UK ODA) and Gift Aid claimed by charities working on ODA eligible activities (1.0 per cent of UK ODA). These shares are similar to 2018.

Figure 2: Proportion of UK ODA accounted for by DFID, Other Government Departments and Other contributors of ODA: 2015 to 2019<sup>1</sup>



1. Figures may not sum to totals due to rounding.

## 5. DFID Region-Specific Bilateral ODA

Figure 3 presents the breakdown of DFID's region-specific bilateral ODA. These figures represent only part of the picture on UK ODA spend for each region because similar data from government departments other than DFID and other contributors of UK ODA is not available with this provisional release. Also, core contributions to multilateral organisations, or spend that is not assigned to a specific country or region is not included.

• In 2019, DFID region-specific bilateral ODA was £4,344 million compared to £4,185 million in 2018, an increase of £159 million. However, whilst the amount of region-specific ODA increased, the proportion of DFID's total bilateral ODA this represented decreased from 65.6 per cent in 2018 to 62.5 per cent in 2019. The decrease in percentage share of region-specific ODA reflects more spend through

-

<sup>12</sup> See background note

- centrally funded programmes in 2019 that benefit multiple countries or multiple regions (see section 6).
- In 2019, Africa received £2,448 million of DFID bilateral ODA, an increase of £32 million. Africa remained the largest recipient of DFID bilateral ODA in 2019, representing 56.4 per cent of the total, down from 57.7 per cent in 2018.
- In 2019, Asia received £1,771 million of bilateral ODA from DFID an increase of £225 million compared to 2018. This also represents an increase in the share of UK ODA. The increase was partly driven by humanitarian<sup>13</sup> spend in Bangladesh and Yemen<sup>14</sup>.
- The Americas received £71 million of DFID bilateral ODA in 2019, a decrease of £67 million compared to 2018. This decrease was partly due to smaller spend in the Caribbean.
- DFID bilateral spend in Europe decreased from £77 million in 2018 to £51 million in 2019 and reflects a reduction in spend to Turkey.

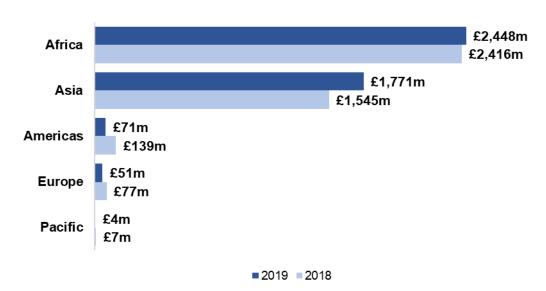


Figure 3: DFID's Region-Specific Bilateral ODA 2018 - 2019

ODA spend by region will be presented for all UK expenditure in the 'Statistics on International Development: Final UK Aid Spend 2019' publication.

14 https://www.gov.uk/government/news/new-uk-aid-to-feed-millions-of-people-in-yemen

13

<sup>&</sup>lt;sup>13</sup> https://www.gov.uk/government/news/new-uk-aid-underlines-continued-commitment-to-the-rohingya-people

## 6. DFID Non-Region-Specific Bilateral ODA

Non-region-specific bilateral ODA consists of spend on projects which are not assigned to any single recipient country or region<sup>15</sup>. For example, centrally-funded research or programmes that develop policies which benefit several developing countries and cannot be meaningfully recorded to a single benefitting country or region.

Bilateral ODA spend by DFID on projects not assigned to any single recipient country or region amounted to £2,607 million in 2019, an increase of £416 million compared to 2018. This accounted for 37.5 per cent of DFID's total bilateral ODA spend, an increase from 34.4 per cent in 2018. Figure 4 provides a breakdown of this expenditure for 2019, which was proportionally similar to 2018.

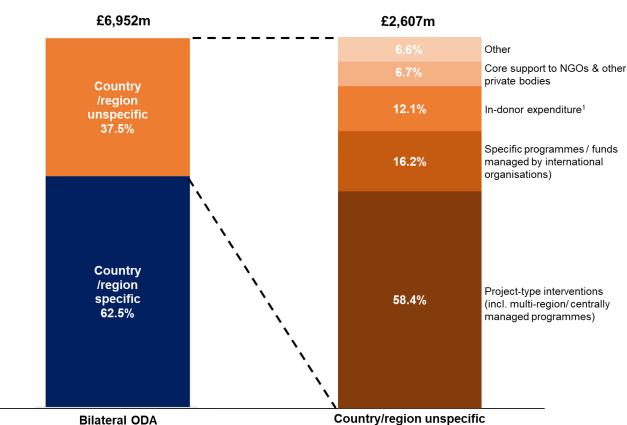


Figure 4: Breakdown of DFID's Non-Region-Specific Bilateral ODA in 2019<sup>2</sup>

-

<sup>&</sup>lt;sup>1</sup> Donor expenditure relates to ODA-eligible activities conducted within countries that donate aid, including the United Kingdom. ODA spend in the UK to support development work overseas or refugees within the UK are both examples of indonor expenditure.

<sup>&</sup>lt;sup>2</sup> Numbers may not sum due to rounding

<sup>&</sup>lt;sup>15</sup>See further explanation on unspecified regions (p35) SID 2018: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\_data/file/857904/Statistics-on-International-Development-final-aid-spend-2018d.pdf

## 7. Background Notes

#### 7.1 Definitions and Sources

- 1. Information on the main definitions and sources used in this publication can be found in <u>Annexes 2 and 3</u> respectively of the Statistics on International Development publication.
- 2. UK ODA spend figures for this publication are derived from:
  - DFID's 'ARIES' database of financial transactions relating to DFID payments and receipts, which is quality assured centrally to ensure that data is complete, coding is correct and spend is in line with OECD definitions of ODA. This administrative source comprises 73 per cent of total UK ODA in 2019.
  - Non-DFID sources, who also assess whether the spend is in line with the OECD definitions of ODA. These non-DFID sources account for around 27 per cent in 2019 and are largely derived from financial transaction data also. A small proportion of non-DFID spend is estimated, for example Gift Aid on ODA eligible activity.

## 7.2 ODA spending and reporting

- 3. UK ODA spend includes DFID spend, ODA spend by government departments other than DFID and other sources of ODA (such as EU attribution and Gift Aid). DFID and HM Treasury monitor spend by other departments and funds, and movements in GNI during the year<sup>16</sup>. The UK commitment to spend 0.7 per cent of Gross National Income (GNI) on ODA is reported the year following the spend based on confirmed ODA outturn and GNI estimates published by the Office for National Statistics.
- 4. While DFID manages its own spending on ODA, DFID has no control over GNI nor the spending by other government departments and other sources of ODA. After final decisions on UK ODA spending are made the GNI estimate can still shift, due to later economic data for the year becoming available, so can the amount of ODA spent by other government departments and ODA contributions from non-departmental sources.
- 5. Between the spring and the autumn, the previous year's ODA spending of DFID and other government departments are finalised. Government departments other than DFID will provide project-level details that allow the ODA spend to be quality assured by DFID. The ONS will release further updates of GNI throughout the year. The final ODA data and an updated GNI estimate are then used to calculate the final ODA:GNI ratio in the autumn publication.
- 6. DFID is responsible for collating data and reporting spend on ODA to the Organisation of Economic Development and Co-operation (OECD), including the 0.7 ODA:GNI ratio commitment.

## **ODA:GNI ratio**

7. As mentioned above, the ODA:GNI ratio is based on confirmed ODA spend and estimates of GNI published by the Office for National Statistics (ONS). The ONS produce estimates for UK Gross Domestic Product (GDP) and Gross National Income (GNI) on a quarterly basis. The ONS publishes revisions to GNI estimates as more economic data

<sup>&</sup>lt;sup>16</sup> GNI is monitored using forecasts published by the independent Office for Budget Responsibility (OBR) to manage the 0.7% commitment

becomes available. The 2019 provisional ODA:GNI ratio is based on a GNI estimate published by the ONS on 31st March 2020.

- 8. The ONS publish the full set of National Accounts each autumn via the Blue Book. The Blue Book is where the ONS tend to implement methodology changes. In the Blue Book 2019, the ONS implemented a major new methodology framework for GDP, which in turn had a sizable impact on GNI. To understand the new framework in greater detail please see the ONS detailed articles. DFID considered several factors and consulted with key stakeholders, ONS and HM Treasury when determining its approach for implementing the new framework for reporting on the ODA:GNI ratio.
- 9. For 2019, the ODA:GNI ratio is based on the pre-Blue Book 2019 level since the first quarterly estimate of 2019 GNI under the new GDP framework did not become available until 30 September 2019. This approach is in line with how DFID dealt with the last major GNI methodology change<sup>17</sup> and provides consistency between the in-year monitoring and reporting of the ODA:GNI ratio.
- 10. ONS has published GNI figures for 2019 based on the 'pre-Blue Book 2019' framework and will continue to up to June 2020. These are being published on the same day as the Quarterly National Accounts and are found on the ONS website.
- 11. To give users an understanding of the impact of the changes implemented in Blue Book 2019, the UK GNI measured on the new GDP framework leads to an ODA:GNI ratio of 0.69% in 2019, compared to 0.70% on the pre-Blue Book 2019 level. This is set out in the table below:

## **GNI estimates and ODA:GNI ratios; 2019**

	2019		
	<b>GNI</b> £ millions	ODA:GNI ratio	
Pre-Blue Book 2019	2,162,572	0.70	
New GDP Framework	2,184,546	0.69	

12. DFID will move to the new framework from the start of 2020, the next full calendar year, for managing and reporting 2020 ODA spend. For more information please see the <u>explanatory note</u> that was published in September 2019.

## **EU** attribution

13. The provisional estimate for the UK's share of the EU ODA budget in 2019 was £972 million compared to £952 million in 2018. EU attribution fluctuates from year to year because the EU works on a seven-year programming cycle and so EU disbursements in a given year can vary. Other reasons for fluctuations between years include the change in UK's share of the EU budget in comparison to other member states and exchange rate variations. The estimate in 2018 and 2019 is based on published data from the European Commission on the UK's share of development expenditure.

<sup>&</sup>lt;sup>17</sup>See background note (p43) in SID 2017:

14. To avoid double counting, Table 3 reports £27.5 million of the EU attribution figure for the UK's contribution to EU peacekeeping under the CSSF, as the fund responsible for this spending. This does not affect the overall EU attribution figure.

## **Grant Equivalent**

- 15. From 2018 onwards, Official Development Assistance (ODA) has changed from being measured on a cash basis to a grant equivalent basis, following a decision taken by the DAC in 2014.
- 16. The headline grant equivalent measure of UK ODA for 2019 was £15,174 million, compared to £15,157 million on the cash basis measurement (a difference of 0.1 per cent). The difference is due to official loan reflows not being included under the grant equivalent measure. See our technical note for more information.

## 7.3 Revisions and Changes to the Publication

- 17. The revisions process is set out in <a href="DFID's Revisions Policy">DFID's Revisions Policy</a>.
- 18. The Office for Statistics Regulation (OSR), the regulatory arm of the UK Statistics Authority, has completed a short review<sup>18</sup> of DFID's Statistics on International Development (SID) compliance against the <u>Code of Practice</u> for official statistics. This confirmed that SID continues to be designated as National Statistics. OSR's full findings, published on 18th September, can be found on the <u>UKSA website</u>.
- 19. In future versions of "Statistics on International Development", the production team will look to improve the statistics in line with the recommendations from the OSR. For instance, in this publication we have included a one-page summary infographic and have included extra information in the background note.

## 7.4 Future developments

- 20. An important part of National Statistics production is assessing whether a product continues to meet user needs. In January 2020, the statisticians working on the production of SID assessed the use of the Gross Public Expenditure suite of tables. As part of this we engaged with our largest GPEX user group DFID policy colleagues. Findings and conclusions from this assessment will be shared via an explanatory note published summer 2020.
- 21. The OECD DAC is currently reviewing all DAC members methodologies for calculating ODA eligible in-donor refugee costs. The UK submitted its methodology in May 2019 and is engaging with the DAC to validate its methodology. We will update users if there are any refinements on how this area of ODA spend is calculated as a result of this review.
- 22. The UK is participating in the OECD DAC Peer Review process in 2019/20. This is an in-depth investigation of the UK's development systems and policies. The date for publication is still to be confirmed, owing to the impact of COVID-19 on the review's completion. To understand further what a DAC Peer Review involves please see the OECD guidance.

-

<sup>&</sup>lt;sup>18</sup> https://www.statisticsauthority.gov.uk/osr/what-we-do/compliance-checks/

## 7.5 Timing and Releases

- 23. 'Statistics on International Development: Final UK Aid spend 2019' is due to be published in Autumn 2020. The Office for Statistics Regulation published <u>guidance</u> in respect to Corvid-19 and the effect this could have on Government Statistical publications. We will endeavour to keep our users up to date via our <u>GOV.UK</u> page if there are any implications to the publication timeline, content or quality.
- 24. Provisional 2019 ODA statistics for all members of the OECD will be published by the OECD Development Assistance Committee (DAC) in April 2020. Final data is normally published by the OECD in December.

## 7.6 Quality

- 25. Data for this publication comes from the following sources: i) DFID's ARIES database that records financial transactions relating to DFID payments and receipts. It also includes information on the dates of transactions, where the transactions took place and in which sector. This information is primarily inputted by spending teams in DFID country offices and central departments, with some quality assurance carried out at input level and centrally to ensure that spend is in line with OECD definitions of ODA ii) Other Government Departments and other ODA contributors, some of which have similar databases to record ODA transaction data.
- 26. As the data in the publication is largely based on administrative data it is not subject to sampling error. However, these provisional statistics may change between now and the final release in Autumn 2020 as the data is further audited and assured as part of the closing of accounts and statistical quality assurance processes.
- 27. The DAC sets the definitions and classifications for reporting on ODA internationally. These are laid out in the DAC Statistical Reporting Directives. <sup>19</sup> The statistics shown here are reported in line with these directives and are subjected to a quality assurance process as described in Annex 3 of Statistics on International Development.
- 28. The figure presented for the Welsh Government represents their estimated spend for the financial year 2019/20 and are used as a proxy for their calendar year 2019 spend.

## 7.7 Related Statistics and Publications

- 29. The OECD statistics provide ODA breakdowns for DAC donors (including multilaterals). This source is useful when carrying out international comparisons. Figures for DAC donor's provisional 2019 ODA will be published in early April.
- 30. Private spending or donations made in support of developing countries, for example by the public, the voluntary sector or through remittances, are not part of the ODA definition and not covered in this publication. Information on this spend can be found in the Office for National Statistics' <u>Living costs and Food Survey</u> or the <u>Charities Aid Foundation's UK giving report.</u>
- 31. <u>DFID's results website</u> provides information on results achieved in international development through DFID spend. <u>DFID's Annual Report</u> draws on information from the results publication and also provides information on DFID's spending, performance and efficiency.

<sup>&</sup>lt;sup>19</sup> See OECD, Aid Statistics, Methodology webpage available here: <a href="http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/">http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/</a>

32. The <u>Development Tracker</u> can be used to explore details of the individual development projects that the UK is funding. This allows you to filter projects by country and sector and view further details about the project as published in documents such as the business case and annual review. The tracker uses open data on development projects, compliant with the <u>International Aid Transparency Initiative (IATI)</u> standard, to show where funding by the UK Government and its partners is going and 'trace' it through the delivery chain.

## 7.8 Uses and users

- 33. The main purpose of these statistics is to provide timely summary statistics on ODA expenditure by the UK government. They are published prior to the release of provisional ODA statistics by the OECD DAC for all OECD members.
- 34. Based on user feedback, these statistics are used for a variety of purposes: preparing material for briefs; PQs and public correspondence; inclusion in reports and reviews and providing data for research and monitoring. Our users represent the government, civil society and non-government organisations, students, academia and the media.
- 35. We are always keen to enhance the value of these statistics and welcome your ongoing feedback either via our <u>Statistics User Group</u> or via email <u>statistics@dfid.gov.uk</u>

## 7.9 National Statistics

- 36. The Office for Statistics Regulation (part of the United Kingdom Statistics Authority) designated these statistics as National Statistics in March 2016, in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the <a href="Code of Practice for Statistics">Code of Practice for Statistics</a>. Designation means the statistics carry the National Statistics label and conform to the standards summarised below.
- 37. Office for Statistics Regulation published their finding of the compliance check of SID which confirmed that it is designated a National Statistic.
- 38. For information on the work of the UK Statistics Authority visit: <a href="http://www.statisticsauthority.gov.uk">http://www.statisticsauthority.gov.uk</a>

#### **NATIONAL STATISTICS STATUS**

National Statistics status means that official statistics meet the highest standards of trustworthiness, quality and public value.

All official statistics should comply with all aspects of the *Code of Practice for Official Statistics*. They are awarded National Statistics status following an assessment by the Authority's regulatory arm. The Authority considers whether the statistics meet the highest standards of Code compliance, including the value they add to public decisions and debate.

It is a producer's responsibility to maintain compliance with the standards expected of National Statistics, and to improve its statistics on a continuous basis. If a producer becomes concerned about whether its statistics are still meeting the appropriate standards, it should discuss its concerns with the Authority promptly. National Statistics status can be removed at any point when the highest standards are not maintained, and reinstated when standards are restored.

## **Contacts**

For enquiries (**non-media**) about the information contained in this publication, or for more detailed information, please contact:

Alice Marshall

Telephone: 01355 84 36 51

E-mail: <u>statistics@dfid.gov.uk</u>

Website: <a href="https://www.gov.uk/government/organisations/department-for-international-">https://www.gov.uk/government/organisations/department-for-international-</a>

development/about/statistics

For media enquiries please contact the DFID Press Office on +44 (0) 20 7023 0600.

For further information on development issues and DFID policies, please contact the Public Enquiry Point on 0845 300 4100.