Tom Tugendhat MP
Chair, Foreign Affairs Committee
House of Commons
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Secretary of State

Dear Tom,

The UK has a reputation as a global leader in development. So far this year we have already pivoted our budget to respond to the Covid-19 pandemic, including through the pledging of £769 million so far to help stop the spread of the virus around the world, find a vaccine and save lives.

As the Chancellor has set out however, like many other nations across the world the UK is experiencing a severe economic downturn as a result of the Covid-19 pandemic. The coming months will doubtless bring with them a number of financial challenges, so I am writing to update you on the Government's plans on how we will ensure we continue to meet our 0.7% Gross National Income (GNI) spending commitment for Official Development Assistance (ODA).

Given the likely decrease in the size of the economy[1] this year, the Prime Minister asked me to identify the changes needed to ensure we meet, but do not exceed the 0.7% commitment. As this commitment is based on our GNI, when the economy shrinks, our ODA spend also reduces.

Working with colleagues across ODA spending Whitehall departments, in collaboration with the Development Secretary, I have chaired a careful review process looking at every strand of the ODA budget, evaluating the impacts of spend and making sure we can maintain operational capacity.

This has been a thorough process, and we have been able to ensure that the money we will still spend in 2020 remains prioritised on poverty reduction for the 'bottom billion', as well as tackling climate change and reversing biodiversity loss, championing girls education, UK leadership in the global response to Covid-19, and campaigning on issues such as media freedom and freedom of religious belief,

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[1] The OBR Fiscal sustainability report – July 2020: https://obr.uk/fsr/fiscal-sustainability-report-july-2020/
A comparison of independent forecasts is also available here:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/900759/Forecomp_July_2020.pdf

thereby ensuring that the UK is a global force for good. We have also sought to protect the UK's science and research and development base. These priorities will help the government deliver on our manifesto commitments.

So that we can react to the potential shrinkage in our economy, and therefore a decrease in the value of the 0.7% commitment (which is based on the UK's GNI), we have identified a £2.9bn package of reductions in the Government's planned ODA spend so we can proceed prudently for the remainder of 2020. This package includes underspends, delaying activity and stopping some spend. All ODA spending Departments will now work with our respective supply chains to realise these reductions.

The package I have agreed with the Prime Minister maintains our flexibility and enables the Government to manage our ODA spend against an uncertain 0.7% position. It will see some reductions made now, with arrangements in place to tailor spending further during the remaining months as we start to gain a clearer economic picture. I would be happy to speak to you to provide further details if helpful.

As normal, there will continue to be adjustments in-year to individual departmental ODA spend to meet the 0.7% target. The Statistics for International Development will, as usual, provide a full breakdown of the UK's ODA spend in 2020.

Later this year, this Government will also look at how our aid budget can be used most effectively in our national interest through the Integrated Review – which will cover all aspects of the UK's international policy.

THE RT HON DOMINIC RAAB MP