Pilot Tables to Accompany Statistics on International Development



Background

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 (GPEX) suite of tables. Findings and conclusions from this assessment were shared via an <u>explanatory note</u> published summer 2020.

This note outlines the new approach for 2018 and 2019 spend data and sets out in detail what is included in each of the GPEX replacement tables.

For 2020 spend and beyond, we will review the pilot tables by (i) assessing their use and (ii) considering whether they need adapting to reflect the new Government Department – Foreign, Commonwealth and Development Office (FCDO). We will communicate the outcome of this to users at the earliest opportunity.

It's worth noting that although the Department for International Development (DFID) and Foreign and Commonwealth Office (FCO) merged to form a new department, FCDO, in September 2020, the ODA figures contained in the pilot tables are for 2018 and 2019 ODA spending, when DFID and the FCO were separate departments. As such, the name of the department in existence at the time is used (e.g. "DFID").

New Approach

Following the publication 'Statistics on International Development (SID): Final Aid Spend 2019' we are piloting a new suite of ODA tables that incorporates the key uses of GPEX. There are three new summary tables (all reported in calendar year, in line with the international measure of ODA):

- 1. UK ODA: Amounts Extended and Received by Delivery Channel (Bilateral, Multilateral)
- 2. DFID Direct Government to Government Bilateral 'Financial Aid' ODA
- 3. DFID Bilateral ODA: by Sector

DFID spend to non-ODA countries

The explanatory note published in 2020 stated that we would produce a table setting out DFID spend (excluding CSSF and Prosperity Fund spend where DFID is the implementing department) in non-ODA countries. However, DFID's spend to non-ODA countries was small and it became clear it would be disproportionate to produce a table.

In 2018, DFID spent just over £1m in non-ODA countries. This spend was made to the Gibraltar Social Insurance Fund in respect of pension payments¹.

In 2019, there was no DFID² spend in non-ODA countries

Pilot Tables Contents

It should be noted that the data presented in tables P2 and P3 represent DFID spend only, in line with the coverage of GPEX. Spend by other government departments and the cross-government funds, CSSF and Prosperity Fund, is not included.

Table P1. UK ODA: Amounts Extended and Received by Delivery Channel (Bilateral, Multilateral)

Table P1 shows the amount of total UK ODA in terms of amounts extended (gross disbursements) and amounts received (sometimes referred to as negative ODA³). The net ODA figure, which is equivalent to amounts extended minus amounts received, is also shown and corresponds with the net ODA figure reported in Table 2 of SID.

Table P2. DFID Direct Government to Government Bilateral 'Financial Aid' ODA

DFID (and now FCDO) may provide either 'direct' or 'indirect' government to government bilateral financial aid. If 'direct', the funds are provided directly by DFID (now FCDO) to the partner government. If it is 'indirect', the funds are channelled via a third party, such as a multilateral development bank.

Direct Government to Government bilateral 'Financial aid' refers to finance provided by the UK Government directly to an official partner government's account. Financial aid is classified into two main categories: Budget Support (BS) and non-budget support financial aid (NBSFA). Financial Aid and NBSFA are DFID (now FCDO) terms, not defined externally.

Budget Support is a term defined by the OECD Development Assistance Committee (OECD DAC), referring to funds provided to a partner government's budget through a transfer of resources to the national treasury, and earmarked for general expenditure (known as general budget support) or for a specific sector (known as sector budget support). The funds must be provided ahead of anticipated expenditure and become inseparable from the partner government's own domestic finances for it to meet the OECD DAC definition.

¹ The majority of pensions paid by DFID derive mainly from two policy initiatives by HM Government: a 1962 agreement to supplement the pensions of certain former colonial civil servants, and an announcement in 1970 that HM Government would assume responsibility from overseas governments for the payment of pensions due to former expatriate colonial civil servants who had mainly been appointed by, or on behalf of, the Secretary of State for the Colonies. The pre-independence element of these pension payments count towards the UK's overall Overseas Development Aid (ODA) spend.

² Excluding DFID spend through CSSF and Prosperity Fund

³ Negative ODA occurs in most years. This usually occurs due to programmes reaching conclusion earlier than planned, with outstanding funds returned to government.

NBSFA describes funds provided to partner governments but earmarked to support specified activities (i.e. more specific than earmarking for a particular sector).

Table P3. DFID Bilateral ODA: by DFID Input Sector Code

Table P3 breaks down total DFID bilateral spend by DFID-specific sector codes. DFID maintained its own table of sector codes. Many of these sector codes match the OECD sector codes, however there are some which are unique to DFID. These codes enable more granular tracking on spend in key interest policy areas.

The percentage value of each sector is also calculated as a total of DFID bilateral ODA.

The table presents the DFID sector codes grouped under their relevant SID sector code grouping.

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