# DFID Department for International Development Statistical Release



## **Statistics on International Development 2010**

The 2010 edition of the National Statistics publication <u>Statistics on</u> <u>International Development</u> produced by the Department for International Development (DFID) was published on 7th October 2010 according to the arrangements approved by the UK Statistics Authority.

## **Description**

DFID has released final details of UK Official Development Assistance (ODA) for calendar year 2009 in the 2010 edition of Statistics on International Development (SID). This includes the final estimate of ODA as proportion of Gross National Income (GNI) in 2009. These figures update provisional estimates published on 1 April 2010. SID also reports figures for UK Gross Public Expenditure on Development (GPEX) in financial year 2009/10. The publication includes data on the volume, type, destination and purpose of UK ODA and GPEX for each of the last 5 years. The publication also contains detailed information on the DFID aid programme a summary of which was published in the report "DFID in 2009/10", in accordance with the International Development (Reporting and Transparency) Act 2006.

#### **Summary**

## UK Official Development Assistance 2009 (See Table 1)

- UK ODA accounted for 0.52 per cent of UK Gross National Income (GNI) in 2009, compared with 0.43 per cent in 2008; this is the highest level of the ODA:GNI ratio since the United Nations target of 0.7 per cent was set in 1970.
- UK ODA in 2009 is estimated at £7,356 million compared with the 2008 figure of £6,356 million; this is the highest level of UK ODA ever recorded.

- UK ODA excluding debt relief as a proportion of GNI was 0.51 per cent in 2009 compared with 0.40 per cent in 2008.
- UK ODA excluding debt relief in 2009 is estimated at £7,329 million, an increase on the equivalent 2008 figure of £6,052 million.

Within the UK ODA total:

- Bilateral expenditure increased to £4,902 million in 2009 from £4,072 million in 2008.
- Excluding debt relief, bilateral ODA was £4,875 million in 2009 compared with £3,768 million in 2008.
- ODA contributions to multilateral organisations such as the United Nations, European Commission, the World Bank and other regional banks increased to £2,454 million in 2009 from £2,284 million in 2008.

#### Regional distribution of UK bilateral ODA (See also Table 2)

- UK bilateral ODA to Africa increased to £1,789 million in 2009 from £1,434 million in 2008.
- UK bilateral ODA to Sub-Saharan Africa increased to £1,603 million in 2009 from £1,303 million in 2008.
- UK bilateral ODA to Asia in 2009 fell to £1,309 million from £1,647 million in 2008; this decline is largely explained by the inclusion of Iraq debt relief (£280m) in the 2008 figures.

#### Make-up of UK ODA by Government Department (See also Table 3)

- DFID ODA increased to £6,425 million in 2009 from £5,445 million in 2008.
- The net non-DFID contribution to ODA was £932 million in 2009 compared to a contribution of £912 million in 2008.

## Gross Public Expenditure on Development 2009/10 (Table 4)

- The UK's GPEX was £7,767 million in 2009/10 up from £7,183 million in 2008/09 an increase of £583 million or 8 per cent.
- The DFID aid programme accounted for £6,629 million (85%) of total GPEX in 2009/10 compared to £5,799 million (81%) in the previous year.
- GPEX excluding debt relief increased to £7,668 million in 2009/10, up £883 million (12%) since the 2008/09 total of £6,835 million.
- Total GPEX in Africa increased to £1,914 million in 2009/10 from £1,761 million in 2008/09, up £153 million (9%).

#### The DFID Aid Programme

- In 2009/10, £3,958 million (or 60%) of the DFID aid programme was bilateral assistance and £2,436 million was multilateral assistance. The remaining £234 million was spent on administration costs.
- DFIDs bilateral expenditure rose by 21 per cent to £3,958 million in 2009/10 from £3,284 million in 2008/09.
- The amount of DFID bilateral assistance going to Sub-Saharan Africa rose to £1,539 million in 2009/10 from £1,463 million in 2008/09 up £76 million (5 per cent).
- DFID Bilateral assistance to Asia remained level at £1,089 million in 2008/09 compared to £1,088 million in 2008/09.
- DFID's total multilateral expenditure was £2,436 million 2009/10, up from the 2008/09 figure of £2,277 million.

Table 1: UK Official Development As	sistance 2008-2009 £ millions
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	2008	2009
Total ODA	6,356	7,356
of which bilateral ODA	4,072	4,902
of which multilateral ODA	2,284	2,454
ODA as proportion of GNI	0.43%	0.52%
Debt Relief	304	27
ODA excluding Debt Relief	6,052	7,329
of which bilateral ODA	3,768	4,875
of which multilateral ODA	2,284	2,454
ODA, excluding debt relief, as		
proportion of GNI	0.40%	0.51%

Table 2: UK bilateral ODA by region 2008-2009, £ millions

	2008	2009
Africa	1434	1789
Of which, Sub-Saharan Africa	1303	1603
Asia	1647	1308
Rest of the World	108	121
Non-region specific <sup>1</sup>	883	1683

<sup>&</sup>lt;sup>1</sup> Includes funding to global sector policy programmes. In 2009 these included the Environmental Transformation Fund (£300m), Global Trade Liquidity Programme (£203m) and the IDA Social Protection and Crisis Response Fund (£100m). See SID Section 3.

	2008	2009
Total DFID ODA	E 44E	6 4 2 5
	5,445	6,425
Non-DFID ODA	912	932
Of which Bilateral:	739	743
CDC Group PLC (Net Investments)	167	222
Export Credit Guarantee Department		
(Debt Relief)	280	7
Foreign and Commonwealth Office		
(excluding Conflict Pools)	124	142
Of which:		
Bilateral Programmes	54	56
Peacekeeping	10	23
British Council	41	45
Chevening Scholarships	19	18
Conflict Pool (FCO & Ministry of Defence)	97	103
Department for Energy and Climate Change <sup>2</sup>	0	155
UK Border Agency costs of supporting		
refugees in the UK	0	7
Scottish Government	6	5
Gift Aid for Developmental Non-Governmental		
Organisations	48	44
Colonial Pensions	0	4
Other government departments bilateral ODA	6	36
Administrative costs <sup>3</sup>	11	18
Of which multilateral:	173	189
EC Attribution (non DFID)	104	114
Contributions to UN and other multilateral		
organisations	69	75

# Table 3: DFID and Non-DFID ODA 2008-2009, £ millions

 <sup>&</sup>lt;sup>2</sup> Includes £150m contribution to the Environment Transformation Fund (ETF). UK contributions to the ETF are managed jointly by DFID and DECC.
 <sup>3</sup> Administrative costs are classed as bilateral ODA under the DAC Statistical Reporting

Directives

	2008/09	2009/10
Total GPEX	7,183	7,767
DFID Programme	5,799	6,629
Non-DFID aid	1,384	1,138
Bilateral GPEX	4,334	4,766
DFID Bilateral Programme	3,284	3,958
Non-DFID Debt Relief	280	7
CDC Gross Investments	436	354
FCO Bilateral Aid	123	142
Other	211	305
Multilateral GPEX	2,600	2,749
DFID Multilateral Programme	2,277	2,436
Other	323	312
Administration	249	252
DFID Administration	238	234
Other Administration	11	18

# Table 4: UK GPEX 2007/08 to 2008/09, £ millions

#### **Background notes**

More detailed background information on SID can be found in the Glossary (Annex 2).

#### Definitions

1. The UK is a member of the Organisation for Economic Co-operation and Development's (OECD) Development Assistance Committee (DAC) which is a forum for consultation among 23 donor countries and the European Commission. The DAC sets the definitions and classifications for reporting on ODA internationally. These are laid out in the DAC Statistical Reporting Directives<sup>4</sup>. As a DAC member the UK is committed to transparent reporting of development assistance in a way that permits international comparisons.

2. ODA is the internationally agreed classification of aid. It is defined as flows to developing countries and multilateral organisations provided by official agencies or by their executive agencies, each transaction of which meets the following criteria:

- It is administered with the promotion of the economic development and welfare of developing countries as its main aim
- It is concessional in character and conveys a grant element of at least 25 per cent.

ODA is reported on a calendar year basis.

3. GPEX is expenditure by all official UK sources on aid to developing countries and multilateral organisations which meets the criteria for developmental Official Flows agreed by the DAC. GPEX is reported on a financial year basis.

4. Multilateral ODA or GPEX is defined as aid delivered in the form of core contributions to organisations listed in Annex 2 of the DAC Statistical

<sup>&</sup>lt;sup>4</sup> <u>http://www.oecd.org/document/4/0,3343,en\_2649\_34447\_1918532\_1\_1\_1\_1,00.html</u>

Reporting Directives. Bilateral aid covers all aid provided by donor countries when the recipient country, sector or project is known.

#### Sources

5. The vast majority of these statistics were collected from the administrative systems of DFID; other UK government departments and agencies and the European Union. The statistics also include estimates based on DFID's Voluntary Agency Survey. Further details are provided below and in the glossary section of SID.

6. GNI figures used here are taken from UK National Accounts data published by the Office for National Statistics on 12 July<sup>5</sup>.

#### DFID

7. The majority of UK public expenditure on development is delivered through DFID's budget. The 2002 International Development Act makes reducing poverty the core purpose of UK aid. As such, the vast majority of DFID aid expenditure is included in these statistics; only a small amount of expenditure on non-ODA eligible countries and multilateral institutions is excluded but will feature in GPEX. More detail on DFID's bilateral projects is available via the Project Information Database on DFID's website<sup>6</sup>.

8. DFID's Overseas Pensions Department is also responsible for the payment of colonial pensions made to ex-members of the UK Overseas Civil Service who were employed directly by developing countries. A small element of this is permitted to be classed as ODA and GPEX. From this year this element is reported separately in these statistics from expenditure via DFID's core budget; this change is consistent with DFID's Resource Accounts.

<sup>&</sup>lt;sup>5</sup> <u>http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=818</u>
<sup>6</sup> <u>http://www.dfid.gov.uk/About-DFID/Finance-and-performance/Project-information/</u>

# ODA and GPEX managed jointly by DFID and other Government Departments

9. The Conflict Pool is governed and jointly managed by DFID, the Foreign and Commonwealth Office (FCO) and the Ministry of Defence (MoD) to bring together the UK government's development, diplomatic and defence interest and expertise to ensure a coherent response to conflict prevention. All Conflict Pool funds disbursed through DFID are included in these statistics and appear as part of DFID expenditure. The remaining figures comprise the aggregate of FCO and MOD development spending via the Conflict Pool. No military or non-development spending funded via the Conflict Pool is included in these statistics.

10. The Environment Transformation Fund was established in 2008 to support development and poverty reduction through better environmental management and help developing countries respond to the realities of climate change. The fund is managed jointly by DFID and the Department for Energy and Climate Change (DECC) who contribute equal amounts to the fund all of which are assessed as ODA-eligible.

#### Other ODA and GPEX delivered by UK Government Departments

- 11. The **FCO** contributes to development in a number of ways:
- The FCO Strategic Programme Fund supports a range of the UK government's international goals. Where the programme funds projects which meet the required ODA definition these projects are included in these statistics.
- The FCO supports the British Council through grant-in-aid funding. This funding goes to support a range of initiatives including building the capacity and quality of English language teaching; supporting education systems; and using cultural exchange to improve economic welfare. UK ODA and GPEX statistics include the proportion of this work which is

clearly focussed on delivering economic welfare and development in developing countries.

- The British Council also manages, on behalf of the FCO, the Chevening Scholarships programme, which provides funding for postgraduate students or researchers from developing countries to study in UK universities. Funding from this scheme to students from developing countries are included in these statistics.
- The FCO makes annual contributions to UN and Commonwealth organisations. A proportion of these contributions are allowed to score as ODA in line with Annex 2 of the DAC Statistical Reporting Directives and are also included in GPEX.
- In line with OECD rules a proportion of FCO administrative costs are allowed to score as ODA and GPEX. Currently these costs are estimated as being equivalent to 5% of the value of the programme elements listed above.
- In addition to contributing directly to the Conflict Pool (see above) the FCO is also responsible for the UK contribution to the UN Department for Peacekeeping Operations (UNDPKO). In line with DAC rules 6% of donor funding to UNDPKO is allowed to score as ODA. FCO also funds other bilateral peacekeeping missions including the Organisation for Security and Cooperation in Europe (OSCE) and the European Security and Defence Policy (ESDP) civilian missions; a proportion of which is reported as bilateral ODA and also included in GPEX.

12. In addition to contributing to the Environmental Transformation Fund **DECC** also makes annual contributions to the International Atomic Energy Agency and UN Framework Convention on Climate Change. A proportion of this support is deemed ODA eligible and included in these statistics.

13. The **Department for Environment, Food and Rural Affairs** (DEFRA) is responsible for the Darwin Initiative a programme which aims to assist the progression of environmental goals in developing countries. Relevant expenditure is included in these statistics. DEFRA also makes an annual

contribution to the Montreal Protocol which is allowed to score as ODA and GPEX under DAC rules.

14. The **Scottish Government** runs a bilateral aid programme funded from its own budget, which aims to directly support the achievement of the Millennium Development Goals (MDGs) and economic growth in a number of developing countries. The **Welsh Assembly** 'Wales for Africa' programme also aims to help deliver the MDGs and provides small grants to organisation based in Wales. Both these programmes are included in these statistics.

15. The **Department for Culture Media and Sport** works closely with DFID to deliver a range of initiatives to help address wider social issues encompassed by the MDGs; including contributing towards addressing gender inequality and acting as an effective medium for conveying educational messages relating to health. Relevant funding is reported in these statistics.

16. The estimates of the costs incurred by the **UK Border Agency (UKBA)** of supporting refugees from developing countries during their first 12 months in the UK are included in these statistics for the first time. This change means that DFID has now met the requirements of the UK Statistics Authority for the UK ODA:GNI ratio to be designated as a National Statistic<sup>7</sup>. DFID and the UKBA are also contributing to ongoing methodological work in the OECD to clarify guidance on refugee costs to further improve the consistency of donor estimates. UK ODA statistics also include funding from the UKBA to the International Organisation for Migration.

17. A number of other government departments also make direct contributions to the UN system. A proportion of each contribution is reported as ODA in line with DAC rules. The **Department of Business, Innovation and Skills** (BIS) provides support to the World Trade Organisation, the Universal Postal Union, the International Telecommunications Union and the

<sup>&</sup>lt;sup>7</sup> http://www.statisticsauthority.gov.uk/assessment/assessment-reports/index.html

World Intellectual Property Office; the **Department for Work and Pensions** makes an annual contribution to the International Labour Organisation and; the **Department for Health** makes an annual assessed contribution to the World Health Organisation.

#### Other sources of UK ODA and GPEX

18. **CDC Group PLC** is wholly government owned. Its investments must have a clear development objective. The net amount (i.e. equity purchase less equity sales) of CDC investments in ODA-eligible countries is reported as ODA. The gross value of equity purchase is reported as GPEX.

19. **Export Credit Guarantee Department (ECGD)** is an agency of BIS and provides insurance for exporters against the main risks in selling overseas. It also negotiates debt relief arrangements of commercial debt. The relevant amount of any debt relief is included in these statistics in line with OECD DAC definitions.

20. The UK share of the External Assistance Budget of the **European Commission<sup>8</sup>** is reported as GPEX. Overall estimates of the ODA eligible proportion of this budget are taken from the EC annual report. The vast majority of the relevant UK contribution to this budget is also attributed to DFID and reported as part of DFID's own ODA statistics.

21. The **Gift Aid** scheme allows UK charities to reclaim tax from HM Revenue and Customs on donations made by UK taxpayers. The proportion of additional support provided to UK NGOs via this scheme to deliver developmental objectives is estimated by DFID through its annual Voluntary Agencies Survey. The resulting estimate is included in these statistics.

<sup>&</sup>lt;sup>8</sup> See Table 6.3 of the EC Annual Report 2010: <u>http://ec.europa.eu/europeaid/multimedia/publications/index\_en.htm</u>

#### Timing & Releases

23. Provisional UK Official Development Assistance as a proportion of Gross National Income 2010 will be published in March/April 2011. The exact date will be confirmed on the ONS Publications Hub<sup>9</sup> at least two weeks before publication

24. In addition to the summary data reported here, more detailed information on individual projects and programmes contributing to the overall ODA aggregates will be published via the DAC in the Creditor Reporting System<sup>10</sup> later in the year.

25. The date of the 2011 edition of *Statistics on International Development*, will be pre-announced on the ONS Publications Hub.

## **National Statistics**

26. The United Kingdom Statistics Authority has designated these statistics as National Statistics, in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the Code of Practice for Official Statistics.

- 27. Designation can be broadly interpreted to mean that the statistics:
  - meet identified user needs;
  - are well explained and readily accessible;
  - are produced according to sound methods; and
  - are managed impartially and objectively in the public interest.

28. Once statistics have been designated as National Statistics it is a statutory requirement that the Code of Practice shall continue to be observed.

<sup>&</sup>lt;sup>9</sup> <u>http://www.statistics.gov.uk/hub/</u>

<sup>&</sup>lt;sup>10</sup> <u>http://stats.oecd.org/Index.aspx?DatasetCode=CRSNEW</u>

29. For information on the work of the UK Statistics Authority visit: http://www.statisticsauthority.gov.uk

#### **Contacts**

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