

Foreign, Commonwealth & Development Office



# **Statistics on International**

**Development:** 

Provisional UK Aid Spend 2021





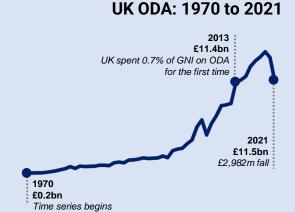
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## **UK Provisional Official Development Assistance (ODA) 2021**

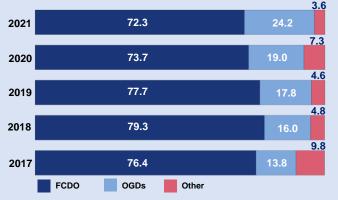
#### **Headlines**

#### In 2021, the UK provided £11.5 billion of £11.5bn Official Development Assistance (ODA). The UK has spent in line with the 0.5% government's decision to reduce ODA from of GNI 0.7 per cent of Gross National Income to 0.5 per cent in 2021<sup>1</sup>. In 2021, £550 million of UK ODA was £550m spent on activities to address the COVID-19 pandemic<sup>2</sup>.



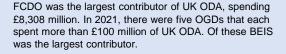
**UK ODA Contributors:** Over the last four years, FCDO's<sup>3</sup> share of total ODA has been steadily decreasing while the non-FCDO share has steadily increased. In 2021, Other Government Departments (OGDs) accounted for 24.2% of total UK ODA, their largest share over the last 10 years.

Percentage breakdown of UK ODA by Contributor: 2017 to 2021 (%)

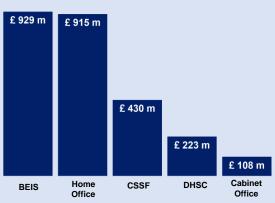


#### FCDO's Country/Region-Specific Bilateral ODA: 2021

In 2021, Africa received the largest proportion of FCDO's country/region-specific ODA. Despite this, 52.2% is the lowest proportion Africa has received over the last 10 years. 2.4%



OGDs with total ODA over £100m: 2021



## UK's ODA by Delivery Channel: 2017-2021

channels decreased to 61.6% from 65.8% in 2020. Core contributions to multilaterals accounted for the remaining 38.4%. This is the highest share of total ODA through multilateral channels since 2014.



In 2021, the share of total ODA through bilateral

2021 61.6% 38.4% 34.2% 2020 65.8% 2019 68.6% 31.4% 63.5% 36.5% 2018 62.6% 37.4% 2017 Bilateral Multilateral

2. Please see the background note section 7.9 for information on ODA COVID -19 data collection, quality and calculation. Please note this figure is provisional and is open to revision between the provisional and final SID.

з. The FCDO share for 2017 to 2020 are the combined shares of former-DFID and former-FCO.

## **1. About this release**

#### 1.1 What is ODA?

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

- 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>

#### 1.2 Which countries are ODA eligible?

The list of countries eligible to receive ODA is set by the OECD DAC using the World Bank's Gross National Income (GNI) per capita data to define its coverage and boundaries. The list includes all low, lower-middle and upper-middle income countries, except for those that are members of the G8 or the European Union (including countries with a firm accession date for EU membership). The DAC reviews the list every three years. Countries 'graduate' if they have surpassed the high-income GNI per capita threshold for the three consecutive years prior to a graduation year.

#### 1.3 What is in this report?

This publication provides **provisional statistics** about the amount of Official Development Assistance (ODA) the UK provided in 2021. It also provides comparisons with 2020 ODA. It includes:

- Total UK ODA and total UK ODA as a proportion of GNI (the ODA:GNI ratio) chapter 2
- Total UK ODA delivered through bilateral and multilateral channels chapter 3
- A breakdown of UK ODA by contributor chapter 4
- Country/region-specific bilateral ODA broken down by region (FCDO only) chapter 5
- Non-country/region-specific bilateral ODA broken down by Type of Aid (FCDO only) chapter 6

The figures presented in this publication are **provisional** and based on summary data with limited sector and geographical breakdowns.

A final estimate of UK ODA, the ODA:GNI ratio and more detailed breakdowns of UK ODA will be published in autumn 2022 in 'Statistics on International Development: Final UK Aid Spend 2021' (Final SID)<sup>3</sup>.

#### 1.4 What else is included as part of Statistics on International Development?

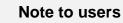
All data tables included in this report are available to download in spreadsheet format. If you require any other data or information relating to this publication, or if you have any suggestions on how to improve the publication, please contact the statistics team at: <a href="mailto:statistics@fcdo.gov.uk">statistics@fcdo.gov.uk</a>

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.

<sup>&</sup>lt;sup>1</sup>The full OECD DAC ODA directives, including the full ODA definition can be found on their website

<sup>&</sup>lt;sup>2</sup>A glossary, explaining key terms used throughout this report, is available in Annex 1

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



## FCDO figures

- On the 2<sup>nd</sup> September 2020, the Department for International Development (DFID) and Foreign and Commonwealth Office (FCO) merged to form a new department - the Foreign, Commonwealth and Development Office (FCDO). As highlighted in 'Statistics on International Development: final UK aid spend 2020', from 2021, the first full year of the merged department, only the FCDO aggregated spend is available.
- In the report there are comparisons to historic FCDO figures. These are based on the sum total of former DFID and former FCO spend given that FCDO did not exist before 2020.
- FCDO is defined as a multi-purpose agency by the OECD, as it carries out both ODA and non-ODA activities. FCDO ODA statisticians have developed a suitable interim<sup>a</sup> methodology that captures the ODA eligible proportion of FCDO administration costs which reflects the mixture of work that the FCDO carries out. More information on this interim methodology can be found in the separate technical note.<sup>b</sup>

### **Reduction in UK ODA expenditure**

- In 2020, the UK government announced a temporary reduction in ODA from 0.7 per cent of GNI to 0.5 per cent of GNI. The UK government committed to returning to spending 0.7 per cent as soon as the fiscal situation allows (see 'Key Background' section on page 7 for more information). Since the International Development (Official Development Assistance Target) Act 2015 was passed, 2021 is the first year in which the UK has spent less than 0.7 per cent of its GNI on ODA. The trends presented in this report reflect this reduction.
- Please see section 2 for more information and background on the UK's ODA as a proportion of GNI for 2021.

*a.* The method is interim while FCDO future finance and HR systems are being implemented. *b.* See the explanatory note here.

#### Key Points<sup>4</sup>

- The provisional **ODA:GNI ratio** for 2021 was 0.5 per cent.
- In 2021, **UK Official Development Assistance (ODA)** was £11,496 million, a decrease of £2,982 million (20.6 per cent decrease) on 2020. For more information see section 2.
- In 2021, UK **bilateral** ODA was £7,086 million (a decrease of 25.7 per cent) while UK **multilateral** ODA was £4,411 million (a decrease of 10.8 per cent). For more information and definitions see section 3.
- The **Foreign, Commonwealth and Development Office (FCDO)** spent £8,308 million in 2021, compared with £10,664 million in 2020 (a decrease of £2,356 million). The FCDO's share of total UK ODA stood at 72.3 per cent in 2021, compared to 73.7 per cent in 2020. For more information see section 4.
- Non-FCDO<sup>5</sup> spend on ODA in 2021 was £3,189 million, compared with £3,815 million in 2020 (a decrease of £626 m). The non-FCDO share was 27.7 per cent, up from 26.3 per cent in 2020. For more information see section 4.
- Statistics on **bilateral ODA by geographic region** are currently only available for FCDO spend. Africa received 52.2 per cent of FCDO's bilateral country/region-specific ODA in 2021, representing £1,365 million, a decrease of £864 million on 2020. Despite this fall, Africa received the largest share of bilateral ODA in 2021. For more information see section 5.

<sup>&</sup>lt;sup>4</sup>Figures may not sum to totals due to rounding.

<sup>&</sup>lt;sup>5</sup>This includes spend by other UK government departments and spend by other contributors such as the Scottish Government and Gift Aid claimed by charities working on ODA eligible activities

## 2. The ODA:GNI Ratio

The ODA:GNI ratio presents the total amount of UK ODA as a proportion of its Gross National Income (GNI).

#### Key Background – the UK's ODA:GNI ratio

#### From 2013 to 2020:

The ODA:GNI target of 0.7 per cent was first agreed internationally in 1970 by the United Nations General Assembly. The UK government made a commitment to spend 0.7 per cent of GNI on ODA from 2013. The International Development (Official Development Assistance Target) Act 2015 enshrined this commitment in domestic legislation.

The UK spent 0.7 per cent of UK GNI on ODA between 2013 to 2020.

#### 2021 onwards:

In November 2020, the UK government announced<sup>a</sup> a temporary reduction to ODA from 0.7 per cent to 0.5 per cent of GNI, citing the economic challenges posed by the COVID-19 pandemic<sup>b</sup>. The UK government committed to returning to spending 0.7 per cent as soon as the fiscal situation allows.

In July 2021, the government set out the conditions that would enable a return to spending 0.7 per cent of GNI on ODA<sup>c</sup>. There are two key tests, which must be met on a sustainable basis in the fiscal forecast produced by the Office for Budget Responsibility (OBR):

- First, when the UK government are not borrowing to support day-to-day spending.
- Second, when underlying debt is falling.

When these tests are met the government will increase ODA spending above 0.5 per cent of GNI to 0.7 per cent. Once the government has spent 0.7 per cent of GNI on ODA in a given year, the tests will no longer apply and the government will return to spending 0.7 per cent of GNI on ODA year on year.

The March 2022 spring statement<sup>d</sup> stated that *"the government will determine whether the ODA fiscal tests will be met for 2023-24 at Budget 2022".* 

a. See the government statement here: Official Development Assistance: Foreign Secretary's statement, November 2020 - GOV.UK (www.gov.uk).

b. The International Development (Official Development Assistance Target) Act 2015 (the 2015 Act) sets out circumstances which may explain why the 0.7 per cent target is not met and FCDO's accountability to Parliament, See Section 2 of the 2015 Act:

https://www.legislation.gov.uk/ukpga/2015/12/section/2/enacted.

c. See the government statement here: Written statements - Written questions, answers and statements - UK Parliament.

d. paragraphs 1.48 and 1.49.

Table 1 shows that in 2021:

- The ODA:GNI ratio was 0.5 per cent. This shows that the UK has spent in line with the government's decision to reduce ODA from 0.7 per cent of Gross National Income to 0.5 per cent in 2021.
- The UK has not met the 0.7 per cent target.<sup>6</sup>
- UK ODA was £11,496 million, a decrease of £2,982 million (20.6 per cent) on 2020. This reflects the reduction in spend from 0.7 per cent in 2020 to 0.5 per cent in 2021.

## Table 1: UK GNI Estimates, total UK ODA and ODA:GNI ratios; current prices (£ millions)2020 to 2021

2020	2020	2020	2021	2021	2021
GNI £ million	ODA £ million	ODA:GNI ratio %	GNI £ million	ODA £ million	ODA:GNI ratio %
2,073,880	14,479	0.70	2,305,142	11,496	0.50

#### 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 from 1970 to 2019, with a peak in 2005 and 2006 which was driven by high levels of debt relief and a steep increase in 2013 when the UK government first met the 0.7 per cent ODA:GNI target. In 2020 and 2021, there has been a drop in the UK ODA volume.

A commitment to spend a percentage of UK GNI (a key economic measure) on ODA means that when GNI increases/decreases, in turn UK ODA will also increase/decrease. Between 2013 and 2019, UK ODA continued to increase in line with growth in the UK's GNI and the 0.7 per cent commitment. The relatively larger increase in the level of ODA in 2016 (by £1,242 million) reflects the switch to the European System of Accounts (ESA) 2010 methodology for measuring GNI and the consequent increase in UK ODA to meet the 0.7 per cent ODA commitment on that basis.

The level of UK ODA fell in 2020 and 2021. The decrease in 2020 ODA reflects the decrease in the size of the economy in 2020 as a result of the Coronavirus (COVID-19) pandemic. The decrease in 2021 reflects the government's decision to spend 0.5 per cent of GNI on ODA compared to 0.7 per cent in 2020. Figure 1 shows the levels of ODA in 2021 are broadly similar to the amount of ODA in 2013 and 2014.

<sup>&</sup>lt;sup>6</sup>As required by the International Development (Official Development Assistance Target) Act 2015, after the FCDO's Annual Report and Accounts is laid before Parliament, the Foreign Secretary will lay a statement before Parliament explaining why the 0.7 per cent target has not been met.

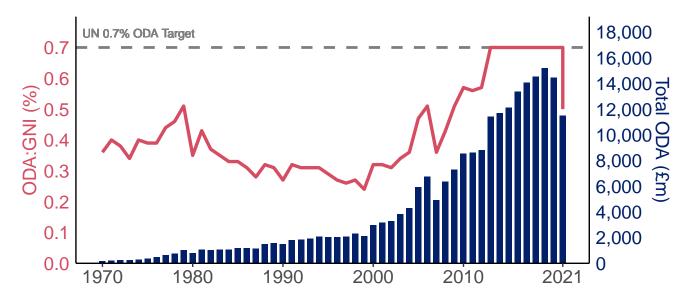


Figure 1: UK ODA levels (£ millions) and ODA:GNI ratios (%), 1970 to 2021

Figure 1 legend: The blue bars are the UK ODA from 1970 to 2021 (note the 2021 ODA figure is provisional), the pink line is the calculated ODA:GNI ratio from 1970 to 2021 and the grey dashed line is the 0.7 per cent ODA:GNI target set by the United Nations General Assembly in 1970. From 2018 onwards, ODA has changed from being measured on a cash basis to being measured on a grant equivalent basis, following a decision taken by the DAC in 2014<sup>7</sup>.

## 3. UK Bilateral and Multilateral ODA

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

- **Bilateral ODA** is earmarked spend. This means that the donor has specified where and what the ODA is used for this is usually ODA for specific countries, regions or programmes. For example, delivering family planning services across Malawi through a Non-Government Organisation. Bilateral ODA also includes earmarked spend through multilaterals.
- **Core multilateral ODA** is un-earmarked core funding from national governments to multilateral organisations, which is pooled with other donors' funding and disbursed as part of the core budget of the multilateral organisation. For example, the UK's un-earmarked 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.

Table 2 shows that in  $2021^8$  :

- £7,086 million of UK ODA was delivered through bilateral channels, a 25.7 per cent decrease (£2,447m) compared to 2020. £4,411 million of UK ODA was delivered through core contributions to multilaterals, a 10.8 per cent decrease (£535 million) compared to 2020.
- This has resulted in a reduced share of UK ODA delivered through bilateral channels (from 65.8 per cent in 2020 to 61.6 per cent in 2021), whilst the share of UK ODA delivered through multilateral channels has increased (from 34.2 per cent to 38.4 per cent). This is the highest share of multilateral spend since 2014.

<sup>&</sup>lt;sup>7</sup>For information on the difference between the Grant Equivalent measure and the historical cash measurement please see background note 7.5

<sup>&</sup>lt;sup>8</sup>Figures may not sum to totals due to rounding.

- It is important to note that some of the year-on-year changes will be due to usual fluctuations that can occur such as bilateral programme cycles beginning/ending and fluctuation in multilateral commitments (such as the EC attribution), as well as a result of decisions made in response to the decision to spend 0.5 per cent of GNI on ODA.
- £744 million of bilateral ODA was in the form of humanitarian assistance (6.5 per cent of total UK ODA). This represents a decrease of £787 million compared with 2020. Over the last five years<sup>9</sup>, the level of humanitarian assistance has fluctuated year-on-year with a peak in spend in 2019. This is the second consecutive year in which humanitarian spend has decreased.
- In 2021, approximately £550 million<sup>10</sup> of UK bilateral ODA was spent on activities to address the COVID-19 pandemic.<sup>11</sup> This included the UK's donation of excess vaccine doses, both directly and through COVAX<sup>12</sup>, to developing countries (estimated at £100.4 million).<sup>13</sup>
- UK bilateral ODA for COVID-19 activities was higher in 2020 (£1,657 million) than 2021. This reflects the large contributions to CEPI and other multilateral programmes that were made at the beginning of the pandemic to respond to its immediate effects. For example, the 2020 contribution to the IMF-Catastrophe Containment and Relief Trust (£150 million in 2020).

Delivery Observal	2020	2020	2021	2021	Change since 2020	Change since 2020
Delivery Channel	£ million	% total ODA	£ million	% total ODA	£ million	%
Total Bilateral ODA	9,533	65.8%	7,086	61.6%	-2,447	-25.7%
of which Humanitarian Assistance:	1,531	10.6%	744	6.5%	-787	-51.4%
Total Multilateral ODA	4,945	34.2%	4,411	38.4%	-535	-10.8%
TOTAL ODA	14,479	100.0%	11,496	100.0%	-2,982	-20.6%

#### Table 2: UK Official Development Assistance 2020 to 2021

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

## 4. Breakdown of UK ODA by contributor

Table 3 shows a breakdown of UK ODA by UK government department and other UK official sector contributors in 2021. It also shows changes in spend from 2020. The analysis presented in the table is based on summary provisional returns from government departments and other sources. More detailed spending data will be published in 'Statistics on International Development: Final UK Aid Spend 2021' this autumn.

The overall amount of ODA 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. See section 2 for more information on the reduction in ODA from 0.7 per cent to the 0.5 per cent for 2021.

<sup>9</sup>See table A7 from Statistics on International Development: Final UK Aid Spend 2020 for the full time series.

<sup>10</sup>Please see the background note section 7.9 for information on ODA COVID-19 data collection, quality and calculation. Please note this figure is provisional and is open to revision between the provisional and final SID.

<sup>&</sup>lt;sup>11</sup>Activities captured have the objective of supporting the control of the COVID-19 pandemic and the response to its socialeconomic impacts.

<sup>&</sup>lt;sup>12</sup>COVAX is co-led by Coalition for Epidemic Preparedness Innovations (CEPI), Gavi (The Vaccine Alliance) and 'World Health Organisation' (WHO). The WHO website describes COVAX's aim as to accelerate the development and manufacture of COVID-19 vaccines, and to guarantee fair and equitable access for every country in the world.

<sup>&</sup>lt;sup>13</sup>This figure is in line with the DAC guidance on reporting vaccine donations in 2021, which includes the safeguard to not report ODA above the price paid for donated vaccines. The UK ODA figure reflects the price paid of the UK's donated vaccines in 2021.

#### **Contributors of UK ODA in 2021**

- **FCDO** spent £8,308 million of ODA (72.3 per cent of total UK ODA) in 2021. This was a decrease of £2,356 million (or 22.1 per cent) compared to 2020.
- ODA delivered by **all contributors other than FCDO** (known as non-FCDO) totalled £3,189 million in 2021, a decrease of 16.4 per cent or £626 million on 2020. Of this:
  - ODA delivered by government departments other than FCDO (known as **Other Government Departments**) totalled £2,779 million in 2021, an increase of £22 million or 0.8 per cent on 2020.
  - Spend by **Other Contributors of UK ODA** totalled £410 million in 2021, a decrease of £648 million (or 61.3 per cent) compared to 2020.
- The largest year on year changes amongst non-FCDO contributors were:
  - Home Office, which spent £915 million of ODA in 2021 (an increase of 53.3 per cent). This was mostly due to increased accommodation costs for asylum seekers to ensure the measures set out in law were adhered to in limiting the spread of COVID-19.
  - **Prosperity Fund**, which spent £53 million of ODA in 2021. The cross-government Prosperity Fund ended on 31 March 2021. See Section 7.6 for more information.
  - **Conflict, Stability and Security Fund (CSSF)**, which spent £430 million of ODA in 2021, a **decrease** of £104 million on 2020 (19.5 per cent).
  - BEIS which spent £929 million of ODA in 2021, a decrease of £74 million, or 7.4 per cent, on 2020.
  - Cabinet Office, which spent £108 million of ODA in 2021. This reflects spend by the Cabinet Office on ODA eligible activities for the 2021 United Nations Climate Change Conference, also known as the Conference of the Parties - COP26.

#### Table 3: UK ODA Contributors 2020-2021; ordered by 2021 ODA

Contributor Individual	l	2020	2020	2021	2021	Change since 2020	Change since 2020
Grouping Contribut	Contributor	£ million	% UK ODA	£ million	% UK ODA	£ million	%
Total Foreign, Commonwealth and Development Office		10,664	73.7%	8,308	72.3%	-2,356	-22.1%
Of which: EU attribution [not	e 2][note 3]	522	3.6%	824	7.2%	302	57.9%
Total non-FCDO		3,815	26.3%	3,189	27.7%	-626	-16.4%
Sub-total Other Government	Departments	2,757	19.0%	2,779	24.2%	22	0.8%
Department for Busine	ss, Energy and Industrial Strategy	1,003	6.9%	929	8.1%	-74	-7.4%
	Home Office	597	4.1%	915	8.0%	318	53.3%
Conflict, Stability a	and Security Fund (CSSF) [note 2]	534	3.7%	430	3.7%	-104	-19.5%
Depa	rtment of Health and Social Care	247	1.7%	223	1.9%	-24	-9.8%
	Cabinet Office	0	0.0%	108	0.9%	108	100.0%
Department for Environment Food and Rural Affairs		66	0.5%	76	0.7%	10	15.3%
Cross- Gov	vernment Prosperity Fund [note 4]	207	1.4%	53	0.5%	-154	-74.4%
	Department for Education	18	0.1%	18	0.2%	-[low]	-0.8%
Department for Work and Pensions		17	0.1%	9	0.1%	-8	-45.2%
Department for Digital, Culture, Media and Sports		8	0.1%	7	0.1%	-1	-10.6%
	Ministry of Defence	5	0.0%	5	0.0%	-[low]	-6.4%
	HM Revenue & Customs	8	0.1%	3	0.0%	-5	-62.6%
	HM Treasury	1	0.0%	2	0.0%	1	56.1%
	Office for National Statistics	[low]	0.0%	2	0.0%	1	535.9%
Department of International Trade [note 5]		3	0.0%	[low]	0.0%	-2	-86.9%
Export Credit Guarantee Department		44	0.3%	0	0.0%	-44	-100.0%
Sub-total Other contributors of UK ODA		1,057	7.3%	410	3.6%	-648	-61.3%
IMF Poverty Reduction and Growth Trust (PRGT)		255	1.8%	204	1.8%	-51	-19.8%
Gift Aid		154	1.1%	158	1.4%	4	2.3%
BBC World Service		26	0.2%	25	0.2%	-1	-4.4%
Scottish Government		12	0.1%	15	0.1%	2	20.3%
Other In-Donor Refugee Costs [note 6]		7	0.0%	4	0.0%	-3	-39.0%
	Welsh Government	3	0.0%	3	0.0%	0	7.0%
Colonia	Pensions administered by FCDO	1	0.0%	1	0.0%	[low]	1.9%
EU Attribution (non - DFID) [note 2]		600	4.1%	z	Z	-600	z
Total UK Net ODA		14,479	100.0%	11,496	100.0%	-2,982	-20.6%

z is not applicable, "0" is null and "[low]" is less than half the smallest unit displayed.

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

Note 2. Before 2021 ODA reporting, the full UK attribution of the EU ODA budget was split between DFID, CSSF and non-DFID contributors. This is the first year that the full UK attribution of the EU ODA budget is captured as FCDO ODA. This is in line with UK ODA allocations.

Note 3. As per Note 2, for 2020 this value for EU attribution only reflects the amount attributed to ex-DFID. In 2020, the UK's share of the EU ODA budget was £1,149 million. Note 4. The cross-government Prosperity Fund ended on 31 March 2021 and prosperity programme has moved to the FCDO. To avoid double counting within the calendar year the Prosperity Fund ODA has been reported on a cash basis. For more information see background note 7.6 in the accompanying Provisional SID report.

Note 5. Department for International Trade ODA was £2,859,134 for 2020 and £373,464 for 2021.

Note 6. This includes ODA eligible in-donor refugee costs which have been administered by the devolved administrations.

#### Contributors' share of UK ODA<sup>14</sup>

- With former DFID and former FCO having merged, the FCDO is responsible for the majority of the UK ODA budget. In 2021 the **FCDO** accounted for 72.3 per cent of UK ODA, a slight drop compared to 73.7 per cent in 2020.
- The share of total ODA delievered by **contributors other than FCDO** increased from 26.3 per cent in 2020, to 27.7 per cent in 2021.
- Of the non-FCDO contributors, **Other Government Departments'** (OGD) ODA accounted for 24.2 per cent of total UK ODA, compared to 19.0 per cent in 2020. This is their largest share over the last 10 years. The departments with the largest shares of ODA were: the Department for Business, Energy & Industrial Strategy (BEIS) (8.1 per cent of ODA); the Home Office (8.0 per cent); the Conflict, Stability and Security Fund (3.7 per cent); and the Department of Health and Social Care (1.9 per cent).
- Other Contributors of UK ODA accounted for 3.6 per cent of total UK ODA, a decrease from 7.3 per cent in 2021. This is in part due to the total amount of EU attribution now being captured as FCDO spend instead of being split between FCDO, CSSF and Other Contributors of UK ODA <sup>15</sup>. The largest Other Contributors of UK ODA were IMF-PRGT (1.8 per cent of UK ODA) and Gift Aid claimed by charities and used for ODA eligible activities (1.4 per cent of UK ODA).

<sup>&</sup>lt;sup>14</sup>Figures may not sum to totals due to rounding.

<sup>&</sup>lt;sup>15</sup>Before 2021 ODA reporting, the UK attribution of the EU ODA budget was split between DFID and non-DFID contributors. This is the first year that the total amount of UK attribution of the EU ODA budget is captured as FCDO ODA. This is in line with UK ODA allocations. The provisional estimate for the UK's share of the EU ODA budget in 2021 was £824 million compared to £1,149 million in 2020.

Figure 2: Proportion of UK ODA accounted for by FCDO, Other Government Departments and Other contributors of ODA: 2017 to 2021

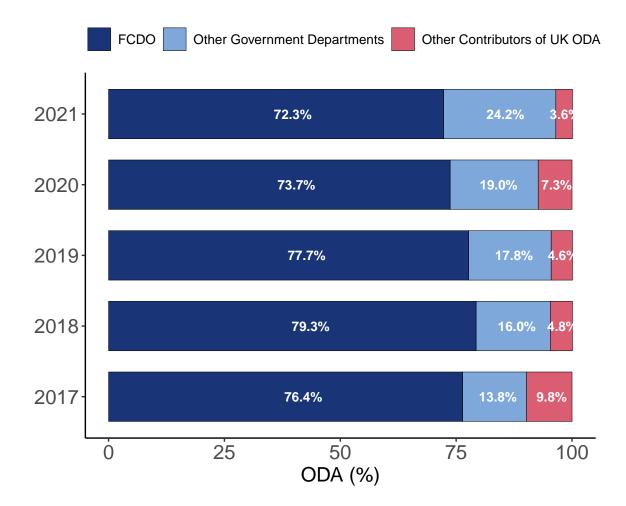


Figure 2 legend: Total UK ODA by UK department. The bars for each year represent 100% of total UK ODA. The dark blue section represents the proportion of total UK ODA delivered through the Foreign, Commonwealth and Development Office. In light blue is the proportion of UK ODA delivered through Other Government Departments. In pink is the proportion of total UK ODA that was delivered through Other Contributors of UK ODA. Note, percentages may not sum to 100 due to rounding.

## 5. Country/Region-Specific Bilateral ODA (FCDO only)

Figure 3 presents the region breakdown of FCDO's bilateral ODA that was allocated to a specific country or region. These figures represent only part of the picture on UK bilateral ODA by region because similar data from all other contributors of UK ODA is not available for this provisional release. Also, bilateral spend that benefits multiple countries and/or regions (known as Developing country, unspecified) is not included (see section 6). Country/region-specific bilateral ODA for all contributors of UK ODA will be presented in the 'Statistics on International Development: Final UK Aid Spend 2021' publication.

• In 2021, FCDO country/region-specific bilateral ODA was £2,614 million, a decrease of £1,408 million from 2020. The share of FCDO's total bilateral ODA this represented remained broadly the same between 2021 (58.2 per cent) and 2020 (58.1 per cent).

- In 2021, Africa received £1,365 million of FCDO bilateral ODA, a decrease of £864 million from 2020. Africa remained the largest recipient of FCDO country/region-specific bilateral ODA in 2021, despite its share of total country/region-specific bilateral ODA falling from 55.4 per cent in 2020 to 52.2 per cent in 2021.
- In 2021, Asia received £1,073 million of bilateral ODA from FCDO a decrease of £506 million compared to 2020, representing 41.0 per cent of total country/region-specific bilateral ODA, up from 39.3 per cent in 2020.
- Historically, the share of total UK ODA to Europe, Americas and Pacific is lower compared to Africa and Asia therefore the drop in spend to these regions is also on a smaller scale.
- From 2020 to 2021, the volume of country/region-specific ODA to Europe and the Americas decreased from £73 million to £64 million and from £131 million to £106 million respectively. The proportion of total FCDO country/region-specific ODA that this represented remained low at 2.4 per cent (increased from 1.8 per cent) for Europe and 4.1 per cent (increased from 3.3 per cent) for the Americas.
- From 2020 to 2021 the amount of bilateral ODA distributed by the FCDO to the Pacific remained largely unchanged. The Pacific received £7 million of FCDO bilateral ODA in 2021, a decrease of £3 million compared to 2020.

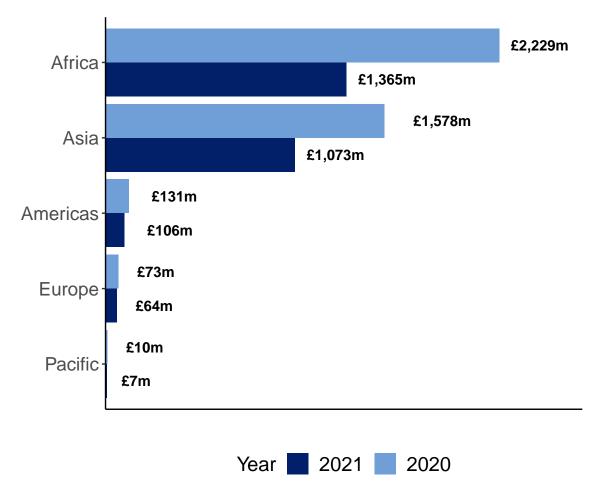


Figure 3: Country/Region-Specific Bilateral ODA (FCDO only):

Figure 3 legend: FCDO bilateral ODA by receiving region (f millions), 2020 and 2021.

## 6. Non-Country/Region-Specific Bilateral ODA (FCDO only)

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

Bilateral ODA by FCDO on projects not assigned to any single recipient country or region amounted to  $\pm$ 1,877 million in 2021, a decrease of  $\pm$ 1,025 million compared to 2020. This accounted for 41.8 per cent of FCDO's total bilateral ODA, broadly similar to 41.9 per cent in 2020.

Figure 4 provides a breakdown of FCDO's non-country/region-specific bilateral ODA for 2021.

#### Figure 4: Breakdown of non-country/region-specific bilateral ODA in 2021 (FCDO only)

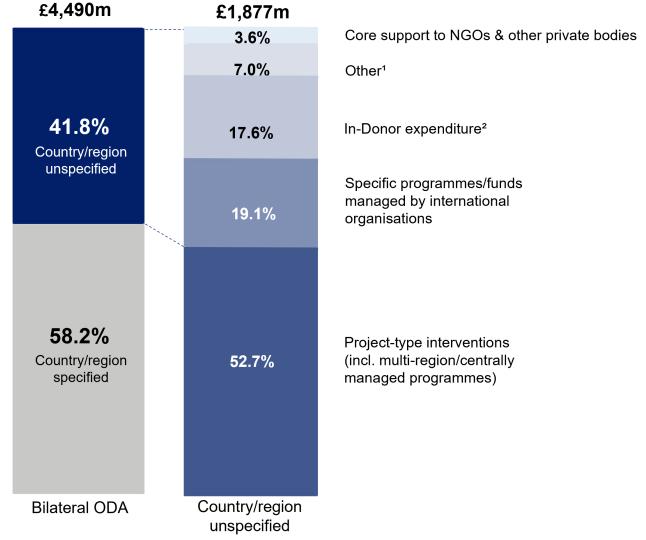


Figure 4 legend: Breakdown of FCDO non-country/region-specific bilateral ODA by type of aid (£ millions), 2020 and 2021. <sup>1</sup> "Other" includes Basket funds/pooled funding and Other technical assistance. <sup>2</sup> "In-donor expenditure" relates to ODA-eligible activities conducted within countries that donate aid, including the UK. ODA in the UK to support development work overseas or refugees within the UK are both examples of in-donor expenditure.

## 7. Background Notes

#### 7.1. Definitions and Sources

- 1. Information on the main definitions and sources used in this publication can be found in Annexes 2 and 3, respectively, of the Statistics on International Development publication.
- 2. UK ODA figures for this publication are derived from:
- Former DFID's 'ARIES' database of financial transactions relating to 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. Former FCO's data is collected in a similar manner from financial transactions data. These two administrative source comprises 72.3 per cent of total UK ODA in 2021.
- Non-FCDO sources are largely derived from financial transaction data. ODA contributors also assess whether the spend is in line with the OECD definitions of ODA. A small proportion of non-FCDO spend is estimated, for example Gift Aid on ODA eligible activity. These non-FCDO sources account for around 27.7 per cent in 2021.

#### 7.2 Scope

- 3. This publication presents information on the UK's Official Development Assistance (ODA) in calendar year 2021. Comparisons are made to calendar year 2020. It includes data from UK government departments as well as the Devolved Administrations of the UK and other contributors to UK ODA such as IMF-PRGT and Gift Aid. Data relating to both bilateral and multilateral ODA are included in the scope of this publication.
- 4. This publication does not include information on:
- 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.
- Financial Year ODA budget allocations, which are set by HM Treasury. Users are advised to use caution when making comparisons between the calendar year figures reported in SID with financial year ODA budget allocations.

#### 7.3 Spending and reporting on ODA

- 5. FCDO and HM Treasury monitor spend by UK departments and funds, and movements in GNI during the year. The UK ODA commitment is reported in the calendar year following the spend, using confirmed ODA outturn spend, and GNI estimates published by the Office for National Statistics.
- 6. While FCDO manages its own spending on ODA, FCDO has no control over GNI nor the spending by other government departments and other sources of ODA. After final decisions on spending UK ODA 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.
- 7. Between the spring and the autumn, the previous year's ODA totals of FCDO and other government departments are finalised. Government departments other than FCDO will provide project-level details that allow the ODA to be quality assured by FCDO. The ONS will release further updates of GNI throughout the year. The final ODA data and the most up-to-date available GNI estimate are then used to calculate the final ODA:GNI ratio in the autumn publication.

8. FCDO is responsible for collating data and reporting spend on ODA to the Organisation of Economic Development and Co-operation (OECD), including the ODA:GNI ratio.

#### 7.4 EU attribution

- 9. The provisional estimate for the UK's share of the EU ODA budget in 2021 was £824 million compared to £1,149 million in 2020. EU attribution fluctuates from year to year due to the speed of delivery for the seven-year programming cycle, the total share of EU external programming spend that is classified as ODA and fluctuations in exchange rates. In addition to the normal fluctuations, the decrease in 2021 reflects the UK's shrinking residual contributions to the EU Multiannual Financial Framework (MFF) 2014 and 2020 budget (see paragraph 10 below). The estimate in 2020 and 2021 is based on published data from the European Commission on the UK's share of development expenditure.
- 10. Under the Withdrawal Agreement, the UK committed to meet outstanding contributions from the 2014-2020 EU budget beyond 1 January 2021 including for external action, development and humanitarian aid. This means a declining tail of ODA contributions until 2029-2030 and which is part of the wider financial settlement in the Withdrawal Agreement.
- 11. Before 2021 ODA reporting, the full UK attribution of the EU ODA budget was split between DFID and non-DFID contributors. This is the first year that the full UK attribution of the EU ODA budget is captured as FCDO ODA. This is in line with UK ODA allocations.

#### 7.5 Grant Equivalent Measure

- 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. This change in measure effects official loans to sovereign states and development multilaterals. See our technical note for more information.
- 13. The headline grant equivalent measure of UK ODA for 2021 was £11,496 million, compared to £11,908 million on the cash basis measurement (a difference of 3.6 per cent).
- 14. The majority of the difference is due to the UK's multilateral loan disbursement to the IMF-Poverty Reduction and Growth Trust (IMF-PRGT). In 2021 IMF-PRGT used £204 million ODA under the grant equivalent (headline ODA measure for 2021) compared with £659 million ODA under the cash flow measure. The remaining difference is due to official loan reflows not being included under the grant equivalent measure.

#### 7.6 Revisions and Changes to the Publication

15. The revisions process is set out in FCDO's Revisions Policy.

#### **Cross-Government Prosperity Fund**

- 16. In March 2021, the government announced<sup>16</sup> that the Cross-Government Prosperity Fund would end on 31 March 2021 and prosperity programme would move to the FCDO. Therefore, figures presented on the Prosperity Fund in this report cover January to March 2021 (quarter 1 of the calendar year) only. Prosperity Fund programmes implemented by the FCDO will be included in FCDO figures from April 2021 onwards.
- 17. There are two main ways of accounting for expenditure: on a cash basis or on a resource basis. The primary difference between cash and resource accounting is the point at which a transaction is recognised in financial statements. Under resource accounting (also called accrual accounting), transactions are recognised when the activity occurs. Under cash accounting, a transaction would be recorded when cash is paid for the activity.

<sup>&</sup>lt;sup>16</sup>Written Ministerial Statement on Prosperity Fund can be found online.

- 18. FCDO<sup>17</sup> reports ODA on a cash basis in line with the OECD DAC Directives. Historically Prosperity Fund was reported on a resource basis which makes minimal difference when reporting on a full year worth of expenditure. However, as most of Prosperity Fund funded programmes were reported by FCDO for the majority of the year (from April 2021), Prosperity Fund figures (from January to March 2021) have been reported on a cash basis. This ensures consistency to the way in which Prosperity Fund programmes are reported across the calendar year and removes the risk of double counting between the two measures.
- 19. As mentioned in paragraph 18, to avoid double counting the Prosperity Fund ODA has been reported on a cash basis. Therefore, the figure in this report is reported on a different basis to historic Prosperity Fund ODA. For consistency the Prosperity Fund figure for quarter 1 on a resource basis was £81 million, compared to £53 million on a cash basis.

#### Accessibility

- 20. As with the Final SID 2020, we have reformatted the summary tables which accompany the Provisional SID 2021 report to ensure that they are fully accessible for use with screen readers and keyboard only navigation. This is in line with The Public Sector Bodies (Websites and Mobile Applications).
- 21. If you need any of the information published as part of the SID collections (SID 2021 or historical) in a different format please contact us at statistics@fcdo.gov.uk

#### 7.7 Future developments

- 22. An important part of National Statistics production is assessing whether a product continues to meet user needs. The ODA statistics team are currently reviewing the SID to identify areas to develop further, as well as testing how best to present and communicate ODA trends. So far, the SID has been peered reviewed by other statisticians. The team has also gathered information on the users of SID and their data needs via a short user feedback launched in April 2021.
- 23. The team are planning to publish a report of the headline findings and a future development plan for the SID this year.
- 24. The team always welcomes the opportunity to understand further how our readers are using the SID products and data. You can provide feedback by contacting us by email at <a href="mailto:statistics@fcdo.gov.uk">statistics@fcdo.gov.uk</a>
- 25. As a newly merged department, FCDO ODA reporting for 2021 still relies on the finance systems and policies from each of the legacy departments. FCDO's new finance and HR system "Hera" will be implemented later this year. To ensure that FCDO ODA can be consistently collected and reported in line with the OECD DAC directives going forward, we have a dedicated statistician working on the transition between systems and its impact on our statistics. The change in finance systems also bring the opportunity to improve data collection processes. The ODA statistics team will keep users informed via the SID gov.uk page of any changes or improvements this brings to FCDO ODA statistics.
- 26. FCDO is defined as a multi-purpose agency by the OECD, as it carries out both ODA and non-ODA activities. FCDO statisticians have produced a suitable methodology that captures the ODA eligible proportion of FCDO administration costs. Information on this methodology can be found in our explanatory note here. This methodology is expected to be used on an interim basis whilst the the FCDO finance system is being implemented. Once this happens, the methodology will be reviewed and adjusted as necessary. The explanatory note will be updated once the methodology is finalised.

 $<sup>^{17}</sup>$ A small part of FCDO spend is measured on a resource basis (£14.6m). These programmes will switch to the cash measure once the new FCDO finance system "Hera" is implemented.

#### 7.8 Timing and Releases

- 27. FCDO releases two editions of Statistics on International Development each year:
  - Provisional UK Aid Spend will be published in the spring and includes a preliminary estimate of the UK's ODA:GNI ratio for the previous calendar year. This is usually early April each year.
  - Final UK Aid Spend is usually published in the autumn. This publication confirms the UK's ODA:GNI ratio for the previous year, as well as including more detailed analysis of the UK's Bilateral and Multilateral ODA, and includes the microdata used to produce the publication. The latest edition of this publication can be found on gov.uk.
- 28. Provisional 2021 ODA statistics for all members of the OECD will be published by the OECD Development Assistance Committee (DAC) on 12th April 2022. Final data is normally published by the OECD in December.

#### 7.9 Quality

- 29. The DAC sets the definitions and classifications for reporting on ODA internationally. These are laid out in the DAC Statistical Reporting Directives. The statistics shown here are reported in line with these directives and are subject to the quality assurance process as described in Annex 3 of Statistics on International Development.
- 30. The data in the publication is largely based on administrative data and so it is not subject to sampling error. However, these provisional statistics may change between now and the final release in autumn 2022 as the data is further audited and assured as part of the closing of accounts and statistical quality assurance processes.

#### **ODA** in response to the Coronavirus (COVID-19) Pandemic

- 31. The activities captured in the COVID-19 ODA figure have the objective of supporting the control of the COVID-19 pandemic or responding to its socio-economic impacts. The OECD DAC has requested aggregated total COVID-19 ODA from all donors. This will be published in their preliminary statistics on 12th April.
- 32. The sources of this ODA data are as follows:
- a. Former-DFID: COVID-19 spend data was captured on the Aid Management Platform, which is the same source<sup>18</sup> as former-DFID spend data on sectors and benefitting country. ODA activities can be tagged either as a COVID-19 activity or as not applicable. Some ODA activities were designed specifically to address COVID-19 (COVID-19 specific), while some existing programmes were adapted or flexed to respond to the crisis (COVID-19 adapted).
- b. Former-FCO: COVID-19 activities were carried out through the International Programme's enabling fund, which provides small amounts of discretionary funding to posts /directorates for small-scale activities. The Fund is designed to be agile, to allow posts to respond quickly to developing events<sup>19</sup>.
- c. Non-FCDO: ODA contributors provided the amount of ODA focused on addressing the COVID-19 pandemic via the usual provisional data return.
- 33. Please note that the amount spent on activities which addressed the COVID-19 pandemic is an **approximate estimate**.

<sup>&</sup>lt;sup>18</sup>See the SID accompanying annexes for more information on FCDO's assessment of assurance of the administrative data <sup>19</sup>For more information please see <u>published note</u>.

- 34. Approximately 71 per cent of former DFID's COVID-19 data is COVID-19 spend that can be defined as adapted spend. This estimate is based on the proportion of the programme's overall budget that was focused on addressing COVID-19 for financial year 2020-21 and 2021-22. Proportions for 2020-21 were collected last year, this year programme teams were requested to provide a separate proportion for 2021-22. Programme teams were supplied with refreshed and refined guidance on how to calculate the proportion. These proportions have been applied to the corresponding periods within the calendar year: the 2020-21 proportion applied to Jan to Mar 2021 and the 2021-22 applied to Apr to Dec 2021.
- 35. The £550 million does not include the UK's core contributions to multilaterals, a proportion of which will have been channelled to address the COVID-19 pandemic.

#### 7.10 Related Statistics and Publications

- 36. The OECD statistics provide ODA breakdowns for DAC donors (including multilaterals). This source is useful when carrying out international comparisons.
- 37. The Development Tracker can be used to explore details of the individual development programmes that the UK is funding. This allows you to filter programmes by country and sector and view further details about the programme as published in documents such as the business case and annual review. The tracker uses open data on development programmes, compliant with the International Aid Transparency Initiative standard, to show where funding by the UK Government and its partners is going and 'trace' it through the delivery chain.

#### 7.11 Uses and users

- 38. The main purpose of these statistics is to provide timely summary statistics on ODA expenditure by the UK. They are published prior to the release of provisional ODA statistics by the OECD DAC for all DAC members.
- 39. Responses from our short user feedback survey in May 2021 show that our largest user groups include expert analysts/technical users, policy influencers and information foragers (see definitions of each personas here). Users of the SID primarily use it to find out which countries and sectors receive UK ODA, the bilateral/multilateral split of UK ODA and the amount of ODA spent by each government department.
- 40. We are always keen to enhance the value of these statistics and welcome your feedback either via our Statistics User Group or via email statistics@fcdo.gov.uk

#### 7.12 National Statistics

- 41. 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 Code of Practice for Statistics. Designation means the statistics carry the National Statistics label and conform to the standards summarised below.
- 42. Office for Statistics Regulation published their finding from the compliance check of SID (2019) which confirmed that it is designated a National Statistics.
- 43. The Foreign, Commonwealth and Development Office is now responsible for producing the Statistics on International Development statistical series, the designation of National Statistics carries through to the new Department.
- 44. For information on the work of the UK Statistics Authority visit: http://www.statisticsauthority.gov.uk

#### 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.

#### Contact

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: statistics@fcdo.gov.uk

Website: https://www.gov.uk/guidance/statistics-on-international-development

For media enquiries please contact the FCDO Press Office on +44 (0)20 7008 3100.

For further information on development issues and FCDO policies, please contact the Public Enquiry Point on 020 7008 5000.