

Trends in UK Development Assistance

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Introduction

The United Kingdom (UK) is Europe's leading provider of Official Development Assistance (ODA).

The UK gave £11.73 bn in ODA in 2014 and £12.2 bn in 2015, making it the second-largest aid donor in the world after the United States.

The UK is one of only five Organisation for Economic Co-operation and Development (OECD) member states to have met the target of committing 0.7% of its gross national income (GNI) to ODA.

In 2015, the UK became the first G7 country to make a pledge in law to commit to dedicate 0.7% of its GNI to ODA. This target was subsequently met by the UK for 2015.

This report will present the state of ODA provided by the UK based on a thorough analysis of official reports from the UK government as well as reports from several international organisations published during the period 2010–2015.

It begins with a short description of the UK as a major worldwide donor, the principal beneficiaries and regions of interest as well as the UK's priorities as a donor.

This report also contains information on the UK's largest donor institutions, the principal sources of funding for UK foreign aid and selected data on the recipients and volumes of UK ODA. It also contains data on past recipients of UK ODA, with a special focus on remittances from the UK and the UK public's evolving attitude to foreign aid.



(Photo: Jessica Rea)

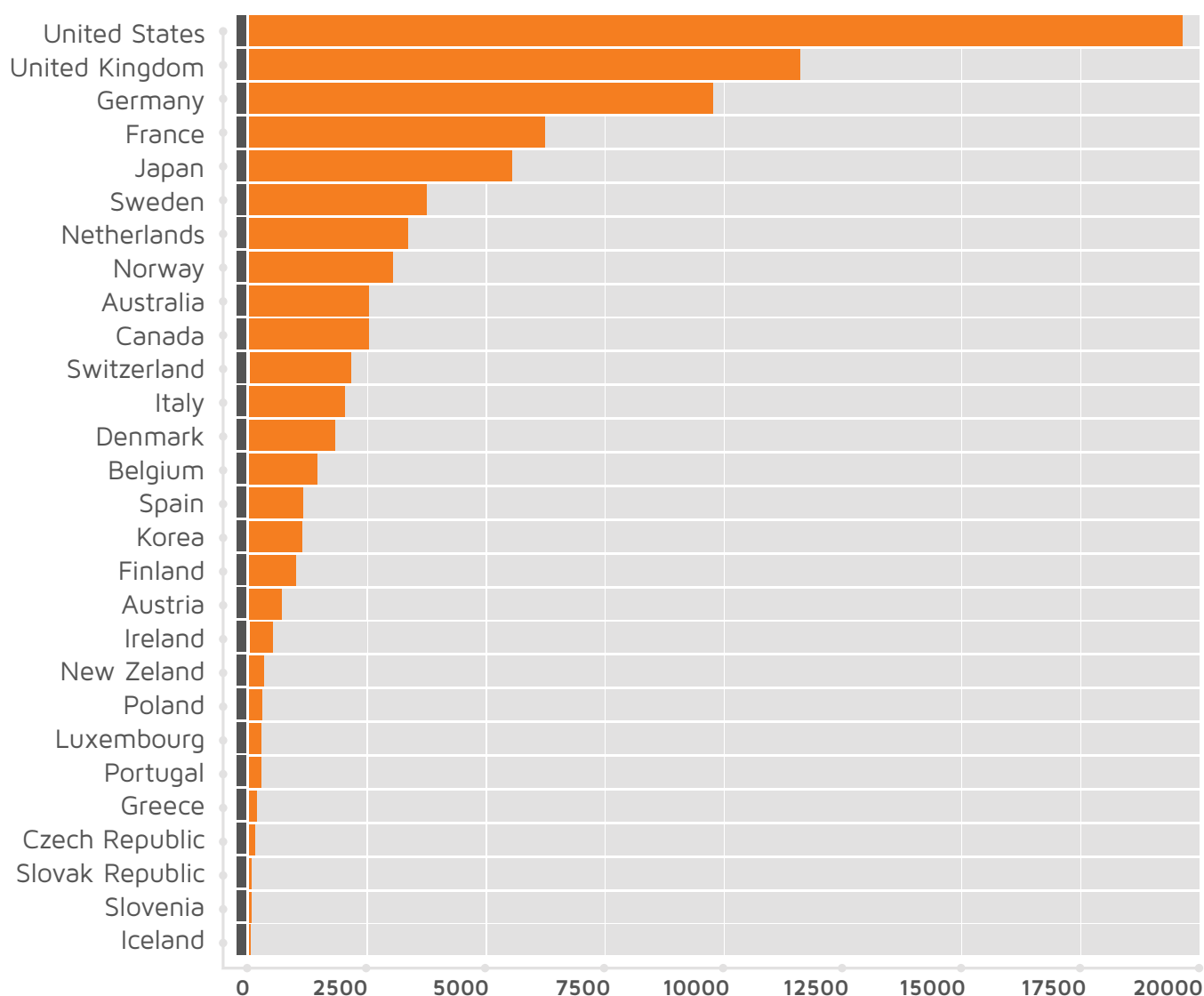
General overview of UK Development Assistance

In absolute terms, the UK was the second-largest contributor of Official Development Assistance (ODA) in the world for 2015. The combined contributions of the United States and UK accounted for approximately 40% of total Development Assistance Committee (DAC) ODA in 2014.

In 2014, 65% of total DAC ODA was provided by the five largest donors – the USA, UK, Germany, France and Japan, totalling £82 bn. The UK's contribution of £11.7 bn in ODA in 2014 accounted for 14% of total global DAC ODA for that year, was £11.7 bn, an increase of 2.6% (£302 m) from 2013, of which the UK contributed 14% (Statistics on International Development, DFID, 2015).

Provisional Net ODA from DAC Donors (£,m)

2015



Source: DFID, 2015.

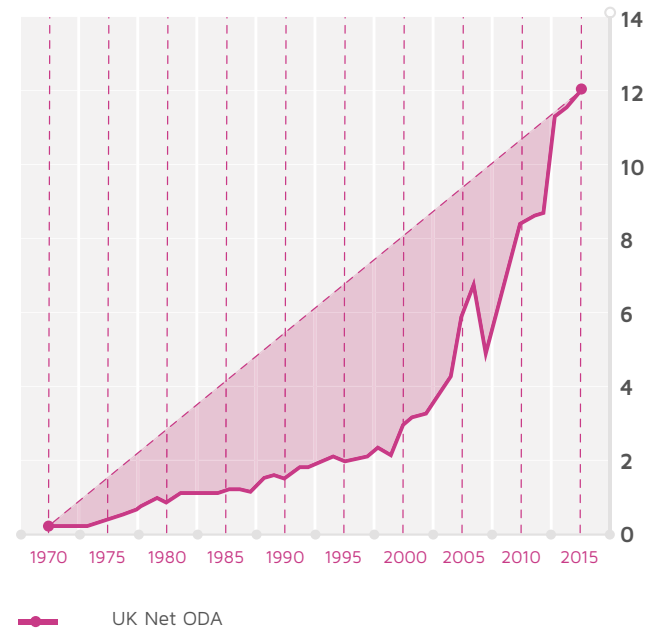
Long-term trends in UK ODA

The UK first achieved its target ODA of 0.7% of GNI for ODA spending totalling in 2013. In 2015, laws were enacted mandating the UK Government to provide 0.7% of its GNI as ODA, a target that was also successfully reached in 2016.

There has been a steady increase in the level of UK ODA since 1970, with a very large increase in 2013 and a steadily increasing trajectory since 2007. The trend was interrupted in 2005 and 2006 due to high levels of debt relief but has since continued its upward trend without interruption from 2008 to the present.

The UK government has successfully met its target for ODA of 0.7% of GNI for ODA every year since 2013.

UK Net ODA (£,bn) 1970-2015



Source: DFID, 2016.



(Photo: Rajat Gupta/EPA)

UK ODA accomplishments:2010-2015

- Climate change** – Assisted 15 million people in coping with the effects of climate change.
- Education** – Supported 11 million children, including 5.3 million girls, in primary and lower secondary education.
- Governance and security** – Supported freer and fairer elections in 13 countries in which 162 million people voted.
- Health** – Assisted with 5.1 million successful births with the help of nurses, midwives or doctors. The UK also funded the distribution of 47 million insecticide-treated bed nets as well as vaccines and drugs, helping contribute to a 60% reduction in malaria deaths worldwide over the last 15 years.
- Humanitarian assistance** – Reached over 13 million people with emergency food assistance, including 5.5 million women and girls.
- Poverty, vulnerability, nutrition, and hunger** – Assisted 28.5 million children under five and pregnant women through nutrition-relevant programmes.
- Scientific research** – Contributed to the global elimination of rinderpest, a disease in cattle which contributed to famine and poverty, and helped breed a new disease-resistant crop which has increased food security for an estimated 3 million people.



*Former Development Secretary Justine Greening meets school children in Kenya
(Photo: DFID - UK Department for International Development)*



*DFID is supporting the refurbishment of thousands of water pumps in Sindh Province, Pakistan
(Photo: DFID/Russell Watkins)*

Tax and transparency – Supported agreements on a new global standard for the automatic exchange of tax information, making it easier for governments to combat offshore tax evasion.

Water, sanitation and hygiene – Supported 63 million people, including 22 million women, to gain access to clean water, better sanitation and improved hygiene conditions.

Wealth creation – Provided 69 million people, including 36 million women, with access to financial services to help them work their way out of poverty.

The government has committed to furthering these targets via the following measures: increasing climate change funding by at least 50% over the next five years, establishing a new rapid-response team of technical experts to help countries investigate and control disease outbreaks, creating a new £1 bn fund over the next five years for research and development into products for infectious diseases (The Ross Fund), launching the Energy Africa campaign to scale-up the household solar market across sub-Saharan Africa, and building a bigger, better and faster humanitarian response capability to better respond to natural disasters worldwide.

The future of UK ODA

In November 2015, in accordance with the UK aid strategy's annual spending review, the UK government updated its future ODA strategy. Moving forward, the UK will streamline its future ODA commitments to shift some of the focus away from Department for International Development (DFID), although approximately 80% of foreign aid (DFID accounted for 86% of total ODA in 2014) will continue to be administered through the DFID. Going forward, from November 2015, the UK government set several areas of focus for ODA spending, including:

- Boosting growth and jobs, making it easier for people to start businesses and trade freely with each other.
- Saving the lives of 1.4 million children lives immunising 76 million children against lethal diseases.
- Continuing to lead efforts to tackle violence against women and girls, end FGM, and combat early and forced marriage both in the UK and abroad.
- Doubling the size of the Aid Match scheme.
- Helping at least 11 million children in the poorest countries gain a decent education.
- Helping at least 60 million people get access to clean water and sanitation to combat life-threatening diseases.
- Helping people in the UK give or lend money directly to individuals and entrepreneurs around the world.



(Photo: DFID - UK Department for International Development)



British aid financed the opening of health centres in Ethiopia (Photo: DFID - UK Department for International Development)

- | Improving nutrition for at least 50 million people who would otherwise go hungry.
- | Increasing partnerships between UK institutions and their counterparts in the developing world.
- | Insisting that every government and organisation funded by the UK meets global transparency standards.
- | Leading a new global programme to accelerate the development of vaccines and drugs to eliminate the world's deadliest infectious diseases while investing to prevent deaths from malaria and working to end preventable child and maternal deaths.
- | Promoting girls' education, encouraging equal access to property rights and working to achieve access to family planning for everyone who wants it.
- | Pushing for new global goals to eradicate extreme poverty by 2030 and promote human development, gender equality and good governance.
- | Working to prevent climate change and assist the poorest populations in adapting to it.

The UK has also pledged over £1.1 bn to help the victims of the crises in Syria and Iraq and to prevent regional collapse. The UK government is currently reviewing its ODA strategy to provide better value for money in the DFID budget and the overall international development sector.

Divisions of UK Development Assistance

In the UK, the legislated 0.7% commitment of GNI for ODA applies across all sectors of the government. As part of each spending review, HM Treasury allocates a specific ODA target to each department. Individual departments are then responsible for ensuring that their own ODA targets are optimally allocated. When other departments undertake activities that meet the criteria for ODA, these count towards the 0.7% target. The **Department for International Development (DFID)** spent over £10 bn in 2014, but a lower amount of £9.7 m in 2015. The DFID is tasked with spearheading the UK government's efforts to end poverty and build a safer and prosperous world, a goal which is in the UK's national interest. DFID works towards ending the need for aid by creating jobs, unlocking the potential of girls and women when humanitarian emergencies hit. The DFID currently has direct engagement with 28 countries and three regional programmes.

Foreign and Commonwealth Office (FCO) promoting sustainable global growth, human rights, climate change and conflict prevention;

Department for Business, Energy and Industrial Strategy (BEIS) ensuring that the UK remains at the leading edge of research and innovation, developing and a comprehensive industrial strategy, and securing energy supplies that are reliable, affordable and clean;

Home Office saw the large increase in 2014 with a total of £136 m. Presently, most Home Office ODA goes to supporting refugees living in the UK.

In 2015, total DFID spending was £9.76 bn. In the same year, non-DFID ODA was £2.3 bn (accounting for 19.5% of UK ODA), up £755 m from the previous year. Departments that saw significant volume increases were DECC (up £141 m in 2015), DBIS (£117 m increase), and the Conflict Pool/CSSF (up £144 m). Other significant non-DFID ODA contributions in 2015 included £120 m for the IMF's Poverty Reduction and Growth Trust and the European Union (£509 m or 4.2% of total ODA).

Source: Trends in Total UK Official Development Assistance and the Department for International Development's expenditure, National Audit Office, December, 2015

*28 Countries

Afghanistan, Bangladesh, Democratic Republic of Congo (DRC), Ethiopia, Ghana, India, Kenya, Kyrgyzstan, Liberia, Malawi, Mozambique, Myanmar (Burma), Nepal, Nigeria, Occupied Palestinian Territories, Pakistan, Rwanda, Sierra Leone, Somalia, South Africa, Sudan, South Sudan, Tajikistan, Tanzania, Uganda, Yemen, Zambia, and Zimbabwe.

Energy and Industrial Strategy

Created by the merger of the Department of Energy and Climate Change (DECC) and the Department for Business, Innovation and Skills (BIS) in July 2016.

Other departments:

Health Department; Medical Research Council; Department for Environment, Food & Rural Affairs (Defra).

DFID's office at
22 Whitehall, London
(Photo: workplaceweek.com)

ODA jointly managed by DFID and other UK Government Departments

The Conflict Pool/CSSF programme are governed and jointly managed by the DFID, FCO and Ministry of Defence (MoD). Main goals of the programme are to conducting joint analysis, establishing shared priorities and designing and implementing joint conflict prevention. A portion of the Conflict Pool's expenditure is counted as part of [ODA](#). The funds disbursed through the DFID are ODA-eligible and are thus included as part of DFID expenditure. The remaining ODA figures comprise the aggregate of FCO and MoD funding.

Note: 2015 statistics for the Conflict Pool are not provided separately from those provided for the Conflict, Stability and Security Fund (CSSF) which began on 1 April, 2015 as part of the government's approach to building stability overseas in fragile states and regions as part of its Building Stability Overseas Strategy (BSOS).

The International Climate Fund (ICF) is a jointly-managed fund created in 2010 with the aim of reducing poverty by supporting developing countries as they address the challenges posed by climate change. The ICF managed jointly by the DFID, DECC, the Treasury Department and Defra, bringing together expertise from across government on international development, climate change adaptation and mitigation, and forestry.

The Climate Investment Funds (CIFs) were established in 2008 to support development and poverty reduction through better environmental management and to help developing countries respond to the realities of climate change. Both the DFID and DECC contribute to the CIFs.



(Photo: DFID - Sgt. Neil Bryden/RAF)



(Photo: Scott Campbell)

ODA delivered via other UK government departments

- | **FCO** ODA contributions include the UK Council, strategic and bilateral programmes, aid-related frontline diplomacy and contributions to multilateral organisations. About 25% of FCO ODA goes to low income countries and 70% to middle income countries, with the remainder not country specific. In 2015, 3.2% of UK ODA went to the FCO, a total of £391 m.
- | **The Ministry of Defence (MoD)** undertakes several ODA-related activities, including disaster relief training, international capacity building, and policy advice. The MoD accounted for 0.1% of total ODA volume in 2015. Total MoD ODA contributions totalled £9 m in 2015, a sharp increase from the £2 m spent in 2014.
- | **DECC** ODA includes contributions to the ICF and annual contributions to multilaterals, including the International Atomic Energy Agency. DECC also provides bilateral funding to specific countries and regional programmes, technical assistance funding for international carbon capture and storage capacity building as well as for an international 2050 Pathways Partnership project.
- | **Defra** is responsible for the following ODA-related contributions: the BioCarbon Fund Initiative for Sustainable Forest Landscapes, the Darwin Initiative, the Illegal Wildlife Trade Challenge Fund and the Multilateral Fund for the Implementation of the Montreal Protocol (MLF). Defra ODA spend accounts for the 0.5% of total ODA volume, receiving £57 m in both 2014 and 2015.
- | **The Scottish Government** manages its own bilateral aid programme as part of its International Development Fund. The Scottish government also provides funding for climate change through the Climate Justice Funds. The Scottish Government was allocated £11 m in 2015, accounting for 0.1% of all ODA spending.
- | **The Welsh Assembly's 'Wales for Africa' programme** is committed to helping achieve the Millennium Development Goals (MDGs) and also provides small grants to organisations in Wales. This program received approximately £1 m in both 2014 and 2015.

The Department for Culture, Media and Sport works closely with DFID to deliver a range of ODA-qualifying initiatives to help address social issues encompassed by the MDGs. The department received £1 m in 2015.

The Home Office provides essential support (housing, sustenance, travel) to persons granted refugee status in the UK. These figures start from the date support is applied for the date the support ceases, covering a maximum period of 12 months. Estimates of the costs incurred by the UK Border Agency of supporting refugees from developing countries during their first 12 months in the UK are included in the Home Office ODA statistics. The Home Office accounted for 1.8% of the total amount of ODA, with £222 m spent in 2015 compared to £136 m in 2014.

The Department of Business, Innovation and Skills (BIS) supported the Newton Fund, which uses UK expertise in research and innovation to promote the economic development and social welfare of partner countries.

The Department for Work and Pensions makes an annual contribution to the International Labour Organisation, the Department of Health and to the World Health Organisation.



*The Home Office
(Photo: Steve Cadman)*

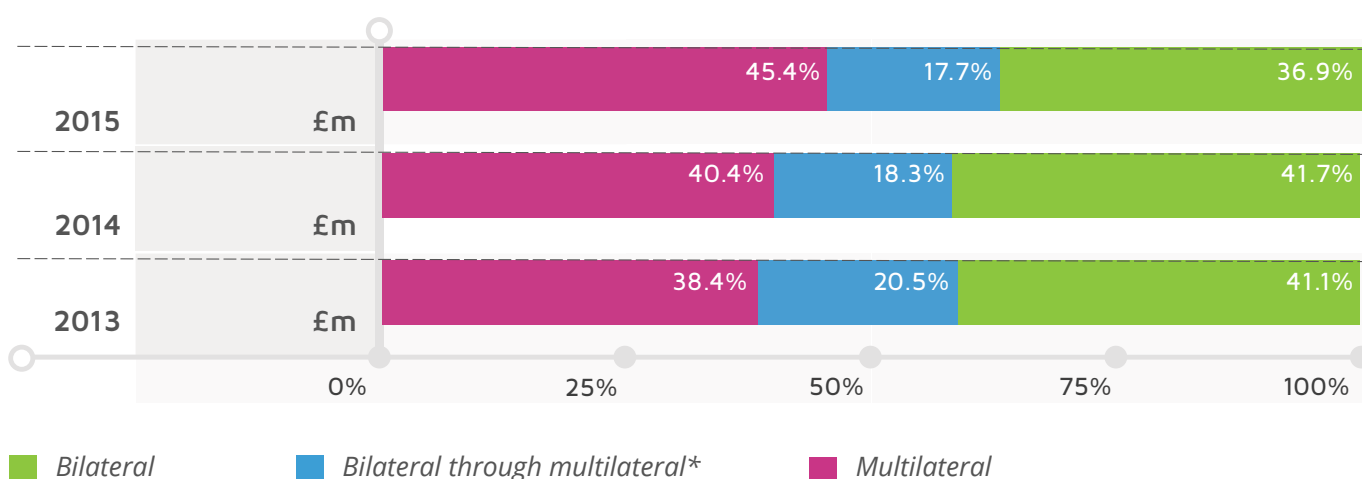
Breakdown of UK ODA by Official Agency

Bilateral ODA is spend that has been earmarked, and over which the donor has direct control and, usually comprising aid to specific countries, regions or programmes. Bilateral ODA also includes funding to multilateral organisations for specific programmes or in specific countries. Multilateral ODA refers to funds from national governments that are pooled with funding from other donors and disbursed as part of the core budget of the multilateral organisation.

The UK provided £4.47 bn in core contributions to multilaterals in 2015, a decrease of £405 m (8.3%) from 2014. By comparison, £7.66 bn of ODA was delivered through bilateral channels, an increase of £842 m (12.3%) over 2014.

Total UK Net ODA by Delivery Channel (Bilateral, Multilateral)

	2011		2014		2015	
	£m	%total ODA	£m	%total ODA	£m	%total ODA
Total Bilateral ODA	5,260	61.0%	6,822	58.3%	7,664	63.1%
<i>of which: bilateral through multilateral Loans</i>	<i>1,776 0</i>	<i>20.6% 0.0%</i>	<i>2,141 19</i>	<i>18.3% 0.2%</i>	<i>2,153 22</i>	<i>17.7% 0.2%</i>
Total Multilateral ODA	3,369	39.0%	4,878	41.7%	4,473	36.9%
<i>of which: Loans</i>	<i>0</i>	<i>0.0%</i>	<i>324</i>	<i>2.8%</i>	<i>162</i>	<i>1.3%</i>
Total ODA	8,629	100%	11,700	100.0%	12,138	100.0%



Bilateral ODA is the largest share of total UK ODA, representing around 60% of the total between 2011 and 2015. The share of bilateral ODA rose from 58.3% in 2014 to 63.1% in 2015, primarily due to reduced contributions to core multilateral funding and increased bilateral delivery in 2015.

Source: DFID, 2016

Breakdown of UK Net ODA: by official agency

2014-2015

	2011		2014		2015		Change Since 2011		Change Since 2014		
	£m	% ODA	£m	% ODA	£m	% ODA	£m	% ODA	£m	% ODA	
Department for International Development	7,722	89.5%	10,084	86.2%	9,767	80.5%	2,045	26.5%	-318	-3.1%	
<i>Of which: EU Attribution</i>	680	7.9%	374	3.2%	426	3.5%	-255	-37.4%	52	13.9%	
Total non-DFID	906	10.5%	1,616	13.8%	2,371	19.5%	1,464	161.5%	755	46.7%	
<i>Of which: Foreign & Commonwealth Office</i>	321	3.7%	366	3.1%	391	3.2%			25	6.8%	
Department of Energy and Climate Change	144	1.7%	195	1.7%	336	2.8%			141	72.1%	
Conflict, Stability and Security Fund (CSSF)/Conflict Pool	0	0.0%	180	1.5%	324	2.7%			144	79.9%	
Home Office	0	0.0%	136	1.2%	222	1.8%			86	63.6%	
Department for Business, Innovation and Skills	0	0.0%	74	0.6%	191	1.6%			117	156.8%	
Department for Environment Food and Rural Affairs	0	0.0%	57	0.5%	57	0.5%			-1	-1.0%	
Department of Health	0	0.0%	11	0.1%	32	0.3%			20	176.8%	
Department of Education	0	0.0%	0	0.0%	29	0.2%			29	100.0%	
Ministry of Defence	5	0.1%	2	0.0%	9	0.1%			7	334.7%	
Department for Work and Pensions	0	0.0%	8	0.1%	9	0.1%			1	8.0%	
HM Revenue and Customs	0	0.0%	0	0.0%	2	0.0%			2	100.0%	
Department for Culture, Media and Sports	0	0.0%	0	0.0%	1	0.0%			1	100.0%	
HM Treasury	0	0.0%	0	0.0%	0	0.0%			0	100.0%	
Export Credits Guarantee Department	91	1.1%	3	0.0%	0	0.0%			-3	-100.0%	
<i>Other contributors of UK ODA:</i>											
EU Attribution (non - DFID)	76	0.9%	418	3.6%	509	4.2%			91	21.8%	
IMF Poverty Reduction and Growth Trust (PRGT)	0	0.0%	0	0.0%	120	1.0%			120	100.0%	
Gift Aid	65	0.8%	106	0.9%	105	0.9%			-1	-0.6%	
BBC World Service	0	0.0%	2	0.0%	20	0.2%			18	894.9%	
Scottish Government	0	0.0%	12	0.1%	11	0.1%			-1	-5.6%	
Colonial Pensions administered by DFID	3	0.0%	2	0.0%	2	0.0%			0	7.9%	
Welsh Government	0	0.0%	1	0.0%	1	0.0%			0	2.7%	
CDC Capital Partners PLC	91	1.1%	42	0.4%	0	0.0%			-42	-100.0%	
Miscellaneous	111	1.3%	0	0.0%	0	0.0%			0	0.0%	

The amount of UK ODA provided by DFID and official agencies for the years 2011, 2014 and 2015. In 2015, DFID provided the largest share of total UK ODA (86.2%) (Source: DFID, 2016).

UK Development Assistance by Country

In 2015, the five countries that received the most direct aid from the UK government were:

Pakistan (£374 m)	Afghanistan (£300 m)	Syria (£258 m)
Ethiopia (£339m)	Nigeria (£263 m)	

The top five countries accounted for 33.2% of total direct bilateral aid, receiving £1.53 bn in 2015. Pakistan continued to be one of the top three recipients of bilateral aid, a position it has held since 2013.

The UK provided bilateral assistance to 129 countries in 2015. India, which had consistently ranked in the top 10 list of bilateral ODA, ceased to be a beneficiary of UK ODA in December 2015. Approximately 66% of the UK's bilateral aid (41.7% of total ODA volume) was allocated to either a specific country or region.

In 2014, the UK provided bilateral assistance to 131 countries. The top three recipients of UK bilateral ODA in 2014 were Ethiopia (£322 m), India (£279 m) and Pakistan (£266 m) and the top five countries accounted for 29.4% of total bilateral ODA spend. Ethiopia and India had both been among the top 5 recipients during the previous years, with Ethiopia consistently in the top 3. The main areas of support to Ethiopia and India in 2014 were education, health, water supply and sanitation.



*DFID is improving the prospects for girls and women in Nigeria
(Photo: Lindsay Mgbor / DFID)*

Top 10 Country Recipients of UK Bilateral ODA

2013-2015

Rank	2013		2014		2015	
	Country	£m	Country	£m	Country	£m
1	Pakistan	338	Ethiopia	322	Pakistan	374
2	Ethiopia	329	India	279	Ethiopia	339
3	Bangladesh	272	Pakistan	266	Afghanistan	300
4	India	269	Sierra Lione	238	Nigeria	263
5	Nigeria	249	Nigeria	237	Syria	258
6	Afghanistan	212	Bangladesh	208	Sierra Lione	218
7	Congo Dem. Rep.	162	Afghanistan	198	South Sudan	208
8	Kenya	160	South Sudan	167	Tanzania	205
9	Tanzania	152	Congo	167	India	186
10	Syria	139	Tanzania	149	Bangladesh	164

Source: DFID, 2016



Refugees queue for water in the Jamam camp, South Sudan
(Photo: Robert Stansfield)

Snapshot of the top 10 countries receiving UK ODA

Ten selected projects where UK foreign aid was spent during the period of 2014–2015:

Bangladesh: Primary Education Development Programme

Budget: £62.7m

Aim: To provide quality primary education to all children.

Sierra Leone: Kerry Town Ebola Treatment Facility

Budget: £53.5m

Aim: To provide a specialist Ebola centre for health care workers and the local population.

Nigeria: Justice for All Programme

Budget: £52.2m

Aim: To improve the capability, accountability and responsiveness of key organisations in the security and justice sector.

Nigeria: Stability and Reconciliation Programme

Budget: £38.4m

Aim: To enhance efforts to identify and respond effectively to potential sources of violent conflict.

Myanmar (Burma): Support for Conflict-Affected People and Peace-Building Projects

Budget: £27m

Aim: To meet the basic humanitarian needs of refugees and displaced persons in conflict-affected border areas.

Source: The five biggest recipients of foreign aid from the UK, Independent, 2015.

(Photo: Foreign and Commonwealth Office)



UK ODA Priorities

In November 2015, the UK updated its development strategy. The UK's updated ODA strategy reaffirms a commitment to its ODA target of 0.7% of GNI target for alongside a commitment to tackling global challenges including mass migration, disease, terrorism, and climate change. The current strategy has four strategic objectives:

- | To tackle the causes of instability and corruption;
- | To strengthen resilience in political, health and environmental crises;
- | To promote prosperity in the developing world;
- | To prioritise extreme poverty, basic needs and human rights, including a commitment to allocating 50% of the DFID budget to failed and fragile states.

Several new cross-governmental funding pools have been proposed, including a £1 bn global public health fund, a £500 m crisis reserve, a £1.3 bn prosperity fund and an expanded CSSF. Notable is the desire to channel an increasing amount of ODA through non-DFID channels, particularly via the National Security Council.



(Photo: Ed Hawkesworth/DFID)

It is important to emphasise that the four new strategic priorities for UK foreign aid are consistent with both existing legislation and international rules (DFID):

Strengthening global peace, security, and governance

More investment to tackle the causes of instability, insecurity and conflict with a strong focus on Syria and the greater Middle East and North Africa (MENA) region, and to combat crime and corruption.

Strengthening resilience and response to crises

More support for ongoing crises, including those in Syria and other MENA countries, increased science and technology spending on global public health risks such as antimicrobial resistance, and support for efforts to mitigate and adapt to climate change.

Promoting global prosperity

Actively investing in economic development and prosperity in the developing world.

Tackling extreme poverty and helping the world's most vulnerable

Programmes to eliminate extreme poverty by 2030 and support the world's poorest populations.



*The UK is helping people affected by the conflict in Syria
(Photo: Russell Watkins/Department for International Development)*

Total UK Net Country-Specific Bilateral ODA: by official Agency and Region

2014-2015

		2014	2015	Change since 2014	
		£	£	£	%
Total Country Specific Bilateral ODA		4,569	5,066	497	10.9%
Africa		2,637	2,759	123	4.6%
Americas		73	159	86	117.0%
Asia		1,818	2,084	266	14.7%
Europe		34	55	21	63.7%
Pacific		7	8	1	12.2%
Of which:	DFID Country Specific Bilateral ODA	4,098	4,272	174	4.2%
	Africa	2,462	2,549	87	3.5%
	Americas	34	51	17	50.5%
	Asia	1,591	1,647	56	3.5%
	Europe	7	20	13	193.3%
	Pacific	4	5	1	32.5%
Of which:	Non-DFID Country Specific Bilateral ODA	471	794	323	68.6%
	Africa	175	210	36	20.5%
	Americas	40	109	69	173.2%
	Asia	227	437	211	92.9%
	Europe	27	35	8	30.9%
	Pacific	3	3	0	-11.2%

Source: DFID, 2016

A U.K.-funded temporary shelter in response to flooding in Sindh Province, Pakistan
(Photo: Magnus Wolfe-Murray)

By region

In 2015, Africa continued to receive the largest percentage of UK bilateral aid targeted to a specific region, benefiting from 54.5% of all bilateral ODA volume in 2015. The UK's priorities in Africa include providing assistance for refugees from Burundi now residing in the Democratic Republic of Congo, Tanzania and Rwanda.

The region with the second-largest percentage of ODA volume in 2015 was Asia, receiving 41.1% of total targeted ODA (£2.08 bn), followed by the Americas with 3.1% (£159 m), Europe with 1.1% (£55 m) with and the Pacific, which received £8 m or 0.2% of bilateral aid targeted by region.

These figures are in line with a steady increase over the past five years in region-specific bilateral ODA, Africa receiving 29.8% more funds in 2015 than 2011. The Americas, Europe and the Pacific saw small but steady increases in total volume in 2015 compared to the previous five years, with significant increases due to aid for the humanitarian situation in Ukraine, the emergency response to Cyclone Pam that struck Vanuatu and for a DECC programme in Colombia which helped reduce emissions caused by deforestation and forest degradation. Asia was the only region that saw a decrease in 2014, but this subsequently rose again in 2015 (14.7% or £266 m) due to increased outlays to Afghanistan and Syria.

Bilateral ODA from the DFID to Europe had been on a decreasing trajectory prior to 2014 but saw a £6.6 m increase over 2013 levels primarily due to the crisis in Ukraine and also due to increased amounts sent to Turkey. ODA to Europe from other UK official agencies remained virtually unchanged from 2010 to 2011 before more than doubling in volume between 2011 and 2012. ODA to Europe from other UK official agencies has remained effectively unchanged since 2012, with £26.9 m spent in the region in 2014, including £4.6 m sent to both Turkey and Ukraine each (Statistics on International Development, DFID, 2015).



*Humanitarian Aid Being Delivered to Sierra Leone
(Photo: John Doe, 2015)*

The breakdown of UK bilateral ODA by income group, split into DFID and other official agencies' spend, revealing that the majority of DFID ODA went to the least developed countries (61.6% in 2014) while ODA provided by non-DFID agencies has largely been targeted on low and middle-income countries (58.6% in 2014). The DFID works directly in 28 countries across Asia, Africa and the Middle East, and undertakes regional programmes in Africa, Asia and the Caribbean. Many of the countries in which the DFID works are classified as least developed countries, while the UK's overall aid effort is directed at a broader range of ODA-eligible countries.

Breakdown of Net ODA by Income Group

2014-2015

	2014				2015			
	DFID		Non-DFID		DFID		Non-DFID	
	£k	%	£k	%	£k	%	£k	%
Least Development Country	£2,224	61.6%	£86	20.5%	£2,298	58.6%	£207	29.7%
Other Low Income Country	£224	6.2%	£29	6.9%	£246	6.3%	£15	2.1%
Low Middle Income contry	£987	27.4%	£239	56.9%	£1,105	28.1%	£226	32.4%
Upper Middle Income Country	£173	4.8%	£66	15.8%	£275	7.0%	£250	13.3%
Total	£3,609	100.0%	£421	100.0%	£3,608,629	100.0%	£697	100.0%

Source: DFID, 2016



*Aid to Afghanistan has led to tangible progress in the health and education sectors
(Photo: Akmal Dawi/IRIN)*

By sector

Humanitarian aid accounted for the largest amount of bilateral spend, accounting for £1.26 bn (16.5% of total volume) in 2015.

Other sectors in receipt of significant levels of UK bilateral ODA in 2015 were:

Government and Civil Society: £1.01 bn (12.6% of ODA)

Multisector/Cross-Cutting: £1.01 bn (13.3%)

Health: £1.003 bn (13.1%)

Economic Infrastructure and Services: £889 m (11.6%)

Other priority sectors in 2015 included Education (£508 m), Production (£464 m), other Social Infrastructure and Services (£284 m) and Administration costs (£215 m).



*DFID is investing in a key asset for the future:
schooling for the next generation
(Photo: Simon Davis)*

Analysis of ODA spend by sector in 2015 reveals:

Spending on humanitarian aid took the top spot for the first time in 2015, a substantial increase since 2011, rising from £422 m to £1.26 bn in 2015. This growth was largely driven by increased efforts in Sierra Leone (to combat Ebola), Syria, Yemen and South Sudan.

Health, previously in the top spot from 2011 to 2014, fell to fourth place in 2015, accounting for just over £1 bn in 2015.

The biggest gainer in 2015 was the Economic Infrastructure and Services sector that rose to £889 m in 2015 compared to just £396 m in 2014.

In 2015, spending on the top 5 biggest sectors in 2015 accounted for 67.6% of total ODA volume, down from 73.1% in 2014 (Statistics on International Development, DFID, 2016).

Top five sectors in receipt of UK net bilateral ODA 2014-2015

Rank	2014		2015	
	Sector	%Bilateral ODA	Sector	%Bilateral ODA
1	Health	18.2%	Humanitarian Aid	16.5%
2	Humanitarian Aid	16.4%	Government and Civil Society	13.3%
3	Multisector/ Cross-Cutting	13.9%	Multisector/ Cross-Cutting	13.1%
4	Government and Civil Society	12.6%	Health	13.1%
5	Education	12.0%	Economic infrastructure	11.6%
Top 5 Sectors Share		73.1%		67.6%

Source: DFID, 2016



UK Search and Rescue teams work in north east of Kathmandu, Nepal (Photo: Jessica Lea/DFID)

*DFID-funded Finote Hivot programme in Ethiopia is helping keep girls in school
(Photo: Jessica Lea)*



In 2014 and 2015, the DFID spent a total of £3.13 bn through its 28 country programmes, up from £2.55 bn in 2010–2011. Throughout the periods 2010–2011 and 2014–2015, the country programmes accounted for around a third of total DFID spending each year.

Most of the DFID's spending through its priority country programmes was concentrated in a small number of countries. In 2014–2015, 41% of the £3.13 bn spent by the DFID went to the top 5 countries, with 66% going to the top 10 countries. These values were similar to those in 2011–2012: the top 5 countries received 42% and the top 10 countries received a combined total of 65% of programme funding for that period.

In 2014, 64% of the UK's country-specific bilateral ODA went to low income countries. In the same year, the DFID gave over two-thirds of its country-specific bilateral ODA to low income countries. For the same period, 59% of non-DFID country-specific bilateral ODA went to low middle income countries with a further 13% going to Upper Middle Income countries

Source: Trends in total UK Official Development Assistance and the Department for International Development's expenditure, National Audit Office, December, 2015.

Remittances from the UK

Since the end of foreign exchange controls in the UK in 1979, there has been no official mechanism for recording international monetary transactions, including the volume, destination and use of remittances from the UK, and the Office for National Statistics does not publish estimates of remittances sent from the UK.

The figures provided in this section of the report rely on estimates provided by the WB, Eurostat and those countries in receipt of remittances sent from the UK. Obtaining clarity on the total amount of remittances sent from the UK is fraught with difficulty as every organisation (e.g. the WB) uses different methodologies to estimate the volume of remittances sent from the UK.

One reputable source of information is the Annual Remittances Data report published by the WB. As shown below, estimated remittance amounts sent from the UK in 2014 varied widely, from £1.5 bn to £16.5 bn, however; however, all reputable sources concur that the UK is one of the top 10 remittance-sending countries in the world (Article, Migrant remittances to and from the UK, The Migration Observatory at the University of Oxford, 24th March, 2016).

Different estimates of remittances from the UK

2015

Source			
World Bank Annual Remittances Data	Eurostat	World Bank Migration Remittances Factbook	World Bank Bilateral Remittances Matrix
Remittances (£ bn, 2015 prices)			
1.5	5.3	7.0	16.5

Source: The World Bank, 2015.

The UK is a major host of migrants and London remains a global centre for migration, with approximately 3.8 million residents out of a total population of 8.6 m born outside the UK (Office of National Statistics & Greater London Authority, 2015). The 2011 census estimated the size of the foreign-born population of the UK to be 7.5 million. A large proportion of this foreign-born population is believed to contribute to the total amount of remittances sent from the UK, with this funding making a significant contribution to the economies of the destination nations.

The WB Migration Remittances Factbook lists the UK in tenth position in terms of total remittances sent, while it occupies fourth place in the WB Bilateral Remittances Matrix. Both sources report that the principal destinations of remittances sent from the UK are Nigeria and India. The WB Annual Remittances Data indicates that remittances to the UK in 2014 reached GBP 1.1 bn, accounting for 0.1% of ODA.

Top 10 countries by remittances from the UK

According to the best available estimates, remittances from the UK, including unrecorded transfers sent through formal and informal channels, may total as much as \$23 bn, including an estimated \$3.9 bn sent to India, \$3.8 bn to Nigeria and more than \$1.2 bn to Poland. If verified, these figures would make the UK the third-largest source of remittances after the United States and Canada.

The WB's estimates of bilateral remittances are based on data for the number of migrants living in different countries and economic statistics for both the sending and receiving countries. These figures are only provisional as data is not included for every country. According to a WB report from July 2015, the UK's top 10 remittance-receiving countries are India, Nigeria, Pakistan, Poland, Bangladesh, China, the Philippines, Somalia, Kenya and Ghana. Remittances remain a key source of funds for developing countries, greatly exceeding both ODA and foreign direct investment volume (except for China) (The World Bank, 2015).

Foreign-born residents in the UK sent nearly \$4 bn in remittances to India in 2011 according to WB estimates compared to the \$450 m in UK government aid received by India in the same year. Bangladesh received \$740 m in remittances from the UK in 2011 compared to just \$370 m in direct aid (Statistics on International Development, Department for International Development, 2015).

Remittances from the UK vs UK Bilateral ODA

2014-2015

Country	Remittances received from the UK (m, \$)	UK bilateral ODA (m, \$)
Bangladesh	531	306
India	3615	410
Kenya	520	199
Nigeria	3720	349
Pakistan	1435	391

Source: World Bank Bilateral Remittances Matrix 2015, DFID 2015

(Photo: telegraph.co.uk)

UK Public attitudes towards aid spending



*Prime Minister Theresa May visited Stonehill International School in Bangalore, India
(Photo: Tom Evans)*

An OECD paper on peer review for the UK showed that, despite the current economic and political climate, 81% of UK citizens believed it was important to provide ODA to developing countries and 60% of respondents stated that ODA to developing countries should be increased (OECD Development Co-operation Peer Reviews: United Kingdom 2014). There was, however, a negative trend in public opinion between 2009 and 2011, with the number of respondents supporting an increase in aid declining from 70% to 55%.

Following the June 2016 Brexit referendum, political uncertainties have introduced volatility to public perceptions of foreign aid. In October 2016, 15% of respondents believed that government aid spending should be increased, 26.6% believed it should be kept at current levels and 52% believed that the volume of ODA should be reduced (UK Public Attitudes towards Development Aid Attitude Tracker Summary, BOND, October 2016).

UK Public Attitudes Towards development

Should the Government increase or decrease the amount it spends on ODA?	%
Increase	15
Stay the same	26
Decrease	52

Source: Bond, 2015

A poll conducted in May 2015 revealed similar results, with more than half of respondents (53%) stating that UK foreign aid should be cut, with a majority of respondents feeling that ODA was ineffective in accomplishing its nominal objectives.

Overall, the UK public has a poor level of understanding of how and why the government spends money on foreign aid. The public's understanding of the amount of aid the UK provides and the distribution and impact of that aid is fragmented and often contradictory. A separate 2015 poll suggested that six out of ten respondents wanted overseas aid to be the main target of a spending review (Evening Standard, 2015).



London Millennium Footbridge
(Photo: stlcc.edu)

Conclusions

This report has provided a brief but thorough analysis of trends in UK ODA, presenting the background of the UK as a major donor worldwide as well as the sources of its ODA and its regions, countries and priority sectors of interest. A brief analysis of UK remittances has been included along with a look at the UK public's perceptions of foreign aid.

2015 was a year of important changes, which included the UK becoming the first G7 country to make a pledge in law to meet the ODA of 0.7% of GNI target for that year and subsequent years.

In November 2015, the UK adopted a new development strategy comprising four strategic objectives: tackling the causes of instability and corruption; strengthening resilience in political, health and environmental crises; promoting prosperity in the developing world; and prioritising extreme poverty, basic needs and human rights. These four objectives will help ensure that all future ODA is directed towards the funding and implementation of these programmes. The November 2015 strategy update also altered the ratio for the allocation of ODA between the DFID and other funding organisations; the DFID will now receive less in the way of funds while continuing to remain the main ODA-spending organisation.

Multilateral ODA currently accounts for 42% of ODA volume, with the EU and WB being the main recipients of UK multilateral ODA (58% of the total in 2014). The DFID gave multilateral organisations £4.22 bn in core funding and a further £2.03 bn to undertake activities in specific countries or regions or for a specified purpose.

Total UK ODA spending levels are expected to increase for the period 2016-2017, although the long-term impact of the June 2016, "Brexit" referendum on variables such as a possible downturn in the UK economy (ODA spending levels are pegged at 0.7% of GNI), the UK public's perception of foreign aid spending as a national priority, and the disentanglement of DFID ODA funds currently being disbursed via the European Union, remain to be seen.



UK is providing emergency support to help people facing severe food shortages in South Sudan (Photo: Robert Stansfield)



*DFID "Education Fund for Sindh" aims to provide girls quality education
(Photo: Vicki Francis)*

While the DFID's country-specific bilateral ODA goes mainly to low income countries (68% in 2014), most non-DFID country-specific bilateral ODA goes to low-middle-income countries (59%) or upper-middle-income countries (13%). In 2014–2015, five countries accounted for 41% of the UK's total programme spending of £3.13 bn with the top 10 countries accounting for two-thirds of DFID ODA. Eight countries have been in the top 10 programmes for ODA in each of the last five years, and these same countries will most likely continue to feature prominently for the near future. The DFID will continue to increase its country programme spending in fragile states, which, in 2014–2015, accounted for 84% of DFID spending (an increase of 11% from 2011).

Even with a different ratio of ODA distribution, the UK's commitment in law to maintaining its pledge of 0.7% of GNI going forward will ensure a continued flow of ODA based on the objectives set out in the government's revised strategy from November 2015.

The trends presented in this report are not predicted to change significantly, and thus most programmes will remain in place. The only significant predicted changes will be the increase in the flow of ODA to lower income and upper middle income countries.

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