

Hard Choices – In overseas aid, 0.7 is a magic number for all the parties – but the Tories say they'd do things differently

Apr 10 2010

[Avery Hancock](#) takes a look at what the election might mean for the UK's foreign aid contributions.



With all the talk of hard choices and spending cuts it comes as some relief to the international development community that both Labour and the Conservatives [plan to ring-fence aid spending](#). The Liberal Democrats say they will not ring-fence any department funds.

All three parties say they are committed to the UK reaching its promise to commit 0.7 per cent of GDP to overseas and development aid, a target first agreed to by donors at the UN General Assembly in 1970 and reaffirmed on many occasions since. Just this January the Secretary of State at the Department for International Development (DfID), Douglas Alexander, presented a draft International Development (Official Development Assistance Target) [bill](#) before Parliament which would legally bind the UK to reaching 0.7 per cent by 2013. This is two years ahead of the European Union's collective commitment to reach 0.7 per cent GNI by 2015. So far the UK seems to be on track. For 2010-11, DfID projects £9.1 billion of aid spending, representing 0.56 per cent of the UK's gross national income.

The cross-party agreement on an aid target, however, belies quite different approaches to how and where the aid budget should be used. Last summer the Conservatives launched '[One World Conservatism](#)', its green paper on international development. Running throughout the paper (a hefty one, at 65 pages) is a focus on results, accountability, and transparency.

This is not altogether surprising considering the resurging debates about the efficacy of the aid enterprise as a whole (personified by the media-friendly Zambian economist Dambisa Moyo and her book *Dead Aid*). The first thing the Conservatives would do is set up an Independent Aid Watchdog to replace DFID's in-house evaluation processes and perhaps to duplicate standard NAO audits. Despite the obvious difficulties in attributing development outcomes to specific projects or even specific donors, this seems a reasonable proposition.

What is more controversial are the Tories' plans for Cash-on-Delivery (COD) aid, as pioneered by the Washington-based Center for Global Development. This would commit the UK to paying a certain amount to recipient governments for a specific measure of progress – as they put it, '£100 for every extra child who attends school, or for every extra mother who gives birth in a proper medical facility.' So if the recipient government gets 10,000 extra children in school they would get £1 million. It sounds simple enough, and would reassure taxpayers in the UK that aid is not being 'wasted' on corrupt governments. But there are some serious drawbacks as set [out in a briefing](#) from the UK-based NGO CAFOD.

The most obvious concern is where recipient governments would find the cash to fund development projects up-front, a problem that the Tory green paper doesn't address. Proponents of 'cash on delivery' stress that it must be pursued *in conjunction* with other aid streams. Secondly it imposes a *double penalty* on poor performers for development outcomes that may be out of their control. Corruption and poor governance certainly affect development outcomes but so do natural disasters, unfair terms of trade, and political upheavals. Poverty is multi-causal and placing the blame solely on the shoulders of government officials- and thereby denying ordinary people of aid- doesn't seem right.

On the other hand, well-performing and well-financed 'aid darlings' such as Rwanda-where a large chunk of the Conservative Party spend a few weeks every summer volunteering- will continue to receive generous amounts. Rwanda, by the way, has done well by becoming a Commonwealth member- the Conservatives are looking to concentrate aid on fewer countries – and more Commonwealth countries.

And then there is just the whacky. The Conservatives will set up a £40 million [MyAid fund](#) in which British citizens vote on where and how to spend aid money. Ostensibly this aims to improve taxpayers' control over aid. But one can imagine a perverse 'X factor' style competition for what country or community *really* needs aid the most. (Will it be child soldiers? AIDS orphans? Darfuris or Afghan women?) Increasing public interest

in international development is important – in fact DFID already spends several hundred thousands pounds a year on a Development Awareness Fund aimed at UK audiences. But surely aid should be based on need, whether it is camera-friendly or not?

Lastly, there is concern that the Conservatives will compromise the hard-won independence of DFID, which was set up 1997 as a cabinet-level department precisely so its mandate of poverty reduction would not be subsumed under diplomatic and military agendas. Unlike its opposite number in America, USAID, which is essentially an implementing agency of the State Department (and has been indeed since the Monroe era), DFID is [required](#) under the International Development Act (2002) to prove that its spending is likely to contribute to poverty reduction- the so-called 'primary purpose test.' This integrity has earned DFID a high-ranking amongst other donors and development practitioners; for example the [International Rescue Committee](#), a leading international humanitarian organisation, has even [pushed for the U.S. to adopt the 'DFID model'](#).

The Conservatives have promised that DFID will remain an independent department. But critics argue that have indicated a dangerous muddling of the security, diplomatic, and development agendas through a plan to channel DFID money [through a military stabilisation force](#). This would see military-led stabilisation projects (read: counter-terrorism) being implemented in places like Iraq and Afghanistan. This policy received immediate criticism from aid agencies [who said](#) it would undermine development projects and put relief workers at risk in volatile areas by identifying them too closely with the military. Cameron said the Conservatives would abide by OECD rules when matching the 0.7 per cent aid commitment, although this would not prevent ODA from being used in some military operations. On the diplomatic front DFID would have to sign up to Foreign Policy objectives. It could be the end of an era.

The Lib Dems have joined with Labour and the Conservatives in reaching for the 0.7 per cent target but they show a certain distrust of targets and pledges. Their latest [consultation paper](#) on international development reminds voters that the G8 still has a long way to go in delivering the £50 billion promised at Gleneagles in 2005, and that the Millenium Development Goals (MDGs, set to expire in 2015) are largely off-track. In order to make the 0.7 per cent target meaningful they suggest that DFID should put in place measurable milestones to achieving it. And to breathe new life into the MDGs they suggest that the World Bank take on a greater accountability role.

The Lib Dems are up-front about aid money being spent on debt reduction, post-Copenhagen environmental initiatives, conflict resolution and joint Foreign Office- MoD programmes – all of them areas that voters might not think of as traditional aid. They take a refreshing look at partnership with recipient governments and participation for local people in tailoring aid projects to fit their needs.

From Labour we can expect increasing interest in 'fragile' states, (50 per cent of all new bilateral assistance will be targeted in conflict-affected states) particularly Afghanistan and Pakistan. The party also favours increasing the amount of aid channelled through the UN, EU, and other multilaterals, and investing in a 'low-carbon future.' [The DFID white paper](#) is quick to point out that during a global recession aid is more needed than ever- see especially Chapter 5 on 'Keeping Our Promises in a Downturn.'

Happily there is [still considerable support for development](#) amongst the UK electorate as a whole. So whoever ends up in Government can expect pressure from NGOs to ensure the 0.7 per cent target is met, and for the right reasons.