



Department  
for International  
Development



# Rising to the challenge of ending poverty: the Bilateral Development Review 2016



December 2016



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# Foreword from the Secretary of State

## Rising to the challenge of ending poverty



**There is no task more urgent than defeating poverty. Look around the world today. People are drowning on perilous migration routes. Children are dying from preventable diseases - while drug-resistant infections are brewing that threaten us here at home. Violence and conflict are pulling people back into poverty.**

As a nation, we face a simple choice. Do we bury our heads in the sand, forget our moral principles and ignore this strife? Or do we confront these challenges head-on, applying every tool in our armoury to defeat poverty and build a safer, more prosperous world?

Our Prime Minister has been clear that, as we exit the EU, Britain will be more, not less, outward-looking and engaged on the world stage. Intensifying our efforts on development is a crucial part of this. This document sets out the action that my Department, working with others in Government, will take to turn this vision into reality.

To those who doubt the ability of our aid to make a difference: tell that to the millions of children protected from paralysing polio by the British taxpayer, or the millions of Kenyans whose lives have been transformed by mobile money invented with British assistance, or the people of Sierra Leone who are getting back to their daily lives, free from Ebola after UK intervention. People in Britain can be proud of what their aid budget is achieving.

But there is absolutely no room for complacency. Our world is changing. So our approach to development needs to adapt and keep pace with it. As well as reiterating our determination to build a better world, this document - and the Multilateral Development Review which we are publishing alongside it - starts to spell out some of the elements of a new approach to reform and improve the way the whole world does development.

We will champion an open, modern and innovative approach to development. Making greater use of cutting-edge technology to help the poorest. Using the best of British institutions - from the NHS to our great universities - to share skills across the world. Doing more to promote investment in the poorest countries. Helping the poorest countries to get on the road to industrialisation, so they can follow the path out of poverty taken by many nations in Asia and create much-needed jobs for their growing populations. Deploying novel approaches to protracted crises which give refugees - and host communities - jobs and opportunities, not just immediate assistance. Making the global humanitarian system more efficient and effective. Empowering and listening to the people we are trying to help, making them partners in progress not merely passive recipients.

We will focus our aid on where the need is greatest. This means doing more in the fragile and conflict-riven states that need help the most urgently, and expanding our work in the Sahel and the 'Arc of Instability' that cuts through Africa. Protecting lives and livelihoods by helping poor people and countries insure themselves against the risk of natural disaster. Working with governments who receive our aid to get them to step up and take responsibility for investing in their own people. Boosting research to use the awesome power of science to crack the toughest challenges facing humanity. Building on David Cameron's achievements in the battle against global corruption.

We will inject new urgency and energy in tackling some vital issues that have been neglected for too long. Amongst these are modern slavery and child exploitation. Our Prime Minister has led national and global efforts to eliminate the scourge of modern slavery. My Department will do everything possible to support her in that quest, using our global reach to tackle these problems at source. And we will do more to help the children around the world who are forced into degrading work when they should be in the classroom, who are denied the proper nutrition that their bodies and minds need to grow to their full potential, and who are at risk of abuse and mistreatment when they should be safe.

Far too many millions of people do not have access to the basics. We will help deliver the Global Goals and invest in people, implementing in full our manifesto commitments on things like health, education, water and sanitation, and boost global efforts on family planning and nutrition. We will continue the leadership shown by Justine Greening on girls and women. And we will do more to reach those furthest behind: the people in the village at the end of the dirt road, seemingly forgotten by the people in power in their capital city. The girls who eat last at dinner time. The minority communities shunned and persecuted by others. The disabled people who are robbed of dignity and locked out of their societies. Britain will leave no one behind as we work to end extreme poverty. My Department will in particular strengthen our work on disability.

The unprecedented number of young people, the largest in history, exposes the chronic need for jobs and better economic opportunities. Investing in these opportunities and providing a decent education encourages young people to invest in their future within their own national boundaries. In the long run, it is sustainable growth, trade and investment that will really tackle poverty and build shared prosperity. We will drive progress on economic development and work with businesses to stimulate investment in the world's most difficult, frontier markets, where jobs and economic opportunities are desperately needed.

We will speak up and speak out. One of humankind's greatest achievements is the humanitarian norms that govern us - even in war. These universal rules have developed over centuries of civilisation and history. Today, as I write this and as you read this, they are being openly flouted. In Syria and elsewhere, we see ambulances being used as car-bombs; girls stolen as sex slaves; children made to conduct executions, barrel bombs being dropped amongst civilians. The UK will continue to speak out against these outrages, and stand up for respect for the rules of war and for basic humanitarian principles.

We will push the whole development system to become more effective, following the money, the people and the outcomes. We will champion transparency and accountability. Transparency means parents being able to see how much money was allocated to their local school – and take a stand if the money doesn't make it through. It means opening up government budgets in developing countries, so that citizens can properly hold politicians to account. And it means making the holders of power accountable to those with none.

As well as challenging others, we must challenge ourselves. Everyone working in development has a moral responsibility to maximise the impact and cost-effectiveness of our work. Development is complex – an art as much as a science. But I believe there is more we can do to apply rationality and evidence to our choices of intervention, in order to do the most possible good for the largest number of people. We should not just ask: is this doing some good? But – is this the very best intervention we can make? And we will increasingly focus on outcomes, linking payments to results on the ground for the world's poorest.

So we will champion effective aid – but also go beyond aid. This is a Bilateral Development Review not just an aid review. Aid is and will remain a vital component of our efforts. But defeating poverty

will require more: a truly joined-up effort across the whole of Government – including using the opportunity of leaving the EU to free up trade with the world’s poorest.

The British response to Ebola in Sierra Leone in 2015 was an example of Britain’s development impact. Experts from DFID coordinated a joined-up effort across Government, bringing together the best of British expertise to defeat that disease. And our generous aid budget allowed the cash to be found instantly.

**The silent emergency of grinding poverty, conflict and disease is no less urgent than the threat of Ebola, even if it doesn’t always dominate the headlines in the same way. I want to harness that spirit of urgency and impact that we showed during Ebola and apply it to the even greater task of eradicating extreme poverty. The stakes – in terms of national interest and moral compulsion – are even higher. Now is the time for us, together, to get to work.**

A handwritten signature in black ink that reads "Priti Patel". The signature is fluid and cursive, with the first name "Priti" and the last name "Patel" clearly distinguishable.

**Rt Hon Priti Patel MP**

Secretary of State for International Development



# Our vision

**We want to build a global approach to development that is truly open.**

## **Open economies**

We want to build open economies, where people - especially the poorest - are free to work and trade, and to tear down the barriers that block this.

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## **Open governments**

We want governments to be open, transparent and accountable to the world's poorest. We want ordinary people in developing countries to be able to see exactly where and how their taxes are spent by their government.

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## **Open aid**

We want taxpayers, and people in developing countries, to be able to trace aid all the way through to where it eventually ends up. And we want to ensure that aid programmes listen to the voices of the people they are trying to help.

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## **Open politics**

We want to build open, democratic, accountable political systems, where the people in power have a real interest in improving the lives of their citizens.

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## **Open global institutions**

We want to build a multilateral system that is open and effective in what it spends and achieves.

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## **Open trade**

We want to open global markets to developing countries, so they can trade their way out of poverty.

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## **Open societies**

We want to build open societies, where no-one is held back by their gender, ethnic group, sexual orientation, disability, or belief system.

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## **Open technology**

We want to harness the power of new technology to reduce poverty and boost prosperity.

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## **Openness about results and outcomes**

We want to shift incentives at every level so that the focus is on outcomes. We want to explicitly link payments to results for the poorest. And we want to use evidence about cost-effectiveness to maximise the impact of our aid.

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**We will work in an open and collaborative way with others who share this vision, in pursuit of our common objectives.**

# Key messages of the review

**The UK Government will intensify its efforts to end extreme poverty and promote development. This is the right thing to do. It is in our national interest. And it is a crucial part of our expanded role on the world stage as we leave the EU.**

**The world is changing. Our approach to development needs to change with it. We will drive reform of the entire global development system to further improve its effectiveness.**

**We will tackle the great global challenges of our time, acting before problems grow and threaten the UK. We will:**

- strengthen global health security by leading the fight against killer diseases and supporting stronger national health systems
- create jobs and opportunities for the poorest and the long-term displaced; reducing the pressures to migrate to Europe
- make greater use of technology as we fight poverty, and use research and science to help crack the toughest challenges facing humanity.

**We will drive economic development, creating much needed jobs and opportunities. We will:**

- use our trade policy to promote development, opening markets to the world's poorest people
- boost investment in the world's poorest countries, to help create the jobs needed by growing populations
- develop energy, infrastructure, manufacturing and commercial agriculture
- support the political and institutional foundations of prosperity
- champion new approaches to development finance that directly link people around the world, making aid more personalised, nimble and tailored to the needs of individuals.

**We will invest in people, leaving no one behind. We will:**

- help deliver the Global Goals and implement in full our manifesto commitments on things like health, nutrition, education and water and sanitation
- support our Prime Minister's leadership on ending modern slavery
- drive action to improve the lives of people with disabilities
- maintain our international leadership on girls and women and expand family planning access to millions more women
- put children at the heart of our efforts and work to end child exploitation and child labour.

**We will lead efforts to make the international response to humanitarian emergencies more effective and efficient. We will:**

- stand up for universal values and humanitarian principles
- drive radical reform of the world humanitarian system
- champion a new approach to protracted crisis which gives refugees - and host communities - jobs and opportunities as well as immediate assistance
- help people, communities and nations insure themselves against natural disasters, in order to speed up humanitarian response
- build a bigger, better, faster UK humanitarian response capability to ensure a more effective response to large-scale emergencies.



**We will maximise the impact of taxpayers' money. We will:**

- push for a global transparency revolution, opening up budgets at every level so that people around the world can see how their money is being spent and hold the powerful to account
- expand payment by results
- use reason and evidence to ensure that our aid investments do the most possible good and are as cost-effective as possible.

**We will target our aid where it will do the most good. We will:**

- focus our aid where the need is greatest, expanding our work in the Middle East, the Sahel and Africa's 'Arc of Instability', with 50% of DFID spending going to fragile states and regions
- reaffirm our support for the multilateral development system, and work to drive up standards by linking our funding to impact and reform.

# 1. A changing world

**The world is changing rapidly. Our ways of working need to change with it.**

Major trends are shaping, and being shaped, by the developing world. From rising drug resistance, to rapid urbanisation, to more frequent extreme weather events, to newly emerging technology. We must be ready for the challenges of the future, and ready to seize the opportunities.

## **The world has made progress**

The world has made enormous progress in the battle against poverty. Britain can be proud of the contribution it has made.

**Globally, the number of people living in extreme poverty declined by more than half** between 1990 and 2010<sup>1</sup>, five years ahead of the target set in the Millennium Development Goals. Since 2011, UK aid has helped 30 million pregnant women and children under five get the food and nutrition they need. The UK has helped 69.5 million people, including 36.4 million women, to access financial services to help them work their way out of poverty.

**The number of children out of primary school worldwide has almost halved in the last 15 years**<sup>2</sup>. Since 2011, UK aid has supported 11.3 million children in primary and lower secondary education, of whom 5.3 million were girls, and helped train 380,000 teachers.

**The global under-five mortality rate has dropped by more than half** between 1990 and 2015<sup>3</sup>. Since 2011, UK aid has ensured 5.6 million births were attended by skilled birth attendants. The UK has helped to immunise 67.1 million additional children against preventable diseases through support to Gavi, the Global Vaccine Alliance.

**New HIV infections among children have declined by 58% since 2000.** In 2014, 13.6 million people living with HIV were receiving anti-retroviral therapy - 17 times more people than in 2003<sup>4</sup>. UK aid has supported an estimated 480,000 additional people to start treatment for HIV through the Global Fund to Fight Aids, Tuberculosis and Malaria.

**Globally, malaria death rates have dropped by nearly two-thirds**, with more than 6.2 million malaria deaths averted between 2000 and 2015<sup>5</sup>. Since 2011, UK aid has distributed 49.7 million long-lasting, insecticide-treated bed nets, with up to 808,000 lives saved.

**Polio is set to become only the second human disease after smallpox to be eradicated from the world.** UK aid is supporting the Global Polio Eradication Initiative, working towards global polio eradication. Since its launch in 1988, the Global Polio Eradication Initiative has led global efforts that have reduced the incidence of polio by 99%. We are redoubling efforts in the three remaining endemic countries: Afghanistan, Pakistan and Nigeria. UK support helps the Global Polio Eradication Initiative administer polio vaccines to more than 400 million children every year. As a result, more than 16 million people are walking today who would otherwise be paralysed; and an estimated 1.5 million childhood deaths have been prevented through the systematic administration of vitamin A during polio immunisation activities.

## Poverty

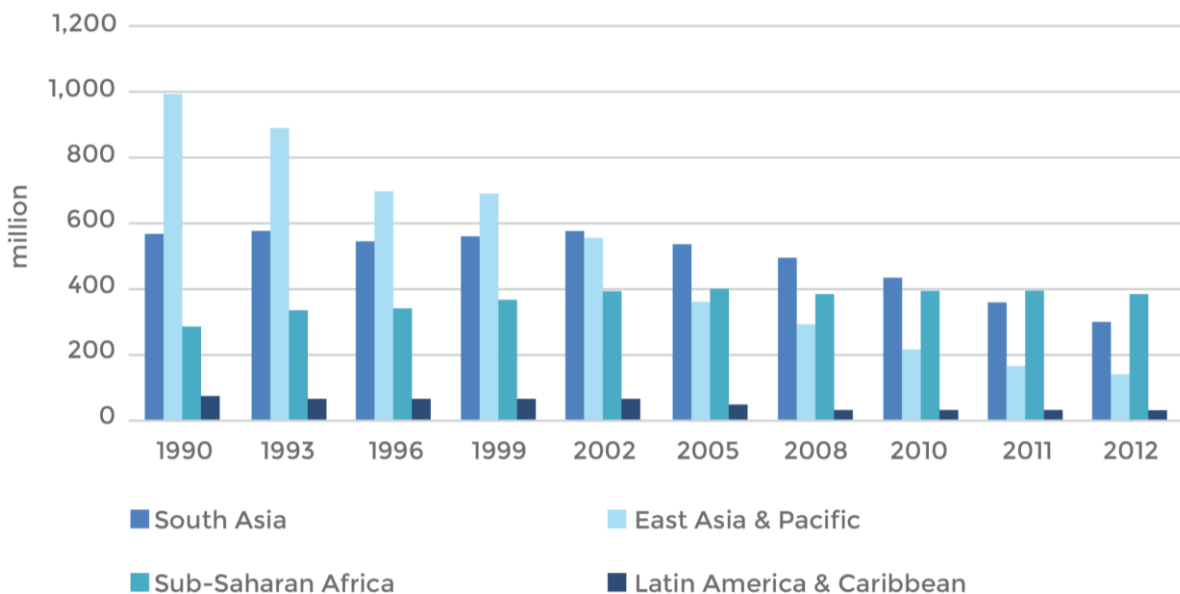
Poverty reduction is the core purpose of DFID. Since 2000, the number of people living in poverty has fallen dramatically<sup>6</sup>.

UK aid has helped achieve this. Since 2011 we have helped 69.5 million people gain access to financial services to help them work their way out of poverty, and supported 8.9 million people with cash transfers.

**The driving force behind this reduction was economic growth and job creation. Continued progress depends on maintaining high growth rates and making growth more inclusive.**

The percentage of people living in extreme poverty is projected to fall in every country. However, in some countries, mainly in Africa and fragile states, the absolute number of poor people is forecast to increase. By 2030, over 75% of the world's poorest are projected to live in 44 fragile states, compared to around 50% today<sup>7</sup>.

Graph: Global poverty (by numbers of people)



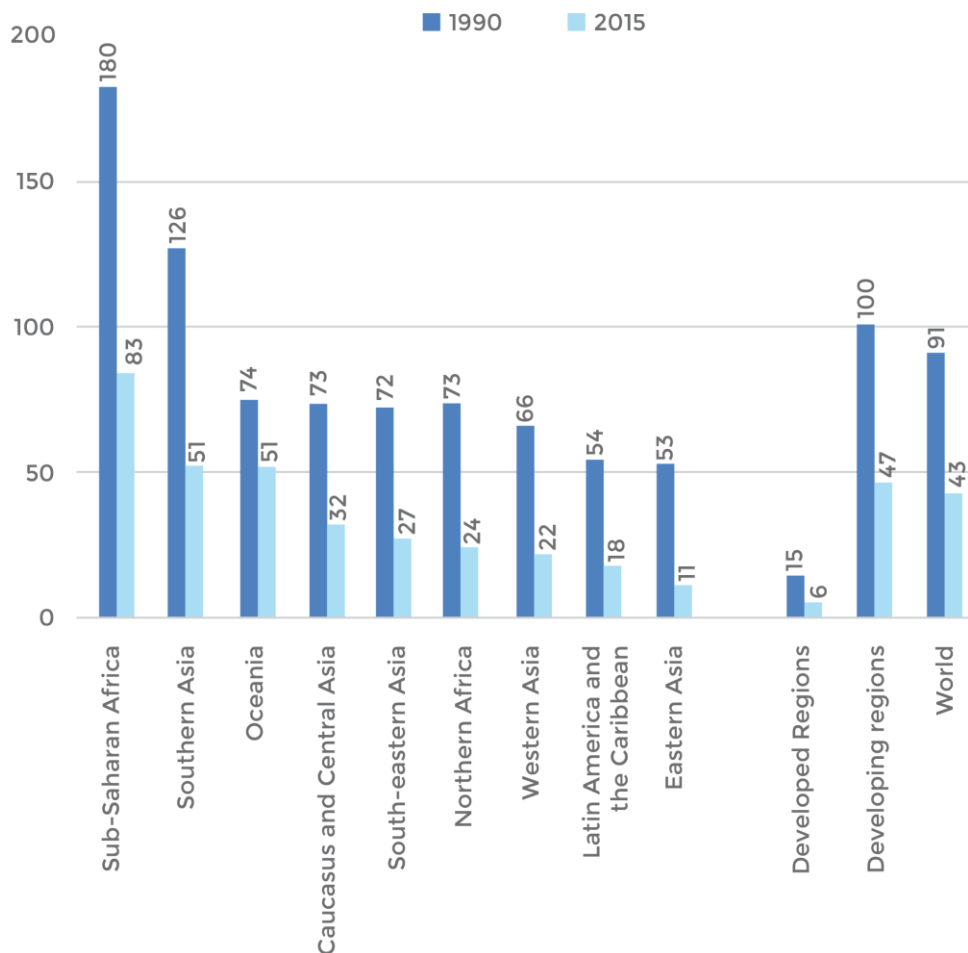
Data Source: Independent Commission for Aid Impact (ICAI)

## Disease

The world has made huge strides in preventing deaths from infectious diseases, and reducing the number of children who die before their fifth birthday<sup>8</sup>.

In the last 15 years, child and maternal mortality rates have significantly reduced. Malaria deaths have fallen to 438,000 in 2015 from 839,000 in 2000<sup>9</sup>. There has been good progress on neglected tropical diseases: for example, Guinea Worm affected 3.5m people in 1986 but thanks to the work of the Carter Centre and others there were only 22 human cases in 2015. Polio is on the brink of eradication<sup>10</sup>. Britain has played a leading role in these successes. But the Ebola outbreak in West Africa, in 2014, demonstrated very clearly that countries and regions with weak health services remain particularly vulnerable to health security risks. In an increasingly interconnected world, these risks will continue to grow. The emergence and spread of microbes with the potential to cause pandemics and the rise of drug resistance, including antimicrobial resistance, are significant concerns. Neglected tropical diseases still cause an estimated half a million deaths annually. In 2015 there were 10.4m new cases of TB<sup>11</sup> and 214 million people became infected with malaria<sup>12</sup>. Much progress has been made on reducing the threat of HIV and AIDS, but we cannot afford to be complacent. These global challenges will require greater and more coordinated action at local, national, regional and international levels.

Graph: Under-five mortality rate by Millennium Development Goal region, 1990 and 2015 (deaths per 1,000 live births)



Data Source: Estimates Developed by the UN Inter-agency Group for Child Mortality Estimation, 2015

## Insecurity and migration

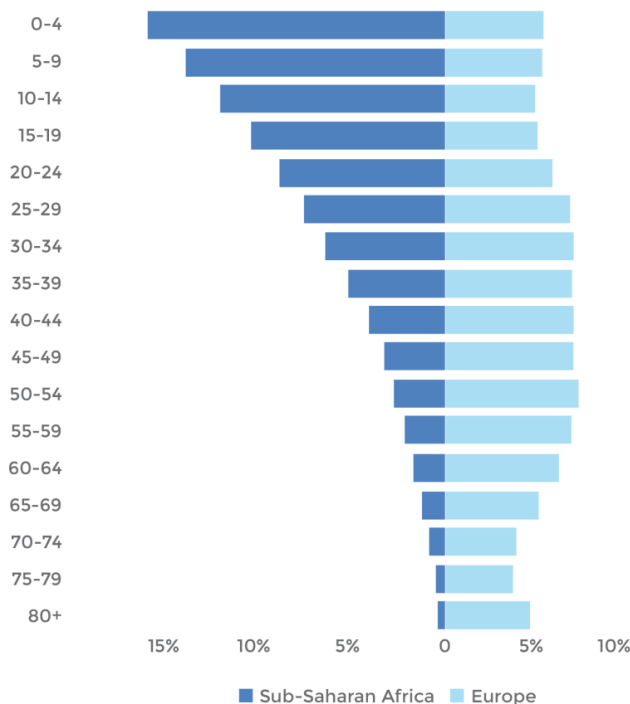
**Global insecurity is rising and the risk of conflict in previously stable parts of the world is increasing**<sup>13</sup>. Instability, extremism and conflict in the Middle East and Africa have displaced millions of people, with many seeking to travel to Europe. In 2015, there were over 65 million people displaced from their homes worldwide as a result of persecution, conflict, violence or human rights violations - the highest number on record<sup>14</sup>. The conflicts in Syria and Iraq have shown how crises can trigger and accelerate instability across a region. Many of the causes of instability are likely to persist over the medium to long term. These include demographic changes, rapid and unplanned urbanisation, climate change and economic shocks amongst others. As we look to deal with the consequences of protracted conflicts, it is essential to work with others to give displaced people the best possible prospects close to home; improving livelihoods and providing children with the education they need.

## Demographic trends

**Today's generation of young people is the largest in history.** We are in the midst of a unique youth population increase where 1.8 billion people are between the ages of 10-24<sup>15</sup>. Almost nine out of 10 of these young people live in developing countries<sup>16</sup>. Around half live on less than US\$2 a day<sup>17</sup>.

**Africa is the world's youngest continent, with 70% of the population under the age of 30.** Africa is on a trajectory of rapid population growth, with very high fertility rates and very low contraceptive prevalence. Fertility rates are falling but much more slowly than they did across Asia, where progress was achieved by investing in education and voluntary family planning. The African population is set to double by 2050 and it will soon be home to the world's largest labour force. This is both an opportunity and a challenge. To absorb the growing labour force in Sub-Saharan Africa, an estimated 18 million new jobs will be needed each year until 2035<sup>18</sup>. We need to encourage young people to invest in their future within their own national borders by creating jobs and providing decent education. This is critical for their future and their country's future.

Graph: Africa's growing youth population



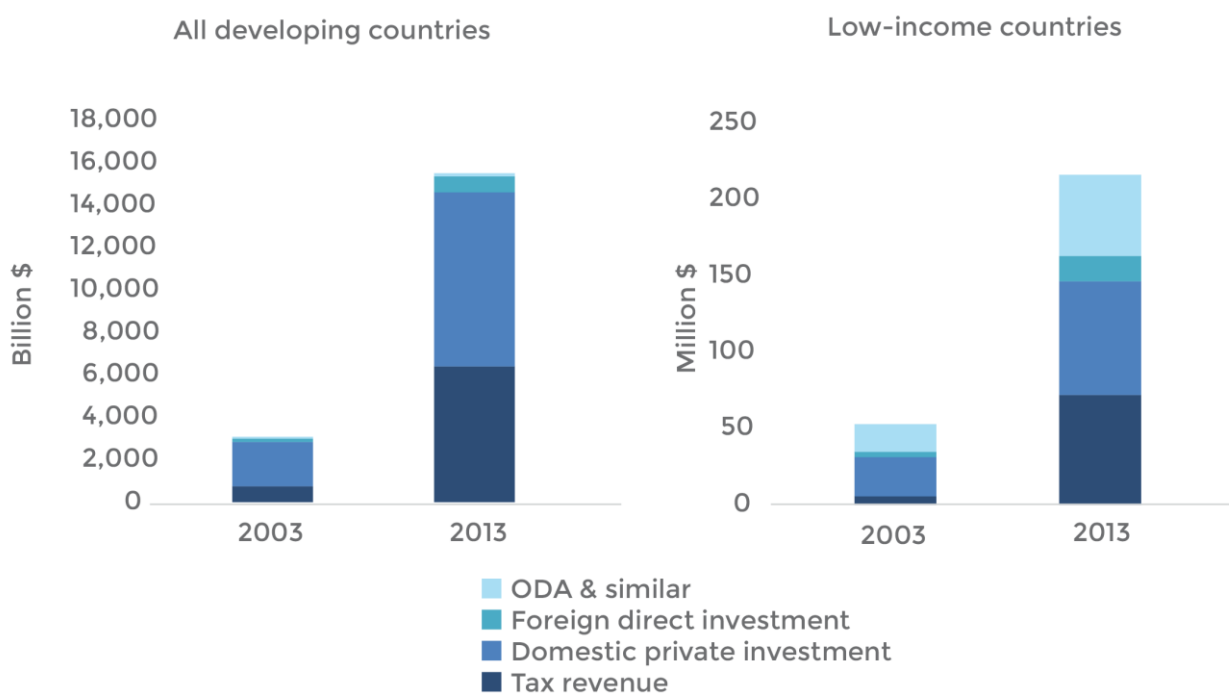
Data Source: Independent Commission for Aid Impact (ICAI)

**Urbanisation in Africa and Asia will reach 50% in a few years<sup>19</sup>.** Currently, 44% of African cities and 15% of Asian cities are classified as highly fragile<sup>20</sup>. There are huge opportunities for economic development. However, there is also the risk of social tension and conflict if new workers are not absorbed, with stresses on services and urban governance.

### Development finance and ‘beyond aid’

**The UK’s commitment to investing 0.7% of national income in international development is changing the lives of millions of people in the world’s poorest countries.** Nevertheless, we know that aid alone will not eradicate poverty. The main private finance flows are each at least as significant as aid<sup>21</sup>. Remittances are three times the volume of global aid and can be transformational for the poor. Foreign direct investment can be a key driver of growth in labour-intensive sectors such as agriculture and manufacturing. Trade deals can help boost manufacturing and agriculture exports. It is only by effectively mobilising their domestic resources that countries will be able to invest in key infrastructure and services. To end aid dependency for good, developing countries need to build effective, accountable, equitable tax systems.

**Graph: Sources of finance in developing countries**



Sources: EDFI Flagship Report 2016, p.4, table 1; World Bank’s World Development Indicators; OECD DAC statistics



## Resilience, climate change and natural resources

**Climate change is a global challenge that requires a global response. Developing countries are likely to be hit the hardest by the effects of climate change.** World Bank research has shown that agricultural shocks, increased disease and other effects of climate change may push more than 100 million additional people back into poverty by 2030. Without action, more frequent extreme weather events are likely and political instability, conflict and migration may increase.

It will be vital for developing countries to adapt to a changing climate. Yet, the response to climate change also offers many unprecedented opportunities for sustainable, inclusive development. With more clean power, new technology and finance, there is the chance to 'leapfrog' over slower development patterns. Smarter choices about resource use, along with more resilient agriculture, will help farmers and businesses cope better with uncertainty. The historic new global climate agreement struck in December 2015 came into force in November 2016 in record time and is a significant step forward for reducing global emissions and holding temperature rises to below 2°C, compared to pre-industrial levels. Successfully implementing this deal and ratcheting up ambition at local, national and global levels will be critical to development outcomes over the coming decades and beyond.

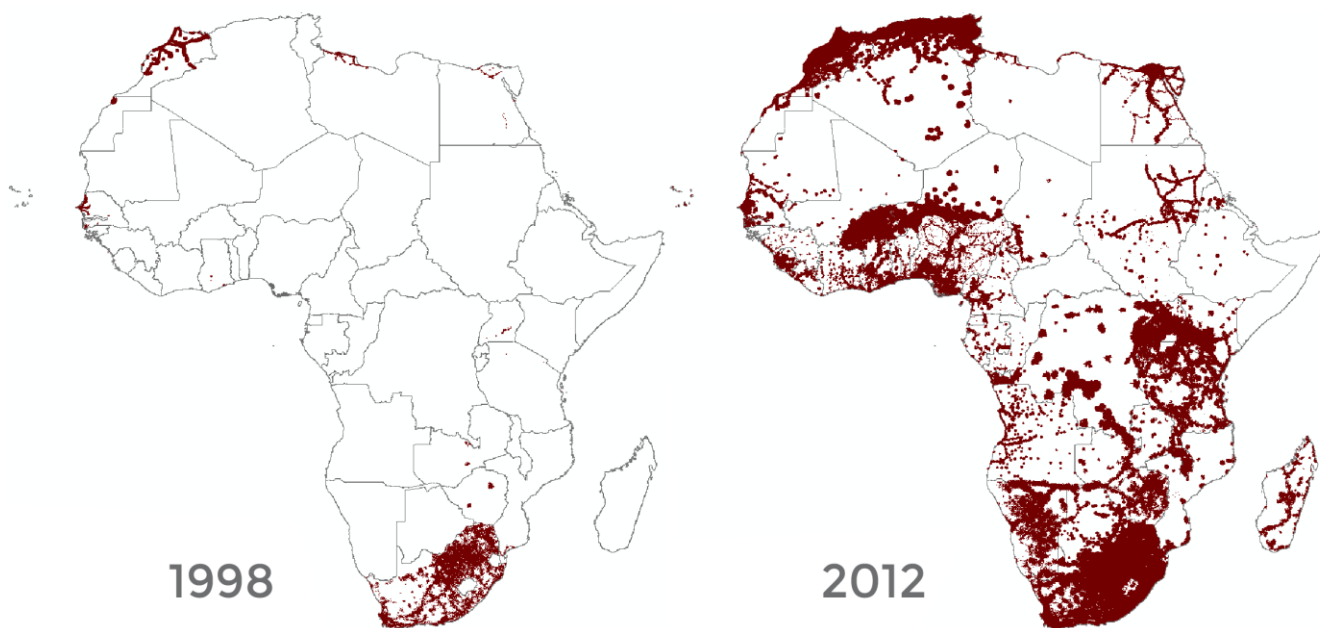
## Science and technological change

**New technology has the potential to revolutionise the lives of the poor**, whether through mobile banking, internet access, or through helping their governments to deliver better services; potentially leading to stronger democratic rights, citizen empowerment and greater transparency.

Frontier technologies are also set to transform development. Already, drones are being used to deliver emergency blood and medical supplies to remote areas. 3D printing is proving revolutionary in humanitarian situations, for example by creating small, important items such as umbilical clamps at a lower cost in remote areas. Digital technology and the prevalence of mobile phones are helping aid workers to identify the greatest need faster in humanitarian emergencies. The open data revolution is helping more and more citizens to hold their governments to account and demand better services.

The UK's scientific research and technical expertise is one of our greatest assets. The UK has the most productive research base amongst the G7 and other leading research nations<sup>22</sup>. UK science collaborations have a strong track record in tackling global challenges. We helped eliminate diseases such as rinderpest, which caused famine and poverty. And we have developed new drugs and vaccines, such as for sleeping sickness which causes over US\$4 billion in losses every year in Africa. As countries develop they will increasingly turn to the UK, not for financial resources, but for its intellectual leadership and scientific expertise. DFID will continue to build strong strategic partnerships in priority research areas, as set out in our Research Review.

## Mobile phone coverage diffusion, Africa 1998 - 2012



Source: GSMA Data - M. Manacorda, A. Tesei (2015) "Liberation Technology: Mobile Phones and Political Mobilization in Africa", mimeo Queen Mary University of London.

## 2. Tackling global challenges in the national interest

**Our aid budget makes working people in the UK safer and more secure. We will continue to ensure that the people who pay for our aid budget benefit from it.**

“As a new Prime Minister to the United Kingdom my pledge to this United Nations is simple: the UK will be a confident, strong and dependable partner internationally – true to the universal values that we share together.

“We will continue to honour our commitment to spend 0.7% of our Gross National Income on development, building on the achievements we have already made to reduce poverty, deal with instability and increase prosperity the world over. And we will drive forward the implementation of the Sustainable Development Goals.”

Theresa May, Prime Minister  
September 2016

### **A strong nation with a global outlook**

Britain is a strong force for good in the world. As a permanent member of the UN Security Council, a NATO member that spends 2% of our GDP on defence, a leader in the Commonwealth and a nation that is meeting its international commitment to 0.7% for aid, we can and will play an active part in making our world a more peaceful and prosperous place.

The UK is the first G7 country to meet its commitment to invest 0.7% of our national income on development. DFID is recognised as one of the most effective development agencies in the world. The Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee has said: “An active member of the international community, the United Kingdom continues to lead in shaping the global development agenda,” (Peer Review 2014).

The world has a real opportunity to eradicate extreme poverty by 2030, reaching the Global Goal of zero extreme poverty. We will work tirelessly to make it a reality.

Our leadership on development is an important part of the Government’s international vision for a secure and prosperous United Kingdom with global reach and influence. The [Strategic Defence and Security Review \(SDSR\)](#) and the [UK Aid Strategy](#) (“UK aid: tackling global challenges in the national interest”) set out how the Government will work towards that vision.

The UK will continue to lead and shape the global development agenda. Leaving the European Union will provide the UK with a unique opportunity to exercise even greater control over development policy and funding. The UK will also look beyond aid in our efforts to eradicate poverty. We will seize the opportunities of the UK’s exit from the European Union to improve the lives of the British people and people in the developing world, by building stronger partnerships with the world’s developing markets.

## International leadership

In recent years, the world has agreed a series of game-changing international agreements on climate change, trade, humanitarian reform and a set of Global Goals to end extreme poverty in a generation. The international community now needs to deliver on these promises. We need to fast track results for the most vulnerable people and tackle the great global challenges of our time.

The UK is ready for this challenge, and to work with others who share our vision and our commitment to reform. Our international leadership already delivers results:

- The UK is seen as a development champion in both the G7 and G20. The UK launched an initiative on international tax transparency during our G8 Presidency in 2013. This has now been endorsed by the G20 and has seen the automatic exchange of tax information adopted as the global Common Reporting Standard.
- The UK's Anti-Corruption Summit (London 2016) helped transform the global approach to tackling corruption and give Global Goal 16 momentum.
- Following the UK's leadership in responding to the Syrian crisis, we will drive radical reform of the world humanitarian and development systems to address unprecedented human suffering including in situations of conflict and protracted crisis.

## The Global Goals

The Global Goals provide the framework for the UK Aid Strategy and for everything we do. They have been mainstreamed across Government work. Departments will report progress towards the Goals through their Single Departmental Plans, ensuring we have a full view of the Government's contribution to delivery both internationally and domestically.

### THE GLOBAL GOALS For Sustainable Development



## UK Aid Strategy

In November 2015, the UK launched the first ever cross-government Aid Strategy, recognising that in a changing world our Aid Strategy needs to change too.

**The strategy re-affirms the Government's commitment to spend 0.7%** of our national income on official development assistance (ODA) and sets out how, within the framework set by the Global Goals, development spending will meet Britain's moral obligation to the world's poorest and work in the UK's national interest.

The strategy sets out four, mutually-reinforcing, objectives, all of which support poverty reduction and all of which are aligned with the UK national interest:

- strengthening global peace, security and governance
- strengthening resilience and response to crises
- promoting global prosperity
- tackling extreme poverty and helping the world's most vulnerable

The strategy sets out the Government's important manifesto commitments on areas including education, immunisation, nutrition, family planning and water and sanitation, along with other commitments on fragile and conflict-affected states and regions. See annex for further details. It provides DFID with our own strategic direction. DFID's objective is to end extreme poverty forever, to spread prosperity, and, as a result, to build a safer world for us here in the UK. **We will continue to meet the 0.7% target, maintain an independent Department for International Development and keep aid untied.** Our aid budget meets the OECD aid rules, and we will actively engage in international discussions to ensure that these rules fully reflect the importance of peace, stability and effective institutions for reducing poverty.

## The development reviews

DFID's approach to development is backed up by a series of reviews into our role in a changing world, examining where we should work, what we should do, who we should work with and how we can build stronger partnerships including:

- A Bilateral Development Review (this document) to assess the shape of DFID's overall portfolio, geographical focus and the mix of delivery channels. Conclusions are set out in this document.
- A Multilateral Development Review to assess DFID investment in multilateral agencies, considering their individual and collective effectiveness, and set out DFID's future objectives for the international system.
- A Civil Society Partnership Review to define DFID's objectives, approach and instruments for partnership with civil society.
- A review of the research portfolio to identify our research priorities and map critical development issues that research could help solve.

In this paper we set out a bold strategy for how we will lift people out of poverty. We explain the approach we will take to delivery of our ambitious commitments, and how DFID will ensure that all programmes are vigorously scrutinised and held to account with the highest standards of efficiency, value for money and transparency, making sure taxpayers' money is well spent.

## A joined up approach

The UK Aid Strategy confirms that DFID will continue to deliver the majority of Government aid. But in a changing world, with complex challenges, we need to deploy the wider skills and expertise of other parts of the Government. In the coming years other Government departments will spend more of the UK's aid budget.

DFID will work to deliver a coherent and effective approach to development across the Government. We will put international development at the heart of the UK's foreign policy and national security. To support this process, cross-Government funds will be increasingly important. An expanded Conflict, Stability and Security Fund will tackle conflict and instability. The Government has set up a new ODA crisis reserve to respond to emerging crises. And the Government's new Prosperity Fund will support global prosperity.

The UK is making a world-leading offer to developing countries to share the best of the UK's professional expertise and strong institutions. DFID will work closely with UK Government departments and agencies and our professional bodies to deliver this offer. The Government's Health Partnership Scheme is already providing technical advice and grant support to 97 UK institutions involved in 139 partnerships across 32 countries in Africa, Asia and the Middle East. In Jamaica, the UK's Crown Prosecution Service has helped the Jamaican Major Organised Crime and Anti-Corruption Agency to develop the tools and skills to investigate and prosecute corruption and other serious crime. The GREAT for Partnership initiative will see the UK expanding its support to UK institutions sharing their expertise overseas.



## **The UK Government's approach to spending aid**

This Government is clear that all aid spending, regardless of the department that spends it, must meet the highest standards of effectiveness and value for money. DFID is committed to supporting other Government departments to help them ensure that all their ODA spend is value for money for the UK taxpayer. DFID provides advice and training to other departments on the international definition of ODA and we work with other Government departments to support them in setting up their systems of programme management.

The UK Aid Strategy established a working group, reporting to Ministers, to ensure value for money of the UK ODA budget. This 'Senior Officials Group' is co-chaired by HM Treasury and DFID and the objective is to support departments to demonstrate that ODA spend meets high standards of value for money and to deliver aid efficiently by ensuring effective cross-Government spending control. This includes HM Treasury and DFID providing high level guidance for departments on value for money and effective programme management.

All departments spending ODA must ensure their programming represents international best practice. The Government will require all departments spending ODA to demonstrate how they are using rigorous evidence to underpin spending decisions. There must be clear lines of accountability for all ODA projects, and project performance must be regularly assessed. Poor performing programmes will be closed and funds redeployed. The Independent Commission for Aid Impact will scrutinise all UK Government ODA.

## **Protecting the UK from disease**

### **Antimicrobial resistance and development**

Antimicrobial resistance is a growing concern as recognised by 193 countries at an historic High Level Meeting at United National General Assembly earlier this year. A conservative estimate is that around 700,000 people already die each year from drug resistant diseases (including drug resistant strains of HIV, TB and malaria). If not tackled, it is estimated that antimicrobial resistance could cause up to 10 million deaths annually by 2050 and cost up to US\$100 trillion in lost economic output<sup>23</sup>.

Many DFID programmes and activities are already contributing directly or indirectly to tackling antimicrobial resistance - particularly those reducing the need for antimicrobial drugs in the first place, for example through investments in vaccines and water and sanitation. We are supporting the development of a new "AMR index" to understand industry contributions to tackling antimicrobial resistance, as well as funding research to develop new drugs, diagnostics and insecticides for diseases of emerging resistance (including malaria and TB). These efforts directly benefit people in the UK.

The UK played a leading role in the response to the Ebola outbreak in West Africa in 2014. Following the slow response of international health organisations to the crisis, DFID, Ministry of Defence, Foreign & Commonwealth Office and the Department of Health, worked with the Government of Sierra Leone to contain the outbreak. Building on the experience of the Ebola response, DFID is increasing our focus on helping countries, and the world, be better prepared for future health threats. This includes ensuring there is a stronger World Health Organisation that can effectively play its role in emergencies. We have helped shape the reforms to the World Health Organisation's work on emergencies and are supporting their new Health Emergencies Programme. DFID also contributed £6.2 million to the World Health Organisation's contingency fund for emergencies so that in the future they will be able to mobilise the right expertise much more quickly.

## Addressing the root causes of migration

Migration is a global challenge. Instability, extremism and conflict in the Middle East and Africa have displaced millions of people, and many have sought to travel to Europe. The Government is pursuing a comprehensive approach to tackling the causes of migration and supporting refugees. DFID will support this by directing more funding to fragile and conflict-affected states and regions including Syria and other countries in the Middle East and North Africa. We will work to address the root causes of mass migration with a particular focus on the most vulnerable populations on the move, including children and women. We will build on the global commitments on migration and refugees made at the United Nations General Assembly in 2016 and shape new Global Compacts on Migration and Refugees. We will drive a new global approach to support vulnerable people more effectively in situations of protracted crises and displacement.

At the Supporting Syria and the Region Conference earlier this year, the UK, together with the international community and the Government of Jordan, agreed a 'Jordan Compact'. This ambitious new approach will address the impact of the Syria crisis through investment in job opportunities for Syrians and Jordanians, helping Syrian refugees to stay in the region and prepare for their return home. The UK is supporting the Government of Jordan to deliver the commitments in the Jordan Compact, including:

- increased access to work for Syrian refugees, including young people, and an economic boost for host communities
- quality, safe, and inclusive education for all Syrian refugee and Jordanian host community children and young people to ensure there is No Lost Generation in the region
- protection for the poorest and most vulnerable Syrian refugees and Jordanians including access to services such as mental healthcare, care for those with disabilities, legal services and financial support for the poorest families.

We are now extending this approach to situations of protracted displacement and crisis in Africa, starting in Ethiopia.

**We will build opportunities for economic development in the most difficult environments, tailoring our work to the challenges of conflict and instability and addressing the chronic need for jobs and economic livelihoods for young people.** This will help address the drivers that can lead people to migrate.

## Building global security

Since 2010, the global context of conflict, security and humanitarian crises has changed. After many years of increasing global peace and prosperity, the risks of conflict and violence have again begun to rise. This undermines countries' prospects for poverty reduction and directly threatens the UK's own interests. Extreme poverty can be an incubator for radicalisation, human misery, disease and a key driver of mass migration. The next five years offer an unprecedented opportunity to support fragile states and regions. **We will push for a new international consensus which brings together the security, development and humanitarian communities, building on the UK's leadership in responding to the Syria crisis.**

We have committed to spending at least 50% of the DFID budget on fragile states and regions. Together with our universal humanitarian values and commitment to taking a longer term approach, the UK will help create a more stable environment in places like Afghanistan. This will improve peoples' lives and help to keep the UK safer. Our aid budget has a crucial role to play in shaping the world according to our universal values of democracy, peace and justice.

## UK aid in Afghanistan

Our work in Afghanistan offers a very specific example of how we can use our aid to both help the world's poorest, and working people here in the UK. Our presence there over the last decade has helped to stabilise Afghanistan and prevent it from becoming a base for terrorists who could threaten the streets of Britain.



We have improved the lives of ordinary Afghans - with millions more girls in school, better healthcare, and greater prosperity, though huge challenges remain, not least the continued threat from the Taliban.

The UK's commitment over the next four years will promote peace and stability, tackle entrenched corruption, and continue to build a functioning state. It will support health and education - particularly for girls and women, and it will protect internally displaced persons who have fled their homes due to conflict. It will also help to clear landmines, reducing the human suffering brought about by years of conflict. Our aid will help create the jobs and economic opportunities that give people a better life and create long term stability. This will also help address the challenge of global migration. People from Afghanistan make up a significant proportion of the migrant and refugee population entering Europe - nearly a quarter of those arriving in Greece by some estimates - and our aid will help give people a better alternative than risking the journey to Europe.

## Tackling extremism and terrorism

Poor people in developing countries are the most affected by terrorism. In 2014, 78% of fatalities from terrorist attacks occurred in just five countries: Iraq, Syria, Afghanistan, Pakistan and Nigeria<sup>24</sup>. Violent extremism and terrorism fuels conflict and instability, drives humanitarian crises, and hampers economic growth and development. Conflict and instability also create opportunities for terrorist groups to grow and flourish. Extremism divides communities, promotes discrimination and normalises intolerance.

Working closely with the Home Office and the Foreign & Commonwealth Office, DFID's development work complements and reinforces the UK's efforts to counter terrorism and extremism. DFID will help to build stronger, stable and more democratic states and societies that are better able to respond to the threat from terrorism. Development programmes can do this by addressing poor governance, corruption, inequality, marginalisation and a lack of economic opportunity which create the enabling environment for extremists to exploit. We are enhancing our operational framework to ensure that DFID effectively manages the risk of aid diversion to terrorist groups in line with our obligations under the 2000 Terrorism Act. We will challenge extremism by supporting universal values, such as the right to freedom of thought, belief and expression established in the Universal Declaration of Human Rights, by building mutual understanding and tolerance through our work with young people and civil society.

## Getting more for our money

The support of the British people has allowed the UK to build a world-leading reputation on development. Our aid increases the UK's influence and soft power around the world and we will use this influence to build mutually beneficial relationships with developing countries. Our work provides us with a seat at the top table in many developing countries. We will not be shy about using our influence to drive reform. The Government will create opportunities to pursue mutually beneficial partnerships which work for the poorest, for partner governments and for the UK taxpayer.

## A comprehensive approach to development

Increasingly, the drivers of poverty alleviation are 'beyond aid', including financial flows like foreign direct investment and remittances, as well as changes in international trade, tax and other policies. Addressing these issues, along with complex challenges like Ebola, requires a government-wide approach.

### UK response to the Ebola crisis - a cross-government effort

DFID led a huge cross-government effort involving 10 departments and Public Health England, NHS England, the Government Office of Science and the UK Border Force all working together to reduce the spread of the disease. This was a truly collective effort with more than 1,500 British military personnel, some 150 NHS volunteers, more than 425 Public Health England staff, and more than 250 DFID surge staff working on the crisis, alongside permanent staff and dozens of civil servants from other departments.



Together we supported more than 1,500 treatment and isolation beds - more than half of all treatment beds available, built and funded six Ebola Treatment Centres and operated more than 70 community care centres across the country. With assistance from the UK military, we established a command and control structure including the National Ebola Response Centre and five District Ebola Response Centres staffed by British and Sierra Leoneans alike, which made the response both more efficient and effective. RFA Argus and her three Merlin helicopters provided vital transport and logistical support for medical teams and aid experts, and we trebled the country's capacity to test for the virus through the establishment of three Public Health England labs. We trained 4,000 frontline healthcare staff, and funded over 100 teams to carry out safe and dignified burials.

The UK is continuing to support Sierra Leone's recovery following the crisis, and we remain the country's largest bilateral donor.

Important domestic mechanisms such as the National Security Council and the Cabinet sub-committees enable DFID to ensure development priorities have their place in a strategic and comprehensive approach to UK policy making. Other Government departments themselves are taking a lead in tackling poverty issues directly – the Foreign & Commonwealth Office and Ministry of Defence efforts to promote stability in Afghanistan are a crucial contribution to development in that country, for example.



Internationally, DFID's leadership in securing the Global Goals and Financing for Development agreements, the G7 agenda on tax, trade and transparency, and our ongoing support for the Global Partnership for Effective Development Cooperation, are all examples of how the UK is shifting the debate to a 'beyond aid' focus.

## **A joined up approach**

### **Remittances**

DFID worked in a cross-government partnership (HM Treasury, HM Revenue & Customs, Financial Conduct Authority, Foreign & Commonwealth Office and Cabinet Office) with the private sector through industry bodies, and internationally with the G20 and international regulators, to facilitate sustainable, market-led solutions for secure, transparent and accessible remittance channels to developing countries. Significant attention has been paid to the UK-Somalia corridor through the Safer Corridor Initiative to support the flow of remittances.

### **Anti-corruption**

DFID is a key member of the Inter-Ministerial Group on Anti-Corruption which oversees the Government's work to address corruption in the UK and internationally. DFID continues to help developing countries improve their technical capacity to tackle cross-border illicit financial flows, in partnership with key bodies such as the International Centre for Asset Recovery, the World Bank and the International Monetary Fund.

### **Asset recovery**

DFID's UK Action Against Corruption Programme provides £21 million to support UK law enforcement agencies tackling the problem of stolen funds from developing countries being laundered through the UK, and to pursue UK citizens and companies who engage in bribery in developing countries. DFID's support since 2006 has helped restrain or recover £180 million of stolen assets and there have been many successful prosecutions.

### **Tax and development**

Working closely with HM Treasury, DFID has continued to play a leading role in advancing the tax agenda through the G20. The UK's aim is to ensure developing countries can benefit from international efforts to tackle tax evasion and corporate tax avoidance. DFID supported the establishment of the HM Revenue & Customs Tax Capacity Building Unit, which deploys staff to provide technical expertise on tax administration and reform to developing countries.

### **Climate change**

DFID has worked closely with the Department for Business, Energy and Industrial Strategy, Department for Environment, Food and Rural Affairs, Foreign & Commonwealth Office and other Government departments on climate change, including negotiations under the United Nations Framework Convention on Climate Change, policy engagement with multilateral partners to influence the international architecture, and through International Climate Finance investment.

### **Debt**

DFID has continued to engage in international efforts to support remaining eligible countries to receive debt relief under the Heavily Indebted Poor Countries initiative and, for those that have received debt relief, to support them to maintain the gains by promoting their access to important debt finance from a wide range of sources, while ensuring debt sustainability in the long term. DFID will continue to work closely with HM Treasury to ensure that long-term debt sustainability remains a priority.

# 3. Boosting prosperity

**The way to end extreme poverty and aid dependency is through inclusive economic growth, jobs, investment and trade.**

Inclusive economic growth is the route out of poverty. And economic development strengthens UK trade and investment opportunities; helps create alternatives to mass migration; and complements national security and foreign policy objectives. Inclusive growth is an engine for achieving results across the breadth of the UK Aid Strategy and for delivering vital services such as health and education.



Our focus is on far-reaching economic change.

Lasting progress comes from growth that transforms economies; that creates productive jobs and private sector investment; and that spreads benefits and opportunities right across society. This is good for people in developing countries and good for UK taxpayers. We will:

- **Turbo charge our work on trade** to help link developing countries to global markets and benefit from trade access. This offers us an opportunity to forge a new role for ourselves in the world, embedding development within UK trade policy.
- **Improve the investment climate and build foundations for growth** with a focus on energy, infrastructure, manufacturing, finance and commercial agriculture - including an emphasis on connected and productive cities.
- **Catalyse private investment** by using innovative financing approaches. CDC is the UK's development finance institution, and it will be at the heart of this, alongside support to the World Bank Group and others.
- **Forge stronger partnerships with business** to help boost investment in developing countries, and provide jobs, goods and services. We will work with the City of London, as the development finance hub of choice, to help create better capital markets and financial services, including risk insurance.

## Boosting trade for the poorest

Developed economies need to enable developing economies to reach their full potential. DFID's approach to trade will maximise global poverty reduction and help seize the opportunities presented by leaving the European Union. We will continue to play our part by providing a bold package including pro-poor trade policy, cutting red tape at borders, building hard infrastructure for trade and encouraging businesses to invest in frontier markets.

The UK will continue to open up our markets to the world's poorest countries, bringing trade opportunities to those who need them most. And we will encourage others to do the same, by using our voice in the World Trade Organisation, international institutions such as the World Bank, and the G20.



## Improving the investment climate and building the foundations for growth

**We will help unlock opportunities for economic development** in sectors such as energy, infrastructure, manufacturing and commercial agriculture. For example, in October 2016, DFID launched 'Invest Africa' - a programme that will work in multiple African countries to boost manufacturing. It will help create some 90,000 direct and indirect jobs by encouraging at least £400 million of foreign direct investment over the next decade. We will do more to support cities to become more sustainable, productive and competitive by improving planning and access to reliable power - building on recent programming that operates in more than 10 countries. We will do more to promote growth in commercial agriculture, including support for processing and other agribusiness development to create jobs and connect farmers to national, regional and global markets.

**We will help partner governments to improve their investment climates so they become easier places to do business.** We will focus on reforms that tackle binding constraints to new start-ups, job creation, and investment, and on ensuring that reforms change the reality for firms on the ground, not just the rules on paper. This will help small and medium-sized enterprises to thrive and expand.

**We will catalyse private investment by using innovative financing approaches such as Development Capital;** and will draw on UK expertise to develop financial sectors, peer-to-peer finance initiatives and new insurance approaches that boost the resilience of economies and communities. Across this work, **we will improve the ability of the poorest and most marginalised to benefit from and contribute to economic development,** helping to ensure that no one is left behind. **We will champion new approaches to help people in developed countries give or lend money directly to individuals and entrepreneurs around the world.** DFID is actively exploring innovative uses of financial technology to enable the public to help directly address financing challenges in developing countries. This has the potential to empower both donors and recipients and create a new, nimble and personalised approach to aid.

### Catalysing private investment through CDC

CDC is our development finance institution, representing the best of an outward facing UK. Founded in 1948 it was the first of its kind, and remains a leader. Companies it has invested in across Africa and South Asia are estimated to have supported the creation of over 1 million new direct and indirect jobs, and contributed over US\$2.6 billion in local taxes in 2015. In July 2015, DFID announced £735 million of new investment into CDC - the first capital injection the Government has made into CDC in 20 years. This will help CDC provide more businesses in Africa and South Asia with the finance they need to grow and create jobs.

CDC also manages the DFID Impact Fund and DFID Impact Accelerator Facility - which support businesses that have a direct impact on the poor, through improved access to affordable goods and services and income-generating opportunities. These programmes are focused on higher-risk investments - pioneering new technologies and new business models in unproven markets.

We will seek opportunities to scale up the work of CDC, in response to market demand and building on its current success, so that it can do more to deliver life-changing results and play a fuller role in the delivery of the UK's Aid Strategy.

Economic development in the poorest countries can be blocked by the vested interests of powerful elites who focus on enriching themselves at the expense of growing the economy for everyone. In fragile states, elites sometimes use violence and sow instability for economic gain. We will pursue a politically smart approach to economic development - basing our work on robust analysis of local politics and conflict risks so that we seize opportunities in difficult environments and stimulate investment that helps countries out of instability.

**We will address climate and environment across our economic development work** - including through sustainable energy and the effective economic management of natural resources. **We will strengthen partner governments' capability to deliver on their climate change commitments**, including those set out in their Nationally Determined Contributions from the Paris Agreement on Climate Change.

## Using our leadership in research to boost prosperity

### Improving agricultural productivity

We invest in research to improve crop yields on a global scale and spur economic growth in developing countries. For example, by 2014 almost half of all wheat planted in developing countries had benefited from research DFID funded to produce higher yielding wheat varieties that are also more resistant to climate stress, pests and disease. This generated additional economic benefits of US\$2.2 to US\$3.1 billion per year.

### Transforming access to energy

The DFID-funded M-Kopa Solar project, an innovative research partnership, established a mobile phone based market for solar lighting and energy in East Africa. Two million people have so far been connected to affordable solar power. The private company which grew out of the project recently secured US\$19 million investment in a financing round led by a London-based group of investors.



### Getting goods to market

DFID funded research has developed more cost-effective rural road designs and put them into use. Across Sub-Saharan Africa roads act as lifelines for communities and trade. In Ethiopia research has improved the construction of a 70,000 kilometres low volume road network and will inform a further US\$25 billion planned investment over the next five years, helping farmers get their products to market and children to get to school.

Developing countries determine their own economic development paths. Alongside programme delivery, our role is increasingly to help create the best conditions for success. This includes working with partner governments, multilateral institutions and others to shape an international system that responds effectively to global economic development challenges and that works for poor people. **We will harness UK expertise; form new partnerships with innovative organisations; and work even more closely with other parts of the UK Government** - including the Department for International Trade and through the cross-government Prosperity Fund, in order to drive global development and poverty reduction.

## Helping create jobs for young people - particularly in fragile states and migration priority countries

**We will address the chronic need for jobs and economic livelihoods for young people.**

- Making economic development central to how we address migration, protracted crises and mass displacement - stimulating employment and livelihoods instead of reinforcing dependence on standard humanitarian aid.
- Ensuring our investment in fragile states, including Nigeria, Pakistan, Afghanistan and Somalia, has a strong economic development element. And working with partners to invest more in fragile states, including through our support to CDC and multilateral partners such as the World Bank.
- Supporting economic diversification in countries that are reliant on sectors that can worsen fragility and economic exclusion, such as oil, gas and mining, and building alternatives to narcotics, smuggling and trafficking.
- Promoting stability through regional trade through initiatives including TradeMark East Africa, which encourages trade across the East African community by developing infrastructure, such as efficient border posts, and by reducing red tape.

### Women's economic empowerment - raising global ambition

No country can truly develop if it leaves half its population, and half its potential workforce, behind. Yet currently, women generally earn less, have fewer assets, bear the burden of unpaid work and care, and are largely concentrated in vulnerable and low-paying activities. We are increasing our ambition on women's economic empowerment, pushing for greater opportunity and control for girls and women over economic decisions and resources. The UK made a vital contribution to the establishment of the first ever UN High Level Panel on Women's Economic Empowerment, which is playing a central role in placing women's empowerment at the heart of the global economic community's agenda. The Panel has brought together influential leaders from government, business, academia, and civil society and its first report, published in September 2016, calls on the global community to take actions on the seven drivers of change to accelerate women's economic empowerment.

## Building open governments, open politics and open societies

Bad governance is the enemy of progress, and the number one cause of persistent poverty. We know from evidence and experience that the way in which power is shared and used is a constraint on inclusive growth in many of the countries in which DFID works. More inclusive societies, with open, democratic and accountable institutions and peaceful political processes are better able to sustain economic development in the longer term. These societies give people a say over the decisions that affect them, helping address grievances and promoting a stronger relationship between citizen and state.

**We will increase our work tackling corruption and crime, and promoting the rule of law, property rights, free media and more democratic, open, accountable institutions.** This will deepen our contribution to wider UK Government efforts to counter extremism and terrorism, and help address illicit financial flows, irregular migration and organised crime. **We will work to champion values of openness, tolerance and freedom of enquiry and belief in everything we do.**

Since 2010 DFID has opened up its books. We have shown global leadership on aid transparency, and we are recognised as one of the most transparent donor organisations in the world. We will build on these achievements and go further. **We will insist on much greater transparency from all those who receive UK aid** - whether that be governments, private sector suppliers, international agencies or NGOs - so we can all see whether money is actually making it through to those who need it.

**We will champion further tough changes in international and UK rules to help prevent corruption and money laundering**, reflecting the Government's drive to permanently change how the world tackles corruption. The Government is making the UK a hostile environment for corrupt funds, ending impunity for those engaged in corruption, recovering stolen assets, and empowering citizens to stand up to corruption. DFID continues to help developing countries improve their ability to tackle corruption. Our UK Action Against Corruption Programme supports UK law enforcement agencies to tackle the problem of stolen funds from developing countries being laundered through the UK, and to pursue UK citizens and companies who engage in bribery in developing countries.

### **The Anti-Corruption Summit (London 2016)**

The Anti-Corruption Summit (London 2016) was a landmark event bringing together world leaders to agree a Global Declaration against Corruption. The UK, along with other participating countries and international and regional organisations, set out a common approach and concrete actions we will undertake to fight corruption. The Summit gives impetus to Global Goal 16, which acknowledges the vital importance of tackling corruption for defeating poverty.

Since 2006, DFID funded UK police units have restrained, recovered or returned £180 million of assets stolen from developing countries, and investigated more than 150 cases of bribery and corruption by UK nationals and companies in developing countries. In Nigeria, our anti-corruption and governance support has helped improve controls over payrolls, which helped two states save £7 million in one year by weeding out 'ghost workers' (non-existent employees on payrolls).

**We will support our partner countries to make faster progress towards a sustainable exit from aid**, helping them to collect more and fairer tax, spend public money more transparently and accountably on behalf of all citizens, and reduce corruption. **We will work to ensure that developing countries can take advantage of a more transparent international tax system.** This should increasingly reflect and respond to the needs and concerns of developing countries, such as ensuring that multinational companies pay their fair share of tax in developing countries. As a founding member of the Addis Tax Initiative, **the UK will double our investment in improving tax collection and management in developing countries by 2020, and encourage others to join this initiative.**

To build more open, effective and inclusive institutions, **we will support people in developing countries to have a stronger voice in decision-making** and to hold their governments to account. We will do this by supporting a free media, elections and other democratic processes and more effective and accountable public services. **We will support the greater participation of women in peace-building and empowerment of women in politics**, including through work with governments such as in Afghanistan and Iraq. **We will strengthen global standards on transparency, accountability, open government and data**, for example, to make open contracting a global standard, and support developing country governments to implement plans for greater openness and transparency.

## Using technology to improve peoples' lives

The rapid expansion of mobile phones and internet access in poor countries offers unique opportunities to stimulate growth and jobs, cut fraud and empower citizens to hold governments and others institutions to account. It enables a better response in humanitarian emergencies, and increase inclusion by providing access to services previously out of reach to marginalised groups such as girls and women.

- **Financial inclusion:** M-Pesa - the most successful mobile phone based financial service in the developing world - allows over two-thirds of adults in Kenya to deposit, send and receive money through a simple text-based menu available on even the most basic mobile phone. Since its launch in 2007, the cost of sending remittances dropped by 90% and through enabling citizens to use the service to pay for taxi rides, electricity or shopping, the value of M-Pesa transactions is now equivalent to 60% of Kenya's GDP. DFID played a crucial role in getting M-Pesa started.
- **Utilities:** around one billion people in the world have no access to affordable and reliable electricity - however, nearly 70% have access to a mobile phone. M-Kopa Solar increases access to electricity for the poorest by enabling poor people to buy clean energy products in small instalments, using mobile banking platforms such as M-Pesa. To date, M-Kopa has powered over 400,000 homes in East Africa. The programme is now being expanded, with the aim of reaching one million homes by 2018.
- **Agriculture:** MFarm in Kenya allows farmers to join up with other local farmers via an app or SMS to sell crops or order supplies in bulk, thus giving them a valuable negotiating tool to improve their prices. Through using this platform, some farmers have already seen the price of their produce double.
- **Health:** using digital technologies to drive remote diagnosis and prevention education could save up to US\$188 billion by 2025. The Global Trachoma Mapping Project used Android mobile smartphones, GPS mapping software and cloud technology to carry out a survey in collaboration with 60 partners globally. 100 million people were identified as being at risk of becoming blind through Trachoma more quickly, allowing for earlier intervention and better outcomes.
- **Humanitarian response:** mobile cash provides a faster and more secure route of getting resources to people in need and enables more targeted delivery of aid. During the Ebola crisis, the UN Development Programme used mobile phones to make direct payments to response workers, reaching 60,000 people at the height of the crisis and overcoming the logistical challenge of paying field workers in remote and rural locations. The mobile communication association, GSMA, opened up networks in the affected countries, allowing data to be collected through mobile phone surveys which helped target aid distribution and inform humanitarian workers.



## Data for development

Accurate and high quality data is essential to delivering all four strategic objectives in the UK Aid Strategy. Digital technology provides an unprecedented opportunity to deliver a transformative change in the quality and availability of data. It is already generating new data and tools on an unparalleled scale. These offer enormous potential in helping decision makers understand hard to reach populations, measure natural resilience and respond to emergencies.

The role which open data can play in changing the power dynamic between citizens, governments and the private sector is transformative. When governments open up data on public services, it exposes poor performance and inefficiencies and gives citizens a platform to demand change. More open and accurate information on the economy can help potential investors make better decisions.

DFID is one of the largest bilateral donors on statistical capacity building. National statistics systems will continue to play a central role in providing official data to monitor development. DFID will invest in national capacity to produce and disseminate data more efficiently, using digital technology, and to exploit new data sources from the private sector and civil society.

**We will boost partnerships between UK institutions and their counterparts in the developing world**, through a new initiative which will enable developing countries to access the skills, expertise and capability of Britain's world-renowned institutions. **We will initially prioritise partnerships in strengthening health systems, extractives transparency, financial accountability and anti-corruption.** We will build on the successes of the partnerships that already exist. For example, we regularly deploy experts from HM Revenue & Customs, the National Crime Agency, the National Audit Office and the judiciary to help developing countries improve governance, the management of public finances and the rule of law. We will also build on the global leadership the UK Government has shown in the health sector. NHS volunteers have helped train over 25,000 health workers in Africa and Asia; this was a critical contribution to the Ebola response.



# 4. Investing in people

**We will invest in human capital, helping everyone achieve their potential. We will support our Prime Minister's leadership on ending modern slavery, boost action on nutrition, family planning and child exploitation, and implement our manifesto commitments in full.**

## **Saving and improving people's lives**

**The UK will continue to be a leader in global health and education; helping countries to improve the health of the poorest and most marginalised, safeguarding health security worldwide, and supporting children and young people to fulfil their potential.**

**We will deliver the Government's manifesto commitments in full.** These include action on family planning, nutrition, immunisation, preventable maternal and child deaths, water and sanitation, malaria and global health security. We will do this in a way that builds equitable and accountable country-led systems. We will work with partner governments to encourage and incentivise them to invest more in the human capital of their own citizens.

**We will continue to lead the world on nutrition.** The UK will work with governments, with business and international partners to reduce stunting, wasting and other forms of malnutrition around the world. Our efforts will focus on reaching the poorest and most excluded people including women, adolescent girls and children. We will also deliver our commitment to help at least 60 million people get access to clean water and sanitation to prevent diseases including cholera and diarrhoea by 2020. And we will promote good hygiene, which is one of the most cost-effective interventions in development.

## **UK leadership in global health**

We will use UK aid to make a transformational change in the health and wellbeing of the poorest people around the world. **We will continue to lead global efforts to fight malaria and other deadly diseases, while helping countries to build stronger health systems.** This will enable countries to provide better health services for their citizens - and to sustain these when aid is no longer needed. We will also continue to provide global leadership to ensure a stronger international system for improving global health and responding to crises such as disease outbreaks.



The UK has recently announced a significant increase to the Global Fund to Fight AIDS, Tuberculosis and Malaria, from £800 million to £1.1 billion over the next three years. This support will help provide enough lifesaving anti-retroviral therapy for 1.3 million people living with HIV. The UK remains firmly committed to ending the AIDS epidemic as a public health threat by 2030. AIDS remains the leading killer of girls aged 10-14 across the globe today. The UK will continue to play our part and champion the rights and needs of the most vulnerable; adolescents, girls and young women, key populations and all those still left behind by the huge progress we are proud to have made.

Working with our partners, the UK will lead international action to tackle the Neglected Tropical Diseases which blight the lives of millions of people around the world. Neglected Tropical Diseases are a group of parasitic and bacterial infections that thrive in poor settings and affect more than 1

billion of the world's poorest people<sup>25</sup>. Some kill and others cause severe and often lifelong physical impairment, with serious social and economic consequences for communities.

We will help prevent and control infectious disease outbreaks, protecting people both in poorer countries and the UK. We will push especially for a stronger international system, and for the World Health Organisation to effectively play its role in managing future health crises.

We will invest more in research and development, including through the £547 million DFID component of the £1 billion joint DFID and Department of Health Ross Fund. More than two-thirds of the DFID component (£357 million) will be invested in research and development to tackle the most serious infectious diseases in developing countries, including malaria, TB, Ebola, neglected tropical diseases and drug resistant infections caused by antimicrobial resistance.

These are some of the most cost-effective ways of spending UK aid. It can cost as little as £3.25 to avert a case of malaria<sup>26</sup> - with an astonishing return on investment as malaria control brings £36 in social and economic benefits for every pound spent<sup>27</sup>.

## A stronger system for all

The Ebola crisis underlined the need for countries to have resilient health systems that can both protect their populations and prevent the wider spread of disease. Resilient, responsive health systems are essential for ensuring that improvements in health - including those achieved through the UK's large investments in disease-specific funds such as Gavi, the Global Vaccine Alliance, and the Global Fund to Fight AIDS TB and Malaria - are both effective in the short term and sustainable in the long term. They are also essential to sustaining behaviour change, such as greater use of family planning and skilled birth attendance. Strong health systems allow countries to cope better with future challenges such as epidemics and other health threats, population growth, urbanisation, mental health issues, ageing and the increase in non-communicable diseases. Without strong health systems, the Global Goals will not be met.

### Health system strengthening

DFID has a long held reputation as a world leader in health systems strengthening. As part of our world-leading offer on health we will help countries to build resilient, responsive health systems. This means good quality health facilities, with enough well-trained and motivated staff, with working equipment and reliable stocks of medicines and other supplies, and a system that is well-managed, well-financed and responsive to peoples' needs. We will apply this approach across our bilateral and multilateral support for health. It is vital that the poorest and most marginalised are able to access services. Our support will help to end preventable maternal and child death, including amongst the poorest, most marginalised and hardest to reach.

We will apply this systems approach across our work on global health. This is also reflected in specific commitments.

- **We will work with other Government departments to scale up partnerships in health** to allow the skills and capability of the UK's world-renowned institutions to be used to help developing countries create strong, effective institutions of their own.
- **We will invest in health research** - including implementation research to ensure that products and health interventions are made available and used effectively, and research on how to build stronger and more resilient health systems and services.
- **We will work to build equitable and efficient health systems which use evidence to prioritise the most cost-effective interventions**, so as to maximise our impact on health outcomes.

## Investing in children and young people to build a better future

Investing in young people is fundamental to building sustainable economies and peaceful societies now and for future generations. The demographics are significant; half of the world's population is under 30 years old<sup>28</sup>, one third of the world's population are children, and 246 million children live in countries affected by armed conflict<sup>29</sup>. Forty three per cent of children younger than five years in low and middle income countries are at risk of not attaining their development potential because of extreme poverty and stunting<sup>30</sup>.

DFID is already committed to working for and with young people. But we will go further - ensuring children are given the attention internationally they deserve; **we will provide them with access to quality health care, nutrition and education, we will protect them from physical and psychological harm, and we will ensure they are given the opportunities they need to prosper**, from the day they are born into adulthood.

We will tailor our way of working, recognising that people have different needs as they grow up. This includes ensuring babies and their mothers survive their birth and young children are well-nourished, nurtured and protected against disease and harm, supporting them through puberty, and equipping them with the knowledge, skills and opportunities they need to secure decent employment in later life. If young people can actively contribute to their societies in positive ways, together we can deliver better development outcomes.

By investing early, and continuing this investment through to adulthood, we will ensure children and young people fulfil their potential.

### Boosting education

Education gives young people the knowledge and skills they need to secure a productive job or start a business. An education helps them to live healthier and more productive lives, and to promote good governance. The UK will continue to work with government, non-government and low-cost privately-run schools to help every child, especially the poorest and most marginalised, get a decent education. Building on the UK's track record as a global leader in education, we will drive forward reforms in the international education system, helping to release new finance from national governments and the private sector. The UK will continue to support country education systems, including through a reformed Global Partnership for Education.



We will focus on developing stronger evidence and new approaches to ensure education reaches marginalised groups. For children living in crisis-affected countries, we will support innovative approaches to education through the new Education Cannot Wait Fund. To support the most marginalised and excluded girls we will continue to support the Girls Education Challenge Fund. The UK will also support new partnerships on higher education.

**We will meet our manifesto commitment for 11 million children to gain a decent education and help 6.5 million more girls go to school.** The UK will reach many millions more of the most excluded children through leadership and support to global initiatives.

Since 2012 Connecting Classrooms has helped more than 5,000 schools in the UK and developing countries to form long-term partnerships as well as 30,000 schools to work on joint projects over the internet. More than 28,000 teachers and more than 9,000 head teachers have been trained through this programme, improving the teaching of core skills and global citizenship in schools in the UK, Africa, the Middle East and Asia.

## **Ending modern slavery and child exploitation**

An estimated 45 million people are working in conditions of modern slavery today. The victims are inevitably the most vulnerable members of society. Child labour, including that which is not considered forced, involves close to 170 million children<sup>31</sup>.

The international response to modern slavery, human trafficking and child exploitation has, to date, been insufficient. We will only stop modern slavery and child exploitation if we improve the international systems which are in place to prevent them.

The Prime Minister is spearheading a global campaign to tackle the scourge of modern slavery. DFID will support this, helping to drive forward the work of the Prime Minister's newly formed task force to eradicate modern slavery at home and overseas. The Secretary of State for International Development is a member of this task force, which will bring together all relevant parts of the UK Government, including law enforcement and our security and intelligence agencies, in order to combat people trafficking and provide better support to victims.

The UK has coordinated international efforts to end sexual exploitation of children online, and is funding the WePROTECT Global Alliance. We are also working with partners, including the International Labour Organisation, to help thousands of women escape slavery and exploitation in South Asia and the Middle East. This includes training for women in their communities, and working with businesses to tackle trafficking, especially for domestic workers and in the garment sector. DFID will be expanding efforts to tackle slavery and exploitation. This will include testing new ways of stopping the abuse before it starts.

Stamping out modern slavery in company supply chains will be a key focus for us. We want to help equip businesses with the tools they need to identify the existence of modern slavery in their supply chains. We also want to put pressure on those companies who are not doing enough to tackle the problem. This means working with civil society organisations, consumers and investors to put pressure on the companies they engage with to work harder on this issue.

We will provide support to protect girls and women at risk of trafficking, or gender-based violence, along migration routes towards and within Europe. This will include safe shelters, medical care and legal support for victims. We will also extend our support to the United Nations Trust Fund to End Violence against Women in order to protect girl and women refugees in countries including Jordan, Iraq and Lebanon.



## The Global Partnership to End Violence Against Children

In the past year, one billion children around the world have experienced physical, sexual or psychological violence<sup>32</sup>. Every five minutes, a child dies as a result of violence<sup>33</sup>. This is a collective failure that the international community must do more to address.

The UK will play a leading part in this, through the Secretary of State's participation on the board of the Global Partnership to End Violence Against Children and by embedding the need to tackle child exploitation in DFID's core activities. Only by working together internationally to learn lessons and share successes can we end the cycle of violence which means that child survivors of violence more likely to become victims or perpetrators in adulthood. The partnership was launched in July 2016 to mobilise and coordinate the international system to deliver Global Goal target 16.2: end abuse, exploitation, trafficking and all forms of violence against and torture of children. It is a coalition of governments, international experts, private sector and civil society organisations. It will seek to put this issue firmly on the international agenda, better understand how to end the violence, raise finance and work together to effectively confront the unacceptable levels of violence which children face every day.

## Maximising outcomes for girls and women

Britain is leading global efforts to improve the lives of girls and women in the world's poorest countries. During the past five years we have helped more than five million girls get an education, helped secure 2.5 million women the right to own land and helped 36 million women access financial services so they can work their way out of poverty. The 2014 Gender Equality Act requires consideration of gender in all UK development and humanitarian programmes.

We believe girls and women everywhere should have control over their own lives; the power to make their own choices about their health, their relationships, whether or not they have children and how many; the freedom to live without violence; and the opportunity to fulfil their potential through a quality education and a career. Unlocking the potential of half the world's population is in everyone's interests; it will lead to a more stable, more prosperous world. A McKinsey Global Institute report estimates that if women in every country played an identical role in markets to men, as much as US\$28 trillion would be added to the global economy by 2025.

## Family planning

Family planning enables women to decide whether and when they have children, and how many, so they can avoid a life of early and multiple pregnancies, complete their education, take up better economic opportunities and fulfil their potential. Two hundred and twenty five million women globally want to delay or prevent pregnancy but are not using modern contraception<sup>34</sup>.

The London Summit on Family Planning in 2012, co-hosted by the UK and the Bill and Melinda Gates Foundation, galvanised financial and policy commitments to enable an additional 120 million girls and women in the world's poorest countries to use voluntary family planning by 2020.

The UK is committed to reaching 24 million additional girls and women between 2012 and 2020 through its own efforts, and is a core convenor of the FP2020 movement, established at the summit, to drive forward and monitor global progress. Between 2011 and 2015, UK aid enabled 9.9 million additional girls and women to use voluntary family planning. In 2017 the UK will work with global leaders to intensify political commitment and action on expanding access to family planning.

The UK successfully advocated for a standalone goal on gender equality as part of the Global Goals, and for targets on gender equality and the empowerment of girls and women to run throughout the Goals.

We will continue to support comprehensive, evidence-based development and humanitarian action for girls and women, including investments in girls' education, family planning and women's economic empowerment. The UK will lead global efforts to address harmful social norms through innovative programmes tackling violence against girls and women, child, early and forced marriage and female genital mutilation. We will improve life-chances through interventions at critical stages in the lifecycle of girls and women, such as early childhood and adolescence.

DFID will target support to the most excluded girls and women. We recognise these girls and women are often 'invisible' and the need for better data that is disaggregated by sex, age, disability and geography. We will support this primarily through the new Global Partnership for Sustainable Development Data and also by pushing multilaterals to improve their reporting. We will ensure that efforts to end all forms of violence against girls and women are integrated across our work. The UK will continue to work with partners to support the Africa-led movement to end female genital mutilation and child, early and forced marriage, to support sexual and reproductive health and rights and to end sexual violence in conflict.

### Empowering girls to plan their futures

When a young woman gets access to family planning and education, underpinned by good nutrition, health and a sense of empowerment, she can achieve much more for herself, her family and her community. We will support girls through integrated programming, built around their needs.

For example DFID's Girls Education Challenge Fund will support up to one million girls to complete secondary education with better learning outcomes. We will then follow a sample of these girls to build the evidence for how their life chances have been changed. Our Adolescent Girls Empowerment Programme is working to empower more than 10,000 vulnerable adolescent girls (aged 10-19) in rural and urban Zambia. This involves weekly meetings with female mentors where girls are provided with life skills, financial and sexual and reproductive health education.





## Reaching the most excluded and poorest

**The UK is committed to reaching the poorest and most excluded people on the planet.**

As set out in the UK Aid Strategy, the Government will implement the critical promise of the Global Goals to Leave No One Behind.

We will continue to prioritise work that targets the most vulnerable and disadvantaged, those caught in crises, and those most at risk of violence and discrimination. DFID will reach the poorest and most excluded groups by improving disaggregated data, evidence and understanding of what works in different contexts. We will help excluded groups to build a voice and challenge discrimination. Everybody has the right to be included in development and treated fairly and with respect, no matter what their background or sexual orientation. We will work to build societies where no one is held back by their gender, ethnic group, sexual orientation, disability, or belief system. And we will promote inclusive economic development, inclusive services and inclusive political settlements. The UK will do this ourselves and through our work with partner organisations, including multilaterals.

We will continue to invest in social protection systems in order to increase their coverage, quality and sustainability. We will also increase our focus on building systems that can respond to shocks, to help prevent development gains being reversed as a result of crises. In particular we will focus more on girls and women, people with disabilities, and the poorest and most vulnerable in protracted crises and in fragile states.

It is estimated that one billion people across the globe have a disability, 80% of whom live in developing countries. Many of the people living with disabilities do not have a voice, choice or control over their lives. They are often the poorest in their community and face multiple challenges, and significant levels of stigma and discrimination. Children with disabilities and adults with mental health conditions are almost four times more likely to experience violence than people who do not have a disability. For too long, decision makers have overlooked people with disabilities – we will work to change this. **We will strengthen our work on disability and establish DFID as the global leader in this neglected and under-prioritised area.**

By upholding our commitment to the United Nations Convention on the Rights of Persons with Disabilities, we will ensure people with disabilities are systematically and consistently included in, and benefit from, international aid and humanitarian assistance. We will ensure people with disabilities access a quality education and productive employment and we will work with national governments and the private sector to ensure people with disabilities no longer face stigma and discrimination. We will also continue to prevent avoidable disability, for example through our work on health system strengthening and the control of neglected tropical diseases such as lymphatic filariasis and trachoma.

The challenges of gaining voice, choice and control for people with disabilities are further compounded by a lack of data on disability and weak data collection systems, which often grossly under-estimate the prevalence of disability. This makes it all too easy for decision makers to overlook people with disabilities. We will maintain our commitment to be a global authority on disability data so that every person counts and advocate for the use of the Washington Group questions to ensure we collect accurate, and robust, international comparable data on disability.

# 5. Tackling crises

**The world faces unprecedented humanitarian suffering. We will lead international efforts to reform and improve the international response to the greatest challenge of our time.**

The world is facing humanitarian crises in unprecedented numbers, scale and complexity. This is stretching our humanitarian system to breaking point. There are 130 million people in need of humanitarian assistance, and only 88 million receive international assistance<sup>35</sup>. We are seeing the greatest movement of people since the Second World War, with 65 million people currently displaced as a result of persecution, conflict, human rights violations and violence<sup>36</sup>. Whilst natural disasters are becoming more predictable, their impact is exacerbated as a result of climate change, population growth and urbanisation.

**The UK will drive radical reform of the world humanitarian and development systems to address the challenges of the 21<sup>st</sup> century.** We recognise that drawn-out crises involving the mass displacement of people are now the norm and that we and international partners must adopt new approaches in these contexts. Short-term, life-saving humanitarian assistance remains critical. But the UK will also focus on using more sustainable approaches to build resilience to natural disasters and providing long-term solutions for people displaced by, or trapped in, protracted conflicts.

**The UK will transform the way in which we fund crisis response to ensure we meet people's short and long-term needs more effectively.** We will continue to focus our efforts on those who are the most vulnerable, in countries most at risk, whether because of the threat of a new disaster or the persistence of an existing crisis. The UK is setting new international standards for crisis response in countries affected by protracted conflict or refugee flows. Longer-term planning and multi-year financing, increasing value for money and providing predictability to those in need are already part of our approach. We are also moving beyond provision of only life-saving support for people affected by crises, linking our development and humanitarian activities to build a future for families through provision of education, skills development and jobs. We will continue to strengthen our approach to crises, avoiding one-size-fits all solutions and pushing the international system to follow our lead.

## The World Humanitarian Summit

The 2016 World Humanitarian Summit set the Humanitarian Agenda until 2030, establishing how the international system needs to reform and collaborate to prevent and respond to crises better. Commitments at the summit support action that will:

- create durable solutions for refugees and internally displaced people, reducing internal displacement by half by 2030
- provide host countries and communities with increased financial and political support
- empower girls and women in crises and ensure humanitarian action is gender sensitive
- empower national and local humanitarian actors by increasing the share of financing available to them
- promote and increase multi-year, flexible humanitarian funding
- eliminate gaps in education for young people affected by crises.

*Continued on next page*

## The World Humanitarian Summit (continued)

The UK made 46 commitments at the summit, provided £30 million to help start the Education Cannot Wait fund to support children affected by conflict, and signed up to the Grand Bargain for Efficiency and Effectiveness. The Grand Bargain will reform the way humanitarian agencies and donors work together, in areas such as joint needs assessment, contributions to country-based pooled funds, and the use of cash in emergencies, to ensure people affected by disasters get the support they need and can rebuild their lives more quickly.

**The UK will continue to respect and promote respect** for humanitarian norms and principles. **We will continue to condemn serious violations of International Humanitarian Law**, including attacks on humanitarian workers, and pursue accountability for the perpetrators. **We will support our partners to work according to the principles of humanity, neutrality, impartiality and independence.** This will help them provide assistance and protection solely based on need. **We will work to ensure those who are most vulnerable receive the global attention and support they deserve**, including seeking to tailor our support to and empower girls and women.

**We will expand and enhance the UK's humanitarian response capability to ensure a faster and more effective response to large-scale natural disasters** where national capacity is overwhelmed. Our capability will be bigger: able to cope with a large number of crises simultaneously; better: with deeper and broader expertise to ensure a bespoke response to each type of new emergency and faster: reaching people in need more quickly. DFID, the lead Government department for humanitarian response, will draw on expertise from across the UK Government, including the UK Fire and Rescue Services and medical staff from the National Health Service, civil society, the private sector and international humanitarian and development partners. For the most urgent crises, we will frontload funding through our Rapid Response Facility and, with our partners, ensure we are on the ground and saving lives with relief, supplies and expertise.

## Education in emergencies

An estimated 75 million children and young people had their education disrupted by conflict and emergencies in 2015, with nearly half of them - 37 million - out of school. However education only forms 2% of humanitarian aid, resulting in an estimated financing gap of US\$8.5 billion a year. More than 80% of refugee crises last for 10 years or more; 40% last 20 years or more<sup>37</sup>. In the absence of a proper education, these children face increased risks including trafficking, child labour and child marriage.



The UK is leading the drive for a radical global approach through the development of the Education Cannot Wait Fund, aimed specifically at education in emergencies and protracted crises. It aims to raise significant additional funds from donors, foundations and the private sector; and transform how these funds are spent, to ensure they achieve the maximum results. Over the next two years this initiative will help more than 4.5 million children and young people receive a better education, helping ensure they are safe from exploitation.

The international response to crises must be context specific and focus on the needs of people affected rather than what agencies can individually supply. **The UK will continue to implement the commitments we made at the World Humanitarian Summit.** We will work with our partners to ensure others do the same, using the UK's international convening power, robust incentives through our funding to agencies and our experience from operating in countries affected by crises. As part of this we will support new reporting systems for holding all donors and countries to account for meeting their commitments.

The UK has pioneered a new model of support to refugees through international 'compacts' with refugee hosting countries. These compacts go beyond providing for people's basic needs, and invest in supporting refugees with education, jobs and livelihoods. At the United States Refugee Summit at the United Nations General Assembly in September, the UK's Prime Minister announced new UK support for a 'jobs compact' with the Government of Ethiopia, the World Bank, European Investment Bank and the European Union. This compact will create new jobs for Ethiopians and refugees. Compacts are one element of a more targeted, long-term approach to supporting refugees. **We will continue to scale up this approach as a global model,** providing hope and dignity to refugees, helping them to stay closer to their countries of origin whilst supporting economic development in the host countries. We will work with international partners to extend the approach in other low income refugee-hosting countries, notably in Africa.

## Managing risk

**We will continue to help countries, communities and individuals become more resilient** to natural disasters, including those caused by climate change. We will do this by expanding the use of insurance, through mechanisms such as the Africa Risk Capacity and the World Bank's crisis financing facilities. This will relieve some of the pressure on the humanitarian system and allow us to shift our efforts to the most fragile places, including those where only humanitarian agencies can deliver assistance.

**We will continue to focus our efforts on those who are most at risk,** whether because of protracted crises or the threat of natural disasters, including those related to climate change. For natural disasters, we will support programmes that respond flexibly, providing social protection to those most vulnerable in response to cyclical drought and floods. **We will ensure that infrastructure such as schools and houses can withstand earthquakes, floods or cyclones.** For example our Climate Smart Development programme for Nepal will help 700,000 of the poorest and most vulnerable people in Nepal to cope with floods, landslides and droughts. We will ensure critical relief supplies are prepositioned in high risk contexts to meet basic household needs, including shelter, food, medicines, water, sanitation, and hygiene equipment. **And we will invest in early warning systems,** with the use of modernised meteorological services and partnerships with the UK's Met Office. We will also invest in more effective global and national systems which, for example, will help ensure that infectious disease outbreaks like cholera are identified early and contained.



## Climate solutions benefiting the poorest

We will use climate finance to promote sustainable economic development and to help manage the risks that climate change presents for the most vulnerable individuals, communities, and economies. Through the Energy Africa campaign we are helping accelerate access to electricity in Africa, and creating new jobs and entrepreneurial opportunities often for women. We will support programmes which improve the ability of poor people to respond to shocks and pressures caused by a changing climate and develop resilient livelihoods. We will take action to prevent deforestation which contributes to climate change and support sustainable management of forests, which more than 1 billion poor people depend on for their livelihoods.



## International Climate Finance and global temperature agreement at Paris

In 2015, for the first time ever, 195 countries all committed to act together to combat climate change and be held equally accountable for doing so. This historic deal, which came into effect in November 2016, seeks to limit the effects of climate change by holding global temperatures to below 2°C above pre-industrial levels.

As part of its Paris commitments, the UK has committed to increase our International Climate Finance funding by 50%. International Climate Fund investments will help millions of people cope with the impacts of climate change, prevent millions of tonnes of greenhouse gas emissions, and create thousands of jobs in emerging sectors such as renewable energy and technologies. Through our Energy Africa campaign we will help provide more than four million people with access to clean energy, driving innovation in solar businesses and helping them grow and support more customers.

Through the International Climate Fund, DFID will work closely with the Department for Business, Energy and Industrial Strategy and Department for the Environment, Food and Rural Affairs to deliver the Government's manifesto commitment to work to prevent climate change and assist the poorest in adapting to it.

# 6. Following the money, the people and the outcomes

**We will reform how the world provides aid, being more transparent, more accountable and more focussed on outcomes and results.**

The international aid system as a whole must become more effective, transparent and accountable to the poorest people in the world, and to the taxpayers who fund our programmes. By opening up budgets and letting people see where the money is going we can help root out corruption and ensure that resources reach the most vulnerable. By seeking out and listening to the views of the people whose lives we are trying to improve we can deliver much more for them. By linking our payments to results on the ground, we can create an aid system that really works for the poorest.

The UK has made significant progress in improving the effectiveness of aid, including creating an independent watchdog to scrutinise spending, introducing much tougher value for money controls, and making DFID's spending far more open and transparent. We will insist on much greater transparency from all those who receive UK aid, so that we can all see whether money is making it through to those who need it. We will strive to ensure that every penny invested in international development delivers value, with a proper focus on results and outcomes.

Our grants and agreements will continue to reflect the Government's broader reforms on the use of public funds and grant standards. The Cabinet Office will set out the Government's approach in more detail in due course.

## Following the money

Aid transparency has many benefits. It enables proper scrutiny and supports accountability to the UK taxpayer. It facilitates better coordination and allocation of effort across aid organisations, allows better planning by partner governments, and is a necessary building block for accountability between the citizens we are trying to help and their governments. Broader financial and data transparency of international actors and partner governments can also help to drive development. Transparency can create a powerful incentive against waste or misuse of money.

**DFID is one of the most transparent development agencies in the world.** We played a pivotal role in establishing the International Aid Transparency Initiative and were the first organisation to publish information to the International Aid Transparency Initiative standard in 2011. Publishing to this standard is now written into contractual arrangements with our suppliers. We have been consistently ranked 'very good' in Publish What You Fund's Aid Transparency Index. DFID launched the Aid Transparency Challenge in 2012 which led to much more project information being published on our Development Tracker website.

But we want to go further. Our ultimate vision is for complete aid transparency so that anyone, anywhere can trace funding, all the way from the taxpayer to the beneficiary. We will announce detailed plans on this in due course.



**DFID will continue to improve the quality of our own data. We will also support all UK Government departments providing ODA to meet the Aid Strategy commitment** that they will be ranked as either 'good' or 'very good' in the International Aid Transparency Index within the next four years.

DFID assessed civil society and multilateral partners against stretching transparency benchmarks in the Civil Society Partnership and Multilateral Development Reviews and asked centrally-managed suppliers to pass transparency requirements onto their partners. **We will insist that all implementing partners of UK aid meet appropriate transparency standards.** We will expect our partners to pass the same requirements on to their partners, to enable funding to be traced through the entire delivery chain.

DFID continues to work with private sector delivery partners to strengthen transparency compliance. This is in line with DFID's statement of priorities and expectation for suppliers and partners and contractual terms and conditions. On top of this, additional compliance checking has been introduced covering critical areas such as tax compliance, use of sub-contractors and fair and reasonable profit. We will introduce further strengthened compliance during 2016-17, including compliance with legislation such as the Modern Slavery Act 2015 and supply chain due diligence.

Above all, we want to make governments around the world far more open and transparent to their own citizens. If people can see where money is ending up, and what it is being spent on, we will empower people and allow them to hold the powerful to account for their decisions. Transparency over government spending is at the heart of our efforts to build accountability and empower the poorest. We will work closely with all the governments that we partner with, to encourage and incentivise them, to become much more open about how they spend their peoples' money, and our taxpayers' money. For example, we will expect a strong commitment to fiscal transparency through initiatives such as the Open Government Partnership and Addis Tax Initiative.

### International Aid Transparency Initiative

The aid community is becoming more transparent. Four hundred and eighty organisations are publishing to the International Aid Transparency Initiative standard, created five years ago, enabling like for like monitoring and comparison of aid spend. Twenty seven partner countries have joined the International Aid Transparency Initiative Members Assembly.

But there are still too many organisations which either do not publish or need to improve the quality of their data. DFID will continue to support International Aid Transparency Initiative's role, ensuring it is user-friendly, to increase the number of publishers and quality of data published.

The potential for using aid transparency data is just beginning to be realised. Aid transparency data is also being used to develop public facing websites for increased accountability by aid agencies (such as DFID's Development Tracker and the African Development Bank's MapAfrica2.0). It is being imported in to aid management systems (for example in Bangladesh and Burma) and used for decision making by partner governments. In partner countries, media and other organisations are working to increase the use of data in specific sectors, such as the Initiative for Open Agricultural Funding. This aims to support effective investment decisions on the basis of timely, comprehensive, and comparable information on crops, value chains or regions on or in which organisations are working. These efforts need to be rapidly scaled up.

As well as making information more available, **we will ensure that DFID, and our partners, get better at using open data** by piloting different applications and sharing lessons on the benefits achieved.

We will work hard internationally, working closely with transparency trailblazers to ensure the best tools are available, and strengthen global initiatives that help build transparency and accountability, including the International Aid Transparency Initiative, Open Government Partnership and Extractive Industries Transparency Initiative.

To ensure we are doing everything possible to deliver the vision of complete aid transparency, DFID will continuously review and enhance its transparency requirements.

## Following the people: championing accountability

**We will listen to the people whose lives we are trying to improve to achieve the best results on the ground.** By accessing timely information about the people we are working with and their most pressing needs we can improve programme design and delivery and monitor our results more effectively. This helps us to identify and manage risks and makes us more responsive and accountable. Ultimately it improves value for money and outcomes for people.

We recognise getting good quality feedback and using it to inform decision making requires a flexible way of working, a culture of learning and adaptive programming. We must be willing to empower and build open relationships with beneficiaries.

In recent years DFID has given teams the flexibility to implement beneficiary feedback in a way that adds most value to their programmes and context, and required them to then justify the approach they adopt. In this way, beneficiary feedback has become part of the fabric of good programme delivery and teams have been given the skills and resources to strengthen its use in their programmes. DFID teams have championed the integration of beneficiary feedback into programmes in Pakistan, Bangladesh, Tanzania, Nigeria and Kenya, and piloted new approaches in Zambia.

We will now:

- gather and share evidence of the benefits to using beneficiary feedback across our policies and programmes
- encourage staff and leaders to prioritise learning from and being responsive to partners and beneficiaries
- support wider learning within the international aid system to ensure beneficiaries are much more systematically and energetically engaged, to maximise the impact of our aid
- scale up the use of new digital tools, such as the use of mobile apps and internet platforms to facilitate this engagement.

DFID is committed to using creative thinking and cutting edge design to improve outcomes. We will use behavioural insights, adaptive approaches, and beneficiary feedback to create the most effective interventions. We have increased our focus on understanding mindsets and behaviour. We will design interventions with the needs of end-users in mind.

We will also continue to give the UK public a greater say on where aid money is spent. The UK Aid Match scheme gives the UK public the opportunity to double every pound donated. It has proven to be highly successful, with 62 grants awarded to UK civil society organisations working in 22 countries. To date, DFID has committed to match 3.8 million public donations with £120 million of funding.

## Robust independent scrutiny

In 2011, the Government established the Independent Commission for Aid Impact (ICAI), to provide independent scrutiny of UK aid spending and promote value for money on the ground. The Independent Commission for Aid Impact scrutinises all ODA spent by all UK government departments, developing its own work programme, and reporting to the House of Commons International Development Select Committee. DFID is also scrutinised by the International Development Committee, the Public Accounts Committee and the National Audit Office.

## Following the outcomes

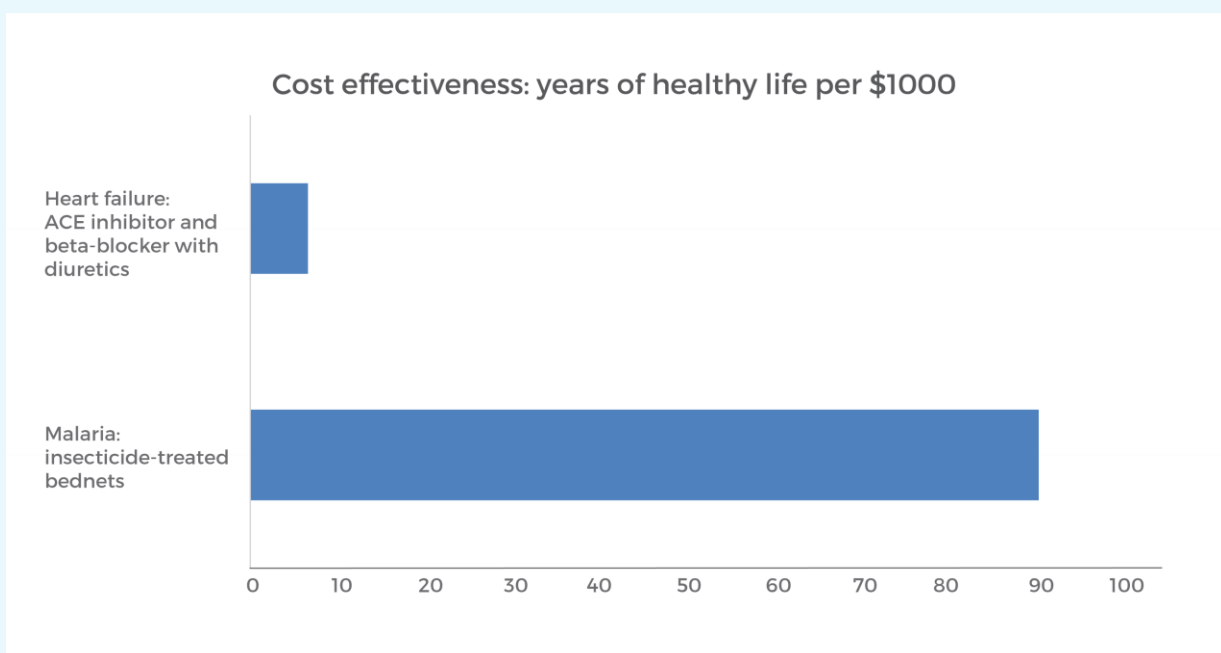
We have a moral obligation to maximise the cost-effectiveness of our work. The more we can achieve with our resources, the more lives we can save and the more people can lift themselves out of poverty for good.

## A rigorous approach to maximising value for money

DFID uses diagnostic tools to analyse the critical drivers of poverty reduction and inclusive growth in specific countries so we can decide how best to allocate our resources in that country.

There is often enormous variation in the cost effectiveness of different interventions (see below). We select the most effective interventions and ensure they are delivered in the most efficient and sustainable ways. By changing the way we supported health services in DRC, DFID halved costs to US\$5 per person and increased coverage to nine million people, including in some of the most rural areas. We are currently scaling up cost-effective programmes for preventing and treating malnutrition.

DFID is now strengthening our internal business case process so that spending decisions are based on very clear criteria of how interventions improve the lives of the poorest. By rigorously using evidence and applying analysis about cost effectiveness we can make the right choices about how to intervene, which can make the difference between life and death. We will continue to strengthen our processes so we are maximising the impact of every pound that we spend, and work with our partners to do the same.



Data source: Disease Control Priorities in Developing Countries Second Edition 2006

DFID has rigorous internal systems and processes to ensure all our aid reaches the intended beneficiaries and delivers results. DFID has re-engineered and strengthened programme and financial management systems, procedures and controls through the department's better delivery reforms. We are investing in a new aid management platform to improve how we collect and manage results from our programmes, which will ensure they are at the heart of decision making. We systematically identify underperforming programmes and take robust remedial steps. We close programmes that fail to improve. **DFID will maintain our zero tolerance approach to fraud and corruption, acting swiftly whenever it is identified, bringing perpetrators to justice and pursuing an aggressive loss recovery approach.**

**DFID will increase our use of payment by results.** DFID is a leader in international efforts to test innovative and outcomes-based payment by results approaches, with a number of cutting-edge programmes now being delivered. Done well, and in the right circumstances, these schemes can incentivise efficiency, flexibility and accountability, and ensure a much greater focus on results. Payment by results formed part of the majority of new contracts issued by DFID between April 2015 and March 2016, worth a total of £748 million and representing 74% by value of all new centrally-procured contracts.

We will continue to test and learn where these approaches can have most impact. We are expanding the evidence base on what works best and building capabilities to deliver the approach effectively. We will build on and go further than DFID's current Payment by Results Strategy.

### Driving innovation with Payment by Results - AgResults

One of the most intractable problems in agriculture in poor countries is getting successful agricultural technologies out of the lab and in to farmers' fields. Scaling up new technologies require new ways of working.

DFID is supporting AgResults to improve the incomes, nutrition and wellbeing of smallholder farmers through the private sector. For example in Nigeria, it is incentivising demand for, and the sustainable supply of, maize that is free from the extremely carcinogenic

Aflatoxin mould (which can contaminate up to 60% of Nigeria's maize, which is mostly produced by smallholder farmers<sup>38</sup>).

Brucellosis is a disease endemic to developing countries that affects livestock, can be transmitted to humans, and causes almost US\$650 million in economic losses every year<sup>39</sup>. In June this year, AgResults announced a new US\$30 million prize, designed using payment by results principles to catalyse the development and registration of a new, lower-cost, and safer Brucellosis vaccine.

DFID is leading the research and evaluation of AgResults programmes to help strengthen the evidence base and develop best practice.



As set out in the UK Aid Strategy, **DFID is ending traditional general budget support in favour of more targeted forms of financing.** This reflects our increased focus on fragile states and countries where general budget support is less appropriate (for example countries with under-developed public financial management systems). It also reflects evolving needs in some of our partner countries, where fiscal positions have improved, tax revenues have increased and governments can invest more of their domestic resources in public expenditure. DFID is working in an increasingly complex world where countries' needs are changing and development assistance is falling as a proportion of total financial flows to developing countries. Our approach will continue to evolve to ensure we are achieving the maximum impact and delivering the UK Aid Strategy.

### Development impact bonds

We will assess the scope for financing programmes through development impact bonds - an innovative payment by results financing mechanism whereby investors are paid back only if development impact is achieved. In a development impact bond, an investor pre-finances an intervention designed to achieve a particular outcome, such as improved learning outcomes for girls or an increased number of women using modern methods of family planning. Development impact bonds can increase the pre-financing available to support innovative programming, and drive strong performance management and evidence of impact on which payments will be based. We are taking a pilot approach to development impact bonds to generate evidence of their effectiveness, particularly to support innovative responses to development challenges.

### Delivering savings

During the last five years DFID has saved £535 million through more effective and collaborative procurement. In the last year alone (2015-16) DFID has delivered £130 million of commercial savings from more effective procurement. DFID successfully manages complex procurements and drives commercial capability to get the best development results from DFID's suppliers and delivery partners. DFID is recognised for our commercial best practice and has won four awards from the Chartered Institute of Purchasing and Supply in the last three years.

There is more to do, and DFID will deliver significant further efficiency savings by 2020. We will achieve these savings, partly, by using collaborative procurement - procuring goods and services in coordination with other organisations. This will include with multilateral partners to buy vaccines, bed nets and reproductive health products. This approach pushes down prices: giving us greater purchasing power and the ability to use information shared between organisations to challenge suppliers on costs. DFID will bring together procurement specialists from across multilateral agencies involved in significant levels of procurement to identify opportunities to drive down costs by bulk buying and improving commercial collaboration.



## Savings save lives

Gavi (the Global Vaccine Alliance) represents a collaboration between donor governments, the World Health Organisation, UNICEF, the World Bank, the vaccine industry, technical agencies, civil society, the Bill & Melinda Gates Foundation and other private sector partners.

By pooling demand for vaccines across developing countries, Gavi has succeeded in significantly reducing prices for many vaccines. The current total cost to Gavi of immunising a child with pentavalent, pneumococcal and rotavirus vaccines is US\$20; a reduction of more than 42% since 2010<sup>40</sup>.

For some vaccines we have also seen a growth in the number of vaccine suppliers, making the market more sustainable and supporting suppliers in developing countries who received the majority of orders.

Between 2000 and 2015, more than 200 million children living in the world's poorest countries were protected from a number of deadly diseases with the pentavalent vaccine. Gavi estimates that investment in pentavalent vaccination between 2011 and 2020 will avert 5.6 million deaths.



# 7. Where we will work

**The geography of poverty is changing. We will target our resources where they are needed most.**

The allocation of UK aid has changed over the past decade. We currently work in countries across Africa, Asia and the Middle East, many of which are fragile or at risk from fragile neighbours including Jordan and Lebanon. We also have regional programmes in Africa, Asia and the Caribbean, and development relationships with aid-dependent Overseas Territories. DFID has increased its focus on the poorest and most fragile states, and decreased traditional aid to countries that can finance their own development, such as India and South Africa, where we have transitioned to new forms of partnership based on mutual interest.

## Bilateral Development Review

DFID's Bilateral Development Review assessed where and how we deliver aid. We assessed the barriers to poverty reduction and inclusive growth in the countries that we work in. We also looked at where DFID currently operates and assessed what role we should play and how. The Review sets funding allocations to deliver the Government's manifesto commitments, drive value for money and ensure effective delivery of the UK Aid Strategy.

As a result of the Bilateral Development Review we will:

- **focus our support where it is most needed** by continuing to support the world's poorest countries, and increasing our focus on more fragile states and regions, including the Middle East and Sahel
- **intensify our efforts to help countries transition from aid** by growing their economies, strengthening their institutions, enabling them to raise revenues, combat corruption and increasingly finance their own development
- **take a more complete and comprehensive approach** to each country, developing a coherent package of support that includes a range of DFID delivery channels, as well as cross-government funds and UK aid disbursed through international financial institutions and other multilateral organisations.

## Focusing our support where it is most needed

We recognise extreme poverty is now increasingly concentrated in Africa and the world's most fragile states. DFID will continue to support the world's poorest countries to move towards a sustained transition from aid. We will also focus on countries where extreme poverty currently affects a significant proportion of the population and is projected to persist over the medium term, and where the country itself is not yet able to finance the reduction of poverty. We will encourage our multilateral partners to do the same.

Instability, extremism and conflict in the Middle East have displaced millions of people. The Government set out in its Strategic Defence and Security Review that **DFID will spend at least 50% of our budget in fragile states and regions in every year of the current Parliament.** This includes increasing funding to deal with the causes and impact of the Syria crisis.

Over the next four years, as part of our increasing focus on fragile states and regions, we will:

- significantly scale up our support for the Middle East, to meet our Syria Conference pledge of additional funding in Syria, Turkey, Lebanon and Jordan
- increase investment in fragile countries and countries emerging from conflict
- develop a stronger focus on the Sahel, alongside our work in northern Nigeria, Somalia and other countries along Africa's 'arc of instability' (see box below)
- continue to shift away from countries that are better able to self-finance their development, or which are ready to transition from traditional aid to different forms of UK support based on mutual interest and engaging other parts of the UK Government.

By expanding our work in these regions, and continuing to work in a range of the world's poorest and most insecure countries, our development efforts are helping to project Britain's global influence. Both supporting our national interests and the interests of the world's poorest people.

DFID leads on providing support to the UK's Overseas Territories which are eligible for Official Development Assistance: Montserrat, St Helena (which includes Tristan Da Cunha) and Pitcairn. The UK's responsibilities for its Overseas Territories derive from the UN Charter, which places on the UK the obligation to promote their development and the well being of their inhabitants.

### Working across Africa's 'arc of instability'

Persistent poverty, marginalisation of communities and weak governance across a swathe of Sub-Saharan African countries bordering the Sahara has created an environment in which violent Islamic extremism is taking root. Human trafficking and smuggling is increasing and the lack of jobs and economic opportunities is leading many young people to attempt dangerous migration journeys. The area running east to west across the continent and taking in Northern Nigeria and the Lake Chad Basin, Mali and Niger in the Sahel, and across into Chad, Sudan and the Horn of Africa to Somalia on the Red Sea, represents an 'arc of instability', posing a threat regionally and internationally. This is also a threat to UK interests.



DFID has a long track record of intense engagement in Somalia and Northern Nigeria.

- In Somalia, we are building the capacity of the Somali National Police and Somali National Army to enable them to provide security against Al-Shabaab and other militia groups, as well as supporting other poverty reduction, health, governance and transparency programmes.
- In Northeast Nigeria, DFID is providing a substantial package of security, development and humanitarian support. As part of this, DFID is scaling up investment, addressing the underlying drivers of conflict and delivering a major humanitarian programme, which will provide life-saving interventions in food, security and protection for the victims of Boko Haram. Working across Government is vital to our approach.

*Continued on next page*

## Working across Africa's 'arc of instability' (continued)

DFID has also been a leading provider of humanitarian assistance in the Sahel for many years, for example in supporting over 400,000 children to access improved nutrition. We are changing the way we engage in the Sahel. We will work with national governments and international partners to support stability. We will seek to address the root causes and drivers of conflict, instability and extremism through programming that provides the growing young population with alternatives to poverty, child marriage, unsustainably large families, and extremism. We will focus efforts around family planning, education, agricultural livelihoods, governance and preparing for and responding to crises.

## Supporting Syria and the Region

In February, the UK co-hosted the Supporting Syria and the Region Conference to agree a new global response to this protracted crisis. Donors announced more than US\$12 billion in funding for the humanitarian response, the largest sum ever raised for a single crisis in one day. In addition, multilateral development banks and donors announced around US\$40 billion of loans, of which elements are on concessional terms. The UK more than doubled our total pledge to the Syria crisis from £1.12 billion to more than £2.3 billion.



Syria's neighbouring governments who are hosting large numbers of Syrian refugees made bold commitments at the London Conference to open up their labour markets to refugees, and to ensure that all refugee children, and vulnerable children in host communities, will be in quality education by the end of the 2016-17 school year. The international community agreed to provide the necessary support for them to do this. Countries and donors now need to implement their commitments, while actively pursuing a lasting political solution for Syria. The UK will work with neighbouring countries, the Syria Conference co-hosts and other key partners to deliver on these ground-breaking commitments.

## How we decide where to invest aid

In considering aid allocations, DFID takes account of the level of need, the ability of partner countries to finance their own development, the support they get from others and future risks, including humanitarian, economic and climate. DFID's aid allocation model helps to inform spending decisions and is based on the principle that aid should be allocated in relation to:

- present need - levels of extreme poverty
- aid effectiveness - the degree to which aid can translate into poverty reduction in a particular context
- future need - since aid can largely be expected to have a permanent effect, we should take into account this effect on future poverty levels
- ability to self-finance - the level of aid should reflect the extent to which countries can finance their own poverty needs.

## Intensifying our efforts to help countries transition from aid

Countries can and should reduce their dependency on aid. DFID must support them in doing so and consciously move away from traditional aid when countries can finance their own development - as we have done in India and South Africa. As countries increase their capacity to finance their own development, the nature of their relationship with the UK will change and the private sector will increasingly become the engine of growth, jobs and poverty reduction. **We will use carefully targeted technical assistance to support this transition, and our partnerships will increasingly shift from one based on grant aid towards trade and investment.**

We will use Development Capital as part of our strategy to support these countries to develop and leave aid dependency behind. Development Capital is public investment made in the private sector to achieve development objectives. It is a way for DFID to spur investment into the right places, seeking to invest in businesses to create jobs, mobilise further domestic and international investment, build markets and drive growth that leads to poverty reduction in challenging settings. Development Capital, as opposed to grant finance, allows us to invest in promising businesses in emerging and frontier economies and redeploy returns generated into other programmes, making our investment better value for money. DFID invests in this way through our investment partners, including CDC, the UK's development finance institution, and the International Finance Corporation, part of the World Bank Group. Development Capital also helps to mobilise domestic and international private investment, ultimately freeing up traditional grant aid to work in those countries where it is most needed.

In parallel, through our work on trade policy, we will continue to support countries to trade freely in world markets. In countries that are better able to self-finance, we will continue to provide technical assistance to strengthen the investment climate. We will also invest in business to support countries' growth and demonstrate successful commercial investment in sectors that maximise development impact.

**We will take a nuanced approach to transition, recognising the individual situation of each country we work with.** A large number of countries remain very poor and beset by conflict or crises, such as Afghanistan, South Sudan and Sierra Leone. These countries will require support for the foreseeable future. Countries with large humanitarian needs or where there are real risks of a reversal in poverty reduction through insecurity or other shocks, such as Jordan and Lebanon, will continue to require our support. But DFID will carefully monitor countries that continue to need high levels of support for now, but which, over time, may need fewer financial resources and more targeted technical assistance to build institutional capability and protect development gains. Our focus will be on supporting countries to mobilise their own resources for poverty reduction. As we change our approach, we will need to work ever more closely with other Government departments to ensure we are bringing the full range of the UK Government's expertise to bear.

The Bilateral Development Review Technical Note includes further information on our aid allocation model, and other methodologies we have used during the Review.

## A more complete and comprehensive approach in each country

DFID provides support through a range of channels. The most effective combination of these will depend on the context. DFID provides support directly through our own teams where we have local offices in country. When it is more efficient or effective to do so, we also deliver support through multilateral partners or multi-country programmes managed from the UK. Cross-government funds such as the Conflict Stability and Security Fund, and the Prosperity Fund will increasingly enable other Government departments to tackle the great global development challenges affecting the UK, particularly in countries where DFID does not have a presence on the ground.

**The Prosperity Fund will tackle the constraints to private sector growth, providing a new platform for partnerships with countries that are starting to transition from traditional financial aid.** It will help countries access cutting-edge expertise and act as a gateway to UK expertise, ensuring that UK institutions in the public and private sectors can offer relevant support.

Supporting prosperity in these countries will benefit them but is also squarely in our national interest. Their economic development strengthens UK trade and investment opportunities, creating the markets of the future.

DFID has used the Bilateral Development Review to ensure that the work we are doing through different channels is complementary and creates the best cumulative impact possible. In particular, the Bilateral Development Review led to a clearer prioritisation of the best programmes for delivering the best results on the ground. For example, the use of centrally-managed programmes and cross-government funds can be extremely effective when shifting away from traditional approaches to aid or transitioning out of a bilateral aid relationship. Multilateral organisations are also an important part of our geographical strategy. The Multilateral Development Review - see separate report - confirmed that the UK's core investment in multilateral agencies allows us to help many additional poor countries where DFID has no bilateral programme, and complements what our country programmes can do.



# Annex: The Government's commitments to international development (manifesto 2015)

- Uphold our commitment to spend 0.7% of gross national income on international development
- Keep aid untied
- Maintain an independent Department for International Development
- Ensure that OECD aid rules fully reflect the importance of peace, stability and effective institutions for reducing poverty
- Insist that every government and organisation we fund meets global transparency standards
- Save 1.4 million children's lives by 2020, by immunising 76 million children against killer disease
- Help at least 11 million children in the poorest countries gain a decent education
- Improve nutrition for at least 50 million people who would otherwise go hungry
- Help at least 60 million people get access to clean water and sanitation, to stop terrible diseases
- Continue to lead the response to humanitarian emergencies, and establish a means to respond rapidly to crises
- Lead a major new global programme to accelerate the development of vaccines and drugs to eliminate the world's deadliest infectious diseases, while investing to save lives from malaria and working to end preventable child and maternal deaths
- Expand payment by results
- Ensure all money to governments is clearly earmarked for specific purposes
- Push for new global goals to eradicate extreme poverty by 2030 and promote human development, gender equality and good governance
- Work to prevent climate change and assist the poorest in adapting to it
- Boost growth and jobs, making it easier for people to start-up businesses and trade freely with each other
- Continue to promote the golden thread of democracy, the rule of law, property rights, a free media and open, accountable institutions
- Promote girls' education, encourage equal access to property rights and work to achieve access to family planning for everyone who wants it
- Continue to lead efforts to tackle violence against women and girls, end female genital mutilation and combat early and forced marriage, both at home and abroad
- Triple in size the International Citizen Service
- Double our Aid Match scheme
- Boost partnerships between UK institutions and their counterparts in the developing world
- Help people in the UK give or lend money directly to individuals and entrepreneurs around the world
- Help women and children who have fled violence in Syria
- Ensure developing countries have full access to global automatic tax information exchange systems and continue to build the capacity of tax authorities in developing countries
- Strengthen the Commonwealth's focus on promoting democratic values and development
- Lead the world in tackling sexual violence in conflict
- Invest to save lives from malaria
- Work to end preventable child and maternal deaths
- Insist that every government and organisation we fund meets global transparency standards

## Endnotes

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## Photo credits

**Cover:** Iraqi children look out at the sunset over the Bamarne informal camp for internally displaced persons, in northern Iraq. © Andrew McConnell/Panos for DFID

**Page 23:** A girl pictured at the Red Cross hospital in Kabul, Afghanistan. © Kanishka Afshari/FCO/DFID.

**Page 24:** Medical staff at the Connaught hospital, Freetown, Sierra Leone. ©Simon Davis/DFID

**Page 26:** Workers at the National Cement Share Company's factory in Dire Dawa, Ethiopia. The plant manager says that being in work helps employees to provide better food, education and healthcare for their families. © Gavin Houtheusen/DFID.

**Page 28:** Affordable solar lights in Athi River, Kenya, help children to do homework after dark. DFID's research, in partnership with private sector innovators like M-KOPA and others, is helping to bring affordable solar lighting to millions of people across Africa. © M-KOPA/Allan Gichigi.

**Page 33:** A child is screened for malnutrition by an International Medical Corps assessment team in South Sudan. © Nick Stanton/International Medical Corps.

**Page 35:** A teacher and pupils in a science class in Bangladesh. The UK supports the Underprivileged Children's Educational Programme alongside other international donors. © Ricci Coughlan/DFID

**Page 38:** A mentor and mentees at a girls' safe space, part of the UK aid-funded Adolescent Girls Empowerment Programme in Zambia. ©Jessica Lea/DFID

**Page 41:** A teacher and pupils in a class in Beirut, Lebanon. DFID is part of a unique collaboration that helped more 200,000 Syrian children to enrol in Lebanese schools in 2015.

**Page 43:** A savings co-operative helps people to access solar technology in Bariadi, Tanzania.

**Page 48:** Two maize farmers who are benefiting from the Nigeria Aflasafe™ Pilot, a biocontrol technology project that addresses aflatoxin contamination of maize © AgResults

**Page 52:** A woman feeds ready-to-use therapeutic food to her malnourished daughter in Niger. ©UNICEF/Olivier Asselin.

**Page 53:** The Supporting Syria and the Region Conference in London.



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