1. Introduction

This inquiry into the future of the UK approach to development is timely. The UK has reached the 0.7% target and thus the debate on aid quantity in the UK is now largely over. The main questions should now centre around quality and focus. The need for development interventions still very much exists in a very unstable and conflict-affected world. As Justine Greening once wrote, our choice is either to shape the world or be shaped by it in ways we will not like. In this short submission we first discuss why the MDGs are not a suitable guide for action and conclude by setting out a vision for a future DFID.

2. The effectiveness of the MDGs as the basis for a development agenda

2.1 The Secretary of State for International Development is very much correct to focus on the missing issues from the Millennium Development Goals (MDGs): economic growth, governance, rule of law, tackling corruption, peace and stability, and putting women and girls first. Analysis of the current MDGs and those currently proposed to replace them suggests that they are not a good basis on which to set an effective development agenda.

2.2 The MDGs have provided helpful targets to focus aid for the UK and for DFID. The use of quantitative indicators provides a clear and public reference tool both to hold governments to account and for communications purposes. The use of clearly communicated high level targets to guide UK and other donors support over the medium term is to be commended and the practice should be continued.

2.3 However, there are some clear shortcomings in the existing MDGs and these should be addressed in any future indicators. The MDGs in some areas were not realistic, not specific enough in others, not measurable in some cases and did not give adequate space to key factors such as governance and security and conflict that are key determinants of development outcomes. In essence they were not in keeping with the SMART (Specific, Measurable, Achievable, Realistic and Time bound) methodology of developing performance measures.

2.4 The over-ambition of the targets is evident in the fact that so many of the MDGs have not been met. If targets cannot be reached, then they cease to become meaningful. The post-MDGs (or Sustainable development goals) should be more realistic. In addition, some of the MDGs were not clearly enough defined or significantly enough in the control of donors and partners to achieve together. Much of the progress towards the MDGs has been achieved through the growth of the Indian and Chinese economies and their emerging middle classes. While cheering, this is not something that overseas aid has played a significant role in, and neither the Chinese nor Indian government used the MDGs to guide their policymaking significantly. As Alan Beattie has written in the FT: “That the world met the first goal – halving extreme poverty – in 2010, five years ahead of the MDGs’ deadline, was mainly the doing of two countries that barely paid attention to them.”

2.5 The post-MDGs should be clearly focused on what can be achieved through aid. Claiming success on poverty for China’s growth is misleading and gives a false impression of what aid can achieve. Obviously this is likely to create greater communications problems to convincing the public of the value of aid, but it is better to work out how to explain what aid can do well than claim credit, or accrue blame, for the things that it are beyond its reach.
2.6 Finally, the MDGs focused substantially on key determinants of underdevelopment in terms of poverty and the service delivery areas that can reduce poverty. However, they did not place much emphasis on the participatory, administrative and governmental structures required to achieve these reductions in poverty or indeed to sustain them. Nor did it put much emphasis on the external conditions that foster poverty, in terms of conflict and security. The post-MDGs need to reflect the need for stronger and more stable government institutions, administration, the opportunity for popular participation, the rule of law and conflict mitigating measures.

2.7 From the outcome of the latest OWG meeting in July, these issues risk not being given the prominence they deserve. The SDGs are showing signs of becoming derailed from the tighter High Level Panel report in 2013 to the recent OWG meeting. As Bjorn Lomberg has noted, the MDGs had 18 targets expressed in 374 words. The current iteration of the SDGs has 169 targets expressed in 4369 words. Such a diverse array of goals cannot be called prioritisation and may not be effective in guiding or mobilising aid as a result, or affordable. The SDGs in these circumstances risk creating perverse incentives all over the place, as developing countries and donors struggle to balance dynamic needs on the ground with an impractical load of objectives and targets.

2.8 Some of the suggested targets are either imprecise or unrealistically ambitious, or both (e.g. “by 2030 achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value”). Some appear superfluous. Is there an overwhelming need for a global target on sustainable tourism, for example? The inclusion of such relatively minor objectives as “by 2030 ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature” with essentially equal prominence to key targets such as “develop effective, accountable and transparent institutions at all levels” waters down the effectiveness of the whole process. Effective and accountable institutions are one of the central means of achieving all the other goals sustainably, and these objectives need to be protected within the SDG framework.

2.9 The MDGs and their successors thus do not represent a good basis for a future strategy for DFID. A much more carefully focussed approach is required.

3. The role of DFID in facilitating other UK Government departments and other UK organisations to assist developing countries

3.1 We are somewhat sceptical about the concept of other government departments – with the exception of the FCO and MoD – helping developing countries. Although such agencies can potentially bring specialist knowledge to bear, there are a number of significant risks to engaging them directly in development work. Firstly, they do not have the expertise of working in developing countries. Secondly, they are not set up and staffed to deliver these services. Thirdly there is a risk of developing the silo and competitive mentality that can be a prominent issue in the provision of support by, for example, US Government agencies to developing countries. Sometimes in our work we find that not only USAID, but also the department of Treasury, various parts of the state department, the DoD, the Justice Department, the Department of Commerce and so on have carved up a range of different projects. In some cases, territorialism between different agencies impedes the ability of the US government to move forward in a timely way with projects.

3.2 Fourthly, even if siloism and competition can be avoided, any involvement of technical expertise from other parts of UK government should be provided through a competitive framework, so that even if other departments carry out technical assistance, the most cost efficient option and the one with the highest value for money is chosen for UK taxpayers and recipient countries whether this is provided by UK ministries, NGOs, contractors or other mechanisms. This would help avoid the situation that is sometimes seen in the UN system, where other UN agencies are preferred as contracting agents to external implementers even if they do not deliver the required outcomes as successfully or at all.

4. The role of DFID in influencing the policies of other Whitehall departments.
4.1 We believe that much can be achieved through joint working. Most of our experience with DFID working with other departments has been of DFID and the FCO working together, for instance in the post-conflict environments in Afghanistan, Syria or Libya. More recently we have found working with DFID and the FCO through the conflict pool to be particularly effective in circumstances where political analysis of players in a given conflict is needed as well as programming expertise. While the FCO excels at analysis, it has less in-house expertise in programming. We have found that arrangements where the FCO has a hand in steering projects in terms of its strategic goals, locations and partners combined with DFID’s experience of managing projects to deliver results and demonstrate success can be very effective.

4.2 DFID certainly has an important role to play in ensuring that the more political programming undertaken through the conflict pool also makes the maximum use of its experience in delivery and achieving results. As this area of funding expands with the growing focus on meeting security needs and national interests through development aid, the importance of maintaining good programme management approaches will be even more important. In order to achieve this, collaboration needs to be carefully coordinated, so it is established who the decision makers in a project are and how decisions can be made quickly. There is a significant risk with multiple stakeholders that are involved in more joined-up approaches that it is impossible to coordinate decisions quickly and so programmes are either held back while government agencies arrange meetings, or are forced to move ahead and risk leaving the client behind.

5. The long-term future of a stand-alone Department for International Development

5.1 DFID has established itself as perhaps the most influential bilateral donor agency. It is widely seen as providing a gold standard in terms of responsiveness to recipient country needs, programme management and a focus on delivery. (DFID’s high comparative reputation is of course partially due to the low quality of many other aid agencies. The competition is not fierce.)

5.2 The benefits of a standalone DFID remain the same as they were at its creation, in terms of encouraging independence of aid provision from political objectives and that programming is focused on achieving the best results for recipients. DFID’s independence gives UK aid more credibility with partners than some other donor programmes. This appears to allow it to punch above its weight in the international arena, where it is frequently one of the highest regarded donor agencies in countries in which we work.

5.3 At least in the near and medium term, as long as there is cross-party support for the UK providing global leadership in overseas development, an independent ministry of development seems therefore to be preferable. While most although not all developing countries are getting richer, it is clear that there will be considerable poverty for many years to come. Much of that poverty is in middle income countries, and we question the wisdom of DFID’s gradual withdrawal from middle income countries.

5.4 As recent events have shown, problems can flare up in middle income countries just as easily as poorer countries. Recently DFID has had to open a programme in Libya, and reopen one in Ukraine as well as restarting activities in Iraq. Where the next problems will emerge is not easy to predict. If DFID had been running a substantive, high quality programme in Syria for some years, such that real reform was attempted, would it have been possible to avoid the conflict there? Conflict can be expected to continue to flare up in new countries and regions, with rapid increases in poverty as a result. This suggests not only that a more preventative approach by DFID would be wise, but that DFID should be more flexible about the countries in which it works. DFID should cease the practice of narrowing down its countries of focus.

5.5 To continue to succeed DFID needs to maintain its recent drive to improve performance. Now that the UK has hit the 0.7% target, DFID needs to focus relentlessly on the quality of the aid it provides as well as the total value. The focus must shift from quantity to quality.
5.6 DFID gives a large part of its funds to inefficient multilateral organisations. To improve the quality of its programming it needs to put greater pressure on multilateral bodies to be held accountable for their performance and to be transparent. A recent DFID document says that “DFID’s decisions to support multilateral partners will be based on assessments of an organisation’s delivery of results, its role in the international system, capacity and commitment to delivering improvements and reform.” This is pretty extraordinary. Imagine DFID choosing a private sector supplier because it says it will improve its performance. Some of these multilateral organisations have been promising to improve their performance for years. Even some of the agencies that are reasonably well regarded are capable of unacceptably poor performance that would be regarded as scandalous if it were to occur in the UK setting.

5.7 Wherever possible the real value for money of using these bodies should be assessed in comparison with bilateral aid options. With such high proportions of the UK aid budget going through multilateral agencies, this must be a major focus of attention.

5.8 In order to achieve better results in the future and justify its role, DFID also needs to be resourced to deliver. This in turn requires enough staff with the relevant technical expertise and experience. The pressures on the civil service to reduce administrative costs, that have also affected DFID, may be placing excessive administrative burdens on staff in DFID to manage their funds effectively. Greater consistency in staffing, with lower turnover, strong subject matter expertise and a willingness to invest experienced staff in programme management can provide huge benefits to programme success. As long as DFID is forced to provide larger amounts of aid on a smaller shoestring, the risks to its effectiveness will grow.

5.9 The most sensible and valuable course of action for a future DFID is to focus on difficult, challenging, sophisticated and transformational interventions. These have the highest risk but by far the highest reward. This means moving away from the business as usual approach of other aid agencies and forging a higher quality path that takes advantage of the superior capacities of the organisation. DFID should actively seek out and implement the interventions that have the highest return and greatest impact, and that should not mean concentrating on easy-to-measure activities. Often the most transformational programmes are the hardest to measure. This new DFID of the future would set an entirely new standard in the development world.