GUARDIAN NEWS COVERAGE OF DFID April 2010 – July 2011

http://www.guardian.co.uk/katine/katine-chronicles-blog/2010/may/17/mitchell-development-awareness-cuts?INTCMP=SRCH

Andrew Mitchell axes development awareness projects

KatineChronicles Blog

Posted by Liz Ford Monday 17 May 2010 14.09 BST guardian.co.uk

The international development secretary, Andrew Mitchell, to redirect £7m to projects that will have 'a greater impact on global poverty'

Aid packages from the Department for International Development. Photograph: AP

Less than a week after becoming international development secretary, Andrew Mitchell began fulfilling his pledge to ensure value for money on aid by cutting development education projects.

As part of "a drive to re-focus aid spending", Mitchell today announced an immediate funding freeze on five development "awareness projects", a move expected to save the department more than £500,000.

The £6.5m Global Development Engagement Fund, introduced under Labour, was also suspended.

Mitchell added that all other UK-based projects would now be scrutinised. Those that did not meet "tough" results-based criteria and prove they were value for money would be scrapped.

The five cancelled projects are £146,000 for a Brazilian-style dance troupe in Hackney, London; £55,000 to run stalls at summer music festivals; £120,000 to train nursery school teachers about 'global issues'; £130,000 for a 'global gardens schools network' and £140,000 to train outdoor education tutors in Britain on development. The money saved will be "redirected to areas where it will have a greater impact on global poverty".

"People want to see British aid money saving lives and educating children in the world's poorest countries," said Mitchell.

"There is a legitimate role for development education in the UK, but I do not believe these projects give the taxpayer value for money.

"At this difficult economic time, it is crucial that our money is spent where it makes the most difference.

"Today I send a clear signal: value for money will be our top priority for aid."

DfID also announced today that the Conservative MP Stephen O'Brien is the new parliamentary under secretary of state for international development. O'Brien, MP for Eddisbury, was shadow minister for health and social care. He joins Tory MP Alan Duncan, who was appointed minister of state for international development last week.

http://www.guardian.co.uk/katine/katine-chronicles-blog/2010/jun/03/mitchell-aid-watchdog?INTCMP=SRCH

DfID announces new aid watchdog

Katine Chronicles Blog

Posted by Liz Ford Thursday 3 June 2010 17.25 BST guardian.co.uk

Andrew Mitchell uses first major speech as development secretary to announce the creation of an independent watchdog and promise greater transparency on aid spending

Aid being distributed to Haitian earthquake survivors earlier this year. Photograph: Jewel Samad/AFP/Getty Images

The UK government has taken the "first steps" towards establishing an independent watchdog to monitor how and where aid is spent and to ensure it represents "good value for money" to the British taxpayer.

The watchdog will gather evidence about the effectiveness of the Department for International Development's aid programmes so future spending decisions are "made on the basis of evidence, not guesswork".

In a speech that reiterated a number of the pledges made in the Conservative party's green paper last year, the international development secretary, Andrew Mitchell, today promised a "fundamental change" of approach to how aid is delivered and monitored.

He told an audience gathered at the Royal Society to discuss Oxfam's latest report, 21st century aid; recognising success and tackling failure, that this change would empower people and create and sustain wealth "rather than simply redistributing it".

In his first major speech as development secretary, Mitchell said that while overseas aid was "both morally right and in Britain's national interest", the taxpayer needed to see "more evidence their money is being spent well".

"We need a fundamental change of direction - we need to focus on results and outcomes, not just inputs. Aid spending decisions should be made on the basis of evidence, not guesswork. That is why we have taken the first steps towards creating a new independent aid watchdog," he said.

Mitchell also announced a new UKAid transparency guarantee that will see all information on DfID aid spending published on its website.

"The UKAid transparency guarantee will also help to create a million independent aid watchdogs - people around the world who can see where aid money is supposed to be going, and shout if it doesn't get there."

Mitchell promised that the information on aid would be published in a user-friendly format that was "comprehensive, accessible, comparable, accurate and timely".

The department plans to press other bilateral and multilateral donors to adopt a similar approach to transparency, as set out in the International Aid Transparency Initiative, to "make it much easier for people to see all the aid from all donors, and get a full picture of the aid being spent in each country". Recipient countries will be encouraged to be equally transparent to their citizens about how and where they are spending UK aid money.

Mitchell saw this speech at the Royal Society as an opportunity to set out his stall as development secretary, rather than offer dates for when the watchdog would be established or when we can expect to see all this clear and concise information on DfID's website. But I've been assured both projects are already being scoped out.

I'm sure some will question the need for another watchdog, but many observers will welcome the transparency guarantee. We wait with interest to see if Mitchell can pull off this ambitious task, and whether those being encouraged to shout if aid doesn't arrive will, in the first instance, be supported to raise their voices against their governments and, if they do, will be listened to in any meaningful way.

http://www.guardian.co.uk/politics/blog/2010/jun/09/tories-rewriting-political-narrative?INTCMP=SRCH

The Tories are already rewriting the political narrative

Posted by Michael White Wednesday 9 June 2010 11.16 BST guardian.co.uk PoliticsBlog

The decision to restrict the use of gardens for redevelopment purposes and a fresh interest in blaming the military for the military's failures are just two examples of shifts in emphasis since the election

David Cameron's new government is exhibiting subtle, and none-too-subtle, shifts of emphasis. Photograph: Matt Dunham/AP

Hullo, hullo. What's going on here? A new government is what's going on here, and with it comes subtle and none-too-subtle shifts of emphasis.

Two very difficult examples from today's crop: the government's decision to restrict the use of gardens for redevelopment purposes and a fresh interest in blaming the military for the military's failures.

Nice Greg Clark (he's the one who suggested Polly Toynbee might be a better guide to the Tory future than Winston Churchill), the so-called decentralisation minister, is set to reverse John Prescott's ruling that gardens should be treated as brownfield sites in planning law.

This is billed as "garden grabbing" because developers find it easier to knock down a big house and replace it with smaller ones or flats than they do old, often polluted, industrial sites.

But restoring local authority powers – admirable in so many ways – is likely to prove a euphemism for nimbyism, resistance to change among the sharp-elbowed middle class in their own neighbourhoods.

The fact remains that if we need to build new homes they have to go somewhere. Green belt and the outskirts of small towns rather than the ingenious redevelopment of city sites? We'll see, but as Prescott said in a testy Radio 4 exchange with Zac Goldsmith (Goldsmith remained Cameronesquely polite) the badly-housed are the likely losers.

The other example of intriguing refocus is completely different. Under the banner headline "Officers' mess", today's Times, a paper which as swung hard back into the Conservative camp, has devoted five pages to the shortcomings of the army in Afghanistan since 2006.

The drift of the analysis is that military and civilian officials were far too casual in committing their overstretched army to the taming of Helmand province – underestimating the Taliban resistance and the number of fighting troops the task would require, acting on poor intelligence (again) and creating a poor, multinational command and control structure.

Part of the blame lies, of course, with the Labour politicians who were keen to get out of Basra/Iraq by then and looking for a better project that British forces could lead – as were Nato allies that had steered clear of Iraq. Afghanistan was always a less controversial mission.

The Times analysis duly notes that the MoD's senior civilian and military planners did indeed tell ministers what they thought they wanted to hear, though some interviewees deny it, as they would.

But the interesting shift – which may reflect a diminished enthusiasm for beating up elected politicians over defence policy when they are Tory, not Labour – is the extent to which the focus is on the unelected for once.

I am in no position to judge whether Brigadier Ed Butler, the ex-SAS man whose battle group first deployed in southern Afghanistan, deserves the special kicking he gets in the Times account. Others are in the frame too.

Not least are the Foreign Office and the Department for International Development – DfID – built up by chancellor Gordon Brown's preference for "soft power" over hardware. The army was meant to be giving them the space to redevelop Helmand, but they weren't much use.

But the refocus on professional errors is a useful corrective. The top brass has been unusually vocal in attacking Labour's military failures in office – think General Sir Richard Dannatt, whose advice seems to have been quietly shelved by the incoming government now that he's served his purpose as a high-profile defector from the ranks.

Now its own role is being more closely examined. One example: it was only quite late in the day that Tony Blair was told that sending 3,000 troops to Helmand didn't mean 3,000 *fighting* troops – bless me, no. It meant just 700 infantrymen; the rest were logistics and support.

As elsewhere in life buck-passing is natural enough between civilians and the military; everyone makes mistakes. And no one who has read The Junior Officers' Reading Club – ex-Captain Patrick Hennessey of Balliol College and the Grenadier Guards' account of fighting in Afghanistan – will be unaware that fighting is what most (probably) soldiers want to do when they sign up.

Kipling wrote long ago about how Private Tommy Atkins was routinely kicked out of pubs until the bullets started flying. His own son was killed in the first world war. But nearly 100 years later Hennessey can report soldiers eagerly asking if they will be allowed to kill the enemy and if they will get into trouble if they do – as they did sometimes in Belfast. When the answers came back as "yes" and "no" they were delighted.

Deplorable, I know, from a civilian perspective. In today's Guardian, Simon Jenkins makes a gallant stab at urging our cuts-minded government to save a useful £45bn by abolishing the armed forces altogether. No one threatens us, he argues; it's all a waste of blood and treasure.

Simon is Welsh and averse to global mission talk, but I wasn't convinced that even his heart was in the argument by the end. He says the generals terrified Blair, Brown and George Robertson into submission – Robertson? Are you sure? – to fund their costly schemes to buy the wrong kit to fight the wrong kind of warfare.

That's not how the story was being told before the election when Labour ineptitude on defence was a campaign tenet. But – as with saving British gardens from the developers – a change in narrative is what the country voted for on 6 May.

It's getting one, though I notice elsewhere in today's Guardian that defence secretary, Liam Fox, is insisting that our boys stay in Helmand rather than move somewhere safer. It's a "national security imperative".

http://www.guardian.co.uk/commentisfree/2010/jul/03/ringfence-aid-budget-public-sector?INTCMP=SRCH

A commendable pledge on overseas aid

Public service cuts at home should not distract us from long-term aid commitments in the world's poorest countries

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  -
    - Andrew Chambers
    - guardian.co.uk, Saturday 3 July 2010 14.00 BST
    - A larger | smaller

In George Osborne's emergency budget only international development and NHS spending were ringfenced from the impending public sector cuts. Indeed, Britain's coalition government has pledged to actually increase official development assistance (ODA) over the next three years. The move has been criticised both by those that argue that such spending is unaffordable and by those that argue that government ODA is frequently misspent and can actually do more harm than good. Nevertheless, the secretary of state for international development, Andrew Mitchell, is right to defend this commitment as both "morally right" and in the country's national interest.

Matthew Elliot from the rightwing pressure group, the Taxpayers' Alliance, is strongly opposed to the coalition's decision. He argues: "The government are wrong to be ringfencing international aid spending when the budget crisis at home in Britain is so bad."

In a poll of more than 1,800 Conservative party members last December, 32% voted that overseas aid as their lowest priority for public spending. In a more recent (non-scientific) survey of more than 28,000 visitors to the consumer website, MoneysavingExpert, 43% wanted overseas aid to be cut first.

However, there is a good reason to ringfence ODA spending. It is imperative that aid commitments remain stable. Aid volatility results in short-term planning to the detriment of longer-term strategies. It encourages the stockpiling of aid to create buffer reserves – and thus significantly reduces both the effectiveness and speed of aid results.

In a global recession, developing countries are already hit with a reduced inflow of remittances from overseas workers and find it even more difficult to attract private finance or to raise money on the financial markets. Hence, a commitment to tie ODA to a percentage of gross national income (GNI) provides greater long-term stability for aid flows

In order to meet the UN recommendations on ODA, the UK has committed to spend 0.7% of its gross national income on overseas aid by 2013. In response to those who advocate cuts, Andrew Mitchell is categorical: "We won't balance the budget on the backs of the world's poorest people."

Critics of ODA expenditure would find it hard to argue with that sentiment. The problem arises from the incongruity between this moral concern for the poorest in the global community and the failure of the coalition to make similar ringfenced commitments for the most vulnerable in our own society.

With Whitehall keen to devolve much responsibility for the cuts to the local level, services like elderly care, carer support, mental health provision, child protection services and disability support are all likely to suffer significant reductions in funding. This shouldn't be an argument for a reduction in ODA expenditure however – quite the reverse. The sentiment for ringfencing services for the most vulnerable should serve as a template for government policy at home.

There is also a wider question of whether aid spending itself is beneficial to developing countries. In Dead Aid for example, Dambisa Moyo suggests that if governments were solely reliant on the financial markets rather than aid they would have become more accountable and less corrupt.

It is certainly true that aid is not a panacea. Economist Paul Collier outlines how the "bottom billion" suffer from a number of poverty traps – such as conflict risk, bad governance and being landlocked with poor neighbours. ODA can only ever be part of the solution. It is clear that there needs to be an independent oversight of projects – with clear objectives and measurable outcomes. There also needs to be some level of conditionality attached to aid given directly to governments to minimise corruption.

However, the fact that aid is not perfect is not a reason to reject the ODA model outright. The Department for International Development (DfID) has just announced that it will publish full information of all its spending online and will set up a new independent watchdog to ensure greater accountability. Several national awareness projects have also been stopped to refocus that money overseas.

The achievements of BritishAid (the rebranded name for British overseas aid) are impressive. In 2007/8 alone, British Aid supplied close to 7m anti-malaria nets, trained more than 100,000 teachers, vaccinated 3 million children against measles and provided clean water for nearly one million people. BritishAid is involved in everything from funding classrooms in Malawi to providing microfinance initiatives in Afghanistan and supporting anti-corruption drives in Uganda. This provision should be a source of pride, not a target for cuts.

It is understandable that when faced with cuts to public services at home, people will question government spending overseas. However a commitment to spending 0.7% of GNI in order to help significantly improve the lives of millions of the poorest people across the globe should not be considered excessive. Indeed, the positive bilateral relations through BritishAid involvement in more than 100 countries worldwide are themselves invaluable. And to put our total spending on ODA into perspective, if our annual military budget was simply pared down to that of Germany or Japan we could cover our annual ODA expenditure more than twice over.

The coalition's pledge to ringfence overseas aid is therefore commendable. Indeed, this moral concern should serve as a template for how some essential domestic services also need to be ringfenced. The argument that the budget shouldn't be balanced on the backs of the most vulnerable in society is a powerful one. It should be applied both overseas and at home.

http://www.guardian.co.uk/society/sarah-boseley-global-health/2010/aug/13/international-aid-and-development-globalrecession?INTCMP=SRCH

Leaked documents raise questions over UK international aid

Posted by Sarah Boseley Friday 13 August 2010 17.45 BST guardian.co.uk

The government has ring-fenced development and promised to increase spending - but a list of 100 projects recommended for the scrapheap has been leaked.

Andrew Mitchell is one of only two members of the cabinet whose budgets will be protected during the tough round of spending cuts. Photograph: Martin Argles for the Guardian

The relatively new British government has been lauded around the world for its pledge to ring-fence international aid and even increase it from 2013 to 0.7% of gross national income per year. So it's a bit of a shock to see leaked documents on the political website Left Foot Forward, listing up to 100 department for international development (DfID) projects which could be scrapped.

The main memo is dated 29 June and is on headed paper. With it is an annex which lists projects that could be axed, categorised as to how much fuss there is likely to be. DfID is not disputing its authenticity, but plays down the seriousness of the document, saying that it is well-known that there is an extensive review ongoing, looking at what the UK does in international aid and how it can be done better. This is its response:

As the Secretary of State has made clear, all DFID programmes are currently under review to ensure they have the greatest impact on global poverty as driven by specific needs on the ground.

Some of the remarks on the main memo, however, give the impression that this is more than a back-of-the-envelope scribble. Under the heading "Communications and Parliamentary handling", it says:

We do not recommend any proactive external communications. But we will communicate decisions to staff and will take opportunities as they arise to restate those commitments which the Secretary of State endorses. For those that we are proposing to drop we recommend the following defensive lines :

• There are over 100 existing DFID public commitments on the books. We have reviewed these and retained those that fit with new Ministerial priorities, are as outcome focused as possible, and will deliver value for money.

• This does not mean work will stop in other areas. But we will only judge ourselves against commitments and outcomes that we assess pass the fitness test. The on-going bilateral and multilateral aid reviews will help set new priorities.

The list is likely to raise eyebrows. Dramatically, near the top is the proposed ending of a commitment to "Spend £6bn on health services and systems by 2015". That is basically DfID's entire outlay on health, apart from $1 billion to the Global Fund to fight HIV/Aids, TB and Malaria (which is staying).

DfID says this does not mean spending less necessarily - it is just a rethink of *how* it spends the money. Here is the press release announcing the £6 billion in September 2008. The strategy was billed as:

making world health more secure, establishing strong health systems within individual countries, enhancing the effectiveness of international health organisations, supporting fairer trade between countries, and improving the use of evidence to shape new policies.

Also addressed in the plan are new and neglected areas such as climate change, emerging diseases, the links between health, foreign policy and national security, and non-communicable diseases in low and middle income countries.

The leaked memo specifically acknowledges some potential controversies. "The US and the Gates Foundation", it says, may not think much of a retreat on the 2008 pledge to provide £100 million over five years to polio eradication and £50 million over five years for neglected tropical diseases. And there is some head-scratching going on as to why a number of malaria and maternal health policies are in the proposed trash can, when ministers have declared those to be priority interests.

But times change and new governments are of course entitled to review and rethink and find better ways to do things. As long as they *are* better ways.

Meanwhile much of my week has been taken up with the worrying story of the spread of multi-drug resistant bacteria and the views of leading UK experts that the antibiotics era is almost over. The main piece - a view of what the future holds - is here.

http://www.guardian.co.uk/society/2010/aug/15/government-slashes-international-development-pledges?INTCMP=SRCH

Department for International Development slashes aid commitments

Minister Andrew Mitchell to honour just a fraction of pledges already made in areas such as global education and healthcare

- Anushka Asthana and Paul Gallagher
- The Observer, Sunday 15 August 2010
- A larger | smaller

Andrew Mitchell, the international development secretary, has agreed to honour just eight of a long list of promises made to countries. Photograph: Facundo Arrizabalaga/EPA

A pledge to support free healthcare in the world's poorest countries is one of more than 90 aid commitments to be scrapped by the government.

An email leaked to the *Observer* reveals that Andrew Mitchell, the international development secretary, has agreed to honour just eight of a long list of promises made to countries.

NGOs have reacted with fury to the news, which suggests an end to government plans to double support for global education; to push for an international treaty regulating the arms trade; and to support water programmes in five countries. It also means no further commitment to a Paris declaration on aid effectiveness.

Joseph O'Reilly, chairman of the UK-based Global Campaign for Education, said plans to scrap education pledges were of huge concern:

"If Andrew Mitchell, who has been a big champion of education, makes this decision it will fatally undermine any chance of getting 72 million children currently out of school into a classroom."

Kirsty Hughes, the head of public policy at Oxfam, said that any move to quietly drop such commitments would be a "desperately backward step for poor people".

The revelations come just weeks after Mitchell said that he wanted to refocus aid efforts towards Afghanistan.

The email follows another leak late last week to the blog Left Foot Forward. It revealed a submission to Mitchell from Nick Dyer, the director of policy at the Department for International Development (DfID). In it he recommended that the minister should honour 19 commitments and drop more than 80. It listed those to be dropped under five headings ranging from "strong public backing" to "unlikely to be noticed". Critics reacted angrily to a line in the submission stating: "We do not recommend any proactive external communications."

The email seen by the *Observer* suggests that, after reading this proposal, Mitchell decided to go further – cutting by more than half the number of commitments he had been advised to honour. Gareth Thomas, the shadow minister for international development, said: "It is astonishing that Andrew Mitchell seems to want to cut our commitments to aid effectiveness. To not help people to access the best health services in the world is a further sign that he is not going to show international leadership on development."

A spokeswoman for DfID said: "As the secretary of state has made clear, all DfID programmes are currently under review to make sure they have the greatest impact on global poverty… We don't comment on leaked documents."

http://www.guardian.co.uk/society/2010/sep/08/british-want-to-cut-aid?INTCMP=SRCH

Britons think development aid for poor countries is wasted

More than half surveyed say funding should be cut – undermining UN goal to halve world poverty

- Mark Tran
- guardian.co.uk, Wednesday 8 September 2010 .40 BST
- A larger | smaller

Herdsmen draw water from a well in central Somalia, where the government has called for international aid funding to provide people with alternatives to piracy. Photograph: Roberto Schmidt/AFP/Getty Images

More than half of Britons think development aid is wasted and do not support the coalition government's policy of ring-fencing assistance for poor countries, a survey shows.

Aid to Developing Countries: Where does the UK Public Stand?, published by the Institute of Development Studies (IDS) in Brighton, recommends development groups take a new approach to communicating with the public about how and when aid works to address perceptions that most aid is wasted.

The aid budget is protected from spending cuts because the government is committed to meeting the UN target of spending 0.7% of national income on aid by 2013, but the survey found that 63% of people think aid to poor countries should be cut as the government seeks to reduce the budget deficit, while 52% think most UK aid to developing countries is ineffective.

"This survey suggests development charities and the government need to take a fresh approach to engaging with the public about aid," said Professor Lawrence Haddad of IDS. "We need to hear more from the people whose lives have been changed by aid. We should do more to understand what UK taxpayers need to hear to be convinced that aid works. And we need to be honest about what works and what doesn't, so we can learn for the future."

Haddad said the government's MyAid initiative could be the sort of creative approach to build up public support for development aid. Unveiled last year, a £40m MyAid fund and website would carry details of 10 ongoing projects funded by the Department for International Development (DfID). People would be able to vote for what they think are the most deserving causes and money would be allocated in proportion to the votes.

"If done well it could stimulate debate, show what the public cares about, maybe give it greater ownership of the issue," Haddad said.

The DfID said the government placed the highest emphasis on ensuring that aid reached those it was intended for.

"We are creating a new independent aid watchdog to ensure we are getting full value for money and establishing the UK aid transparency guarantee to publish full details of our projects on our website," said a DfID spokesman.

The IDS survey is the first time a long-term panel of the general public will be used to explore attitudes towards development over time in the UK. It echoes recent DfID surveys on fading support for foreign aid. Only 35% of respondents thought the British government should do more to help reduce poverty in February 2010, compared with 50% in September 2007, according to the DfID.

There is some comfort for aid groups. The IDS survey reports that six out 10 still think it is morally right for the UK to help developing countries.

In 2008-09 DfID provided £5.5bn in aid. Its budget will increase to £7.8bn for 2010-11. By 2013 the equivalent of 0.7% of the UK's gross national income will be dedicated to development aid, from 0.36% in 2007-08, in keeping with the millennium development goals (MDGs), the international targets agreed by the UN to halve world poverty by 2015.

The coalition came under fire last month after a leaked DfID document showed that the new national security council, which oversees all aspects of foreign policy, is requiring that national security considerations are placed at the heart of aid projects.

http://www.guardian.co.uk/global-development/poverty-matters/2010/oct/20/spending-review-aid-budget-osborne-dfid-ngos

Spending review 2010: Overseas aid is spared but there are pitfalls ahead

Osborne has kept his pledge to spend 0.7% of GDP on international aid by 2013, but how will the rise be handled?

PovertyMattersBlog

Liz Ford Wednesday 20 October 2010 17.50 BST guardian.co.uk

Andrew Mitchell, international development secretary. Photograph: Andrew Yates/AFP/Getty Images

Today's spending review confirmed what the international development secretary, Andrew Mitchell, has been saying since May – the UK will honour its commitment to spend 0.7% of GDP on overseas aid by 2013 (however, grand pronouncements by the chancellor George Osborne that Britain will be the first in the world to do so was slightly overstating the mark. Britain is on track to be the first in the G8 to honour this pledge, but those Scandanivian states are doing pretty well).

"Britons can hold their heads up high and say we will honour the promises we made to some of the poorest people in the world," said Osborne.

Since the chancellor's announcement, the Department for International Development (DfID) has added a little flesh to the bones. The total UK budget will increase from £8.4bn this year to £8.7bn in 2011, £9.1bn in 2012, £12bn by 2013 and £12.6bn by 2014 – in terms of GDP, that means 0.56% will be spent this year and next and will increase to the target 0.7% by 2013.

This means that aid will effectively flatline at 0.56% in terms of share of the national income over the next two years before a spike in the third, which has the potential to cause problems for developing countries if not handled correctly.

NGOs will, of course, welcome the government's commitment, particularly in such a tough economic climate, but Dorcas Erskine, head of public affairs at ActionAid, worries that some developing countries may not be able to absorb a sudden increase in 2013.

"We would have hoped for a more gradual increase. If it's more gradual, it allows countries to plan and use their money more effectively," she told the Guardian this afternoon.

"But we are living in very tough times and we absolutely understand that hard choices have to be made. It is very welcome that the government has committed to reaching 0.7% and has consistently promised not to balance the books on the backs of the world's poorest people."

NGOs clearly want to know more details about how the money is going to be spent.

And some will wonder whether, for example, the sudden rise in funds in 2013 will be in the form of debt relief. We would like to know that, too.

http://www.guardian.co.uk/politics/2010/oct/20/aid-becomes-foreign-policy-focus

Aid and 'soft power' becomes foreign policy focus

Spending review: Praise for DfID pledges on development but scepticism over promised savings at Foreign Office and unease over 'militarisation' of aid

- Julian Borger, Diplomatic editor
- guardian.co.uk, Wednesday 20 October 2010 19.45 BST
- A larger | smaller

Aid is distributed to Haitian earthquake survivors. The UK's contribution to overseas aid is projected to rise from £7bn to £11.5bn over the next four years. Photograph: Jewel Samad/AFP/Getty Images

Having shorn so much off the budget for military hardware, the government is relying heavily on "soft power" to maintain the long-standing claim that Britain "punches above its weight" in the global arena.

The centrepiece in that endeavour will be the projected increase in overseas aid from £7bn to £11.5bn over the next four years, which would mean that by 2013 the UK would become the first major industrial power to meet its UN obligation to spend 0.7% of national income on overseas development assistance.

The pledge was welcomed by aid agencies. Phil Bloomer, campaigns director for Oxfam, said: "David Cameron and George Osborne deserve real credit for their promise to stick to Britain's aid promises during these difficult economic times. The coalition has taken the tough choice to prioritise the poorest people on the planet during the bad times as well as good."

But beneath the acclaim, there is also disquiet among aid workers. First of all, the aid spending is "backloaded". The detailed figures show that budget will stay fairly flat in the first three years of the review, and then jump by 28% in the fourth year.

One expert said: "That is such an enormous jump, you have to question whether they seriously mean to do it."

At the same time as overseas development aid is supposed to climb steeply, the amount that the Department for International Development (DfID) spends on administering it will be halved from £72m to £34m. It is not clear where such huge savings will come from. Dfid will save £2m on cutting the number of civil servants, and £3m on leasing space in its London headquarters, but that still leaves a big hole in the figures.

Furthermore, some argue that such administrative savings are a false economy. It would simply mean that more aid money is handed over to international institutions such as the World Bank to spend. Consequently, the British taxpayer would end up paying the far higher administration costs and staff salaries at the bank, with less money left over to spend on the ground.

Finally, the money spent on countries in conflict will increase to £3.8bn, from a quarter to a third of the total. The fear of many in the aid world is that this reflects the increasing militarisation of development assistance, with more and more being poured into Afghanistan at the expense of peaceful but equally impoverished African nations.

Meanwhile, the Foreign and Commonwealth Office will have to cut its budget by 24%, mostly at the expense of London-based diplomats and support staff.

That cut is mitigated by the fact that the Foreign Office will not fund the BBC World Service from 2014, saving it more than £200m – a tenth of the budget.

Other savings will come from spending less on upgrading embassies and selling off some property abroad. Officials say the brunt of the remaining cuts will fall on what George Osborne called the "back-office functions" – the accountants and computers experts – whose jobs will either be consolidated or outsourced.

The drop in the number of diplomats deployed around the world is projected to be 10% over four years.

The Foreign Office denies those cuts will be reflected in any drop in influence around the world. It points out that its spending is now protected once again from foreign exchange fluctuations by agreement with the Treasury, making it easier to make strategic plans.

Officials also insist that the cut in spending on human rights reporting simply means that the reports will be printing on less glossy paper, not that there will be less attention paid to the issue.

Others are less confident that such deep cuts can be achieved so painlessly. "There's a danger of falling for the mythology of faceless bureaucrats in London, as if there are lots of people doing nothing very useful," said a former senior diplomat.

"For example, a report comes in on human rights abuse and it sits in an in-tray because there's not enough staff with quality time to sort out priorities and send the right stuff up to ministers in timely fashion, for decision and action. I've seen that sort of thing happen even on present staffing, so there are risks in cutting too hard."

http://www.guardian.co.uk/commentisfree/2010/oct/24/ringfencing-aid-more-harm-than-good

Ringfencing aid may do more harm than good

Increasing the aid budget as other departments cut theirs will erode the long-run effectiveness of the development programme

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    - Nilima Gulrajani guardian.co.uk, Sunday 24 October 2010 10.00 BST

The Department for International Development (DFID) is a highly performing development agency, the world's best in many global rankings of aid donors and a powerful symbol of Britain's commitment to international development. Nevertheless, supporters of foreign aid need to reflect on the value for money that their cause is getting with the coalition government's announcement to expand DFID's budget as other departments are slashed and burned. Immunity for DFID from fiscal belt-tightening may not be desirable for achieving a sustainable and effective foreign aid programme in the long run.

Eradicating global poverty is a complex task, particularly in the politically messy environments of the developing world. DFID has managed to engage in such contexts better than most. It is staffed by some of the foremost experts on development, many of whom are located on the frontlines of the impoverished communities they serve.

Notwithstanding calls for greater transparency and accountability, DFID has generally served as a model of both these over the last 10 years when compared to other aid agencies. Government capability reviews consistently praise DFID as an unqualified civil service success.

Nevertheless, there are a number of reasons why supporters of international development policy should be wary of the announcement that Britain's aid budget will increase by 50% over four years to £11.5bn. Granting exceptional status to foreign aid increases the pressure on it to deliver quick, measurable wins. But this is not the same thing as delivering long-lasting development impact. Making health systems run or schools work or growth take off requires more than higher cash investment in hospitals, schools or roads.

For sustainable results, domestic champions for external engagement need to be created, political coalitions need to be fostered, domestic resources must be mobilised to limit aid dependency and risks will generally need to be taken. To date, DFID has been a champion of these innovative, softer and subtler forms of engagement even as audit cultures have noticeably gained influence. But with even greater scrutiny and value for money now essentially the quid pro quo for the massive expansion of its budget in a time of retrenchment, DFID's comparative advantage as a flexible and entrepreneurial donor is no longer politically tenable.

With running costs reduced to 2% of total spending by 2015, in other words falling to half the global donor average of 4%, DFID will be in the unusual position of having an increased budget managed with a reduced headcount. This threatens to divert monies to quick-disbursing multilateral funds at the World Bank or United Nations, where value for money can be even harder to ascertain. If we accept that poverty reduction is not fundamentally a financial problem but a problem of weak institutions, pressures to disburse large sums of money with limited staff oversight and in situations of fragile governance appear an unlikely recipe for development success.

Meanwhile, as a greater percentage of aid resources now service strategic defence and foreign policy objectives, this threatens the poverty-focus of British aid spending for which it has received worldwide kudos. A case could be made that the growing links between development spending and national security betrays the spirit of the 2002 International Development Act, which stipulates that all UK aid must have the purpose of sustainable development or welfare improvement and be likely to contribute to poverty reduction. It is precisely in these surreal times of fiscal retrenchment that the government should be held to account for maintaining its commitment to the act.

Winning the ministerial lottery in the comprehensive spending review is too high a price to pay for turning a blind eye to the erosion of the aid programme's raison d'etre. As the opportunity cost of development spending becomes increasingly stark, public support for foreign aid falls. In a recent survey, 63% of respondents thought aid needed to be cut to help deal with the budget deficit and over half did not support the coalition government's policy of ringfencing aid spending.

Singling DFID out for special treatment is sacrificing public support for aid that has been so critical for DFID's past successes. This looks set to worsen as DFID phases out programmes to foster development awareness among the British public as part of recently announced efficiency savings measures. An entire generation of supporters of sensible development and aid policies is now at risk of never being fostered.

A reasonable discussion is required of the ways programmatic and operational savings can be achieved in DFID alongside its ministerial brethren without unduly threatening the modus operandi at DFID that has been so successful to date. But let's be clear; removing the ringfence should not be taken as an invitation to rip into the foreign aid budget. There are lessons to be learned here from Canada's debt-reduction programme in the mid 1990s, when the Canadian International Development Agency (CIDA) bore a disproportionate burden of departmental cuts (a three-year reduction of 20.5%) compared with foreign affairs and national defence. Domestic development education programmes were also especially hard hit in Canada.

These cuts demolished CIDA's size and profile to such a degree that they are still blamed for the decline of Canada's longstanding humane internationalist tradition. Their legacy is an electorate that has been content to sacrifice global development on the altar of narrower domestic concerns, recently exemplified by Canada's relatively weak support for a global climate change deal at Copenhagen and a G20 pledge to support maternal and child health conditional upon denying access to safe abortions to impoverished women. The irony, perhaps, is that if diminishing public support is the legacy of dramatic and targeted cuts to foreign aid in Canada, this legacy risks being exactly the same in Britain where the foreign aid budget is exceptionally protected.

Be forewarned, Britain – a robust and sustainable foreign aid programme can only be maintained by judicious evenhandedness in its fiscal management during these austere times.

http://www.guardian.co.uk/politics/2010/oct/20/aid-becomes-foreign-policy-focus/print

UK's emphasis on results will narrow the focus of its foreign aid budget

Achieving value for money may please the public but it won't be good for the poor

Posted by Jonathan Glennie Monday 1 November 2010 15.15 GMT guardian.co.uk

Development Matters Blog

Aid packages from the Department for International Development (DfID). Photograph: AP

The UK's Department for International Development (DfID) has just recruited a head for its new Independent Commission for Aid Impact (ICAI). He is an ex-auditor, as is his new boss, secretary of state Andrew Mitchell, and his job is to "achieve 100 pence of value for every development pound spent".

It might seem odd (who can be against value for money?) but DfID insiders and development experts are worried by the extra emphasis being placed on "results" by the new UK government. There are concerns that the focus will be on narrow and easily-measurable wins, like building schools, or vaccinating children, rather than the harder but equally important work of building systems, better governance and sustainable paths out of poverty. Will decisions be made based on the best development experience and expertise, or will they be designed to reassure the sceptical British taxpayer? For the blog debate you could start with Duncan Green, Owen Barder and Simon Maxwell.

My worry is that the vital role of risk and innovation in development may be undermined. They are principles as vital to successful development interventions as to successful businesses, but threatened with bad headlines or a simplistic auditor's assessment, development practitioners may choose to play it safe, investing in the same old things, rather than trying new ways to respond to the complex problems faced by poor and marginalised communities.

Managing an aid programme is harder in some ways than managing a private company, because it is harder to judge success. A company manager is held to account on one thing: the bottom line. But aid practitioners, like hospital and school directors, have to demonstrate progress across a range of factors that are more important than money, broadly described as "human development". In this complex environment, where defining the objective of an intervention is not always straightforward, let alone measuring if it has been achieved or not, reducing incentives on aid managers to take risks may be good for the audit books, but it won't be good for the poor.

At an Economist seminar on the role of the private sector in development recently, I heard a relevant anecdote. The Tata Nano, a revolutionary car developed by one of India's most important companies, has struggled commercially. How did the Tata boss respond to the failed project's manager? Did he halve his salary and send him back to the shop floor? Did he call in the hacks to write a scoop on incompetence and failure? No. He went to personally congratulate the exectutive on an impressive job done. The message was clear: risk and innovation doesn't always come off, and the external environment can often be as much to blame as internal decision-making, but If people are too scared to take risks, a company will become stultified.

At the same seminar Craig Boundy, CEO of Logica, a FTSE 250 company, commented that if you asked Google where to find their innovations department, you would be laughed at. The whole business is about innovation.

Risk and innovation is not about gambling or being careless. It is about being brave enough to take a decision that might go wrong as well as right, but where the benefits of success are greater than if traditional non-risky methods are used.

As the new aid auditors take up their positions, they should consider the attitudes of Tata and Google. The "100 pence in the pound" slogan sounds good to the media, but it needs to be managed carefully in the real world and, as Lawrence Haddad of IDS points out, a 75% success rate, is actually considered good in any sector. It will take real leadership and wisdom to get the right balance between meeting the public's expectations on waste, and shaping those same expectations about the need for development experts to be given space to respond creatively to the complex and ever changing circumstances of poverty, emergency and conflict.

http://www.guardian.co.uk/global-development/poverty-matters/2011/mar/01/winners-losers-uk-aid-review-reaction?INTCMP=SRCH

Winners and losers in the UK aid review

Poverty Matters Blog

Posted by Annie Kelly Tuesday 1 March 2011 16.48 GMT guardian.co.uk

Aid agencies react to the new focus of Britain's international aid spending

Vietnam is no longer considered to be in need of aid. Photograph: Hoang Dinh Nam/AFP/Getty Images

Announcing the launch of Tuesday's long-awaited review of UK overseas aid, the international development secretary, Andrew Mitchell, promised it would all come down to value for money. The review, he said, is "taking a radically different approach to aid. We want to be judged on our results, not on how much money we are spending."

Billed as the most extensive shake-up of aid in recent history, the review is the product of the government's commitment to its £8.4bn international development budget despite wide-ranging public cuts.

So who are the main winners and losers in the review?

In terms of multilateral aid, Unicef, the Global Fund and the World Food Programme performed well against a set of measurement criteria and are likely to receive funding increases.

In contrast, organisations, including UN Habitat and the International Labour Organisation (ILO) will lose future DfID funding after they failed to prove they were delivering significant change on the ground.

The UN's Food and Agriculture Organisation (FAO) is criticised for its patchy track record and warned that future support is contingent on better performance.

According to many in the development world, this is no great surprise. However, Oxfam has warned that as the world faces its second food crisis in three years, the government must not abandon the agency.

"It's perfectly valid to acknowledge problems with the agency," says Kathleen Spencer Chapman, head of UK government relations at Oxfam GB, "but DfID must prioritise working with them to make sure these are maintained and that withdrawal is not the easy option."

Regarding bilateral aid, Mitchell had already warned that the UK would no longer pour aid money into better off countries such as China and Russia

In the review on Tuesday, 14 more countries, including Cambodia, Vietnam, Gambia and Angola, joined them, cutting the numbers of countries receiving UK aid from 49 to 27. More controversially, the poorer Niger, Burundi and Lesotho were also on the list.

After sustained criticism, India will retain its £280m aid budget. Another major beneficiary of the streamlined aid budget is Ethiopia, which will become the UK's biggest aid recipient by 2014, making . Kenya and Rwanda will also see hikes in UK aid.

Fragile states will receive 30% of the overall UK aid budget, a total of around £3.8m by 2014. Pakistan, Nigeria, Somalia, the Democratic Republic of Congo and Yemen will see the biggest percentage increase.

On BBC Radio 4's Today programme Julian Oram, head of policy at the World Development Movement, said the emphasis on fragile states was feeding concern about the direction the government is taking with the aid review.

"What we are concerned about is the focus on a smaller number of countries, which actually takes money away from some of the world's poorest countries, like Niger, Angola and Cambodia, and channels it into countries where there is deemed to be a higher security risk to the UK," he said. "The securitisation of aid is a real concern under the outcomes of this review."

Aid and anti-poverty agency ActionAid has also expressed concern, stating that UK aid must always prioritise poverty above its national security interests.

"At the moment all the signs are that the government is committed to channelling funds into the right kind of programmes, targeting poverty and essential services in these so-called fragile states, which are home to some of the most vulnerable in the world," said Dorcas Erskine, head of policy at ActionAid. "However, the proof will be in the pudding with this one and we won't know the real details until the country programmes are announced later this year. Local and civilian, and not military, players must always deliver this aid."

While ActionAid welcomed the government's specific outlining of a focus on women and girls, and an emphasis on land rights and wealth creation, Erskine said a focus on results must not dwarf more complex and less easily quantifiable work on more complex issues such as violence against women.

She also said that a focus on fragile states must not endanger money allocated to poor but more stable countries, particularly in Africa.

If the government is going to cut aid to countries like Niger and Burundi, there must be a clearly thought-out rationale behind these decisions, and the phase-out of financial support must be done in a way that does not damage the country's most vulnerable.

However, Lawrence Haddad, from the Institute of Development, who assisted DfID's multilateral aid review, said he was confident the review was focusing on the right areas.

He said that despite the emphasis on fragile states, 55% of the bilateral spending was committed to achieving the UN's millennium development goals, with targets on sanitation, health and education.

"Yes, we're spending a lot of money on Pakistan, but if it's being spent on girl's education then it's also doubling as an MDG agenda," he says. "If you look at country-by-country spending, you've got 55% on delivering the MDG targets, 20% on wealth creation, and 18% on governance and security, which I feel is striking the right balance."

Instead of an overhaul of UK aid, Haddad sees the review as an evolution rather than a revolution of what had come before.

"I think the winners of this process are those organisations who have shown they have a proven capacity to deliver real results, and the losers are those who have not recognised they have to be better at marshalling their evidence that the money will create more change," he says. "I think we have every reason to be optimistic that this review will see UK aid have a very positive global impact."

http://www.guardian.co.uk/news/datablog/2011/mar/01/uk-aid-review-cuts-dfid?INTCMP=SRCH

UK aid review: which countries is DfID cutting?

DataBlog

Simon Rogers and Lisa Evans Tuesday 1 March 2011 18.12 GMT guardian.co.uk

The UK aid review has finally reported. Has India been cut? Which countries are the biggest winners?
• Get the data

UK aid review: Southern Yemenis wave flags during a protest in Radfan in Lahj province. Yemen will see an increased aid budget from the UK. Photograph: AFP/Getty Images

UK aid to the developing world has received a huge shake-up - with complete cuts for many countries and increases for others.

The report, out today from the Department for International Development (DfID) shows that a review of the £8.4bn budget means the end of aid to Russia, Serbia, China, Cambodia.

Yemen, regarded by Britain as a failing state whose lack of economic development provides a fertile recruiting ground for al-Qaida, will be doubled from £46.7m this year to £90m by 2014-2015.

The figures are a huge change for UK aid spending - some of the key facts are:

• The biggest increase in aid is for Somalia, which sees a 208% change. This is followed by Nigeria, with a 116% change
• The average change is a 25% increase, but this disguises big rises for some countries and huge cuts for others. The total budget will increase by 42%% between now and 2014/15
• India, which was thought to face a complete cut, will instead see a small rise of 2.19%

• Yemen sees an 80% increase over the same period - up to £305m
• Pakistan will receive the most aid - £1.4bn, up 107%

The full data from DfID is below. What can you do with it?

http://www.guardian.co.uk/global-development/poverty-matters/2011/mar/01/government-must-maintain-leadership-on-aid?INTCMP=SRCH

The government must maintain the UK's leadership on aid

Poverty Matters Blog

Harriet Harman Tuesday 1 March 2011 11.46 GMT guardian.co.uk

The decision to freeze aid will mean £2.2bn less for schools, malaria and vaccines that save lives

Harriet Harman wants the government to keep its commitment to spend 0.7% of the UK's gross national income on aid by 2013. Photograph: David Levene

The UK government publishes the results of its reviews into the UK's aid programme today. As things change around the world of course it is right to review our aid priorities and how that money is spent. But what must not change is the government's commitment to spend 0.7% of our gross national income (GNI) on aid by 2013. That was promised in both the Conservative and Liberal Democrat manifestos and in the coalition agreement. The secretary of state for international development, Andrew Mitchell, must confirm that the 0.7%/2013 commitment will not be the government's next broken promise. He must resist those who urge the government to abandon this pledge and must campaign vigorously to show that aid matters, it saves lives and it works. The girls and boys sitting at school desks in Bangladesh, the women who no longer have to walk for miles to fetch water in Nigeria and the millions of children who no longer die from preventable diseases are the proof of that.

The government has already decided to freeze aid as a percentage of GNI for the next two years. That freeze will mean £2.2bn less for people in the poorest countries of the world. That money could have been used to build schools, for malaria nets and life-saving vaccinations for millions of children. After 13 years in which the Labour government tripled the aid budget, reversing the cuts of the previous Tory government, and led the world in giving greater priority to tackling global poverty, that decision to freeze aid risks undermining the UK's leadership.

As well as keeping to the 0.7%/2013 aid promise the government must keep the spirit of that promise.

Andrew Mitchell must protect the Department for International Development from raids by other government departments, which are facing savage, unnecessary cuts. Already, nearly £2m from DfID's budget has been used to fund the Pope's state visit and £160m more was used to back up a loan to the Turks and Caicos islands. Neither of those decisions count as tackling global poverty. The development secretary must guarantee today that DfID will not be used as a hole in the wall for other government departments and must reclaim the money that he gave to fund the Pope's visit.

The government has already confirmed that there will be a greater shift in aid towards the fragile and conflict-affected states in which there is so much poverty and suffering. It is right that we help those people, as we recognised in our 2009 white paper. However, the government must ensure that our aid programme does not become subsumed in our military or security objectives and that DfID's poverty-reduction mandate is resolutely defended. In war zones and countries recovering from conflict it is also much harder to ensure every pound is well spent so the government must also set out how it will ensure this aid reaches those who need it most. It must also ensure that countries which may not be beset by conflict but which are beset by poverty do not lose out.

The way to build support for our aid programme is to go out there and campaign for it and to show how our aid is saving lives. It doesn't help build support for our aid programme or for the government for the secretary of state to create artificial distinctions between his government and the Labour government when the focus on ensuring value for money for the British taxpayer and the decisions to end aid to Russia and China are not new, but are in fact a continuation of what we did in government. Their task should not be unprincipled one-upmanship of our work on aid. Their task is to work with everyone – including us – who want that work on aid to continue.

http://www.guardian.co.uk/global-development/poverty-matters/2011/mar/01/uk-aid-review-bilateral-multilateral?INTCMP=SRCH

UK aid review designed to win over sceptical public

Poverty Matters Blog

Posted by Jonathan Glennie Tuesday 1 March 2011 15.42 GMT guardian.co.uk

Will aid focused on fewer countries, with an emphasis on concrete and costed results, mollify critics and help to win votes?

UK secretary for international development Andrew Mitchell chats with Pakistani children displaced by floods during his visit at a camp. Photograph: A Majeed/AFP/Getty Images

The bilateral aid review (covering UK aid to poor countries, as opposed to multilateral aid, which is the UK's contribution to international initiatives) comes at a difficult time. Before the financial crisis, support for aid was at a high in Britain, following the high-profile Make Poverty History campaign in 2005, which saw the Conservative party committing to the 0.7% target.

But what was initially a vote-winner, part of the rebranding of the Tory image away from the "nasty" party of British politics, has become a potential vote-loser. In an age of austerity at home and deep changes abroad, where countries we used to regard as in need of help now have growth rates and foreign currency reserves Britain looks at with envy, the Tory development project finds itself in an odd position. It has to defend aid to a sceptical public, cheer-led by the right wing in the Conservative party – the only serious opponents to the 0.7% consensus in parliament.

Little wonder, then, that this review is full of language to mollify critics of aid – who put the emphasis on results and value for money. It lacks reference to the issues that more seasoned observers will be looking out for, such as an emphasis on developing country-led development strategies and donor harmonisation.

Having said that, the two fundamental pillars of this review are sound, and possibly exciting: a reduction in the geographical scope of DfID's ambition, and a new way of allocating aid according to a projection of concrete and costed results.

Reduced number of countries

The crucial news is that the number of countries DfID will focus on falls over the next four years by a third – from 43 to 27. This has been extensively trailed so may not seem surprising. But in a context of rising aid expenditure (set to increase by $4bn by 2015) one might have expected the scope of the aid programme to expand to cover more countries. When Spain increased aid a few years ago, it opened more country programmes, and the Australians may do the same when their aid review ends shortly.

But the development secretary, Andrew Mitchell, has opted to reduce the number of key country programmes, and this is a good decision. Much depends on a thorough understanding of the country context to make aid work. Spending money in fewer countries makes it more likely it will have a positive impact. With pressure on DfID "administration costs" threatening to reduce the number of professional staff overseeing the aid spend, a reduced cohort of recipient countries is a welcome rebalancing.

The reduction, particularly the much-touted shutting of the Russia and China offices, is being sold as a distinctive policy of this government. It is, in fact, a continuation of the trend adopted by DfID when it began its exit from south and central America some years ago. And the decision to exit from Russia and China was taken by Labour in 2007.

Criteria – how were the decisions made

The decisions about which countries to leave and where to continue aid were based on an assessment of a) development need, b) likely effectiveness of assistance, and c) strategic fit with UK government priorities. The first two elements were analysed using a need-effectiveness index devised for the multilateral aid review. The third element is not discussed in detail, but we are told the UK Strategic Defence and Security Review's stipulation that 30% of DfID funds go to fragile and conflict-affected states has been met. "Winners" from the review include Pakistan, Yemen, Somalia, Afghanistan and the Occupied Palestinian Territories, all important for security as well as development reasons.

While the need component looks at the number of poor people, human development index score and a measure of the country's fragility, the effectiveness part only has one component, the World Bank's controversial country policy and institutional assessment score. There is also a contradiction when it comes to a focus on fragile states. The needs part of the index ensures fragile states are favoured for DfID cash, while the effectiveness part favours states with strong institutions (ie non-fragile), which "balances out the fragility part of the need index somewhat", as a note to the review acknowledges. So is there a focus on fragility or not?

Broadly speaking, the countries that retain DfID programmes are the ones that do well on the need-effectiveness index, which India comes top in (mostly because it is so big). There are six countries that score less well on the index but which retain a DfID programme (Kyrgyzstan, the occupied territories, Somalia, South Africa, Tajikistan and Zimbabwe).

Ultimately, the decision of where to keep working is less important in developmental terms than the overall decision to reduce the number of programmes. The reality is that almost all the poor countries of the world would benefit from a well-run DfID programme. The index does seem a fairly weak basis for judging where aid will be effective and slightly better at assessing where aid is needed, but the qualitative assessments and discussions with country experts will have been crucial. Further details on the individual decisions will be published in April and will be read with interest.

From top-down to bottom-up?

This government has already shown that it likes to present everything as if it is a brand new approach to development. In their foreword, David Cameron and Nick Clegg emphasise a focus on "real evidence" of progress rather than "sending money off in the hope it will do some good", which is presumably what was happening before they came to power. While this has obvious party political motivations, it may irk more than just the Labour party and DfID staff who thought they had been carrying out profound impact assessments for many years.

Nevertheless, one genuine innovation is presented in this aid review. Whereas previously country programmes would be allocated money and then come up with a strategy to spend it, now they have to apply to head office for funds to achieve specific projected results – what is called a "results offer".

This implies a genuine shift in culture, probably in a good way. A narrow "value-for-money" focus does present dangers, but ultimately results for poor people are all that matters in development. So an unrelenting focus on results is welcome, *as long as* that doesn't mean short-term deliverables at the expense of long-term sustainable change, and as long as value for money does not mean risk-taking will be penalised.

Time will tell if these changes really constitute a "new approach to development". The danger is that while it is sold as bottom-up, the impact could be the opposite. Since 2003 a huge international initiative to improve aid's impacts has been developing, known as the Paris Agenda for Aid Effectiveness. Apart from "managing for results", the declaration, signed by all OECD donors and most aid recipients, emphasises the need for donors to co-ordinate their aid around recipient country-led priorities.

The idea is that recipient countries take the lead in developing their anti-poverty strategies, and donor governments gather to support them. It's called "country ownership". There is literally no mention of these terms in the aid review, let alone support for the Paris process.

It is worth mentioning that there is no discussion of aid conditionality or aid dependency, perhaps the two most important impacts of aid as most of these countries enter their fourth or fifth decade as aid recipients. When will the aid industry begin to address these issues with the seriousness they deserve?

By continuing the push for more focus and results, this review will make easier the task of defending the UK's support for international development to an increasingly sceptical public. But it does nothing to quell concerns over the tension between enhancing development effectiveness and gaining public trust.

At some point, it may be necessary to engage in communicating the complex reality of development to the British public. It is a shame, then, that, according to what I have been told, the development education budget has been cut.

An extended version of this analysis can be found on the Overseas Development Institute's site http://www.guardian.co.uk/commentisfree/2011/mar/01/coalition-aid-cuts-poverty?INTCMP=SRCH

Aid cuts: the poverty competition

In the coalition construct aid is set in opposition to the NHS and Africa's poor aren't Britain's concern

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    -
        - Ros Wynne-Jones
        - guardian.co.uk, Tuesday 1 March 2011 21.30 GMT
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And so, once again, the poorest pay for an economic crisis they did nothing to create. At home it's certainly not the bankers who are belt-tightening. And abroad, the world's poorest people are hit twice over. Once, as developing country economies reel from the impact of a global crisis caused by western markets; twice because the west can no longer afford to lend the assistance that was apparently a luxury of boom times.

Some non-government organisations were celebrating yesterday that the cuts to the Department for International Development's budget were not as severe as anticipated, a neat feint the coalition government is beginning to specialise in. The department's budget is to be frozen, we hear. But as anyone whose wages have ever been frozen knows, it amounts to a pay cut – £2.2bn in this case, from the threadbare pockets of some of the poorest people in the world.

In the construct of our straitened times being rapidly assembled by coalition thinkers, overseas aid is consistently defined in opposition to our own domestic needs, as if it is an either/or choice. This is an entirely false dichotomy. DfID's budget accounts for much less than 1% of government spending and has nothing to do with how many doctors or nurses we have in the NHS. But it is a useful illusion.

The question Andrew Mitchell's constituents should be asking is not why is he helping distant poor people instead of them, but why champagne is flowing in the city once more yet there's no money for child benefit in the UK, or to benefit the poorest children abroad.As an alternative, a tiny Robin Hood tax on banks could mean there need be no choice between saving lives abroad and protecting livelihoods at home, while also ensuring the banks clean up their own mess.Who we choose to give to, and how we choose to give, defines us as a nation, and goes to the core of our moral values. In the brave new DfID that has been unveiled, winners and losers in the aid lottery are clearly weighted by the ordering of a new moral universe. Does helping them fit in with our anti-terrorism aims and our strategic economic interests?

The question becomes less about need and more, does helping them help us? (The coalition wants to focus up to 30% of overseas aid on volatile states such as Afghanistan and Somalia.) It also lends itself to further false dilemmas, as Andrew Mitchell – defending continuing aid to India as its economy booms – notes, "In India there are more poor people in three states than there are in the whole of sub-Saharan Africa," as if development spending were an ugly kind of Miss World competition.

In a globalised world, poverty is more than ever all of our problems, yet it has become grotesquely fashionable to knock the whole concept of aid, a beautifully conscience-salving opt-out. Western aid does more harm than good, goes the theory trotted out by dinner-party controversialists. It just simply doesn't work.

I have seen aid work, simply and beautifully, and also in complex, compound ways. I have seen emergency aid from DfID save lives in Mozambican floods and in Sudanese drought. I have watched development aid work in Rwanda, where tiny sums of money lent to farmers are still feeding families. I have seen both state and NGO aid work on other continents besides – in Kosovo, in East Timor, and in Thailand.

It is a lie that aid does not work. The truth is far more human – that sometimes there are failures of imagination or discipline. The answer is not to abandon aid, but to make it work better.

Aid is not the solution to poverty, but it is part of a solution that includes changing the way we trade, dealing with despots and corrupt governments, tackling climate change and the way international debt and finance is structured. But at its best, aid has the power to put books into the hands of children, food into the mouths of the hungry, and to offer suffering people their human dignity. Wouldn't those be the last things any government or any citizen would want to cut?

http://www.guardian.co.uk/global-development/poverty-matters/2011/mar/11/cdc-investment-development-scrutiny?INTCMP=SRCH

Britain's investment for development comes under scrutiny

Liz Ford Friday 11 March 2011 14.23 GMT guardian.co.uk

PovertyMattersBlog

A review of the government's development finance arm is focusing on its investment policies and inflated salaries

The CDC provides capital to invest in 'promising businesses' in countries such as Sierra Leone. Photograph: David Levene for the Guardian

Two days after the publication of the bilateral and multilateral aid reviews by the Department for International Development (DfID), a report emerged from the Commons international development committee (IDC) on the future of the Commonwealth Development Corporation – better known today as the CDC.

The CDC is the government's development finance arm, wholly owned by DfID, and with a remit to provide capital to invest in "promising business" and encourage greater investment in developing countries. It is supposed to invest where other investors may fear to tread. Around 50% of its capital is in sub-Saharan Africa. The corporation doesn't invest directly, but works through local fund managers, who in turn invest in local businesses. At the end of 2009, fund managers had made 794 investments in 71 countries.

As part of the "root and branch" review of his department's work, the international development secretary, Andrew Mitchell, is looking to reform the corporation, which was founded in 1948. And reform can't come too soon for some. Over recent years the CDC has been criticised for focusing too much on profits, rather than reducing poverty, and lambasted for the lavish salaries and expense claims of its top executives, which came to light in September last year.

In evidence to the IDC in January, Mitchell said the corporation had "lost its way". He wanted the CDC to widen its remit to allow for more direct investment, rather than its current "fund to fund" model through fund managers.

However, in its report, the committee appeared unwilling to wholeheartedly recommend such a "radical change to CDC's current operations", instead cautioning that direct equity investments should only be undertaken "if CDC can identify investments responsibly". It also said it wants further investigation into the CDC's use of tax havens.

The committee's main recommendation was to split the CDC in two, with one part left to continue private equity investments, which make "impressive financial returns", while the other takes more direct action on the poverty alleviation aspect of the corporation's brief. The committee has called this new branch of the CDC, CDC Frontier, presumably to reflect its mandate to invest in more risky projects in more need of support, and in which rates of return may be lower.

The committee chairman, Malcolm Bruce, said CDC Frontier "would have a specific mandate to reduce poverty, and invest in pro-poor sectors including agriculture and infrastructure". He said too much of its portfolio is in four middle-income countries – India, China, South Africa and Nigeria. "It should be working in poorer countries and with poor people such as farmers and small business owners, and accept lower returns."

The committee also called for salaries to be lowered, for tax transactions to be more transparent, and for DfID to have greater oversight of CDC activities – aligning its poverty alleviation agenda to the work of the corporation.

Christian Aid was heartened by the committee's stance on tax – the NGO is running a Trace the Tax campaign. "At present, tax dodging by companies trading internationally costs developing countries more than they receive in aid each year," it said.

However, John Hilary, executive director of War on Want and a vociferous critic of the CDC, was less enthusiastic. He said the committee had "failed to understand how CDC should be reoriented" and had failed to grasp how development occurs. "It's trying to have its cake and eat it by establishing two parts of CDC," he said. "The idea that it's going to lead to a long-term difference is pie in the sky. You need much more public sector investment."

He added: "The IDC really needs to do more to examine how development is brought to a country rather than believing in World Bank theories about trickle down."

The committee's report will feed into an ongoing review of the CDC by DfID. There appears to be plenty for Mitchell to chew over.

For example, how can the CDC prove its investments have real impact on the ground, that lives are changed, that they provide value for money, and that money goes where it's supposed to go? Fund managers have to sign up to a strict investment code, but no one is expecting them to be able to fully live up to high expectations straight away.

On the salary scandal, the committee said pay needs to be scaled back, and in his evidence Mitchell talked about wanting to attract bright young things who want to work in finance but who are not motivated by money, or those at the end of their careers in the City who want to give something back.

But if a new graduate willing to forego the delights of the City is found (difficult to imagine now with rising levels of student debt, but perhaps more so in the coming years as tuition fees – and debts – increase), will they have the necessary experience and expertise to do the job? Similarly, would someone at the other end of their careers want a job at the CDC, with the bureaucracy such a post will inevitably bring?

And is the government really committed to making significant changes to its tax rules? The CDC would no doubt argue that tax havens are necessary to attract investors – other than development financial institutions – into poor countries.

The final review of the CDC is expected in May. Its conclusions will be awaited with interest.

http://www.guardian.co.uk/public-leaders-network/2011/apr/06/dfid-financial-management?INTCMP=SRCH

DfID told to tighten up financial management

The Department for International Development must significantly improve its financial management, says National Audit Office

- Anna Codrea-Rado
- Guardian Professional, Wednesday 6 April 2011 09.00 BST
- A larger | smaller

An NAO report says that DfID's financial management systems have significant weaknesses. Photograph: Corbis

Following an increase in its budget, the Department for International Development must significantly tighten its financial management, according to a report from the National Audit Office.

At a time when other departments are facing significant budget reductions, the DfID has received an increase to its funding. Over the next four years, the department programme budget will grow by £3.3bn, a 34% increase in real terms. Its administration budget, however, will reduce by a third.

The NAOreport on 6 April into the department's new financial management systems says the department has improved its core financial management, but that key gaps remain. There are weaknesses in department's information systems which mean that it is unable to demonstrate its cost-effectiveness, nor is it able to accurately financially forecast.

The department, which employs just over 2,000 staff, also comes under fire from the watchdog for its financial skills. Two years ago, a previous review highlighted the lack of qualified finance staff in DfID. since then, it has has recruited more skilled financial professionals, but their expertise is not being effectively utilised across the business.

The NAO concludes that DfID has made significant improvements to its allocation of resources, giving it the potential to drive a stronger focus on its aid results and value for money, but that it must develop a coherent strategy to ensure this happens.

Sound financial management is essential in order for the department toensure it spends its larger budgets effectively, says the NAO, particularly as it will be spending more money in "fragile states" where there is a greater risk of fraud and corruption.

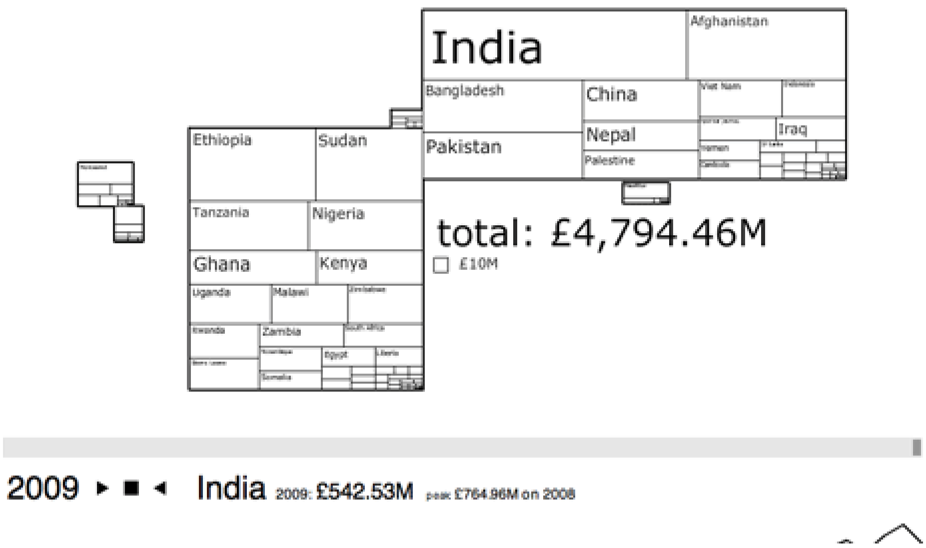
The watchdog says DfID should improve the quality of data provided by its partners, with data quality likely to remain a "signficant challenge" and says there is a risk that the desire to make early progress on projects might encourage the department to accept poorer quality projects.

http://www.guardian.co.uk/news/datablog/2011/apr/14/uk-aid-spending-history?INTCMP=SRCH

UK aid: where does it go to and how has it changed since 1960?

Who does the UK give aid to - and how has it changed over time?
• Get the data
• See the interactive guide to this data
• Visit the Global development site

- Claire Provost
- guardian.co.uk, Thursday 14 April 2011 08.17 BST
- A larger | smaller



UK aid over time. Click here for interactive graphic

Where does the UK spend its aid budget? And how has the geography of UK aid spending changed over time?

In March, the UK launched the most extensive shake-up of aid in recent history, and controversially cut aid funding to some of the world's least developed countries, including Niger and Burundi.

The much-anticipated bilateral (country-to-country) aid review significantly reduced the geographical scope of DfID's ambition, cutting the number of countries which receive UK aid by a third – from 43 to 27. It maintained the UK aid budget for India and increased spending in countries like Somalia and Nigeria. Under the review, Pakistan is set to become the biggest beneficiary of UK aid by 2014.

Decisions on which country programs to cut were reportedly made in part by the UK Strategic Defence and Security Review's stipulation that 30 percent of DfID funding goes to fragile and conflict-affected states.

Over the next two months, DfID will publish detailed country plans for how UK aid will be spent in each of the 27 "winners" of the March aid review.

In the meantime, thanks to Spanish design house Bestiaro who have put together a short animated history of UK aid spending for us, inspired by a similar project in the US. The data comes from the Paris-based Organisation for Economic Cooperation and Development (OECD), and follows the money trail from 1960 to 2009. (We'll have to wait until December to get the figures for 2010).

The OECD, which marks its 50th anniversary this year, monitors and catalogues levels of Official Development Assistance (ODA), what the rest of us call "aid." Note that ODA figures include both grants and concessional loans. Here we've pulled out gross – rather than net – flows, to look at where the UK spends its money.

Press play to watch the geography of UK aid shift over time. You can also click on individual countries, and see a running total of its UK aid receipts over the decades.

A few highlights:

• In 1960 the top recipients of UK aid are Cyprus and Malta, followed by Nigeria and Malaysia.
• But by 1961 this geography has already shifted dramatically, with Kenya and India emerging as the top recipients.
• For most of the 1960s and 1970s, India gets the biggest chunk of UK aid.
• With the new millennium, the sheer number of UK aid recipients seems to explode. In 2002, Serbia emerges as the top recipient, outpacing India. By 2005 Nigeria has taken the top spot, followed by post-invasion Iraq.

Which year saw a spike in UK aid to Malaysia? When did UK aid spending in Zambia start to drop? Which countries were the biggest beneficiaries of UK aid in the 1980s? Take a look.

We've also included the full data below. Let us know what you can do with it.

Download the data

• DATA: download the full spreadsheet

http://www.guardian.co.uk/global-development/2011/jun/03/private-sector-greater-role-uk-aid?INTCMP=SRCH

Private sector given greater role in UK international aid

UK aid will fund up to 300,000 companies in poor countries and encourage foreign investors to take advantage of highly profitable opportunities

- Claire Provost and Liz Ford
- guardian.co.uk, Friday 3 June 2011 10.00 BST
- A larger | smaller

The UK Department for International Development's new approach will aim to make it easier to do business in poor countries by, for example, funding infrastructure. Photograph: Pius Utomi Ekpei/AFP/Getty Images

The UK government's vision for greater private sector investment in developing countries was laid out this week in a report explaining how aid money will be used to directly fund businesses in poor countries and open "some of the world's most challenging markets" to British companies.

The report, published on Tuesday, says UK aid will directly fund up to 300,000 companies in poor countries and encourage foreign investors to take advantage of highly profitable opportunities.

Andrew Mitchell, the international development secretary and a former investment banker, said the new approach would help wean developing countries off traditional aid.

"Aid alone will never be the answer," he said. "It is business, trade and enterprise that will stimulate the economic growth that will help people, communities and countries to lift themselves out of poverty."

The report does not detail how much of the UK aid budget will be specifically directed to support business growth, and how exactly the Department for International Development (DfID) works with the private sector will depend on its country priorities. In Mozambique, for example, DfID will work to encourage private investment in rural roads and regional infrastructure. In Kenya, it will support the private delivery of services, and refocus attention on supporting private schools.

Overall, the strategy aims to support jobs for more than 10 million people and help more than 50 million gain access to savings, credit and insurance. It also pledges to help half of African countries to benefit from freer trade and to secure land and property rights for more than 6 million people.

It will give special support to companies that offer mobile banking services, and will help small and medium-sized businesses – which employ more than 45% of workers in developing countries – get access to credit. More broadly, the new approach will aim to make it easier to do business in poor countries by funding infrastructure, widening access to finance, and pushing governments to cut red tape.

DfID will also work with the private sector to invest in health, schooling and basic infrastructure, says the report, and will recruit people from the "commercial and financial world" for jobs and short-term assignments at the UK aid agency.

The announcement comes as the UK is under pressure to justify increases in its aid budget at a time of domestic public spending cuts. Mitchell said it was in Britain's interests to help developing countries develop vibrant private sectors and that the new strategy will help developing countries become more attractive trading partners for the UK.

"Promoting wealth and job creation in the poorest countries is not just morally right but it is in the UK's interest too," says the report. "Investing now in jobs and enterprise in these poorer countries means investing in the people and societies who will be the mass consumers of the future."

However, the shadow development secretary, Harriet Harman, said the private sector must never become a substitute for overseas aid, and that the UK government must do more to promote transparency and fight corruption if the strategy is to benefit the world's poorest people.

"Although the private sector can be a force for good, it can also be an engine of exploitation," Harman said on Thursday. "The government must insist on transparency and accountability from the private sector, particularly in the extractive industries, to ensure that those in the poorest countries of the world benefit from the wealth beneath their feet."

The report said DfID will work with investors, companies and governments to improve environmental and social standards. But Mitchell insisted that "most developing countries suffer more from too little private investment than from badly behaving investors".

Just 2% of foreign direct investment currently flows to the world's 48 least developed countries.

Charities will no doubt be closely monitoring how DfID implements this strategy.

Nick Roseveare, the chief executive of Bond, a British coalition of international development NGOs, said it hopes DfID's new approach will support charities to work with the private sector.

"We look forward to working with business to improve the way Britain implements its aid agenda and we hope that DfID will create additional opportunities by which the private sector and civil society can work together to achieve development results," he said.

CDC reform

This week, the UK government also released a new business plan for the Commonwealth Development Corporation (CDC), the UK government's publicly owned development finance body.

Following a one-year review of the CDC's activities by DfID, the organisation will now focus exclusively on low- and middle-income countries in south Asia and sub-Saharan Africa, where around 70% of the world's poorest people live. At present, the CDC invests about 50% of its capital in sub-Saharan Africa. No new investments will be made in Latin America.

The CDC had been previously criticised for lacking a development focus and for investing in areas already attracting significant commercial capital from other investors. Investments in India, for example, will, in the future, focus solely on the eight poorest states. The five-year business plan also stated that the CDC would avoid investment in sectors such as offshore oil and gas and late-stage mining.

Over the next five years, the CDC aims to invest £2bn, with a yearly average of £400m. At least £1.2bn will be invested in sub-Saharan Africa by 2015, while £0.8bn will be invested in south Asia over this period. The CDC will increase its direct investments, which are expected to account for 20% of its portfolio by 2015.

The organisation will have to clearly demonstrate the development impact of its investments, and make more information about its activities available on its website.

While the business plan did not specify any changes to salary levels for CDC top executives, which have been heavily criticised, it did state that the remuneration package would be more appropriate to a body working towards poverty alleviation.

The government rejected a recommendation from the House of Commons international development committee to split the CDC into two to allow one part to invest in more high-risk projects.

http://www.guardian.co.uk/commentisfree/2011/jun/12/uk-generous-aid-beware-power-politics?INTCMP=SRCH

Britain as the 'superpower of aid'? Beware the delusions that may bring

Cameron's commitment to aid is not just about detoxifying the Tory brand. It is also a way to gain soft power overseas

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    -
        - Madeleine Bunting
        - guardian.co.uk, Sunday 12 June 2011 18.00 BST
        - A larger | smaller

Did you drop your kids at the school gate this morning? Or perhaps you heard the chatter of a crowded school playground on the way to work? Well, imagine thousands of those voices silenced. By lunchtime on Monday, the fate of four million children across the developing world will be decided. This is the number of lives that can be saved by rolling out vaccinations in 70 of the world's poorest countries over the next five years.


Illustration by Andrzej Krauze

The very scale of this – the zeros that bedevil global aid – makes it hard to grasp. Put a child in front of us, and most of us would do anything to protect her or his life; talk of four million, and a lot of people shrug their shoulders. On Monday morning, David Cameron – in his first major initiative in development diplomacy in the UK – will chair a summit for pledges to the Global Alliance for Vaccines and Immunisation (Gavi). There's a shortfall of £2.3bn, and it's being seen as a litmus test of how well aid can survive in the age of austerity.

Quite frankly, child vaccines is the easiest sell in the aid business – if you can't raise money for this, you can't raise money for anything. Not only can you use photos of enchanting children all over your campaigning material – an opportunity that has not been missed by the NGOs that have been energetically drumming up support on both sides of the Atlantic – but the gut appeal of saving children's lives can be backed up by weighty analyses of this as one of the biggest win-win interventions in development aid.

Vaccinate a child and not only do you save lives, you also save many more children from the diseases that can cripple and stunt their physical and mental development – plus you save their families the costs of healthcare for their sick children. Disease is one of the major causes of poverty. And, if you are worried about global population growth, one of the most effective strategies is to reduce infant mortality. When more of their children survive, parents reduce their family size: the evidence is there. So even on this most neuralgic of debates – the age-old query of why do poor people have so many children – vaccinations offers the best answer.

But even with this armoury of arguments it's been tough going on making up the shortfall of £2.3bn in Europe and the US. The UK has remained admirably stalwart, but public attitudes towards development aid everywhere are sinking to an all-time low.

The One campaign's film succinctly captures a problem evident on both sides of the Atlantic. Stopping people in the street, it asked them how much the UK gave in aid. "Too much," was the near universal view – guesses came in at 10%-20% of government spending, even as much as an absurd 70%. They had little idea of what that bought: a few thousand schools perhaps?

When they were told that the true figure was 0.56%, and it saved millions of lives and bought millions more children an education, they professed to be astonished. This is the aid conundrum: resentment is deepening, awareness of the figures has gone askew and people have lost faith in its efficacy. If anything can shift some of this it would be vaccines. It's a textbook case of how aid can work, which is why Cameron and the development secretary, Andrew Mitchell, have made it a flagship policy since they arrived in government.

Their hope must be that they can begin to shift public aid scepticism ahead of the battle that lies ahead. Already Britain's aid budget is well ahead of other developed countries, at 0.56% of GDP compared with Germany's 0.38% or the US's 0.21%. Last week's sniping in the Daily Mail and the Express are only the opening skirmishes ahead of 2013, when the aid budget will jump by 33% to meet the target of 0.7% pledged for 2013.

Instead of incremental rises to meet 0.7%, the chancellor, George Osborne, plumped to backload it – significantly increasing the political risks. Cynics have been muttering about a sabotage strategy, but Cameron's passionate defence of aid at the G8 meeting last month makes it nigh on impossible now to backtrack. What's becoming clear is that the aid commitment is about more than detoxifying the Tory brand. It's about the novel notion of Britain as a "superpower of aid", as Sir John Major put it recently. The idea was quickly picked up and expanded by Mitchell. Just as the US is a military superpower, so the UK can be an aid superpower, he argued; a projection of power overseas of which the British can be as proud of as they are of the army or the monarchy.

It's a clever way to frame aid but it needs careful unpacking, because it has both some substance and the dangers of delusion – a tricky combination.

The substance lies in the fact that Britain is well out in front on aid, not just in terms of funding but also political commitment and expertise, as well as the effective advocacy and campaigning of big NGOs. Key players such as Bill Gates and the head of USAid, Rajiv Shah, are in town on Monday as Cameron plays the world statesman, tacit acknowledgement of the crucial UK role. Last month, the scourge of the aid industry as one of its most articulate sceptics, Bill Easterly, put the Department for International Development (DfID) top in his league of the world's aid agencies. We have a better reputation on doing aid than we have on fighting wars.

However, the delusions here are obvious: "superpower" is a peculiarly inappropriate term for the sensitivities of post-colonial collaboration with aid recipients. Aid has long been a way of securing status and prestige on the world stage, but this goes one step further. Ever wary of European self-aggrandisement, the term will bomb in Africa and even more so in India. Aid, it seems, is still tangled up in western power politics.

And there lies the rub, because this term speaks to an emerging debate in the US about aid as a political strategy: a way to project soft power, establish influence and spread values – which is often more useful than diplomacy or defence in a post-cold war world. This kind of argument for "smart power" also claims that aid is part of a security brief. If climate change and increasing natural disasters are likely to provoke huge disruption, aid policies on adaptation and resilience are a more constructive response than building aircraft carriers and missiles. There is plenty of sense in this – but also the risk that it skews aid priorities to serve national self-interest.

This kind of "smart power" strategy is an apt description for how China and Brazil are winning friends and admirers across the developing world. They do it without the quaint baggage of the British aid debate, with its overtones of charity and empire. The challenge ahead is all about communication, finding powerful ways to explain to a sceptical electorate that development issues such as feeding the world, water and health in the end affect us all. Stability, peace, prosperity: these cannot be simply national projects; global co-operation is a survival strategy. Four million children's lives saved by lunchtime would be a good morning's work.

http://www.guardian.co.uk/global-development/poverty-matters/2011/jun/15/uk-aid-boost-economy?INTCMP=SRCH

Should UK aid be used to save lives or boost the local economy?

Posted by Claire Melamed Wednesday 15 June 2011 15.21 BST guardian.co.uk

Poverty Matters Blog

Aid for vaccines and aid for economic growth bring about change in very different ways

A nurse vaccinates Ivorian refugees at a Merlin medical centre in Toe Town, Liberia. Photograph: Simon Rawles/Getty Images

What is aid for? We've been offered two different answers to that question by the UK government in the last couple of weeks. First off was the Department for International Development's private sector strategy, in which we were told that aid was about generating "opportunity and prosperity", for poor people through promoting economic growth (pdf) and the private sector.

Then we've seen the very high-profile conference on vaccines, where David Cameron promised that British aid would "save millions of lives".

So which is it? Aid as an investment in growth in the future, or aid as a form of welfare to save lives now? The new focus on results and value for money at DfID brings into sharp focus the difference between these two approaches, in particular the very different roles that aid plays in promoting growth or in saving lives.

Aid for economic growth and aid for vaccines bring about change in very different ways. A vaccine put into any arm, anywhere in the world, does the same thing. But how economies grow, and what impact that has on poor people, is all about specific and complicated relationships that depend on the country-, province- or even village-level circumstances.

This makes it more complicated for aid donors. While it's possible to estimate that for a given amount of money you can vaccinate a certain number of kids, it's much harder to design a credible "money in, results out" formula for aid that promotes growth.

Monday's pledge from the UK government on vaccines is apparently going to vaccinate 80 million children and save 1.4m lives. The private sector strategy, by contrast, promises to provide 40 million people with access to financial services, and to mobilise "pro-poor investment".

One is rather less specific than the other, in terms of the concrete difference that this aid is expected to make to people's lives. If you provide a vaccine, you can be reasonably sure that the child vaccinated won't get sick. But if you provide someone with access to financial services, you can't know if they will use any credit for borrowing or for investment, or if in fact they will borrow too much, have problems paying back and end up worse off. But that's the dilemma donors face when they get involved in messy and unpredictable processes like economic growth.

So what to do? One plausible reading of the evidence would be to say that although economic growth is key to development, it's not the business of aid. Aid isn't really that good at promoting "opportunity and prosperity" – the evidence base is too weak, the results too uncertain, and the whole thing so contingent on everything else that it really wouldn't be a good use of taxpayers' money. On this reading, aid should be about things that we really know work and are easy to monitor – such as, for example, vaccines.

A second way would be to say that given how important economic growth is to development as a whole, it would be ridiculous not to use aid to give that process a push in the right direction for poor people. Ultimately, the gains from getting growth right would mean that a country could pay for its own vaccines and lots more – the prize is so great that it's worth the extra risk.

Whatever side you come down on, what's certain is that thinking harder and being more explicit about what results UK aid is designed to achieve has made some of these difficult decisions more open and public than they used to be. Forcing people who make decisions about aid to say what they're getting for the money means the impact of spending on economic growth and vaccines, and all the other things that make up the aid budget, can be compared directly in a way that used to be much harder, and the trade-offs are more visible.

More information about results can't answer the question about whether aid should be spent on vaccines or economic growth. In the end, that's a political judgment. But information can show what the impact of those decisions is likely to be, and help the rest of us to judge whether the choices made are good ones.