



**Save the Children**

# **TRANSFORMATIVE AID**

**How UK aid can transform global development  
and children's futures**

# 1 A new mission for UK aid

In the Prime Minister's first remarks from Downing Street, he outlined his aspiration for a powerful Britain that is "generous in temper and engaged with the world".<sup>1</sup> In order to fulfil this ambition of reshaping the UK's role on the world-stage – at the same time as exiting the EU – we should start from our strengths. We should build on the 20 years of leadership provided by a first-class Department for International Development (DFID) and the UK's broader development ecosystem. This will ensure that our approach to international development is not simply to intervene to benefit the lives of some of the world's poorest people, but to support the transformation of countries' essential systems – and of those countries themselves.

In 2015, British leadership pushed the world to agree an agenda that made development a truly global undertaking, with the same standards for all nations and a commitment to prioritise those most in need: the Sustainable Development Goals (SDGs) and their pledge to 'leave no one behind' by reaching those people who are furthest behind first. Now, with only a decade remaining until the 2030 deadline, a transformative approach to sustainable development will be critical to meeting those British-inspired global commitments. Value for money – both for British taxpayers and in making the greatest impact for the world's poorest people – relies on making lasting change.

Thanks to the influence of DFID, the UK has set a global example as an effective and thoughtful aid donor. It has led the way in setting high standards of transparency and accountability, linking its aid spend to the size of its economy through the 0.7% commitment and legislating for a focus on poverty reduction and gender equality. Convening expertise from across Whitehall, civil society and the private sector, DFID sets benchmarks for other donors.

## TRANSFORMATIVE AID

Britain has built long-standing relationships with some of the world's poorest countries. As those countries develop, they often continue to engage with the UK as a trading partner or through providing a stable and prosperous business environment for British companies. For instance, India is now a key trading partner for the UK.<sup>2</sup> To build on our previous successes and finish once and for all the job of ending extreme poverty, all British aid must be *transformative aid*. While we have achieved a great deal, this final stretch – reaching those who have benefited the least from global prosperity – will be harder. Securing the full return on our investment is within our grasp, but will require a new approach for a new decade.

Transformative aid means aid that contributes to long-term systemic national change that prioritises the furthest behind and the sectors they rely on to survive and thrive, and ensures development is environmentally sustainable for future generations. Investing in health, nutrition and the education systems that improve children's lives is the best way to invest in the human capital needed to boost economic development and bring broader prosperity. Applying British learning to help build reliable tax systems and local governance institutions will assist other countries to develop the tools they need to independently finance their development.



Fancy Owiti, a nurse at a hospital in Kenya, has had training in midwifery skills from a Save the Children programme funded by DFID.

In Rwanda, Burundi and Myanmar, for instance, the application of British expertise, along with relatively small aid investments, has successfully supported tax reform: these countries are now able to fund their own services sustainably.<sup>3</sup> When Cyclone Idai destroyed lives and livelihoods in Mozambique, Malawi and Zimbabwe, the UK acted fast to lead international relief efforts to displaced people – including through investment in the Education Cannot Wait fund to provide education to children who had been forced from their homes, a commitment that was extended by the Prime Minister’s commitment made at this year’s G7 summit.<sup>4</sup> We can be proud of our role supporting education for a generation of children who would otherwise have lost the chance to learn, precisely the kind of investment that pays dividends for decades to come.<sup>5</sup>

## GENERATIONAL CHANGE FOR A MORE PROSPEROUS, PEACEFUL AND EQUAL WORLD

The values, skills and capabilities that we engender in today’s generation of children will dictate the development pathways of nations. These children represent our greatest hope for a more prosperous, more peaceful and fairer world. Failure to put in place the foundations for this world will have consequences for generations. It is through children that poverty, deprivation and the seeds of conflict are transmitted and thus endure. Children malnourished in their earliest years or raised in poverty will not realise their potential through education, holding back the progress of nations. Children raised during war and conflict will carry the effects of trauma in adulthood. When children are denied a chance to flourish because of their gender, the colour of their skin, their language or their ethnicity, their societies will carry the cost.



And if we fail to address the great challenges of climate change and ecological destruction, it is our children and subsequent generations that will pay the price.

Transforming children's futures is, quite simply, the right thing to do: the application of great power to a great purpose. Alongside this, British diplomats also tell us that the UK's role in international development is crucial in building our international influence. Our aid budget brings significant soft power, allowing the UK to convene other donors and line them up behind our agenda. Indeed, in the global 'Soft Power Index' 2018, Britain is ranked number one.<sup>6</sup> In a new global role, a focus on sustainable, systemic change will continue to put Britain at the forefront of efforts to meet the SDGs.

This paper presents an agenda for the course of a Parliament, setting out the path to 2030 and enabling us to achieve the commitments the UK has made to the world's most deprived and marginalised children. It is a plan for the UK government to recalibrate its development efforts towards transforming the systems that children need not only to survive, learn and be protected, but to grow up to play a part in creating a prosperous and sustainable future for their own generation and those that come after.



Sammy, age ten, reading with his sister, Janvier, and his mother, Josephine, at home in Gicumbi district, Rwanda. Sammy goes to a reading club and Josephine took part in training for parents as part of the DFID-funded Advancing the Right to Read programme to boost literacy in Rwanda.

PHOTO: JONATHAN HYAMS/SAVE THE CHILDREN

## 2 Transformative Aid

UK aid is crucial to achieve generational change and help deliver on the promises the UK has made towards the poorest and most marginalised children. Through the UN Convention of the Rights of the Child, the Sustainable Development Goals and the Addis Ababa Action Agenda on Financing for Development, the UK has committed to ensuring that development for every child is financed and that no one is left behind.

The UN estimates that achieving the SDGs will cost between \$3.3 trillion and \$4.5 trillion per year in low- and middle-income countries alone.<sup>7</sup> While aid can only provide some of the resources needed to achieve the SDGs, it is unique in the way that it directly contributes to tackling poverty and inequalities: it can be targeted at the poorest people and step in at times of crisis, achieving a direct, immediate impact on their lives.<sup>8</sup> However, for public finance – aid and tax income – to be truly catalytic, aid should also mobilise tax resources and support strengthening national governments' systems to provide key services for their citizens.

This requires building on Britain's strengths and following a principled approach to transform children's lives and build generational change. We propose four criteria, which we call the GAPS criteria for transformative aid, to guide spending and policy decisions:

### GENERATIONAL

UK aid should continue to focus on ending poverty in all its forms by investing in social sectors and children's development in order to drive generational change. Human capital investments in health, nutrition and education are critical to promoting economic growth and poverty reduction. Children's nutrition and health at the start of their lives makes a fundamental difference to their ability to learn, and good-quality education for all children is a prerequisite for a productive workforce.

### ACCOUNTABLE

Transformative aid must adhere to the international development effectiveness principles, including transparency and democratic ownership. It should

support sustainable development in line with the rules of the OECD's Development Assistance Committee (DAC) and the UK International Development Act 2002. Accountability also means strengthening participation: working to empower children, communities and domestic civil society to hold leaders to account, thereby driving accountability and active citizenship from the bottom up.

### PROGRESSIVE

Aid needs to address the economic and social inequalities that drive poverty and instability and that keep (and often push) the most marginalised groups behind. These include inequalities based on gender, disability and ethnicity. The SDG targets will not be reached without accelerated progress for the furthest-behind groups. Transformative aid means directly prioritising those who are furthest behind by allocating greater shares to those groups and to countries with the least resources to finance development.

### SUSTAINABLE

Transformative aid should help low- and middle-income governments to increase their domestic resources. It should be targeted at the poorest countries to address financing gaps and support long-term, sustainable and inclusive development by complementing countries' own spending and by strengthening local structures and systems to build tax income. Aid should prioritise development interventions that adopt sustainable technologies and practices. It needs to support transition towards sustainable resources and promote long-term, large-scale, sustainable development.

# 3 Analysis of UK aid against transformative aid criteria

This section assesses UK aid against the four principles of transformative aid to outline where UK aid already shows transformational features and where it can be improved.

## SNAPSHOT OF UK AID

The UK is the fifth largest aid donor,<sup>9</sup> spending £14.5 billion as official development assistance (ODA) in 2018,<sup>10</sup> when it met the target to spend 0.7% of gross national income (GNI) on aid for the sixth year in a row. The proportion of UK aid spent bilaterally and through multilateral agencies has remained relatively steady; in 2018, 63.5% of UK aid went through bilateral channels and 36.5% as core contributions to

multilateral agencies. Since the introduction of the UK aid strategy 'Tackling Global Challenges in the National Interest' in 2015, UK aid has been provided by an increasing number of stakeholders. In 2018, DFID was responsible for around 75% of UK aid; other government departments and cross-government aid funds channeled around a quarter of UK aid.<sup>11</sup>

## GENERATIONAL TRANSFORMATION

UK aid already shows elements of generational transformation: in 2018/19, UK aid delivered via DFID reached more than 60 million children and mothers with nutrition interventions and ensured 14.4 million children attended school.<sup>12</sup> The UK is the largest donor to Gavi, the Vaccine Alliance, and will host its 2020 replenishment. It is also the largest donor to the World Bank's International Development Association (IDA), the fund to support the poorest countries.<sup>13</sup> DFID has worked with the World Bank to develop and implement the human capital project, a flagship project under IDA, whose aim is to increase investments in health, nutrition and education in order to build the human capital needed for economic and social development.

In recent years, the share of UK aid spent on social sectors has declined while humanitarian spending has increased. While the increase in humanitarian funding is a welcome response to increased need to address protracted crises, the reduction in aid dedicated to human development is likely an

indication of changing UK aid priorities. UK bilateral aid to education fell from 11% in 2016 to 8.9% in 2017. Bilateral spending on health increased to 14.7% in 2017, though following an overall fall between 2013 and 2015. Humanitarian aid spending trebled since 2012, to 16.5% in 2017; however, in 2018 it decreased again slightly.<sup>14</sup>

With a proliferation of channels for UK aid, there is an even higher risk of reducing aid for human development. According to the National Audit Office, UK aid was spent by 22 public bodies other than DFID in 2017.<sup>15</sup> While DFID, which spends around three-quarters of the UK aid budget, has maintained a focus on social sectors over time, other government departments and cross-government aid funds invest far less in social sectors. In 2017, DFID spent 34.2% of its budget on these sectors, other providers only 6.5%.<sup>16</sup>

UK aid spent by DFID on social sectors has increased over the last few years, from 29.7% in 2015 to 34.2% in 2017. While this is encouraging, this is not sufficient to achieve generational change and reach the SDGs. Because, since the introduction of the UK aid strategy, DFID is proportionally

channelling less of UK aid, the overall share of UK aid for social sectors only slightly increased between 2015 and 2017, from 25.8% to 26.4%. If the share of aid spent through DFID had stayed constant at 2015 levels, almost £600 million more would have gone to social sectors in the last two years.<sup>17</sup>

Looking at countries at greatest risk of failing to meet health needs, for example, UK aid appears to be reasonably well aligned to need, though not entirely. Figure 1 shows the relationship between health burdens and the share of UK aid spending on health in each country. This illustrates that countries with higher health needs (as measured by child mortality) are receiving on average a higher share of aid. However, the countries in the top left corner of the graph – including Somalia, Central African Republic and Mali – receive very low shares of ODA for health, despite having a high burden. We found a similar trend comparing education needs and UK aid allocations.

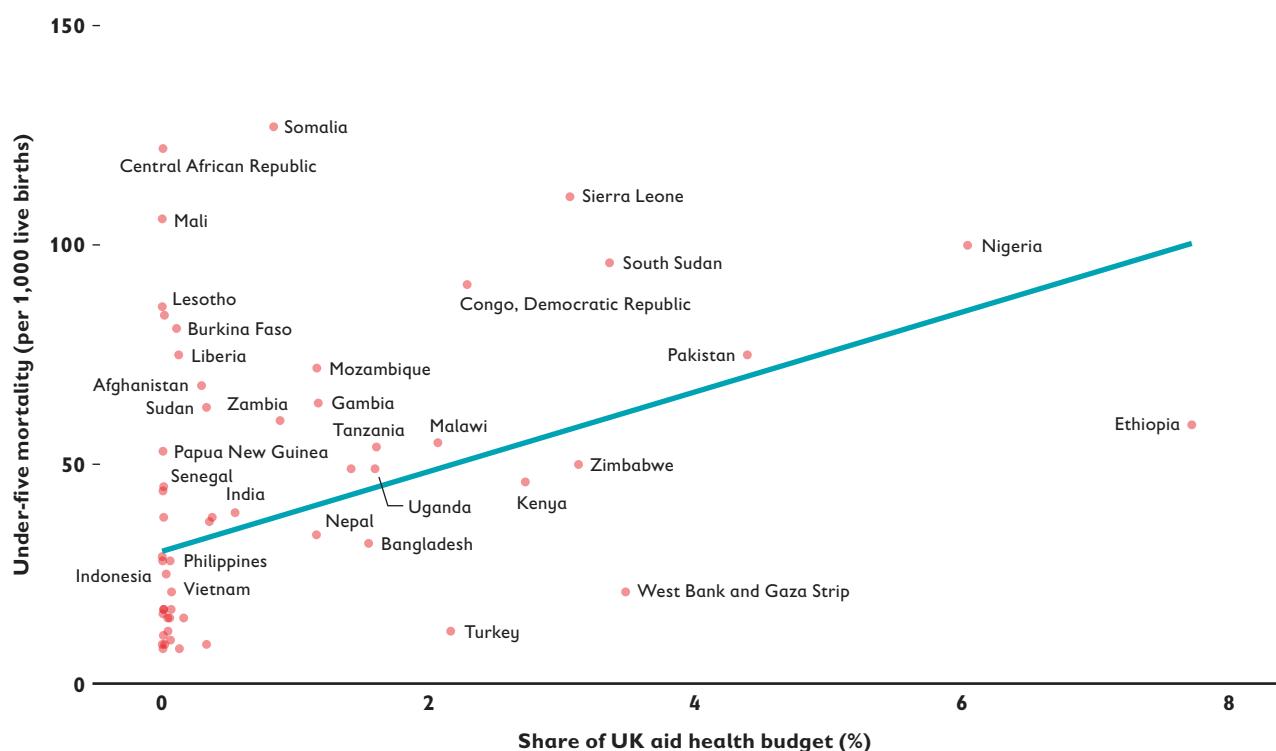
**To ensure UK aid fulfils the first principle of generational transformation, UK aid needs to focus more on poverty reduction, particularly investments in social sectors. As a first test, the UK should use the upcoming**

**replenishments of Gavi, Nutrition for Growth, and IDA 19, to show its commitment to generational transformation. DFID should continue to channel at least three-quarters of the aid budget.**

## ACCOUNTABLE TRANSFORMATION

The UK has been at the forefront of good practice in transparency in international development. DFID regularly ranks high in Publish What You Fund's Aid Transparency Index. However, its performance on the development effectiveness principles<sup>19</sup> has been mixed. The UK provides direct support to governments, thereby supporting national systems: 46% of bilateral aid is 'country programmable', which is slightly lower than average, meaning recipient countries have a significant say in its use and can plan for multiple years. The UK is also one of the only donor countries to show that 100% of its aid is formally untied, with recipients not obliged to use it to purchase from the donor country, and has legislated to ban tied aid. On democratic ownership, and the target to fund through country government systems, UK aid performance has been criticised as ineffective.<sup>20</sup>

**FIGURE 1: UK AID FOR HEALTH IS MOSTLY ALIGNED TO NEED BUT MISSES OUT SOME HIGH-BURDEN COUNTRIES: UK OFFICIAL DEVELOPMENT ASSISTANCE FOR HEALTH COMPARED TO COUNTRIES' HEALTH BURDEN (CHILD MORTALITY)<sup>18</sup>**





Ferhiya holds her twin sons Abdimenan and Abdihanan outside the temporary shelter they're living in after their village in Ethiopia's Somali region was hit by floods.



PHOTO: SEIFU ASSEGD/SAVE THE CHILDREN

The UK's reputation as a leading donor with high impact is on the decline. The Overseas Development Institute's 2019 Principled Aid Index<sup>21</sup> found that, since 2016, the quality of UK aid has declined in its 'public spiritedness', defined as the extent to which aid is allocated to maximise every opportunity to achieve development impact, rather than a short-sighted domestic donor return, and to focus on 'global cooperation'. The review of the Global Challenges Research Fund raised concerns as to whether some of the ODA-funded research under the Department for Business, Energy and Industrial Strategy had a close enough link to poverty reduction.

The proliferation of aid providers since the introduction of the UK aid strategy has implications for the effectiveness of UK aid. The Real Aid Index published by ONE noted that other government departments "don't meet the same high standards of poverty focus, effectiveness and transparency" as DFID.<sup>22</sup> While DFID receives a "very good" transparency rating in Publish What You Fund's 2018 Aid Transparency Index, other UK government departments show a poorer performance.<sup>23</sup> The

National Audit Office's recent review on the effectiveness of UK aid further states inconsistent performance on capacity implementation programmes and insufficient performance assessment.<sup>24</sup> The Taxpayers' Alliance, despite being a pressure group that generally campaigns against aid, recently concluded that spending by other government departments is less efficient and transparent than DFID and that waste has resulted from other departments "utilising the aid budget to cover the costs of projects that would once have been covered by the budgets of those departments directly".

Accountable transformation also means fostering participation among individuals, communities and civil society, including children, who have been recognised in the 2030 Agenda as 'agents for change'.<sup>25</sup> For example, including children in budgeting processes in Bangladesh has led to more inclusive results.<sup>26</sup> UK aid policies and spending decisions should do the same. UK aid also has a key role to play in building and strengthening local civil society to drive active citizenship and accountability at country level.



**To ensure UK aid fulfils the principle of accountable transformation, it needs to capitalise on transparency, effectiveness and participation. This includes ensuring aid providers other than DFID meet the same high standards and that the achievements made in the past are not reversed. To strengthen democratic ownership, the UK should provide opportunities for meaningful participation from children, beneficiaries and civil society.**

## PROGRESSIVE TRANSFORMATION

The UK has significantly contributed to the pledge to Leave No One Behind (LNOB) as part of the Agenda 2030. However, to be truly transformative, it needs to systematically accelerate progress in closing the gap between the children who are furthest behind and their peers. Though aid can only provide some of the resources needed to achieve the SDGs, it can help address root causes of poverty and inequity. The World Bank estimates that achieving gender equality in employment, for example, would reverse losses to global wealth of \$160 trillion – a number that dwarfs the SDG price tag.<sup>27</sup>

DFID has been a lead advocate on gender equality, bringing a strong focus on women and girls to its aid spending. The second phase of DFID’s Girls’ Education Programme, for instance, will focus on ensuring the most marginalised girls in 17 countries finish primary school and enroll in secondary school by 2025.<sup>28</sup>

Investments have also been made to reduce geographical inequalities. In Ethiopia, DFID supported the training of more than 30,000 community health extension workers. By focusing on extending health services to remote areas that previously lacked healthcare, this investment helps to provide preventative healthcare and treatment to citizens at risk of being left behind and contributed to the country’s near-universal primary healthcare coverage (93% in 2014).<sup>29</sup> DFID has long supported national health systems so that gains in health are widespread and long-lasting. Universal health coverage is the principle that health services are funded and organised so that the poor can access essential services free of cost.

UK leadership on LNOB has contributed to a stronger focus on inequalities at international level as well. The UK’s lead on women and girls has brought



A nutrition class, part of a DFID-funded programme in Sylhet, Bangladesh

PHOTO: TOM MERRILL/SAVE THE CHILDREN

gender equality to the forefront of joint action on health engagement (through the UK-initiated summit on family planning in 2017) and on education (at the UK-hosted Commonwealth summit in 2018 with Girls' Education Challenge commitments). DFID has also sharpened the focus on people living with disabilities by hosting the first Global Disability summit in 2018.

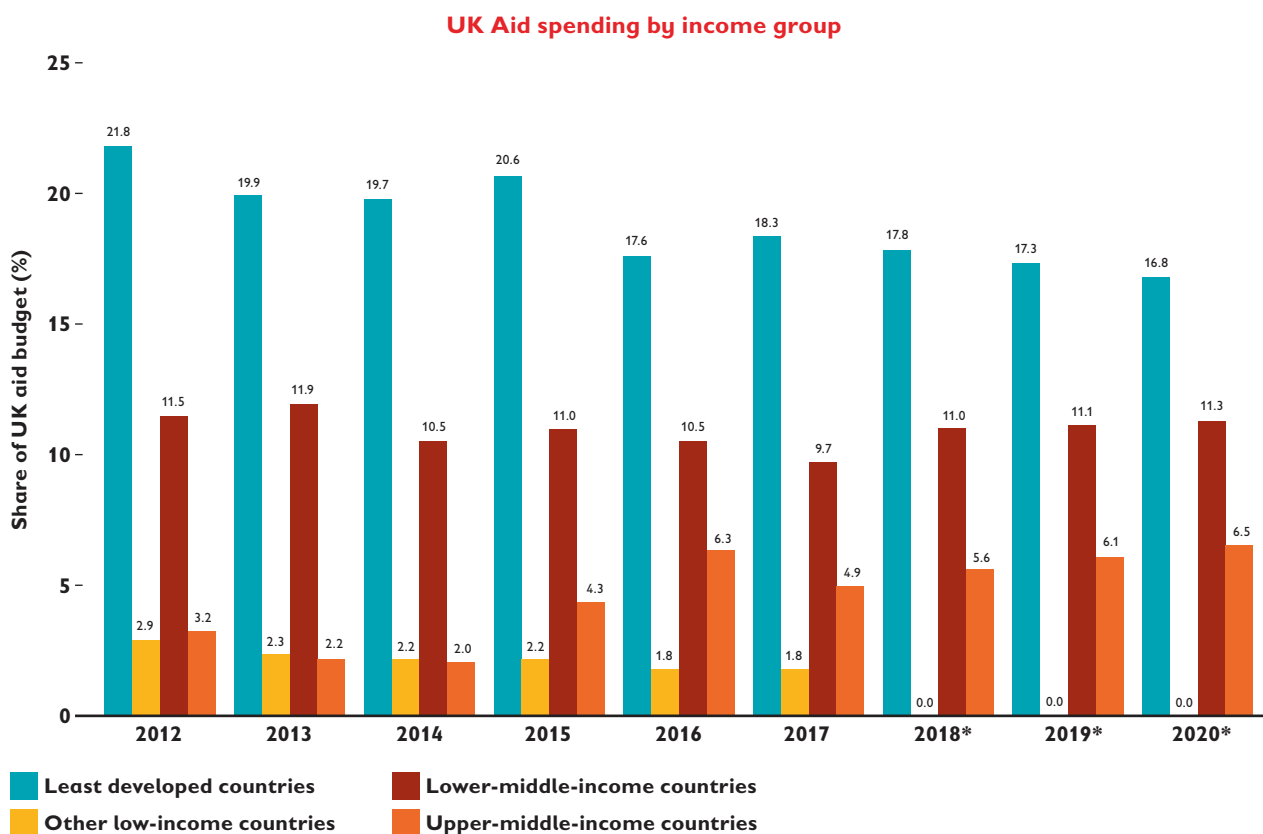
However, when looking at how UK aid integrates LNOB systematically, there are areas to improve its potential for transformation. An aid approach that prioritises those who are furthest behind must focus on the poorest and on fragile and conflict-affected states.

The UK contributed 0.23% of gross national income to least developed countries in 2017, thereby meeting the UN spending target of 0.20%. However, while DFID's expenditure is largely focused on the poorest states and on conflict-affected and fragile states in sub-Saharan Africa, South Asia and the Middle East, other government departments are increasingly allocating aid to middle-income

countries that are primarily of interest to the UK from a security, climate or economic perspective.<sup>30</sup> In 2017, DFID spent 23.4% of its aid in least developed countries, compared with just 5.3% by other departments.<sup>31</sup> The National Audit Office's recent assessment highlights that DFID is the main aid channel in conflict-affected and fragile states, with 57% of its bilateral aid going to them, while other UK aid providers are only marginally active in these countries.<sup>32</sup> This is particularly important in the light of the UK aid strategy's commitment to increase total aid spent in fragile and conflict-affected states to 50% of UK ODA.<sup>33</sup>

If more spending shifts to other government departments, the proportion of UK aid to be spent on the poorest countries and on conflict affected and fragile states is likely to fall. This will slow down progress on LNOB rather than accelerate it. For example, our projections show that, if current trends continue, the share of UK aid to least developed countries is going to fall below 17% by 2020 (Figure 2).<sup>34</sup>

FIGURE 2: UK AID TO THE LEAST DEVELOPED COUNTRIES IS PROJECTED TO BE IN DECLINE



\* Projections based on past trends between 2009 and 2017. The remaining UK aid spending has not been disaggregated by income group.

Integrating LNOB as a guiding principle in UK aid spending will require greater shares to go to those in greatest need. This includes adopting a focus on inequalities across sectors, and directing a greater share of resources to those countries furthest behind in reaching specific goals and within countries, to those regions and groups that are furthest behind.

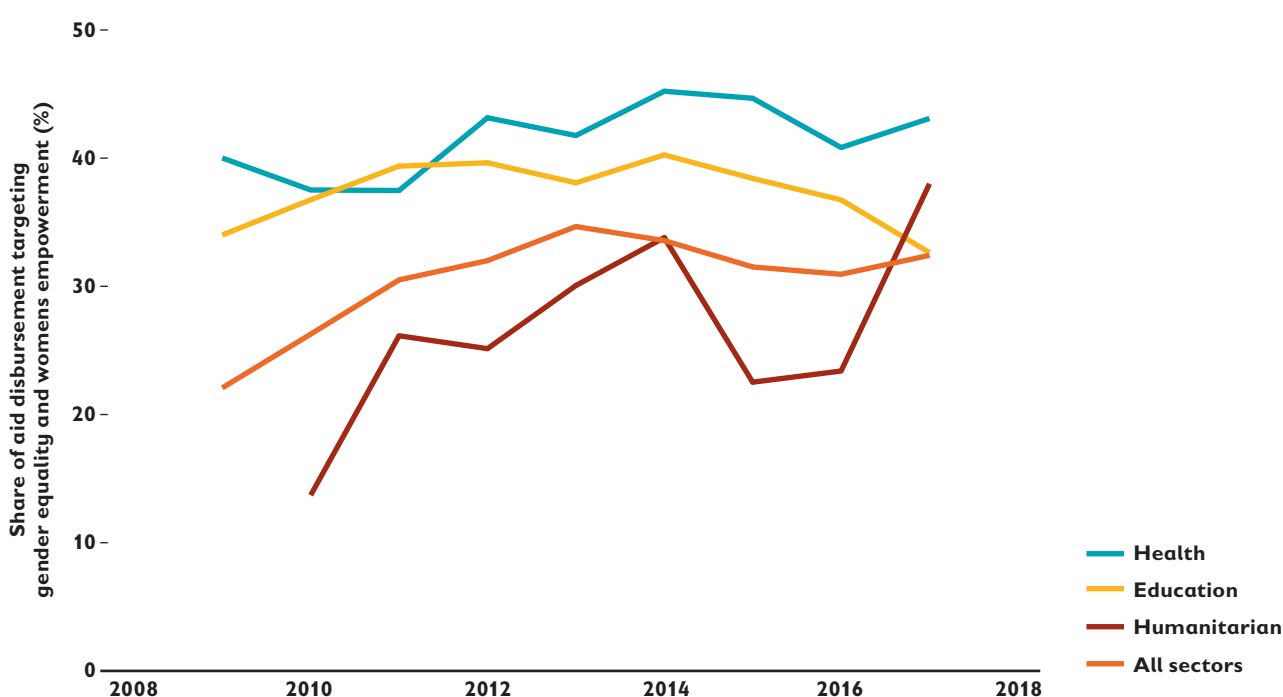
DFID's new strategic vision for gender equality, 'A Call to Action for Her Potential, Our Future', shows an increasing commitment to realising the rights of women and girls.<sup>35</sup> The proportion of aid DFID categorises as promoting gender equality increased from 22% in 2009 to 32% in 2017. The new strategy promises a more transformative impact through stronger understanding of what is required to disrupt unequal power relations and targeted investment in adolescent girls; adolescence is recognised as a critical window for intervention both in girls' own lives and to fast-track change in their communities. While gender-sensitive aid spending increased slightly in the health sector in recent years, and significantly in the humanitarian sector, there was a small decrease in the education sector (see Figure 3).

**To ensure UK aid fulfils the principle of progressive transformation, the LNOB pledge must be integrated in its aid policies and spending decisions. As countries increase their domestic resources, aid should increasingly focus on those countries without the ability to finance development (especially least developed countries and conflict-affected and fragile states) and allocate greater shares of UK sectoral aid to those countries with the greatest need.**

## SUSTAINABLE TRANSFORMATION

To be truly transformative, UK aid must strive to support sustained escapes from poverty. As conflicts become more protracted and more urbanised, and as climate change increases the frequency and severity of extreme weather events, more than ever before children are on the frontline of crises. While UK aid is critical to ensuring that these children are provided for, truly transformative programming helps to build the systems that can reduce the impact of crisis on their lives.

**FIGURE 3: SHARE OF UK AID SPENDING EXPLICITLY DEDICATED TO STRENGTHENING GENDER EQUALITY, IN HEALTH, EDUCATION AND HUMANITARIAN SECTORS**



Data Source: OECD's Credit Reporting System



UK aid already incorporates some transformative and economically sustainable elements. In 2015, DFID supported 26 countries to manage public budgets transparently, increasing to 40 countries in 2018/19.<sup>36</sup> DFID recently announced an aid package to strengthen tax and financial management systems in low- and middle-income countries.<sup>37</sup> In Rwanda, UK technical assistance and aid investments contributed to a tripling of domestic revenues between 1998 and 2006. Government spending in Rwanda on education has more than doubled since then and health spending has increased by nearly five times since 2003. Meanwhile, the proportion of Rwanda's budget financed by aid has declined.

Domestic public resources are, in the long term, the most sustainable resource for development. For example, the Education Commission estimates that 97% of the additional resources required to finance education SDGs will have to come from tax.<sup>38</sup> The UK has committed to double its aid to strengthen public domestic resources for development and to foster fair international taxation rules through the Addis Tax Initiative. DFID's strategic objective to promote global prosperity recognises the role that tax and local systems play in sustainable development.

Current UK aid investments in tax capacity are a positive first step, but still inadequate to catalyse domestic tax resources for development. DFID's

strategic objective on economic development is skewed towards catalysing private finance (£1,190 million invested by DFID in 2018/19), rather than working with governments to strengthen public finance and tax (£15 million invested in 2018/19).<sup>39</sup> While private investment is needed, more emphasis should be placed on building domestic tax resources. Despite commitments to double it, UK aid for domestic resource mobilisation has remained constant since the commitment was made in 2015.<sup>40</sup>

Donors are collectively meeting their target to double aid for domestic resource mobilisation (DRM) by 2020. However, these efforts have not led to the intended progress in significantly strengthening domestic resources at country level. According to Oxfam, only 7% of DRM-focused aid provided by Addis Tax Initiative donors in 2017 included equity considerations, such as progressivity of tax revenue.<sup>41</sup> Development Initiatives analysis shows that success in meeting the commitment on aid to strengthen DRM is largely due to a few donors, and efforts have been concentrated on just a few countries. With the Addis Tax Initiative going into its second phase after 2020, the UK has a unique opportunity to negotiate a stronger successor (with higher commitments that get closer to meeting the financing needs at country level), and significantly step up its own aid to strengthen tax capacity and mobilisation. Tackling systemic tax issues and international rules needs to be part of that.

## TACKLING TAX EVASION AND AVOIDANCE

Tax evasion and avoidance lead to significant resource losses in developing countries. More emphasis needs to be placed on tackling them. The City of London, one of the key financial centres in the world, has a role in facilitating global financial transactions in a way that contributes to equity and ensures countries have the ability to raise resources that are rightfully theirs. This can be done by:

- ensuring all countries are represented and have an equal say in decisions that affect global taxation

- reducing tax haven secrecy by requiring the true owners of companies and trusts to be publicly registered (public register of 'beneficial ownership')
- requiring multinational companies to publicly disclose and publish key economic data, including revenue, profit and tax paid, in every country in which they are present (public country-by-country reporting for multinational companies).

A recent study of the effects of aid on tax revenues across 47 African countries found that overall, aid had positively affected tax income.<sup>42</sup> In addition to stimulating development, if done well it strengthens national institutions and contributes to increased growth and trade – vital elements for a country transitioning towards a higher income status. As countries increase their wealth and move towards middle-income status, their tax revenue should increasingly finance social and economic development.

Several UK-aid-recipient countries have successfully transitioned from low-income to middle-income status. It is important to note that the majority of the world's poor live in middle-income countries.<sup>43</sup> As a key donor, the UK has a responsibility to support a positive transition from aid-based to tax-based funding of development, and to support middle-income countries with targeted investments as they increasingly finance development through tax. In the past, the UK's approach to helping manage transition has had significant flaws: DFID received an 'amber-red' rating from the Independent Commission for Aid Impact (ICAI) for weaknesses in

planning, relationship management and supporting countries throughout the transition process.<sup>44</sup> Since then, DFID has incorporated planning for transition into its strategic review.<sup>45</sup> A whole-of-government approach to UK aid is key for joined-up UK engagement on aid. Led by the Department for International Development and the Foreign and Commonwealth Office (FCO), each department and agency that spends aid should contribute to joint country plans that outline aid spend and strategy.<sup>46</sup> These plans crucially need to include considerations on transition to ensure UK aid delivers sustainable impact as well as value for money.

**To ensure UK aid fulfils the principle of sustainable transformation, Britain should help agree a more ambitious successor to the Addis Tax Initiative, and significantly step up its own aid to strengthen tax capacity and mobilisation. Tackling systemic tax issues and international rules needs to be part of that. The UK government should develop a whole-of-government approach on UK aid, which includes joint country plans and considerations on transition.**

## CHILDREN ON THE FRONTLINE

Long-term support to mitigate the impact of shocks to crucial systems and services can have a much greater impact for children in fragile states than an approach based on response. For example, the DFID-funded 'Building Resilient Communities in Somalia' programme, which has been delivered by Save the Children and other partners, gives communities the resources and skills to ensure that they are prepared for climate-related shocks, such as drought and flooding. When El Niño struck Somalia in 2015, the programme's preparedness work is estimated to have spared 4,779 households from displacement and destruction of assets; an estimated 12,111 hectares of farmland were spared a lost crop. For every US dollar spent

on this mitigation activity, \$28 was saved on emergency response and farmers saved \$91 in lost profits. In total, an estimated \$1 spent on mitigation saved \$119 of actual costs or profits.<sup>47</sup>

In conflict settings, ensuring strong systems are in place can also help to mitigate the impact of war on children. Our Schools as Zones of Peace programme works with schools in conflict-affected countries, such as the Democratic Republic of the Congo, to support children's and teachers' resilience in order to minimise disruption to education caused by conflict. Assistance is provided to help maintain schools as safe spaces for children.

# 4 Recommendations

As the UK seeks to reshape its global role and we enter the ‘decade of delivery’ for the Sustainable Development Goals, we have the opportunity to transform the life chances of the world’s poorest children by ensuring they can realise their rights to survive, learn and be protected.

An approach to aid that is truly transformative, and focuses on strengthening the systems that underpin human development, such as health and education, will not only bring lasting change to children’s lives but can support countries to finance their own development and reduce their dependency on aid in the long term. Transformative aid can cement British leadership, boosting our influence and building a foreign policy based on our strengths and values. And it will maximise value for money and build public support for aid that achieves lasting impact and increases sustainability.

In order to create an approach to aid that is truly transformative, we make the following recommendations to the UK government:

## GENERATIONAL TRANSFORMATION

- Increase the focus of UK aid on long-term poverty reduction, which can transform societies.
- Increase the proportion of aid spent on social sectors of health, education and nutrition, so that children have the chance to achieve their full potential and can be part of the generation that ends poverty in their countries. As a first test, the UK should use the upcoming Gavi replenishment, the Tokyo 2020 Nutrition Summit, and IDA 19, to show its commitment to generational transformation.
- Ensure that DFID remains responsible for spending at least three-quarters of the UK’s ODA budget.

## ACCOUNTABLE TRANSFORMATION

- Ensure that departments and agencies other than DFID meet the same high standards on transparency and effectiveness, and that the achievements made in the past are not reversed.
- Provide opportunities for children, beneficiaries and civil society to participate meaningfully in UK aid policies and spending decisions.

## PROGRESSIVE TRANSFORMATION

- Focus more sharply on those countries with the lowest resources or ability to finance development – ie, least developed countries and conflict-affected and fragile states.
- Dedicate greater sectoral shares to countries that are furthest behind in reaching specific SDGs and integrate throughout sectoral spend the cross-cutting issue of tackling inequalities.

## SUSTAINABLE TRANSFORMATION

- Agree a more ambitious successor to the Addis Tax Initiative, and significantly increase UK aid to strengthen tax capacity and mobilisation. Tackling systemic tax issues and international tax rules must be part of UK and joint action to increase domestic revenue at country level.
- Adopt a whole-of-government approach on UK aid under DFID and FCO leadership, which includes joint country plans, with a view to supporting middle-income countries in their transition.
- Prioritise development interventions that adopt sustainable technologies and practices, and support pro-poor, environmentally sustainable growth that benefits generations to come.



# Endnotes

- <sup>1</sup> Boris Johnson (2019), available at <https://www.gov.uk/government/speeches/boris-johnsons-first-speech-as-prime-minister-24-july-2019>
- <sup>2</sup> ICAI (2016) *When aid relationships change: DFID's approach to managing exit and transition in its development partnerships*, available at <https://icai.independent.gov.uk/html-report/transition/>
- <sup>3</sup> Department for International Development (2012) *Supplementary Written Evidence to the International Development Committee's Inquiry on Tax in Developing Countries*, available at <https://publications.parliament.uk/pa/cm201012/cmselect/cmintdev/writew/1821/tax22a.htm>
- <sup>4</sup> Department for International Development (2019), available at <https://www.gov.uk/government/news/pm-offers-education-lifeline-to-600000-children-living-in-conflict>
- <sup>5</sup> Gov.UK (2019), available at <https://www.gov.uk/government/news/penny-mordaunt-to-pledge-extra-cyclone-idai-funding-as-she-issues-stark-climate-warning>
- <sup>6</sup> Soft Power Index 2018, available at: <https://softpower30.com/>
- <sup>7</sup> UNCTAD (2014) *World Investment Report 2014*, p. xi, available at: [http://unctad.org/en/PublicationsLibrary/wir2014\\_en.pdf](http://unctad.org/en/PublicationsLibrary/wir2014_en.pdf)
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Front cover photo: Sammy, age seven, at school in Rwanda. His teacher has received training in using interactive teaching techniques through a DFID-funded reading programme run by Save the Children. Sammy also takes part in a weekly afternoon reading club in his community. (Photo: Colin Crowley/Save the Children)

**Save the Children fights for children every single day.**

**We stand side by side with children in the toughest places to be a child. We do whatever it takes to make sure they survive, get protection when they're in danger, and have the chance to learn.**

**Because every child should be able to make their mark on the world and build a better future for us all.**

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