**Foreign Secretary Statement on ODA - 26th November 2020**

I would like to make a statement to the House on Official Development Assistance. My Rt Hon Friend the Chancellor of the Exchequer updated the House yesterday on the economic challenges posed by Covid-19. It is a truly sobering assessment.

The UK is facing the worst economic contraction in almost 300 years, and a budget deficit of close to £400 billion – double that of the last financial crisis. Britain is responding to a health emergency, but also an economic emergency, and every penny of public spending will rightly come under intense scrutiny by our constituents. Given the impact of this global pandemic on the economy and, as a result, the public finances, we have concluded after extensive consideration, and I have to say with regret, that we cannot for the moment meet our target of spending 0.7% of Gross National Income on ODA. And we will move to a target of 0.5% next year. Let me reassure the House, this is a temporary measure. It is one we have taken as a matter of necessity. And we will return to 0.7% when the fiscal situation allows.

Madame Deputy Speaker, the International Development (Official Development Assistance Target) Act 2015 envisages circumstances in which the 0.7% target may not be met, in particular in the context of economic pressures. The Act provides for accountability to Parliament in that event, and I will of course report to the House in the proper way. Equally, given the requirements of the act, and the fact that we cannot at this moment predict with certainty when the current fiscal circumstances will have sufficiently improved, and our need to plan accordingly, we will need to bring forward legislation in due course.

Of course, we are not alone in facing these painful choices. All countries are reconciling themselves, not just to the health impact of the pandemic, but also the economic impact of covid-19. And it is worth saying that on the 2019 OECD data, only one other G20 member allocated 0.5% or more of GNI to development spending. That was before the pandemic. Many are re-appraising their spending plans, as we are being forced to do.

As a result of this, nevertheless, we expect our development spending next year to total around £10 billion, maintaining our status as one of the leading countries in the world, in terms of our ODA spend. So I can reassure the House that we will retain our position as a leader in the global fight against poverty.

We will remain committed to following the rules set by the OECD’s Development Assistance Committee. And we will ensure the maximum impact from our aid budget, through the strategic integration we are driving as a result of the merger at the FCDO, the strategic thinking informed by the Integrated Review, and further changes we are now making on how we allocate ODA to support a more integrated and overarching approach.

Our starting point is the Integrated Review. And with that review, we are setting the long-term strategic aims of our international work, based on our values and grounded in the UK national interest. To achieve this, we will be taking a far more joined-up approach right across the breadth of government. That’s why the Prime Minister created the FCDO, bringing diplomacy and development together, in lockstep with the work of our other government departments.

ODA is a vital, essential, and absolutely indispensable element of that strategic approach. But, to maximise its effectiveness, it must be used in combination with our development policy expertise, our security deployments and support abroad, and strengthened global cooperation through our diplomatic network. We make our aid go further by bringing it together with all these other elements, and by making sure that they are all aligned and pushing in the same direction.

Last week, the Prime Minister set out how we are strengthening our defence and security capabilities. This will boost our standing in the world, while also contributing to our development efforts, including our soft power abroad. The clearest illustration of this is peacekeeping. We have British troop deployments in Afghanistan, South Sudan, Somalia, the Democratic Republic of Congo and elsewhere working hand-in-hand with our development and diplomatic efforts. And indeed we are demonstrating that with our latest deployment of 300 UK troops to Mali. Our security and defence budget also helps countries deal with new threats. For example, supporting Nigeria and Kenya to assess and strengthen their cyber security resilience.

We will set out the full detail of the Integrated Review, early in the New Year, as we launch our presidencies of the G7 and COP26, with 2021 a year of leadership for Global Britain as a force for good in the world. This new strategic approach will allow us to drive greater impact from our £10bn of ODA spending next year, notwithstanding the difficult financial position we face. I will prioritise that £10bn in five particular ways.

First, we will prioritise measures to tackle climate change, protect biodiversity and finance low carbon and climate resilient technologies such as solar and wind in poor and emerging economies. I can reassure the House that we will maintain our commitment to double International Climate Finance, vital to maintaining our ambitions in this area as we host COP26. We will leverage our aid support through our diplomatic network, to galvanise global action, and ensure that countries come forward with ambitious, game-changing commitments in the lead-up to November next year.

Second, we will prioritise measures to tackle Covid, and promote wider international health security. We will maintain our position as a world leader, investing in the GAVI vaccine alliance, COVAX, the Global Fund for Aids, TB and Malaria, and the International Finance Facility for Immunisation. We will continue to support and strengthen the World Health Organisation as the 2nd largest state donor, and I spoke to Dr Tedros just yesterday about our efforts in that regard. And we will use all of our other levers to maximise British impact. For example, we magnified our COVAX contribution through our diplomatic efforts, which helped to convince the Board of the World Bank to announce additional funding last month of up to $12 billion for Covid vaccines, tests, and treatments. And again I spoke to World Bank President, David Malpass, just last night about our important collaboration in that area.

Third, we will continue to prioritise girls’ education, because it is the right thing to do, and because the fortunes of so many of the poorest countries depend on tapping the full potential of all of their people, which must include women and girls in education. Our global target, working with our partners, is to get 40 million girls into education, and have 20 million more girls reading by the age of 10. It’s a major priority for Global Britain as a leading supporter of the Global Partnership for Education, and next year we will raise $4 billion globally, including through our UK-Kenya Summit.

Fourth, we will focus ODA on resolving conflicts, alleviating humanitarian crises, defending open societies and promoting trade and investment, including by increasing UK partnerships in science research and technology. Because these are the building blocks of development, and require a long-term strategic commitment.

Finally, at all times we will look to improve our delivery of our aid in order to increase the impact of that our policy interventions have on the ground, in the countries and communities they are designed to benefit and help.

We will strengthen accountability and value for money, reducing reliance on expensive consultants for project management, and strengthening our in-house capability to give us more direct oversight and control, including by removing the total operating cost limits that were originally introduced when DFID was first established. As a result of this Spending Review, the FCDO will now take on a greater role in ensuring the coherence and coordination of development-related spending across Whitehall.

To maximise our strategic focus that I’ve talked about, I will run a short cross-government process to review, appraise and finalise all of the UK’s ODA allocations for next year in the lead up to Christmas. This is a moment of unprecedented challenge. On all sides of the House, we are defined by our willingness to make the difficult choices not just the easy ones.

With the approach I have set out, we will maintain our international ambition, and deliver greater impact from our aid budget at a time of unparalleled pressure on the public finances.

Like many in this House. I am proud of our aid spending. I am proud of the big-hearted generosity of the British people, which we amplify with our diplomatic energy on the world stage. I am proud of the huge amount we do to support the poorest and the most vulnerable people all around the world. The United Kingdom is out there every day, our people, on the ground in the disaster zones, in the refugee camps, tackling famine and drought, helping lift people out of poverty, striving to resolve conflicts and build a more hopeful future for millions of people struggling and striving against the odds. Even in the toughest economic times, we will continue that mission, we will continue to lead. And I commend this statement to the House.