



Scotland's International Development Alliance written submission to the IDC inquiry into Definition and administration of ODA

1. Scotland's International Development Alliance (formerly NIDOS) is the membership body in Scotland for over 110 organisations committed to creating a fairer world, free from poverty, injustice and environmental threats. This submission is supported SCIAF.

Summary

Systematic approach to proposing, developing and implementing changes to ODA

2. Changes to ODA Criteria should be regular and reviews should be set at intervals (for example, every 3-5 years). This would allow adequate time for implementation of previous reforms.
3. Any proposed changes should be based on the evidence of emerging needs. Any future changes to ODA should not be informed, in part or otherwise, by domestic political interests of DAC members.
4. Any proposed reforms should always be driven by a clear evidence-base.

Systematic and Evidence-Based Natural Disaster Response

5. ODA eligibility in response to disasters or other shocks, must be based on systematic, evidence-based, pro-sustainable development and pro-poor criteria. The primary purpose and focus of ODA must be upheld – ensuring that ODA is not diverted away from the world's poorest and most vulnerable people.
6. At the same time, we should ensure people in humanitarian need are supported wherever they are. OECD DAC member governments should activate other funding sources to respond to people in need in cases where it is determined that ODA cannot be justifiably used.

Commitment to multilateralism

7. The UK must remain within the DAC, and fully support the consensus-based approach under which it operates. Any changes to the ODA criteria or administration must be made within channels and mechanisms of the DAC, alongside other OECD members and made utilising the peer-review system.

Transparent, Accountable and Strategic Cross-Departmental ODA Spending

8. Improving transparency of all aid and all development stakeholders is an important and timely step in the right direction. All ODA, from any department, should be in line with the objectives of the International Development Act 2002: poverty reduction and sustainable development, strategic and aligned with the Sustainable Development Goals (SDGs).
9. Policy coherence within and across departments receiving ODA is also essential. Departments should not be funding activities and investments that undermine the objectives of ODA and the delivery of the SDGs in other countries. The UK's proposed changes to OECD/DAC rules on ODA

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Is the Government right to seek changes to the OECD's definition of Official Development Assistance (ODA)?

10. The UK government reasons for seeking changes to ODA, other than the stated goal of 'modernisation' have not been wholly clear from the outset. It is therefore difficult to judge whether seeking changes is indeed the right thing to do at this time. If the UK Government were aiming to achieve higher standards and more impactful aid, it would be better to focus on making sure ODA spending across other government departments is transparent and effective to the same standard as DFID, before changes to ODA definition are sought.
11. It should be added that maintaining a certain amount of predictability, stability and certainty in how ODA is defined is important for making sure aid is effective. The Alliance therefore supports a systematic approach to proposing, developing and implementing changes to ODA. Such a systematic approach should be based on a consistent timescale, and reviews should be set at regular intervals (for example, every 3-5 years). This would allow adequate time for implementation of previous reforms. Any proposed changes must be based on the evidence of changing circumstances and emerging needs.
12. Any future changes to ODA should not be informed, in part or otherwise, by domestic political interests of DAC members. Any proposed reforms should always be driven by a clear evidence-base.

What is your response to the Secretary of State's evidence to us on the areas where the UK is seeking changes?

13. The vulnerability of many small island states, in terms of their resilience to shocks that are climate-related, economic or otherwise, is broadly recognised. However, many other countries (for example land-locked or conflict affected states) face their own set of unique challenges and vulnerabilities. Therefore, any changes to rules on ODA eligibility in response to disasters or other shocks, must be based on systematic, evidence-based, pro-sustainable development and pro-poor criteria.
14. Such criteria must protect the primary purpose and focus of ODA, ensuring that ODA is not diverted from the world's poorest and most vulnerable people, at the same time as ensuring people in humanitarian need are supported wherever they are. OECD DAC member governments should mobilise other funding sources to respond to people in need in cases where it is determined that ODA cannot be justifiably used.
15. It should be noted that in a UK context, ODA rule change is not a necessary pre-requisite for the UK government to provide technical and other forms of assistance – through non-ODA channels - to its protectorates and overseas territories to minimise the impact of climate-related disasters through better prevention and preparedness measures.
16. Improving transparency of all aid and all development stakeholders is an important and timely step in the right direction. The UK could advocate for IATI membership and publication to be a requirement of DAC membership and for all ODA to

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be published to IATI, to improve the availability of timely and forward-looking information. However, the UK would be in a stronger position to make this case if it first prioritised addressing the inadequate transparency standards of the UK's other government ODA-spending departments.

17. Gender equality is fundamental to the Leave No One Behind Agenda, and as such, making sure ODA 'has regard to gender equality' – as in the International Development (Gender Equality) Act 2014 – should be considered a minimum requirement.
18. Finally, it is important that any proposition to change rules in the OECD DAC on peace-keeping are delayed until reforms agreed in 2016 have been fully implemented. At this juncture, improving cross-government coherence for development has the potential to be far more wide reaching in terms of helping to achieve peace-building and developmental goals.

What is your response to the decisions of the OECD's Development Assistance Committee reported in the Secretary of State's Written Statement?

19. In cases where states have recently graduated out of ODA eligibility, or are just above the threshold, applying flexibility to the ODA-eligibility is only right if robust evidence shows there is the developmental need for ODA; the evidence is undertaken by the DAC secretariat; and the evidence goes beyond GNI and GDP – broader measures of development and well-being such as inequalities and poverty levels must be taken into consideration.

Should humanitarian assistance/disaster relief always count as ODA, even if the recipient country/territory is High Income?

20. Humanitarian assistance or disaster relief should always be considered the right thing to do, especially after major disasters and other shocks. The UK should be proud of its record on this. For example, given the UK's relationship with and responsibilities towards Overseas Territories hit by recent hurricanes, it is of course right that we should respond to assist people in BVI, Anguilla and Turks and Caicos.
21. However, using ODA for this purpose means reducing the size of the ODA pot that is available to help people in poorer countries without the domestic resources or the institutional capacities to respond.
22. Therefore, humanitarian assistance/disaster relief cannot always be counted as ODA, and OECD DAC member governments should activate other funding sources to respond to people in need in cases where it is determined that ODA cannot be justifiably used. Decisions on whether to use ODA in high income countries should always be based on an evidence-led assessment of the future impact of the disaster.

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Should donors be allowed to direct ODA to poverty-stricken regions and communities within high income countries?

23. No. With the exception of catastrophic disasters or conflict of immense scale, high income countries (HICs) should be capable of financing development and tackling poverty and inequality within specific demographic groups or geographical regions. The UK and all other countries also have other levers, financial or non-financial means to encourage or support efforts to tackle poverty in HICs.

If the UK is unsuccessful in persuading the OECD to redefine ODA, what should the Government do?

24. There must be a continued commitment to multilateralism. The OECD DAC exemplifies a multilateral approach. Therefore, the UK must remain within the DAC, and fully support the consensus-based approach under which it operates. Any changes to the ODA criteria or administration must be made within channels and mechanisms of the DAC, alongside other OECD members and made utilising the peer-review system.

Do you think changing the law to allow the UK to use its own definition of development spending when accounting for performance against its 0.7% per cent target is justifiable?

25. No, as outlined above, the multilateral approach to setting ODA rules is vital. The UK also plays an important leadership role in international development, and we must lead by example. Maintaining our reputation as a 'global Britain' also seems more important than ever as we prepare to leave the EU, and a multilateral approach to changing ODA rules helps to underpin this reputation.

The administration of ODA by departments other than DFID

26. All ODA, from any department, should be:
- published via DevTracker through International Aid Transparency Initiative (IATI reporting);
 - in line with DAC rules;
 - with the objectives of the International Development Act 2002: poverty reduction and sustainable development;
 - accountable to both the Independent Commission for Aid Impact (ICAI) and the IDC;
 - strategic – with one strategy for ODA across all departments;
 - aligned with the Sustainable Development Goals (SDGs); and
 - transparent – all strategies should be published and developed with civil society input.
27. Policy coherence within and across departments receiving ODA is essential. Departments should not be funding activities and investments that undermine the objectives of ODA and the delivery of the SDGs in other countries.

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How effective is the ODA spent by DFID compared with that spent by other Departments?

28. The effectiveness of DFID ODA varies across sectors. However, DFID's high level of in-depth knowledge that helps inform their policy choices and the accountability of their spending stands out across all sectors. DFID has a world-leading expertise in managing aid with full transparency, which is not shared by other government departments with different incentives and remits. DFID remains the 'gold standard' other departments should aspire to and ultimately surpass.
29. Other government departments that are spending an increasing proportion of UK aid should meet the rigorous standards set by DFID.

What level of oversight and/or influence should DFID have over ODA spend by other Departments?

30. DFID should oversee and ensure effectiveness of all UK ODA. As the department with the most development expertise, DFID should be at the centre of all UK aid and development efforts. But further to this, DFID should push for and lead a joined up and coherent 'whole of government' UK approach to development. Much more needs to be done to demonstrate how the SDGs and the Paris Agreement will be implemented across government.
31. All government departments in receipt of ODA should be able to demonstrate how and to which SDG goals, targets and indicators they are contributing. This should include outlining how it is applying the Leave No-One Behind (LNOB) principles, as part of the Aid Strategy's objective of 'tackling extreme poverty and helping the world's most vulnerable'.

Should DFID be solely responsible, and accountable, for all UK ODA spending?

32. At this point in time DFID should be responsible for UK aid spending. It is the department that is best placed to make sure that all UK aid is effective, coherent and efficient. This does not mean that there is not a role to play for other departments and funds who each bring their own expertise and value to development. However, until other departments that spend ODA are scrutinised to the same extent as DFID, and can provide the same level of policy coherence and transparency, DFID should maintain responsibility for ODA spending.

How effective is the current system of scrutiny of ODA spent by departments other than DFID, including by the Independent Commission for Aid Impact?

33. Scrutiny by the International Development Select Committee (IDC), JCNSS, ICAI and the National Audit Office alongside the less formal scrutiny provided by civil society, the media and internationally by bodies such as the OECD DAC make UK aid one of the most scrutinised aid budgets and certainly the most scrutinised part of UK government spending.
34. Improvements must be made to scrutiny of non-DFID ODA. Other committees to which aid-spending departments report should also ensure that ODA spending and development work is specifically scrutinised as part of their regular work. The

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IDC should also have the power to summon Ministers and officials from all ODA spending departments. The Committee should report publicly on all responses from other government departments, whether satisfactory or otherwise. Reporting publicly on all elements of scrutiny and appraisal is important to help combat the negative portrayals of aid by the media.

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