

PM statement on Overseas Development

Aid motion: 13 July 2021

Mr Speaker,

I beg to move the motion standing in my name and the names of my RH Friends and I believe that on this vital subject, there is common ground between the Government and Hon Members on all sides of the House. We believe in the power of aid to transform millions of lives and that is why we continue to agree that the UK should dedicate 0.7 percent of our gross national income to official development assistance.

This is not an argument about principle: the only question is when we return to 0.7 percent and my purpose today is to describe how we propose to achieve this shared goal in an affordable way. And here we must face the harsh fact that the world is now enduring a catastrophe of a kind that happens only once a century.

This pandemic has cast our country into its deepest recession on record, paralysing our national life, threatening the survival of entire sectors of the economy, and causing my RH friend the Chancellor to find over £407 billion to safeguard jobs and livelihoods, and support businesses and public services across the United Kingdom.

He has managed that task with consummate skill and ingenuity, but everyone will accept that when you are suddenly compelled to spend £407 billion on sheltering our people from an economic hurricane, never experienced in living memory, there must inevitably be consequences for other areas of public spending. Last year, under the pressure of the emergency, our borrowing increased fivefold to almost £300 billion – more than 14 percent of GDP – the highest since the Second World War.

This year our national debt is climbing towards 100 percent of GDP, the highest for nearly six decades. The House knows that the Government has been compelled to take wrenching decisions and the International Development Act of 2015 expressly provides that “fiscal circumstances” can allow a departure from the 0.7 percent target, so one decision was temporarily to reduce our aid budget to 0.5 percent of national income.

In the teeth of this crisis, amid every other call on our resources, we can take pride that the UK will still invest at least £10 billion in aid this year, more – as a share of GDP – than Canada, Japan, Italy and the United States. And it would be a travesty if Hon Members were to give the impression that the UK is somehow retreating from the field of international development or lacking in global solidarity.

As I speak, this country is playing a vital role in the biggest and fastest global vaccination programme in history. We helped to create COVAX, the coalition to vaccinate the developing world, and we have invested over half a

billion pounds in this crucial effort, which has so far distributed more than 100 million doses to 135 countries.

This Government's agreement with Oxford University and AstraZeneca succeeded in producing the world's most popular vaccine, with over 500 million doses released to the world – mainly to low and middle income countries saving lives every hour of every day. The UK's expertise and resources have been central to the global response to this emergency, discovering both a vaccine and the first life-saving treatment for COVID.

We have secured agreement from our friends in the G7 to provide a billion vaccines to protect the world by the end of next year, of which 100 million will come from the UK. We are the third biggest sovereign donor to the World Health Organisation and the top donor to GAVI, which vaccinates children against killer diseases. We are devoting £11.6 billion – double our previous commitment – to help developing countries to deal with climate change, including by protecting their forests and introducing clean energy and I can tell the House that this vital investment will be protected.

And when it comes to addressing one of the world's gravest injustices – the tragedy that millions of girls are denied the chance to go to school – the UK has pledged more than any other country – £430 million – to the Global Partnership for Education, in addition to the £400 million we will spend on girls education this year.

Later this month, I will co-host a summit of this Partnership in London, alongside the President of Kenya. And wherever civil wars are displacing millions or threatening to inflict famine – in Syria, Yemen, Ethiopia and elsewhere – the UK is responding with over £900 million of help this year, making our country the third largest bilateral humanitarian donor in the world.

And it bears repeating that we are doing this in the midst of a terrible crisis, when our public finances are under greater strain than ever before in peacetime history, and every pound we spend on aid has to be borrowed and in fact represents not our money, but money that we are taking from future generations.

Last year, we dissolved the old divide between aid and diplomacy that once ran through the entire Whitehall machine by creating the new Foreign, Commonwealth and Development Office. And in doing so, my whole objective was to ensure that every diplomat in our service was actuated by the mission and vision of our development officials and that our aid was better in tune with our national values and our desire to be a force for good in the world.

So I can assure any Hon Member who wishes to make the case for aid that they are, when it comes to me or to anyone in this Government, preaching to the converted. And we shall act on that conviction by returning to 0.7 percent as soon as two vital tests have been satisfied.

First, that the UK is no longer borrowing to cover current or day-to-day expenditure, and second, that public debt, excluding the Bank of England, is

falling as a share of GDP. The moment that the forecasts of the Office for Budget Responsibility show that both of those conditions will sustainably be met, then from the point at which they are met, we shall willingly restore our aid budget to 0.7 percent.

The Government will of course review the situation every year and place a statement before this House, in accordance with the International Development Act. But as we conduct that annual review, we will fervently wish to find that our conditions have been satisfied. This is one debate where the Government and Hon Members across the House share the same objective and the same fundamental convictions. We all believe in the principle that aid can transform lives and by voting for this motion, Hon Members will provide certainty for our aid budget and an affordable path back to 0.7 percent, while also allowing investment in other priorities, including the NHS, schools and the police.

As soon as circumstances allow and the tests are met, we will return to the target that unites us, and I beg to move this motion.