

UK Official Development Assistance (ODA) allocations 2021 to 2022: written ministerial statement

The FCDO has responsibility for delivering £8,115m of Official Development Assistance (ODA) spend this year, approximately 80% of total UK ODA. I have recently concluded the FCDO's internal business planning process to allocate this budget for 2021/22 in accordance with UK strategic priorities against a challenging financial climate as a result of COVID. This statement updates the House on the conclusions of that process.

Throughout the business planning process, we strived to ensure that every penny of the FCDO's ODA spend brings maximum strategic coherence, impact and value for taxpayers' money.

The resulting portfolio marks a strategic shift, putting our aid budget to work alongside our diplomatic network, our science and technology expertise and our economic partnerships in tackling global challenges. We will focus on core HMG priorities for poverty reduction, including getting more girls into school, providing urgent humanitarian support to those who need it most, and tackling global threats like climate change, COVID recovery and other international health priorities. Based on OECD data for 2020, the UK will be the third largest donor within the G7 as a percentage of GNI.

The Integrated Review has helped guide the process, by setting out how an independent and sovereign global Britain will act as a force for good and use its influence to shape the future international order. To deliver that vision I have allocated resources to the seven priorities I set out to Parliament on 26 November:

- climate and biodiversity. FCDO will maintain a strong climate and biodiversity portfolio of £534m as we host COP26. In total, the FCDO will deliver more than £941m of activities this year, across all themes, that count towards the UK's flagship £11.6bn International Climate Finance target
- global health security. FCDO will spend £1,305m on global health. We will focus on the UK's position at the forefront of the international response to Covid-19, through our commitments to COVAX, GAVI and WHO, and through bilateral spend where the need is greatest in Africa
- girls' education. FCDO will spend £400m on girls' education. We will invest directly in over 25 countries, helping to achieve the global target to get 40 million girls into education and demonstrating our commitment at this year's Global Partnership for Education summit

- humanitarian preparedness and response. FCDO will spend £906m to maintain the UK's role as a force for good at times of crisis, focusing our work on those countries most affected by risk of famine, including Yemen, Syria, Somalia, and South Sudan. A £30m crisis reserve will enable us to respond rapidly to new crises
- science & technology. FCDO will make £251m of R&D investments across all seven themes of this strategy, with £38m targeted directly at science and technology including new innovations to tackle development challenges, including innovations in satellite imagery and AI to support humanitarian responses
- open societies and conflict resolution. FCDO will spend £419m to harness the UK's unique strengths in conflict management and resolution, and to project our support for democratic values and institutions, human rights, and freedom of religious belief. We will further drive impact and support democratic values and institutions through our diplomacy, including our new sanctions policy, which will shortly be extended to cover corruption. We have also protected Civil Society programmes, particularly Comic Relief, Commonwealth Veterans, Jo Cox Memorial grants within UK Aid Direct, UK Aid Match and VSO
- economic development and trade. FCDO will spend £491m to support new trade relationships with developing country partners, complementing our wider multilateral and capital investments to build the trade and investment partners of the future. We will use CDC and multilateral partners to drive mutually beneficial growth with strategic partners in circumstances where private sector investment is not practicable

A further £3,159m will meet the government's cross-cutting contributions to multilateral partners and global funds, including our pledge to remain the largest donor to IDA19, the African Development Fund, and other multilateral development banks; support Arms-Length Bodies such as the British Council; and cover FCDO operating costs. This is complemented by the ODA spent by other government departments, which I set out in a Written Ministerial Statement on 26 January 2021.

Within this framework, I have also ensured that the UK is able to exert maximum influence as a force for good in Africa and strategically tilt towards the Indo-Pacific. FCDO will spend around half its bilateral ODA budget in Africa, where human suffering remains most acute, including a major shift to East Africa to reflect the UK's unique role and clear national strategic interest. One third of FCDO bilateral ODA will be spent in the Indo-Pacific and South Asia, in support of our deeper engagement in that region, promoting open societies, reinforcing trade links and promoting climate change collaboration.

In China, I have reduced FCDO's ODA for programme delivery by 95% to £0.9m (with additional ODA in this year only to meet the contractual exit costs of

former programmes). The remaining £900,000 will fund programmes on open societies and human rights.

The UK remains a world leader in international development, not only through the impact of these financial allocations but also through the creation of the FCDO, integrating diplomacy and development to deliver greater impact. We will return to our commitment to spend 0.7% of gross national income on ODA when the fiscal situation allows.

Thematic area	FCDO ODA allocation 2021/22, £m
Climate change and biodiversity	534
COVID and global health	1,305
Girls' education	400
Humanitarian preparedness and response	906
Open societies and conflict	419
Science, research and technology	38 (plus thematic R&D)
Trade and economic development	491
Financial transactions	863
Programmes with cross cutting themes	1,940
ALBs, International Subscriptions and other fixed costs	1,219
Total	8,115