



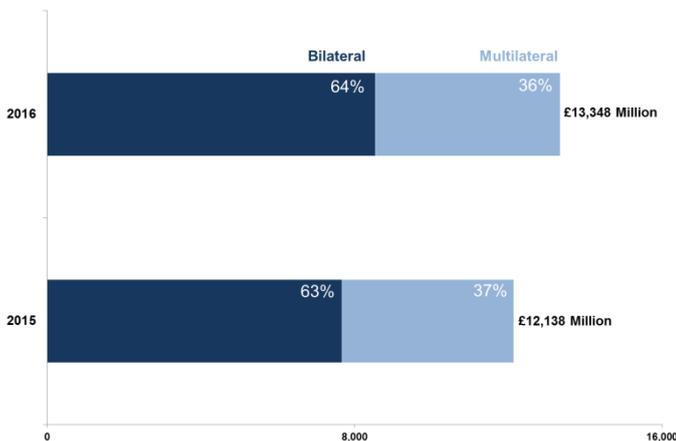
# UK Official Development Assistance (ODA)

An overview of official UK spend on international development and the UK target to spend 0.7% of gross national income per calendar year.

## 1. Results:

In 2016 provisional ODA represented **0.70 per cent** of UK Gross National Income (GNI). The total amount of ODA provided by the UK Government increased by 10.0 per cent to £13,348 million in 2016 compared with 2015. This was a rise of £1,210 million, from £12,138 million in 2015.

Figure 1: UK ODA by bilateral and multilateral flows



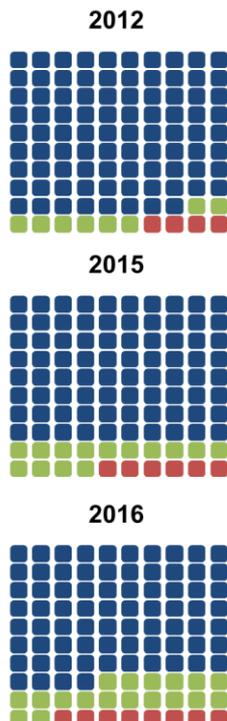
ODA can be bilateral spend (where spending is earmarked spend by the donor) or core multilateral spend (where funds from national governments are pooled with other donors' funding and spent as part of the core budget of the multilateral organisation).

In 2016 bilateral ODA increased by £868 million (a rise of 11.3 per cent); core multilateral ODA increased by £343 million (a rise of 7.7 per cent).

Bilateral ODA represented 63.9 per cent of UK ODA in 2016, and core multilateral contributions were 36.1 per cent. These shares are broadly similar to those reported in 2015.

Figure 2: Trends in shares of UK ODA

DFID's proportion of UK ODA is reducing every year. While Other Government Department's and Other UK ODA Contributor's share are increasing.



In 2016 the share of UK ODA provided by the Department for International Development (DFID) went down to 74.0 per cent from 80.5 per cent in 2015, while the share provided by other contributors of UK ODA (e.g. other Government Departments and non-departmental contributors) went up to 26.0 per cent from 19.5 per cent in 2015.

The largest non-DFID 'departmental' shares of UK ODA were: the Department of Business, Energy & Industrial Strategy (BEIS) (5.2 per cent of ODA); the Conflict, Stability and Security Fund (4.3 per cent) and the Foreign and Commonwealth Office (3.8 per cent).

The largest non-department contributions were non-DFID EU attribution of £478 million (3.6 per cent of UK ODA) and the UK's funding of the IMF Poverty Reduction and Growth Trust (PRGT) of £446 million (3.3 per cent) that supports low income countries, such as Afghanistan and Sierra Leone, with macroeconomic assistance.

## 2. Context

The United Nations General Assembly agreed on an international target of 0.7 per cent for the ODA:GNI ratio in 1970. The UK government first made a commitment to increase total UK ODA to 0.7 per cent of GNI by 2013, and in 2015 the commitment was enshrined in law. In 2013 the level of UK ODA increased to 0.7 per cent of GNI, based on the GNI methodology that was in use at the time (European Systems of Accounts 1995). Between 2013 and 2015 UK ODA continued to represent 0.7 per cent of GNI on an ESA 1995 basis. In 2016, the ODA:GNI ratio was measured according to GNI ESA 2010 (the current methodology for national accounts), the methodology that was taken into account when planning the ODA budgets in the 2015 Spending Review.

## 3. Methodology summary

Official Development Assistance (ODA) is produced according to standardised definitions and methodologies controlled by the Organisation for Economic Cooperation and Development (OECD). ODA is defined as resource flows to developing countries and multilateral organisations, which are provided by official agencies (e.g. the UK Government) or their executive agencies, and each transaction meets the following tests:

- A) It is administered with the promotion of the economic development and welfare of developing countries as its main objective; and
- B) It is concessional in character and conveys a grant element of at least 25 per cent.

The ODA:GNI ratio presents the level of UK Official Development Assistance (ODA) against Gross National Income (GNI).

In 2016 the ODA:GNI ratio uses GNI that follows an ESA 2010 methodology. The ESA 2010 methodology leads to higher levels of national income compared with the previous methodology for GNI, known as ESA 1995, due to additional areas of economic activity being included in ESA 2010. As part of the 2015 spending review, the UK Government increased UK ODA to meet the 0.7 per cent target based on the ESA 2010 measure of GNI and to reflect economic growth. More details about the recent changes in the GNI methodology and 0.7 per cent target are shown in the background note.

## 4. Data sources

Data for this publication comes from the following sources:

- DFID's 'ARIES' database that records financial transactions relating to DFID payments and receipts. It also includes information on the dates of transactions, where the transactions took place and in which sector. This information is primarily inputted by spending teams in DFID country offices and central departments, with some quality assurance carried out at input and centrally to ensure that spend is in line with OECD definitions of ODA. DFID spending makes up 74 per cent of total ODA in 2016.
- Similar databases for other departments. For non-DFID departments there is an assessment of whether the spending is in line with the OECD definitions of ODA. Non-DFID sources account for around 26 per cent of ODA.

## **5. Data quality notes**

The Office for Statistics Regulation (part of the United Kingdom Statistics Authority) has designated these statistics as National Statistics, in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the Code of Practice for Official Statistics. Designation means the statistics carry the National Statistics label and conform to the standards of National Statistics.

The statistics shown here are provisional, and may be subject to change between now and the final release of these statistics in autumn 2017.

The OECD DAC sets the definitions and classifications for reporting on ODA internationally. These are laid out in the DAC Statistical Reporting Directives. The statistics shown here are reported in line with these directives and are subjected to a quality assurance process as described in Annex 4 of Statistics on International Development here.