



Terms of Reference: Statistical review of the Gift Aid ODA estimate

National Statistics context

UK Official Development Assistance (ODA) and ODA as a percentage of Gross National Income (the ODA:GNI ratio) are part of DFID's National Statistics. National Statistics designation means DFID has a statutory duty to follow the best practice guidance set out in the [Code of Practice for Statistics](#). National Statistics (NS) compliance is monitored by the [Office for Statistics Regulation](#), who set the standards for the production of official statistics and requires producers to assure themselves that their statistics are robust and reliable to justify the NS brand.

Background

DFID is responsible for compiling total UK ODA, which is an internationally agreed measure of [official financial flows](#) from the UK to developing countries overseas for international development.

Much of the UK's ODA estimate is derived from financial transaction data, but a small share relies on estimated data. ODA eligible gift aid costs are such estimated data within total UK ODA. The estimate represents gift aid paid to charities by HM Revenue and Customs (HMRC) on donations made by UK taxpayers for ODA-eligible activities. This is included in ODA as a hypothecated tax incentive from government to NGOs¹ for international development.

The methodology and data for ODA eligible gift aid costs were last reviewed in 2013², and the aim of this review is to update the data sources and methodology taking into account changes that have occurred since then in UK charities involved in international development.

Scope

The review will look to:

- update the coverage of charities included in the sample estimate;
- review the methodology for determining the percentage of ODA eligible Gift Aid spend (i.e. whether a fixed single year, average year or rolling average year expenditure methodology is appropriate);
- review the methodology for grossing the sample estimate to a population figure for ODA, and
- review the timing, format and definitions of data supply for ODA monitoring and reporting purposes.

Review process and governance

The review will be carried out by statisticians in DFID's Finance and Performance Department (FPD), who are responsible for reporting UK ODA statistics. Any recommendations arising from this review will be considered by DFID's Chief Statistician for approval.

It will also involve the other stakeholders:

- **data suppliers:** HMRC, Bond, the Charities Commissions of England & Wales, and Scotland, UK charities;
- **policy stakeholders:** HM Treasury, DFID's Civil Society team.

The review forms part of a set of reviews in the on-going development of Statistics on International Development.

¹ [http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/DCDDAC\(2016\)3FINAL.pdf](http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/DCDDAC(2016)3FINAL.pdf), Page 38

² https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/248648/gift-aid-methodology-note.pdf

Timing and deliverables

The review was announced in Statistics on International Development (SID) 2017 and started at the beginning in late 2017 and is due to conclude during 2018. The main outputs of the review will be revised data to estimate the share of charities' expenditure on ODA-eligible activities (to be applied to the Gift aid amount granted by HMRC) and a short note outlining the methodology and findings. Key findings of the review will be published in a future edition of Statistics on International Development.

The review forms part of a set of reviews in the on-going development of the SID publication.

Contact

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