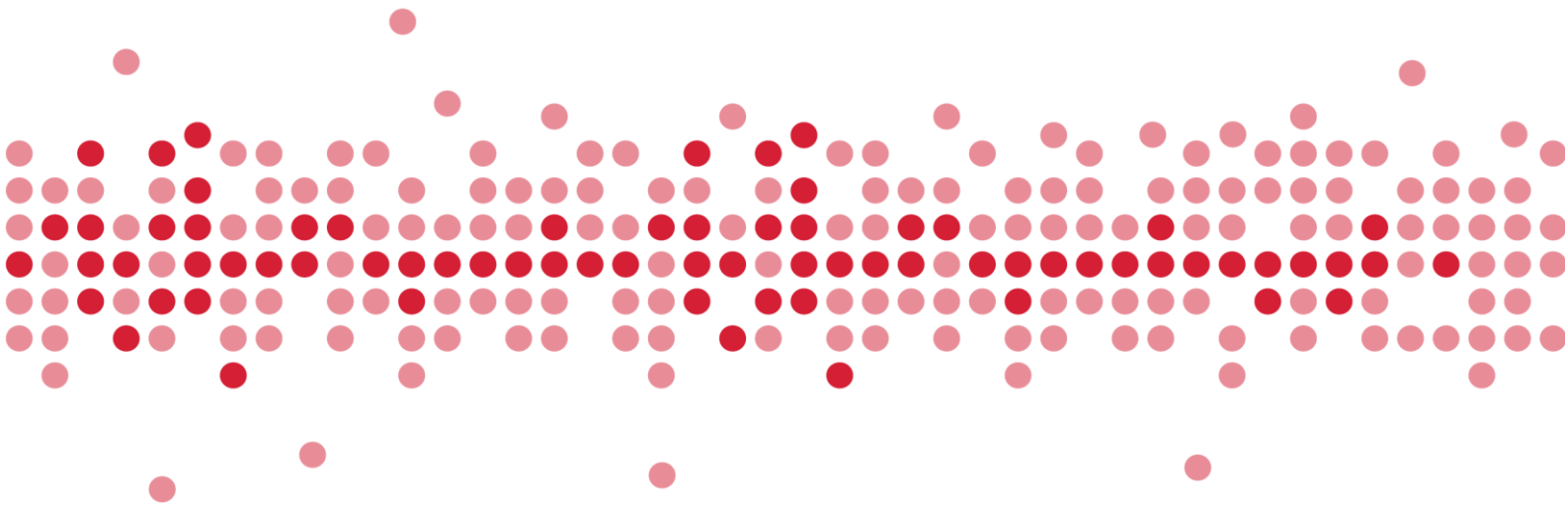


Evidence submission to the UK international development white paper

Submitted on the 16th September 2023



This submission was produced by Bond and responds to the formal questions set out by the Foreign Commonwealth and Development Office (FCDO) in its consultation on the ‘UK International Development White Paper’.

The submission was informed by views shared by Bond’s members at White Paper consultation session we organised (in collaboration with FCDO) on 4th September, and formal inputs from the following Bond Working Groups – Changing Donor Policy & Practice; Child Rights; Conflict Policy; Disability & Development; EU Funding & Policy; Humanitarian (and its Syria sub-group); Resilience & Learning; Sustainable Development Goals; Transparency. It also benefits from inputs from the Climate Action Network-UK (CAN-UK), Debt Justice and the Gender and Development Network (GADN).

Partnerships

The questions posed by the FCDO were:

- **How do partnerships need to change to restore the credibility of international development and the multilateral system and regain the trust of low- and middle-income (LMIC)?**
- **What role should the UK play in this and what specifically should we do differently?**
- **What should we do to ensure we are listening better to those most in need?**

To regain the trust of low- and middle-income (LMIC) country communities, the UK must deliver on its global commitments on development, debt, and climate finance. Alongside additional resources, this will require new partnership models rooted in justice, equity, and solidarity, in line with the Development Assistance Committee (DAC) recommendations on enabling civil society, and a new global paradigm capable of addressing poverty, inequality and the nature and climate emergencies. It necessitates meaningful, inclusive, and deliberative dialogue with civil society, both in the UK and partner countries.

Rebuilding credibility and building equitable partnerships requires a recasting of the role the UK and other high-income countries play in international development from “saviour” to partner. LMIC governments, civil society and other stakeholders are the primary agents of their own development. Power, resources and decision-making need to shift to local actors to reflect this reality.

Equitable partnerships require an intentional as well as patient approach to development that is committed to remedying past wrongs. Healing requires an honest acknowledgement of the ongoing legacy of Britain’s colonialism and addressing the racial components of structural inequalities. Reimagined partnerships must ensure the meaningful and equitable inclusion of all stakeholders. This will require a multi-pronged approach to remedying the exclusion of multiple groups and communities from the various spaces of international development governance.

With respect to its own partnerships, the UK should:

- Meet commitments to become a locally led donor through an ambitious action plan (with transparent targets and metrics) for supporting local civil society directly, mapping and unblocking internal roadblocks to equitable partnerships, empowering officials to make progress, and establishing dedicated funds to rebalance partner selection in favour of local/national CSOs rather than international intermediaries.
- Cast a wide net. Reach out to women’s rights organisations, youth movements, human rights defenders, groups that represent religious, ethnic and indigenous communities, the young, the old and people living with disabilities. These groups are experts in their contexts, their experiences and knowledge are vital for developing effective and sustainable solutions. The ‘right’ constellation of partners is going to vary. The white paper should build on the International Development Strategy’s (IDS) commitment to empower FCDO country offices to engage with a diverse set of stakeholders.
- Create the conditions for collaboration and cooperation. Listening to those most in need requires a fundamental change in power relations and a respect for different, and often more marginalised, perspectives. This means not just listening but reframing the structure and

exchange, so they become a dialogue of equals. **Meaningful dialogue** values local expertise and recognises that marginalised groups are agents of change and sustainable development.

- Invest in LMIC civil society partners with direct, long-term, and unrestricted funding, especially where civic space is constrained.

In multilateral spaces, the UK should use its leverage to:

- Support reforms for more equitable representation and decision-making power to LMICs
- Advocate for regular, meaningful dialogue with stakeholders in partner countries and lead by example by mandating British International Investment (BII) engages in same.
- Advance ‘accountability to affected populations’ reforms, convening other donors to drive progress and support capacity strengthening initiatives.

Big ideas and innovations: Part 1

The questions posed by the FCDO were:

- **What are the specific innovative proposals that can accelerate progress in international development?**
- **What initiatives, policies, partnerships, or technologies could result in accelerated progress?**
- **Are there big ideas on which the UK is particularly well placed to play a role?**

Bond reached out to its members to identify their priority innovations/big ideas to be addressed in the white paper. These proposals emphasise the importance of the UK:

Fairness and equity rooted in local and national decision-making.

The UK should:

- Be bold in tackling racism and the legacy of colonialism by recognising and remedying the assumptions, patterns and ways of working that undervalue LMIC actors’ contribution and expertise and perpetuate inequalities.
- Transfer resources, power, and leadership to LMIC partners for more innovative solutions that are effective, value for money and respond to the needs of those most affected. For example, through inviting communities/ national governments to commission work based on their needs.
- Lead the way on quality, sustainable funding that provides full cost recovery and addresses barriers to direct funding of LMIC civil society to ensure long-term, unrestricted funding especially where civic space is constrained. For example, the ways in which the UK’s counter-terrorism legislation and other policies prevent local organisations from applying for funding.
- Rethink its approach to “risk” in international development, humanitarian action and peacebuilding, and factor in a level of failure as a possible element of social change. FCDO should modify its risk profile for country strategies and programmes, to enable local civil society with more freedom to experiment and adapt. Initiatives by USAID, Sweden and the Netherlands on risk sharing are instructive.

- Support CSOs to generate their own income to reduce reliance on government funding and support a shift in power to local communities.
- Utilise social technologies like participatory budgeting and citizen panels to enhance buy-in and long-term success.

Resilient, self-determined, feminist system for long term success

- Build on the IDS's support for women and girls and embrace gender transformative approaches to development.
- Invest in building more resilient systems and structures, especially health systems, and communications and energy infrastructure, that can continue to function after a disaster event.
- Support wider systems strengthening, recognising their essential role in development. This involves supporting existing government plans (including national Sustainable Development Goals (SDG) plans), reinforcing transparency and accountability, and acknowledging community systems as fundamental to eradicating poverty.
- Align all ODA and non-ODA investments in agriculture with principles of agroecology endorsed by FAO; ensuring transition to sustainable food systems and reduce food insecurity.

An anticipatory approach to humanitarian need

- Invest and use UK expertise in disaster risk reduction systems and anticipatory action to strengthen preparedness and anticipatory action in crisis-affected countries - including through early warning systems and crisis-sensitive planning.
- Act to mitigate and reduce risks and vulnerability, to reduce poverty in a sustainable way and protect people from falling back into poverty following a disaster.
- Support the creation of a Global Conflict Observatory to undertake evidence-based and inclusive context analysis, suitably localised interventions, and monitoring. It should link to locally generated, participatory analysis of root causes of fragility.
- Strengthen humanitarian-development coherence between global funds to harmonise approaches, increase collaboration and share lessons.
- Engage non-DAC countries in sustained dialogue to broaden the humanitarian donor base.

Big ideas and innovations: Part 2

The questions posed by the FCDO were:

- **What new ideas for development cooperation would make the biggest impact in, or for, low-income countries?**
- **What are the best ideas to accelerate progress for middle income countries which still have large numbers of poor people?**

A joined up, equitable system of tax, trade and debt relief.

The best ideas to accelerate progress in low- and middle-income countries (LMICs) are those that level the playing field for trade, tax, global governance, and debt relief. The UK needs to support action to address how these create structural barriers to poverty reduction and equality and ensure that economic systems target wellbeing and environmental protection alongside growth.

This should involve:

- Putting the right rules in place to make the global economic system equitable and ensure that LMIC countries have the agency to drive their development process. As a first step, the UK should promote policy coherence based on SDGs through its development, diplomatic and trade relationships as well as domestically; ensuring domestic policies, such as on energy security, do not undermine poverty reduction and tackling climate change in LMICs.
- A published trade strategy that aligns development and climate policy within the next 12 months and puts trade in service of delivering global goods including ending climate change, poverty, and modern slavery. Any trade strategy should respect LMIC development strategies, protect LMICs from the export of social and environmental risks and set out ambitious targets for fair global trade rules.
- Making more money available by reducing international tax avoidance, especially in tax havens under UK jurisdiction, addressing illicit finance and helping to shape global international tax rules and financial transparency (for example through a global asset register)
- Urgently introduce new and better taxes and levies based on the Polluter Pays Principle to generate the finance needed for a just global transition that ensures climate finance is additional to ODA.
- Work towards comprehensive debt relief agreements that include bilateral, multilateral and private sector creditors are needed now. The UK has a key role in improving the systems for debt relief. English law governs around half of all private international debt contracts and 90% of bonds eligible for the common framework. The UK should pass legislation to incentivise private lenders to take part in debt relief. Debt Justice has outlined options in their submission. The UK should also support mechanisms that improve LMIC bargaining positions with creditors both at the outset and during any debt restructuring negotiations.
- Ensuring that LMICs are supported to provide quality public health, education, and social protection. ODA-funded private sector engagement in public goods must not undermine public provision and should be driven by social accountability rather than commercial interests.
- Investing in local economies and job creation, especially at the small and medium-sized enterprises (SME) level (the engine of economic growth in many states) and strengthening institutional capacities. The UK should use their leverage with other public development banks, and ensure that BII nurtures local economies and entrepreneurs, strengthen local economic resilience and serve local needs.
- Interrogating the development impact and value for money of using ODA to leverage private finance for poverty reduction and its effectiveness in reaching marginalised and particularly neglected communities.

- Democratised digital technologies, including Artificial Intelligence (AI), and ensure they are used to advance, not harm, human rights, and the achievement of the SDGs.

ODA and beyond (specifically focusing on financing)

The questions posed by the FCDO were:

- **How can Official Development Assistance (ODA) be most effectively targeted and built upon?**
- **How can non-ODA financing be mobilised to ensure ambitious, innovative, and transformational international development?**

Effective ODA must be based on what is needed by communities and should be poverty-focused and aligned with ODA effectiveness principles, the sustainable development goals and its promise to leave no one behind, and the Paris Climate Agreement. It must also be delivered through equitable partnerships that shift power and resources to local communities and put the rights and voices of those affected by poverty, including women, children and people living with disabilities, at the centre. ODA allocation should not be compromised by national security or political agendas. The UK could pioneer a clear financial model where debt relief and climate finance have clear roles and are additional to ODA.

We welcome the reintroduction of a poverty-based model for ODA allocations, which should be applied transparently and broadened to include contextual indicators, such as access to public services, disease burden, levels of poverty and inequality and impact on the most marginalised people. It should look at the potential and actual capabilities of the partner country to access diverse and additional sources of financing, including capacity for domestic resource mobilisation.

When taking a decision to withdraw or reduce a country's external financing, these criteria should be applied through a robust, context-specific impact assessment and risk mitigation framework. This must look beyond economic indicators, such as Gross National Income (GNI) per capita, which often hide vast inequalities within countries. FCDO should develop a robust sustainability and transitions framework to do this effectively.

The white paper should demonstrate a commitment to the internationally agreed ODA effectiveness principles, especially those of domestic country ownership, mutual accountability, and transparency. UK commitment to and emphasis on these principles has waned in recent years, and needs to be restated, together with clear plans for action. To promote country ownership, the UK's aid must be aligned with recipient country and community priorities, and the UK should also establish and maintain mechanisms for systematic dialogue with all stakeholder groups, who should play a role in signing off country strategies for UK aid. To promote mutual accountability, the UK should help to develop/re-establish country-level mechanisms for reviewing ODA management, including the performance of donors, building on international **best practice**.

All ODA should meet the highest levels of transparency and **International Aid Transparency Initiative** (IATI) standards on reporting, and cross-government information on decision making, budgets and spending should be made available in a comparable, consistent and timely manner.

To maximise impact and reduce unintentional harm, all ODA should be aligned with the Paris Agreement and Global Biodiversity Framework and must be conflict and gender sensitive. The UK should embed conflict and gender sensitivity principles across the whole UK ODA portfolio in conflict-affected and potential conflict contexts.

The UK should continue to use a range of modalities for funding its objectives, recognising that different modalities are best suited to different contexts. This should include providing ODA funding through

long-term, multi-year programming and working through country systems, to the predictability, ownership and sustainability of UK aid. The UK should also continue to deliver the majority of its ODA budget through grants.

ODA and beyond (specifically focusing on financing)

The questions posed by the FCDO were:

- **How should scientific and technological expertise, private finance and the private sector, trade and investment, civil society networks and diplomacy be engaged to support global development action and accelerate progress towards the Sustainable Development Goals (SDGs)?**

Cross government policy coherence is essential to delivering the SDGs. As per OECD guidelines, UK government should institutionalise policy coherence by creating cross-government coordination and accountability mechanisms, which FCDO should help to lead. Many OECD countries have created specific mechanisms, and the UK should learn from *existing experiences* (Finland, Sweden, Mexico etc).

UK science, technology and universities can support development outcomes through technology transfer and skills exchange. The new centres of excellence and other science/technology collaborations should focus on transferring technology, investing in local scientific capacity, and supporting the creation of technology hubs in LMICs.

The UK's diverse diaspora communities and their links to countries of origin (and to growing economic powers in Africa and Asia) are also important development, humanitarian, trade and investment partners, and should be recognised as such in the white paper.

UK trade and private sector investment are essential tools for development, especially innovative financing approaches. However, ensuring that these tools help reduce poverty, marginalisation and inequality requires targeting resources at the most being left behind and an approach to trade that delivers decent, adequately paid work, local ownership and entrepreneurship, democratisation of intellectual property rights and fairer redistributive gains.

To ensure that private sector collaborations deliver for equitable and sustainable development, the government must require that all private sector partners commit to apply mandatory human rights *due diligence* (mHRDD) processes, including in relation to purchasing practices and payment of living wages. The UK should also encourage UK stakeholders involved in commodity supply chains to work together in multistakeholder initiatives to improve incomes, sustainability, and local resilience.

Another clear set of actions would be to ensure that BII has the mandate, business model and ways of working to help maximise poverty reduction and sustainability. BII and other public development banks should not just fill resource gaps in the current market system. They should support the transformation of markets required to produce more inclusive and sustainable economies. BII has an opportunity to role-model responsible, transformative investing through securing Paris agreement alignment and implementing the Kunming-Montreal Global Biodiversity Framework and UN Guiding Principles for Business and Human Rights.

The private sector is not well-suited to every type of action. For example, SDG 4 denotes the importance of 'free' and 'public education' and there is strong evidence showing the public provision and regulation of education is imperative to ensuring quality and equity. The UK should therefore not be using aid to promote private education or health services, and instead focus on supporting equitable public systems.

The white paper should champion the role of civil society organisations (CSOs) in representing people, holding governments and other actors to account, and providing vital support to communities. Global development goals cannot be secured without CSOs playing a central role in the development process, and the UK should use the full force of its diplomatic influence to tackle the challenge of shrinking civic space across the world.

Climate and development

The questions posed by FCDO were:

- **How can progress on tackling ending poverty, economic growth, and the challenges of climate change be best brought together, in the context of Agenda 2030 (including building resilience, adaptation, and sustainable growth)?**
- **How can the opportunities be maximised? How can the limits and trade-offs be managed?**

Climate change is a threat multiplier exacerbating development challenges. The interaction between climate change, poverty, and nature requires a coherent and integrated approach. All policies and investment must be predicated on providing prosperity for all; limiting global temperature rise to 1.5°C; and halting and reversing the loss of nature.

However, coherence and integration does not mean a single toolbox or finance pot. The white paper is an opportunity to articulate the need for both climate and nature positive development AND dedicated resources to tackle climate change and biodiversity loss.

Aligning ODA and all financial flows with climate and nature goals.

ODA must have poverty eradication as its core objective and be aligned with the Paris Agreement and Global Biodiversity Framework to ensure no UK ODA contributes to climate change and nature loss, but instead is climate and nature positive maximising opportunities for co-benefits for people, nature, and climate. Alignment includes ending investments in all fossil fuels (including through BII) and scaling up renewable energy access; moving away from monoculture agribusiness to sustainable food systems; preventing harm to nature and supporting communities with locally led ecosystem restoration and strengthening.

Climate finance.

While no ODA/investment must harm climate and nature, dedicated new and additional resources are also needed to purposely mitigate, adapt, and address loss and damage. Tensions and trade-offs have been created by taking climate finance from the limited ODA budget rather than providing new and additional finance promised under the UNFCCC, both in terms of where ODA is spent and on what, and undermining global cooperation on 1.5°C, which will not be met without finance, with devastating consequences for all.

The polluter pays principle provides multiple opportunities for the UK to generate revenues for grant-based climate finance in addition to ODA levels.

Transformational International Climate Fund (ICF) must be/have:

- new and additional to 0.7% GNI ODA;
- grant-based, not debt creating;

- 50/50 balance between mitigation and adaptation;
- new and additional commitment for loss and damage;
- prioritise UN climate funds, including the new L&D fund, with specific mandates and balanced governance between HICs and LMICs;
- rights-based and locally led.

Loss and damage finance

Finance to address loss and damage is missing from current commitments and requires significant new grant-based resources. Climate change has and will continue to increase the frequency and severity of weather-related disasters as well as slow-onset climatic changes. The burden is falling unfairly on an underfunded humanitarian system, LMICs own budgets and borrowing, and communities.

UN humanitarian appeals for extreme weather events are eight times higher than 20 years ago, half of which over the past five years have gone unmet. The humanitarian aid system was not designed to respond to cyclical shocks, a changing climate, or to the current scale and frequency of humanitarian need. Grant-based finance, embedded in the principles of justice and solidarity, is needed to address loss and damage from climate change, and the UK must pay its fair share.

Multilateralism

The questions posed by the FCDO were:

- **What are the top priorities for strengthening multilateral effectiveness in international development?**
- **What are the issues and challenges most suited to bilateral cooperation (considering all levers)?**

The UK needs to invest in the multilateral system. The white paper must reflect a strong commitment to solidarity, fairness and collective action, in the spirit and letter of SDG 17, the Addis Ababa Action Agenda and the Paris Agreement. Multilateral action is the best way to tackle a range of global challenges, including climate change, global health, tax evasion and the debt crisis.

The white paper should rethink reducing funding to multilaterals. Multilateral organisations provide opportunities for UK ODA to achieve impact beyond its means. The UK's role in strengthening multilateral efficacy should include funding for proven multilateral initiatives that accelerate progress in global health (such as The Global Fund, Unitaid, UNAIDS and WHO), education (Global Partnership for Education) and the global climate fund.

Concurrently, the UK must support broader governance reforms that will readdress the systemic inequalities within processes and institutions and give voice and agency to all countries disregarding the size of its economic power, and to protect human rights and dignity for all – and be willing to sacrifice historical privileges within these institutions.

The UK must use its influence on the boards of the IFIs to end creeping conditionality and austerity and, in turn, promote progressive alternatives that allow governments in the LMICs the much-needed fiscal and policy space to determine how best to allocate vital resources and promote gender equality. This includes enabling investment in universal, gender-transformative public services and social protection.

Pressure to reform should accompany an ambitious International Development Assistance (IDA) replenishment.

The UK also has a disproportionate influence on financial transparency and global tax policies, in large part due to its Overseas Territories and Crown Dependencies. It plays a pivotal role to play in reforming global tax rules. Additionally, to support global tax cooperation, supporting the UN Model Tax Convention and the establishment of an intergovernmental tax body – under the auspices of the United Nations – is vital. Such a body would help create a coherent and level playing field where global tax rules are determined multilaterally instead of by a small handful of high-income countries.

The UK should support multilateral action on debt relief including for a timely, comprehensive (including private, bilateral and multilateral creditors) internationally agreed mechanism for resolving sovereign debt crises.

The UK could support the idea, endorsed by the US, for an international multi-stakeholder dialogue, bringing together national multi-stakeholder dialogue initiatives, on reducing the impact of sanctions and counter-terrorism regulations on humanitarian action.

The FCDO should set a strong example with regards to ODA transparency, deliver on their National Action Plan (NAP) commitments, score very good in the Index, as should other Other Government Departments (OGD) etc. and adopt previous Department for International Development (DFID) policies on ODA transparency. If the FCDO wants to regain the trust of LMIC actors, it should be able to track and report on precisely how much of its funding goes to local actors, including indirectly.

One critical aspect of bilateral support is working with, strengthening, and protecting civil society and bilateral support should be prioritised and go beyond traditional short-term outcome model of development.

Other key issues

The UK government can reaffirm its role as a credible global player by:

- Promptly and adequately fulfilling its funding commitments to these multilaterals and reinstating 0.7% ODA to be exclusively used in LMICs as opposed to domestically.
- Ensuring the FCDO has a strong mandate and oversight over ODA budget.
- Introduce a rigorous approach to ensuring that all ODA spending complies with the spirit as well as the letter of the International Development Act and DAC rules and delivers against the SDGS and their commitment to leave no one behind.
- Resource LMIC CSOs by covering administrative costs and providing core funding for network and institution strengthening and ensuring intermediary partners pass flexible funding provisions and full overhead costs to downstream partners. Grant applications and compliance procedures should be as accessible, flexible and fair as possible, to enable partnerships with a wider range of local organisations (considering language and donor capacity to manage small grants). Programme design should be led by local partners, they should be able to challenge and/or refuse any imposition of ideas and activities.
- Ensuring a focus on democracy, open societies and protecting civic space in the white paper. Civic space is essential for development. Progress on development, peacebuilding and other outcomes will be slower, less inclusive and less sustainable if there are restrictions on civil

society. The UK has the capacity to stand alongside nations such as the Scandinavian countries and the Biden Administration and play its part in protecting civic space and promoting transparency at the international level. It's also vital that UK NGOs have space to operate and campaign freely.

The UK's recent international development strategies have increasingly focused on the UK's interests and needs at the expense of LMIC. They have centred British expertise and priorities. The UK must recognise and address the structural causes of poverty and inequality - including those rooted in colonialism and patriarchy - and the role the UK currently plays in perpetuating these through its economic and foreign policies.

Ensuring coherence between the UK's international ambitions and domestic policies on issues like refugee protection – including demonstrating that the UK is applying the same standards its asks of LMIC as it does domestically will also rebuild trust.

ODA should prioritise programs targeting the root causes of inequalities, aiming to dismantle the barriers that disproportionately impact marginalised communities. This entails fostering equitable opportunities, eradicating discriminatory practices, and addressing the structural inequalities that prevent individuals from realising their full potential. This should include initiatives that advocate for the rights and well-being of marginalised groups. Funding legal reform, social awareness campaigns and support systems can empower these communities, contributing to a more inclusive and just society.

Increase commitment to recycle SDRs from 20% to 40%, and commit to recycling through alternatives to the IMF, including the African Development Bank and SDR bonds to increase reach. The UK should also work with likeminded donors to reform SDR allocation, so more resources reach LMIC during the initial allocation, removing the need for cumbersome recycling mechanisms.

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