



Scotland Malawi Partnership submission to the UK Parliament's International Development Committee inquiry on DFID's allocation of resources

January 2016

Executive Summary:

The Scotland Malawi Partnership is the independent, non-governmental, apolitical umbrella agency, which supports, coordinates and represents Scotland's many civic links with Malawi. We represent our 800+ members, which include: every Scottish university and many of its colleges, over 160 schools, and hundreds of churches, NGOs, hospitals, diaspora associations, youth groups, businesses, and all manner of community groups.

This submission looks to present the views of our members. Most of our comments specifically relate to the UK Government's new aid policy which was released in November 2016. We hope this is a constructive submission and continue to strongly support the outstanding work of DFID.

There is much within this new Official Development Assistance (ODA) policy which we support, most importantly we applaud the UK Government for its success and leadership in renewing the 0.7% GNI target. We also welcome: the renewed 2015 manifesto commitments; the commitment to working within OECD rules; the continued commitment against tied aid; and the stated geographic focus on areas with historical and cultural links. We recognise the considerable expertise and dedication of DFID's workforce in the UK and across the globe. It is precisely because of our belief in the good work that DFID does, that we are so keen to feed into such discussions, ensuring that DFID's efforts continue to be focused on the poorest and those in greatest need.

There are, however, eight areas of concern we highlight in this submission. We note with concern the overall tone of the new policy which seems focused on aid for the advancement of UK interests, and fear that this could become a new form of implicitly tied aid. We worry that the predominant focus on 'how will the UK benefit' will result in systems aligned more to the needs and priorities of the donor than the recipient. We express our concern that some 25% of UK ODA could now not be channeled through DFID, with ever increasing leadership from the National Security Council. We do not welcome the blurring of lines between development and defence.

We note the earmarking of 50% of all UK ODA to "fragile states", with no definition offered as to what this constitutes. We are concerned that focusing so much resource solely on the most visible countries in the media will cause a shift away from areas of extreme long-standing poverty, which do not receive the same media attention. Indeed, we note with concern the 43% reduction in DFID Malawi's budget from 2012/13 to 2016/17, despite the worst floods in a generation and the current food insecurity which is affecting 2.8 million Malawians.

We note with concern three shifts in aid modalities in the new policy. First, the move away from General Budget Support: here we call for clarity and consistency with the Government of Malawi, and recognition of the need to support institutional governance in Malawi. Second, the move to promoting prosperity through investment: here we note that CDC has been reluctant to invest in the very poorest countries like Malawi for too long, preferring middle-income countries where they deem their investment safer. Third, the shift to delivery through multilaterals: here we note that, too often, multi-laterals can see ownership and decision-making move away from the actual communities involved, to political hubs at Washington or Brussels.

We welcome the commitment to fighting tax evasion in the developing world but highlight the UK's own tax treaty with Malawi is so old it doesn't even recognize Malawi as an independent country. This 1955 colonial treaty is structured to maximise benefit for the UK and minimise benefit for Malawi: it is grossly in need of rewriting. Furthermore, we note with concern the lack of clear commitment to the Sustainable Development Goals and hope the UK Government will make an unambiguous commitment in this regard as soon as possible.

Finally, we note that the 22-page ODA policy makes no reference to engaging civil society, either in the UK or in the developing world. This is a worrying, and we fear telling, omission. DFID has a strong reputation globally: we fear this could be seriously damaged if there is a wholesale move away from engaging and valuing civil society.

1 The Scotland Malawi Partnership:

1.1 The Scotland Malawi Partnership (SMP) is the national umbrella body representing Scotland's many civil society links with Malawi. It exists to inspire the people and organisations of Scotland to be involved with Malawi in an informed, coordinated and effective way for the benefit of both nations.

1.2 The SMP represents its 800+ member organisations across Scotland, all of which have links to Malawi. Membership includes: every Scottish university, many of the colleges, over 160 schools, and hundreds of churches, NGOs, hospitals, diaspora associations, youth groups, businesses, and all manner of community groups.¹

1.3 The SMP is underpinned by a historic bilateral civil society relationship based not on 'donors' and 'recipients' but on long-standing, mutually-beneficial community to community, family to family and people to people links. It is a relationship built on trust and mutual respect. This is a new and innovative mode of international development and we believe it is powerful force for change.

1.4 More than 94,000 Scots and 198,000 Malawians are actively involved in this unique bilateral relationship each year, contributing in excess of £40 million, and directly benefitting more than 300,000 Scots and two million Malawians a year². 46% of Scots personally know someone engaged in a Malawi link, and 74% of Scots are in favour of these links (with less than 3% against)³.

1.5 The special people-to-people links between Scotland and Malawi date back to the travels of Dr David Livingstone, more than 150 years ago. The strength and vitality of the contemporary bilateral civic links are often attributed to four innovative features of the relationship: the priority of the relational; the mobilisation of civic society; a reciprocal partnership for development; and government working in synergy with people.⁴

1.6 Maintaining this strong principle of "Government in synergy with people", the SMP is pleased to have a close working relationship with both the UK Government and the Scottish Government as they implement their respective development programmes in Malawi. We hope to encourage further cooperation and inter-linked working between the efforts of UK civic society and the work of its elected governments, so as to maximize overall impact in Malawi.

1.7 It is important to emphasise that the Scotland Malawi Partnership is independent of both the UK and Scottish Government. We are pleased to receive core funding from the Scottish Government and value the absolute independence afforded by the Scottish Government. We are politically neutral and value our status as an independent charity. There has been no political involvement in anyway in the development of this or any other submission by the Scotland Malawi Partnership: we exist solely to represent, support and coordinate our members' work with Malawi.

1.8 The Scotland Malawi Partnership values the opportunity to feed into this inquiry and looks forward to working closely with the International Development Committee through this Parliament. We welcomed the strong commitment by the Committee in the last Parliament to engage the Scottish sector with an annual visit to Scotland, and hope this is continued. The SMP would be delighted to help facilitate engagements in Scotland for the Committee to meet representatives across Scottish civic society engaged in international development.

1.9 This submission to the International Development Committee's inquiry on DFID's allocation of resources looks to present the views of our members. Most of the comments within this submission specifically relate to the UK Government's new aid policy which was released in November 2016. We hope this is a constructive submission and continue to strongly support the outstanding work of DFID.

¹ To search the SMP membership, visit: www.scotland-malawipartnership.org. For a summary breakdown of our membership and work see: [Scotland Malawi: A Short Briefing](#)

² University of Edinburgh (2014) ['The value of Scotland's links with Malawi: building on the past, shaping the future'](#)

³ Scotland Malawi Partnership (2014) ['Public Awareness Study: Examining Scotland-Malawi links'](#) - Data taken from interviews with 516 randomly selected Scots.

⁴ Rev Prof Kenneth R. Ross (2014) ['Malawi, Scotland and a Relational Approach to International Development'](#)

2 DFID allocation of resources - welcome developments:

2.1 Achieving 0.7% of GNI for ODA:

The Scotland Malawi Partnership applauds the UK Government for its success and leadership in achieving its long-standing Official Development Assistance (ODA) commitment of 0.7% of Gross National Income (GNI). We strongly welcomed this 0.7% commitment being set in statute by the last Parliament and congratulate the current government for renewing its commitment to 0.7% in its November 2015 updated ODA policy, '[UK Aid: tackling global challenges in the national interest](#)'.

2.2 2015 manifesto commitments:

We welcome the renewed 2015 manifesto commitments set down by this Government, including, *inter alia*, the commitments to: save 1.4 million children's lives by immunizing 76 million children; help 60 million people get access to clean water and sanitation; improve nutrition for 50 million people; help 11 million children in the poorest countries to gain a decent education⁵.

2.3 Complying with OECD rules

We welcome the renewed 2015 manifesto commitment to ensure all UK aid remains untied⁶, and the November 2015 policy commitment to ensuring all ODA is in line with OECD rules⁷. However, as noted in section 3.1 of this submission, we note with concern that the tone and trajectory of some aspects of this new ODA policy could see a *de facto* tilt towards aid conditionality. Furthermore, in section 3.2, we highlight that while the new ODA policy renews the commitment to working within the OECD rules, it also explicitly sets out to use UK influence to change these rules⁸, potentially re-defining what is included within the legal definition of ODA.

2.4 Historical and cultural focus:

We welcome the commitment from the government to: "continue to drive development in regions where the UK has close ties, including strong historical, cultural and diaspora links, such as the Caribbean, Africa and South Asia"⁹. However, in sections 3.3 and 3.4, we highlight our concern about the seeming shift away from these very regions in favour of loosely defined fragile states. Scotland's myriad connections with Malawi are able to achieve fantastic results because of the 157 year old partnership between our two nations: by focusing efforts around these long-standing historical and cultural connections, where there is the greatest people-to-people interest and activity, incredible results can be achieved with comparatively modest investment. We are keen to endorse and promote this model.

2.5 DFID's expertise and impact:

Most importantly, we welcome the transformative impact that DFID continues to have across the world, including in countries such as Malawi. The UK can be rightly proud of its Department for International Development; it is composed of many hundreds of dedicated experts who work tirelessly for the betterment of those in some of the most deprived and vulnerable communities in the world. As a result, DFID has supported transformative change for a great many across the developing world. We are keen to highlight the positive impact DFID continues to have in countries such as Malawi. It is precisely out of our belief in the good work that DFID does, that we are so keen to feed into such discussions, ensuring that DFID's efforts continue to be focused on the poorest and those in greatest need.

⁵ For a full list of the 2015 manifesto commitments relevant to international development, see Box 2.A (pp11-12) of '[UK Aid: tackling global challenges in the national interest](#)'

⁶ '[UK Aid: tackling global challenges in the national interest](#)', Box 2.A, page 11.

⁷ '[UK Aid: tackling global challenges in the national interest](#)', para 2.6, page 9: "The government will also continue to ensure that all its development spending is in line with OECD rules"

⁸ '[UK Aid: tackling global challenges in the national interest](#)', para 2.15, page 10: "The government will continue to work with other countries to modernize the definition of ODA at the OECD."

⁹ '[UK Aid: tackling global challenges in the national interest](#)', para 2.10, page 10.

3 DFID allocation of resources - *areas of potential concern*

3.1 ODA to benefit the UK:

While we welcome DFID's renewed commitment to untied aid¹⁰, we note that from the very title of the UK Government's new ODA policy ("UK Aid: tackling global challenges *in the national interest*"), it is clear that the government is predominantly interested in ODA which serves the UK's interests. We are concerned that such a clear emphasis on aid which will benefit the UK's national interests could become an implicit new form of tied aid. We disagree with the statement made in the new UK ODA policy that "there is no distinction between reducing poverty ... and serving our national interest"¹¹. While there may be a great many areas of mutual benefit, to claim there is no distinction between the two could imply the UK's ODA is conditional on benefit for the UK. As outlined in section 3.3 we fear that this will drive UK aid away from areas with the most extreme and entrenched poverty, to areas most prominent in the day-to-day media.

We fear that if the very *raison d'être* for UK ODA is driven by a narrative of domestic benefit rather than social justice, this will begin to express itself not only in where UK ODA is sent but also how it is delivered. We are nervous that the end result could be larger contracts to ever larger UK-based corporations for ODA delivery: work which could be sub-contracted and sub-contracted many times before ever leaving the UK, resulting in increasing benefit to these organisations within the UK, but diminishing resource actually getting to where it is intended. We believe the success of all UK ODA must be judged solely by the lasting impact achieved in the developing world, not by the UK benefit accrued. Furthermore, while we recognize the need to maintain public confidence and support, we do not welcome an overarching narrative which looks to justify ODA solely in terms of what the UK stands to gain, for this sets very shaky foundations on which to build DFID's work.

3.2 ODA not through DFID:

We continue to call for greater Policy Coherence for Development (PCD), welcoming efforts to ensure international development activity undertaken by one arm of government is not undone by another (for example, through the sales of arms). At some levels the new UK ODA policy offers greater connectivity between government departments, and this is to be welcomed. However, we note with concern that many of the new initiatives announced seem to operate entirely outside the Department for International Development, with the National Security Council as lead instead. It is widely quoted that as much as 25% of the UK's ODA will now not be allocated to DFID: we fear this could be less a step forwards in terms of PCD, and more a step backwards in terms of a progressive understanding of what constitutes ODA. This fear is perhaps compounded by the government's stated aim to use the UK's influence re-write OECD rules as to what can legally be defined as ODA¹².

The increasing securitization of aid is clear throughout the new ODA policy, muddying the waters between defence and development. We fear this will not only decrease effectiveness of the UK Government's international development efforts but will also damage the UK's credibility in the developing world, and potentially put at risk those working in fragile states to deliver the UK's development aid. We are concerned that a system through which DFID has to compete with other government departments for its own budget, is unlikely to achieve the greatest results in the developing world.

We are also concerned that such moves blur important lines of accountability; for it is unclear whether all ODA, including the 25% not spent by DFID, will continue to be overseen by the Independent Commission for Aid Impact (ICAI) and the UK Parliament's International Development Committee. Transparency and accountability are, we believe, paramount for international development to succeed: we fear both could be diminished in this new ODA policy.

¹⁰ 'UK Aid: tackling global challenges in the national interest', Box 2.A, page 11.

¹¹ 'UK Aid: tackling global challenges in the national interest', Foreword, page 4.

¹² 'UK Aid: tackling global challenges in the national interest', para 2.15, page 10: "The government will continue to work with other countries to modernize the definition of ODA at the OECD."

3.3 A shift to 'fragile states'

The new ODA policy commits to spending half of all ODA funds in fragile states¹³. It states that “in the future, extreme poverty is likely to be concentrated in fragile countries”¹⁴ but gives no supporting evidence for this assertion, and does not define what the government sees as a “fragile country”. We recognize the urgent need for humanitarian assistance in conflict and post-conflict states but we fear that a seemingly arbitrary commitment to investing half of all ODA in such regions is driven more by the agenda in the media than by an objective assessment of comparative global need. The new ODA policy makes no statement as to where the increased funds for fragile states will be sourced and so we are left to assume that resources will decrease for regions which lack the immediate media profile but in which there could be the greatest humanitarian need.

3.4 A resultant shift away from Malawi:

We continue to express concern at the UK's decreasing bottom-line ODA commitment to Malawi, a commitment which has decreased by 43% from £129m 2012/13 to £73m 2016/17¹⁵. We note that last year alone Malawi suffered its worst flooding for a generation, with 174,000 people displaced¹⁶, and is now facing its worst food insecurity for a decade, with an estimated 2.8 million seriously affected across 25 of Malawi's 28 districts¹⁷. It seems hard to believe that a rational objective assessment has been made by the government from which there has been a perceived decrease in humanitarian need or extreme poverty in Malawi. Rather, we fear that countries like Malawi, in which there is some of the greatest need but for which there is little sustained UK media attention, will see decreasing UK ODA support in favour of what are seen as fragile states.

3.5 Shifting modalities in aid delivery:

We note the ODA strategy makes clear that DFID will not start any new, or re-start any existing **General Budget Support** (GBS) programmes. DFID had previously suspended its GBS programme with Malawi, stating understandable governance concerns. We understood the inference with the Government of Malawi was that GBS would not be re-started until credible efforts were made to strengthen governance and build donor confidence. If the new ODA policy prevents GBS being restarted in the future, we hope that this is made clear to the Government of Malawi and expectations are managed appropriately. The relative merits of GBS are a complicated issue. Where DFID has serious concerns about misuse of UK funds it is entirely appropriate for this modality to be suspended but we hope there is a consistent and transparent conversation between the two governments about whether such modalities will ever restart and, even if not, that there is continued support to strengthen governance within Malawi. We note that, even before GBS was suspended the Government of Malawi had a smaller budget to govern 16+ million people than the Borough of Hackney: take 40% of the public purse away overnight by ending GBS and it is easy to seriously destabilise the government and potentially undermine democracy.

Furthermore, we note the focus in the new ODA policy on **promoting prosperity through investment**. We cautiously welcome this development, eager that the same basic safeguards are in place to ensure these are pro-poor investments that contribute to lasting poverty alleviation for the many, and not just the few. We note the £735m investment for the Commonwealth Development Corporation (CDC), for investments which will transform people's lives¹⁸. Historically, CDC has done much good in countries like Malawi but, sadly, over the last decade it has seemed entirely dis-interested in working with such countries, eager instead to work at a larger scale in middle income countries that they see as safer investments. We hope that the government's investment through CDC has clear pro-poor terms and geographic expectations, and we hope Malawi is amongst those countries that benefit, not simply middle-income countries where the greatest return on investment is expected.

¹³ ['UK Aid: tackling global challenges in the national interest'](#), para 3.8, page 14: The UK government will... “Allocate 50% of DFID's budget to fragile states and regions in every year of this parliament”.

¹⁴ ['UK Aid: tackling global challenges in the national interest'](#), para 1.19, page 7

¹⁵ The [UK's Development Tracker website](#) gives ODA for Malawi as: £129,415,017 in 2012/13; £97,581,574 in 2013/14; £68,213,120 in 2014/15; £96,490,595 in 2015-16; £73,693,684 in 2016/17, and currently £6,061,880 in 2017/18 (we presume this final figure is not the full allocation).

¹⁶ [UN Office of the Resident Coordinator, January 2015](#)

¹⁷ [UN Office of the Resident Coordinator, December 2015](#)

¹⁸ ['UK Aid: tackling global challenges in the national interest'](#), para 3.16, page 17.

We recognize the seeming shift towards increased **multilateral engagements**, with it being reported that some 60% of DFID funds are now to be allocated through multilateral. While we welcome strong coordination with other donor partners, we are nervous about the sheer scale of delivery through multilateral. Listening to our friends in Malawi, we hear that too often such multilateral efforts see ownership and decision-making move from the communities involved and affected, to Washington or Brussels. For this reason, we are concerned about the continuing increase in investment through multilaterals and hope the UK Government is able to make clear expectations and safeguards to ensure ownership remains in the country of delivery.

3.6 Ambiguous commitment to the Global Goals

While passing reference is made to the Sustainable Development Goals in the new ODA policy¹⁹, we are surprised that there is no explicit commitment from the UK Government to delivering these goals. We hope that as soon all the targets and indicators are finalized this coming March the UK Government loses no time in making an explicit and unambiguous commitment to the delivery of all seventeen goals both internationally, through its ODA work, and domestically, through all relevant ministries. Furthermore, we hope that serious resource is committed and cross-departmental systems established to affect this delivery, with a clear engagement of civic society across the UK.

3.7 Bilateral Tax Treaties

We welcome the commitment in the new ODA policy to tackling tax evasion²⁰. We hope that this includes the updating of the UK's own bilateral tax treaties with countries in the developing world. For example, the current UK-Malawi Tax Treaty dates from 1955, nine years before Malawi gained its independence. It is deplorable that the UK continues to use a colonial tax treaty with Malawi, an agreement so old that it does not recognize Malawi as an independent country. This treaty is inappropriate in tone, context and content: as one might imagine of a colonial treaty it is perversely skewed towards benefit for the UK. It is therefore undoing much of the good done by DFID. In the spirit of Policy Coherence for Development, we hope that as the UK Government looks to tackle tax evasion, it also takes time to consider its own tax arrangements with countries like Malawi. In the coming months we will be actively campaigning for a more progressive UK-Malawi Tax Treaty: for which there is great support across Scotland. We very much hope to work closely with DFID to this end.

3.8 Decreasing civic engagement

Finally, we note with concern the seeming lack of interest in the UK Government's new ODA strategy for working with civic society in the UK and the developing world. As has been noted, Scotland's partnership with Malawi has been driven by civic society for more than 150 years, led by universities, schools, churches, hospitals, the diaspora and all manner of community groups. By working in synergy with civic society, government can have far greater impact. The 800+ members of the Scotland Malawi Partnership, and our many partner communities in Malawi, stand ready to work in partnership with DFID to increase the UK's reach and impact across Malawi.

At present there seems to be little interest in forging such links, with no mention of civic society anywhere in the 22-page ODA policy: this is a worrying omission. By ignoring civic society DFID sells short all its endeavours, not just in Malawi but across the globe. Poverty is local; it has local solutions. Real people-to-people, community-to-community, institution-to-institution partnerships which have been in existence in some cases for many decades, have a wealth of grass-root experience and expertise and, importantly, work from a position of credibility and trust in some of the hardest to reach communities. A purely structural, or consultant-led approach, will never achieve transformational change on its own. We hope in the forthcoming Civic Society Partnership Review DFID commits to working constructively and collaboratively with all sections of civic society, not purely a handful of the largest INGOs with Programme Partnership Agreements.

¹⁹ ['UK Aid: tackling global challenges in the national interest'](#), para 1.23, page 7.

²⁰ ['UK Aid: tackling global challenges in the national interest'](#), para 3. 4, page 13.