



UK AID IMPACT ANALYSIS

EXECUTIVE SUMMARY

From 0.7% to 0.5%

In the 2020 Spending Review, Chancellor Rishi Sunak announced that official development assistance (ODA) as a share of gross national income (GNI) would be reduced from 0.7% to 0.5%. This was announced as a “temporary measure” and the Chancellor stated that the target would return to 0.7%, when the “fiscal situation allows.” The government put the 0.7% target to a vote, and MPs voted to only reinstate 0.7% once two fiscal tests were met: a) when the current deficit fell below zero and b) when debt as a share of GDP fell.

They are both very harsh tests to meet, and the UK has only met two of these tests five times since 1990. The government’s own forecasting predicts that we will meet these fiscal tests by 2024 or 2025 and thus we can return to 0.7% in three years time.

A reduction from 0.7% to 0.5% in 2021 equates to a cut of £4.5 billion, or 30% relative to 2020. This dramatic reduction to the aid budget during a global pandemic is deeply alarming. [Center for Global Development analysis](#) shows that 100,000 children are at risk of dying because of the aid cuts’ impact on routine immunisation. This analysis explores how the UK aid cuts could impact programmes and countries.

Examples of aid cuts

- **Cuts to humanitarian aid to Yemen** equal to nearly 60%. This will put thousands of children at risk of dying.
- **60% cuts in aid to Syria, Libya, Somalia, DRC, and South Sudan.** South Sudan is at risk of famine, and a cut of 63% could mean that 650,000 women and children would go hungry.
- **Cuts to anti-corruption and human rights work by 80%.** Among the projects that could be at risk are law-enforcement efforts to tackle international flows of illicit finance; a flagship anti-corruption project in Tanzania; and a £16 million media freedom initiative across North Africa and the Middle East.
- **Cuts to the Voluntary Service Overseas (VSO).** This puts 200 people at risk of redundancy, ending VSO’s work in 14 countries, and cutting off COVID-19 support to 4.5 million people.
- **Cuts to UK Research and Innovation council,** which current and former members of SAGE have advised. This could risk damaging the UK’s ability to fight the next global health disaster.



ONE analysis on the impact of aid cuts

It would be extremely difficult for the government to promote its priority sectors, whilst heavily slashing its aid budget. In the table below, ONE analysed four priority sectors which all indicate cuts of up to 49% in bilateral ODA.

Sector Allocations

Sector	2020-21 (£)	2021-22 (£)	% change
Climate and Environment	330,812,000	214,418,000	-35%
Education, Gender & Equality	382,956,000	209,756,000	-45%
Health	1,158,572,000	915,706,000	-21%
Humanitarian	546,564,000	277,824,000	-49%

Our analysis shows that cuts to sectors which address poverty such as health and humanitarian aid will have huge potential impacts on livelihoods.

For example:

- Nearly 4 million fewer girls will have access to a decent education
- 5 million women and girls will no longer have access to family planning methods
- 11 million children under 5 and women will be at risk of malnutrition
- 3 million people will no longer have access to humanitarian assistance
- 54 megawatts of clean energy will no longer be generated as a result of International Climate Finance support

Whilst some countries such as China and Brazil will see an increase in bilateral ODA from the UK of up to 6976%, low-income countries (LICs) such as Ethiopia and Yemen will see cuts to their bilateral ODA of up to 63%.



UMICs and MICs Allocations

Country	2020-21 ODA (£)	2021-22 ODA (£)	Annual growth rate
Brazil	110,000	7,784,000	6976%
China	2,167,000	13,650,000	530%
India	41,494,000	55,287,000	33%
Indonesia	11,632,000	14,200,000	22%

LICs and Fragile States Allocations

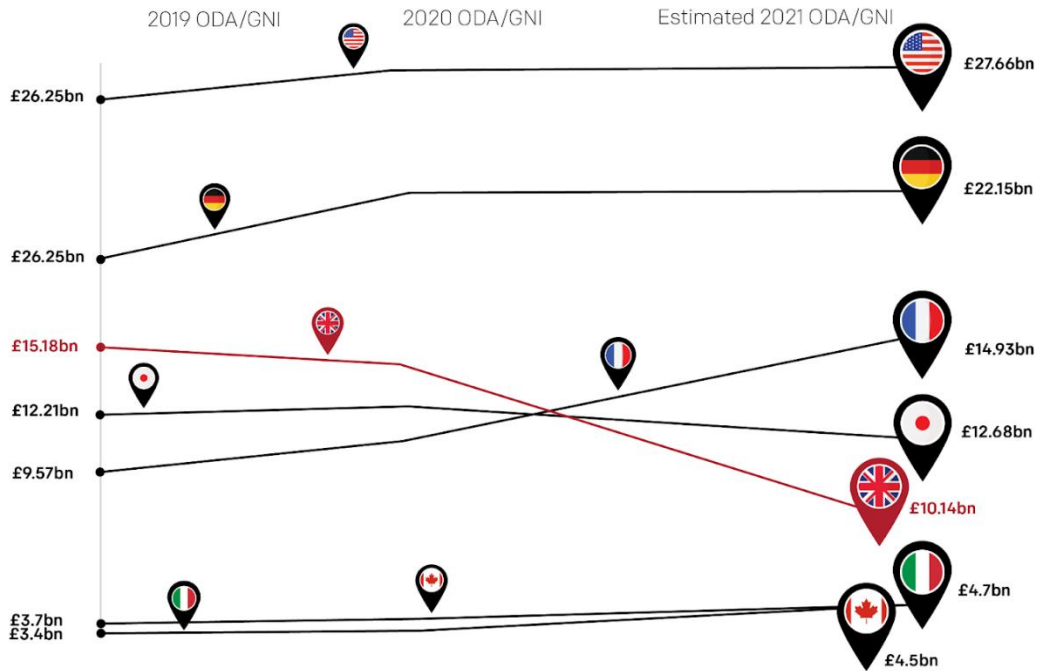
Country	2020-21 ODA (£)	2021-22 ODA (£)	Annual growth rate
Ethiopia	240,527,000	107,550,000	-55%
Rwanda	40,809,000	23,780,000	-42%
Somalia	121,149,000	71,200,000	-41%
South Sudan	135,347,000	68,400,000	-50%
Yemen	220,583,000	82,400,000	-63%

ODA cuts to countries will have potentially devastating results for people. ONE analysis indicates that in Rwanda, 164 thousand fewer children will be supported to gain a decent education; in Ethiopia 498 thousand fewer women and girls will have access to family planning methods; and in Nigeria 2.9 million fewer women and girls will have access to family planning methods.



It is worth noting that the UK is the only G7 country that is cutting its aid budget; indeed, France and the US have committed to significantly increase their aid spending. **ONE analysis estimates** that the UK went from being the third largest ODA donor in the G7 to the fifth largest in 2021

ODA Values for G7 Countries: 2019 - 2021



Analysis by The ONE Campaign. All values are in current British pounds. Projected 2021 ODA values for Germany, Japan and the United States assumed the same as 2020. Projected 2021 ODA values for the United Kingdom, France and Italy and Canada are based on ONE's analysis or on government budgets.