Written evidence submitted by Development Initiatives

to the International Development Committee inquiry into the Sustainable Development Goals, September 2015

1   Executive summary

1.1   The leading Sustainable Development Goal – to end poverty in all its forms everywhere – and its specific first target – to end extreme poverty by 2030 – are extraordinarily ambitious. This is particularly true for Sub-Saharan Africa.

1.2   International official finance such as aid plays an important role in many countries where poverty is deepest and domestic public resources are lowest.

1.3   The UK has particular strengths and capacity to help achieve key Sustainable Development Goals through Official Development Assistance (ODA), both in absolute terms and relative to other donors.

1.4   DFID currently has a very clear mandate to target ODA at the poorest and our data shows that the UK's spending, a majority of which comes from DFID, has indeed been well targeted at the poorest countries with the least domestic resource.

1.5   Security and environmental issues will need to be addressed to effectively tackle extreme poverty and deliver on specific SDGs.

1.6   The UK should encourage other governments to use good data, learn from best practice and direct their ODA more cost-effectively towards those in greatest need and at greatest risk of being left behind. The OECD could specifically include poverty reduction in a mandate for ODA.

1.7   Targeting and coordination amongst donors requires transparent data. A good first step would be to encourage all donors and receptive agencies within donor governments to publish to the International Aid Transparency Initiative (IATI) with timely, forward-looking and comprehensive data.

1.8   DFID country offices should also make good use of data from all actors in each country and sub-national data from each country itself.

1.9   Some government departments map very obviously against particular SDGs and these may be relevant *domestically*. This does not necessarily provide a clear indication of which should take leadership for a particular SDG from an *international* perspective. In addition to DFID, DECC , MoD and FCO have logical connections to specific SDGs.

1.10   If we are genuinely to know we are leaving no one behind in the achievement of the SDGs, we need data to be disaggregated geographically, by age, gender, disability and income quintile across all indicators. DFID should support the development of an accurate baseline of such disaggregated data.

1.11 There is much data missing and not fit for the extraordinary purpose of reducing poverty to zero. DFID should champion the importance of financing the development of sustainable administrative data systems and investing in core statistical systems and data collection in each country.

2 Development Initiatives

2.1 Based in the UK and operating worldwide, Development Initiatives is a non-profit organisation that carries out independent research and analysis into poverty and how to eradicate it. We believe that eradicating extreme poverty by 2030 is possible but that we need better information to achieve this goal. DI receives funding from the Bill & Melinda Gates Foundation, The William and Flora Hewlett Foundation, the governments of the UK, Netherlands, Sweden and Canada, the United Nations and others.

3 The background to the SDGs: the current state of poverty eradication, the mix of resources, where those resources are coming from and where they are going.

3.1 The first and most significant of the Sustainable Development Goals (to end poverty in all its forms everywhere) and its specific first target (to end extreme poverty by 2030) are extraordinarily ambitious; even more so than apparent at first glance. Many countries need a very significant change in trajectory if they are to achieve the end of extreme poverty by 2030. The countries where poverty is deepest[1] will require the most substantial shifts in current rates of poverty reduction.

3.2 Sub-Saharan Africa faces the greatest challenge to end extreme poverty by 2030. If it is to meet this hugely ambitious goal, progress in the region must be accelerated to reach a pace of poverty reduction even faster than that achieved in South Asia over the last 15 years.

Figure 1: Sub-Saharan Africa needs the biggest change in trajectory to end extreme poverty by 2030

Average annual reduction in poverty (millions of people moving above the extreme poverty line)

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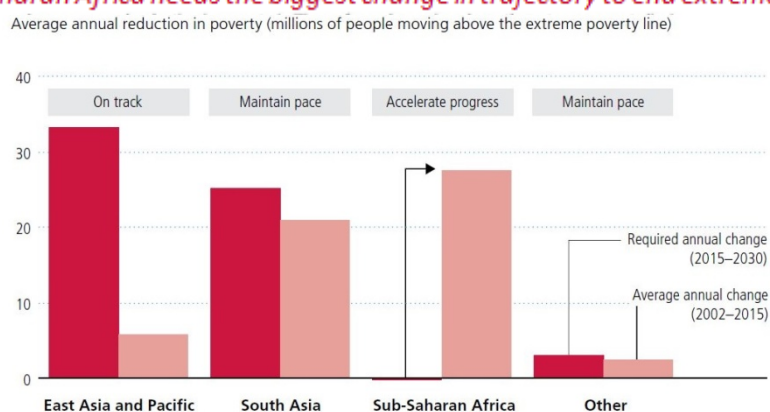
[1] 'Depth of poverty' measures the scale of the challenge that each country faces to end poverty. It is based on an official UN MDG indicator, the poverty gap ratio (Indicator 1.2 under Target 1A of the MDGs), and measures the average gap in incomes for people living below the poverty line, spread across the population. It is expressed as a percentage of the $1.25 a day poverty line, where a higher percentage means greater depth of poverty and a more significant challenge to ending poverty. Poverty data can be used to tell us numbers of people living below the $1.25 threshold and also, at a national level, how far below the line people are.

3.3 Domestic government revenues are least in the countries which will face the greatest challenges in ending extreme poverty. In 24 of the 33 countries where depth of poverty is highest, government revenues are less than $500[2] per person each year ($1.37 a day).

3.4 Actors across the official, commercial and private spheres perform different functions and invest resources for different reasons. Each can contribute to the goal of ending poverty, but they impact on people in poverty in different ways to different degrees and over different timelines.

3.5 International official finance plays an important role in many countries where poverty is deepest and domestic public resources lowest. In countries with the least domestic resources, where revenues are less than $200 per person each year, official finance accounts for more than half of international resources.

Figure 2: International official finance is important where domestic public resources are lowest
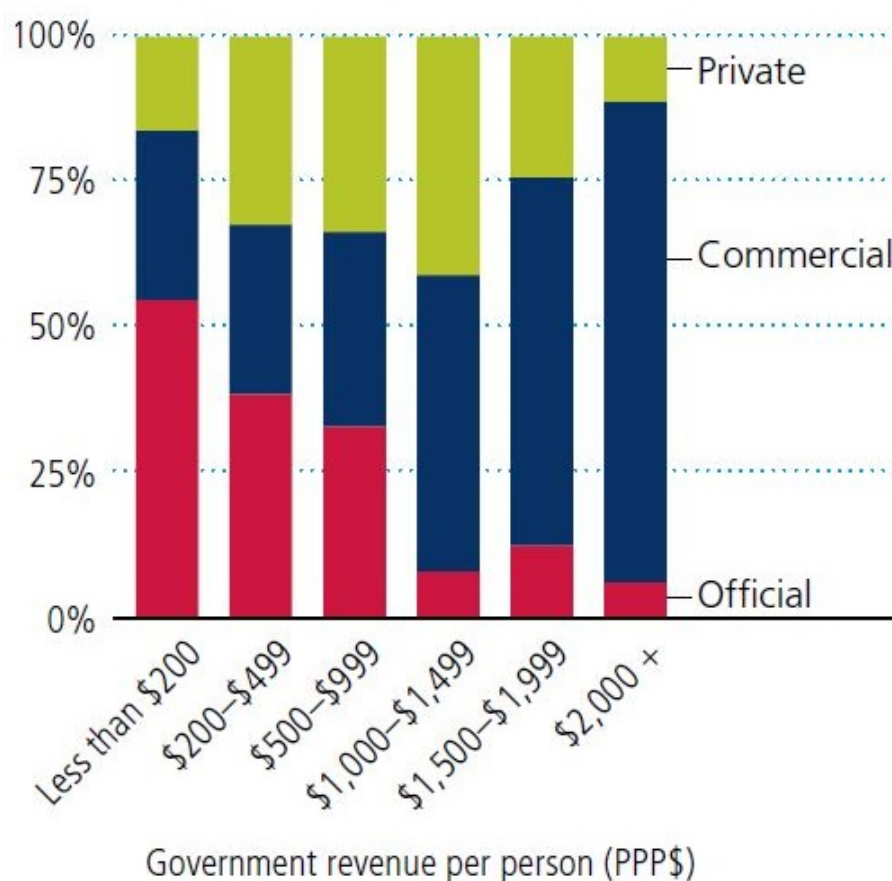
3.6 Though larger in aggregate, commercial and other private flows such as remittances are concentrated in a few more economically developed countries. International commercial resources equate to $30 per person in countries with below-average domestic public resources, compared to $450 per person in countries with greater domestic public resources.

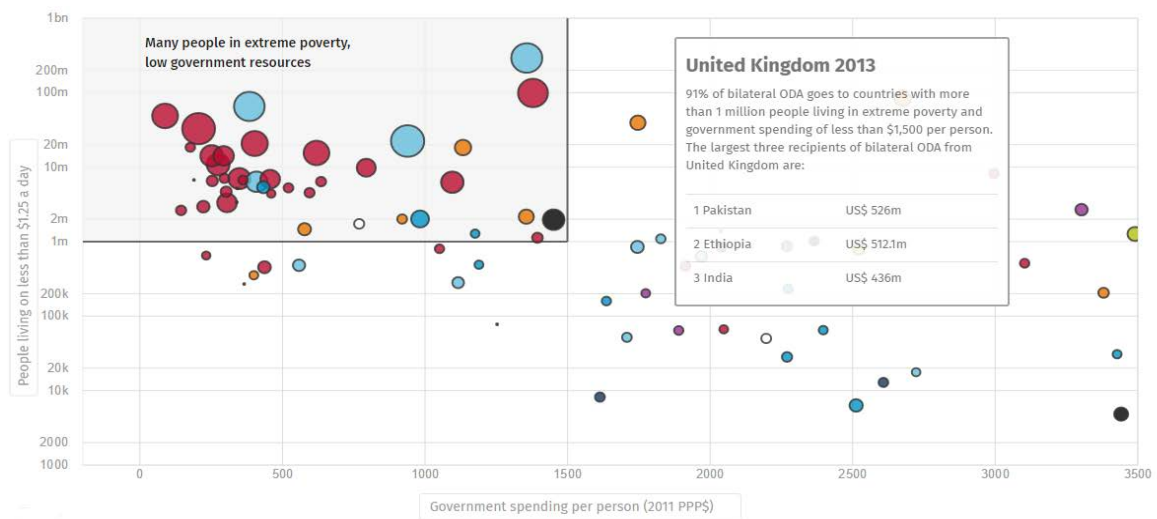[2] In this document, $ means US dollars, on this occasion adjusted for purchasing power parity (PPP)

Figure 3: OECD Official Development Assistance targets the poorest better than other international resource flows
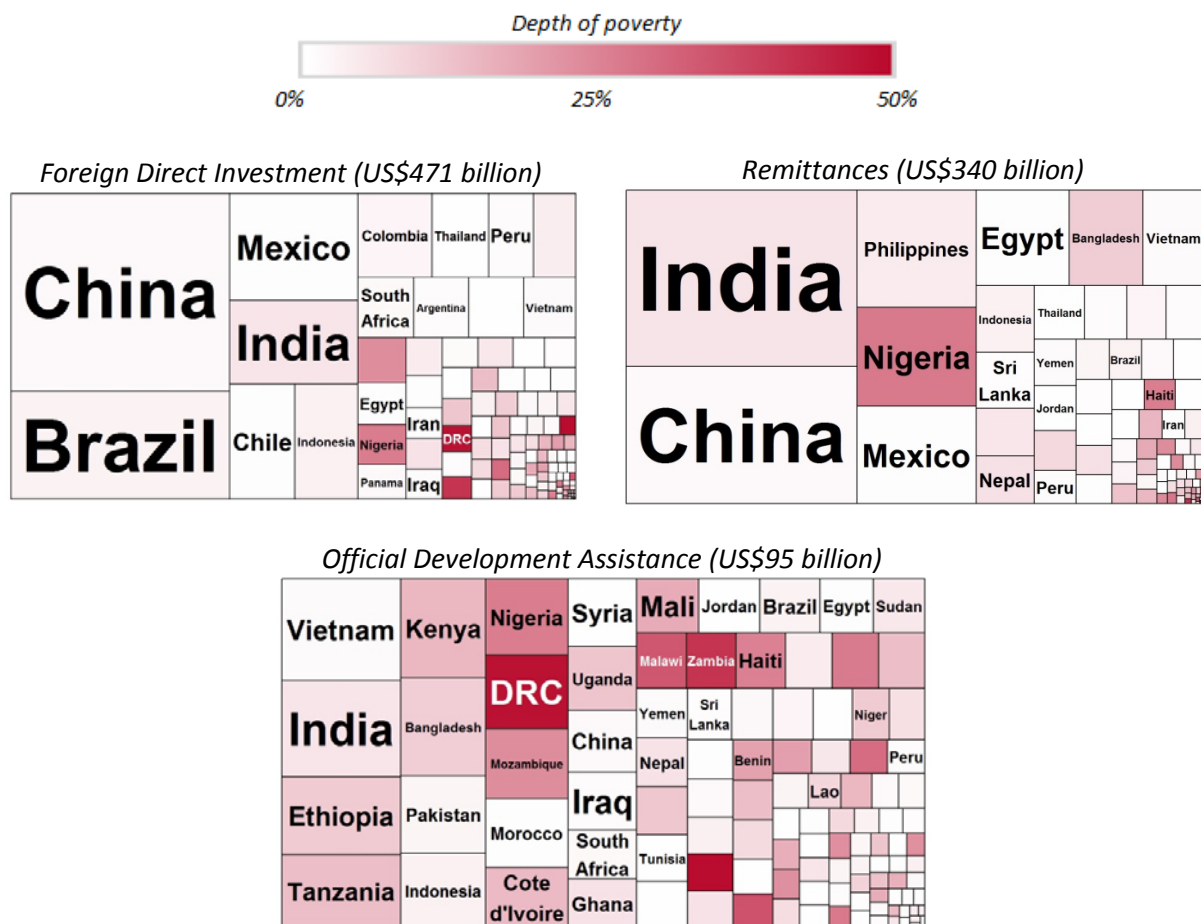
4 Which SDGs should DFID prioritise and how? Should the priorities be country specific or an overarching strategy of SDG priorities applied to all partner countries?

4.1 In 2014, the United Kingdom provided $19.4 billion in net ODA (preliminary OECD data), which represented 0.71% of gross national income (GNI) and a 1.2% increase in real terms from 2013. The Development Assistance Committee (DAC) reports that the UK is their fifth largest donor in terms of ODA as a percentage of GNI, and the second largest by volume.

4.2 The UK has particular strengths and capacity to help achieve key Sustainable Development Goals through ODA, both in absolute terms and relative to other donors. Good data allows spending to be mapped against need in terms of poverty and other vulnerabilities to show where relative strengths lie and how well ODA is being targeted towards the achievement of key SDGs. Particularly since the achievement of the 0.7% target in a growing economy, the UK shows up as a strong contributor to ODA in many parts of the world and across many sectors.

4.3 DFID currently has a very clear mandate to target ODA at the poorest, relevant to SDGs 1 and 10 in particular, and our data shows that the UK's spending has indeed been well targeted at the poorest countries with least domestic resources.

Figure 4: UK ODA targets recipients that have the poorest citizens and low domestic spending

United Kingdom 2013

91% of bilateral ODA goes to countries with more than 1 million people living in extreme poverty and government spending of less than $1,500 per person. The largest three recipients of bilateral ODA from United Kingdom are:

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1	Pakistan	US$ 526m
2	Ethiopia	US$ 512.1m
3	India	US$ 436m

4.4   While the geographical distribution of UK aid has been influenced by many historic factors, there are some sectors – particularly education, health and environment - where UK ODA stands out as a higher proportion of the global total. These relate most to SDGs 3, 4 and 15.

Figure 5: The UK ranks 2nd on education and 3rd on health, but 9th on water, sanitation, and hygiene and 10th on infrastructure Official Development Assistance.

Education ODA (2013)

Health ODA (2013)

*Water, sanitation, and hygiene ODA (2013)*

Infrastructure ODA (2013)

4.5   The UK has a strong record in other specific areas. For instance – and potentially relevant to SDGs 1, 3, 4, 6, 9, 11 and 16 – the UK has also proved to be the most significant provider of assistance supporting improved domestic resource mobilisation (DRM), for instance through more effective tax collection. This is critical in ensuring that governments in developing countries can devote adequate resources to health, education, sanitation and infrastructure, and have effective institutions at all levels.

Figure 6: The UK is the most active donor of core DRM, followed by the European Union
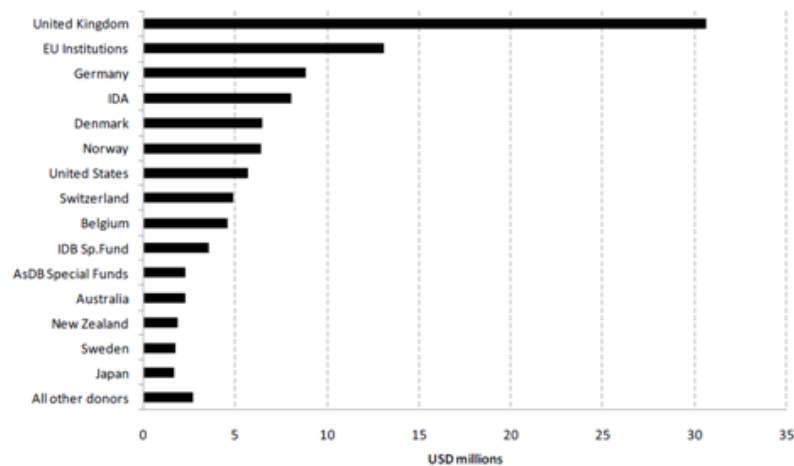
4.6   Very significant external shocks which can offset development also need to be expected and resilience to them factored into the determination of UK priorities. Relevant to SDGs 1, 2, 11, 12, 13 and others, security and environmental issues will need to be addressed. Poverty is increasingly concentrated in regions, countries and communities that face complex and often overlapping challenges of conflict, political fragility and environmental vulnerability. Addressing these challenges is vital to continuing poverty reduction and safeguarding progress made to date.

Figure 7: 93% of those living on less than $1.25 a day live in countries that are politically fragile, environmentally vulnerable, or both
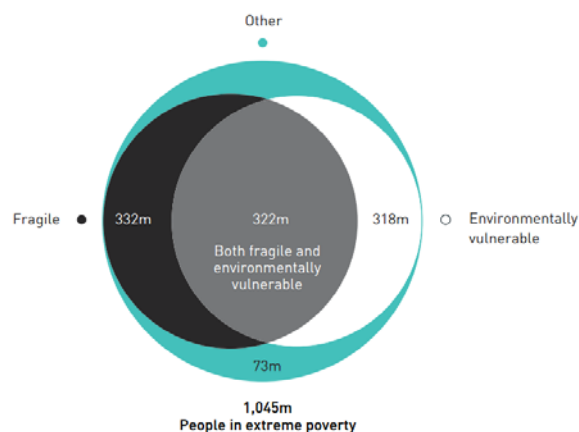
5   How there could be a more coherent approach with other donors towards the SDGs with donors specialising on specific areas for example Education or WASH to reduce duplication etc.

5.1   The UK should encourage other governments to use good data, learn from best practice and direct their Official Development Assistance (ODA) more cost-effectively towards those in greatest need and at greatest risk of being left behind.

5.2   The OECD could specifically include poverty reduction in a mandate for ODA. The current definition of ODA is simply that a transaction must 'be administered with the promotion of the economic development and welfare of developing countries as its main objective'.

5.3   Targeting and coordination amongst donors requires not only good data but transparent data. A good first step towards achieving that transparency would be to encourage all donors to publish to the International Aid Transparency Initiative (IATI), for which Development Initiatives is the technical lead and DFID was an early champion. IATI is a voluntary initiative that brings together donor and recipient countries, civil society organisations and others to increase the transparency and openness of aid.

6   How DFID could have a more strategic approach on how it uses contractors, multilaterals, NGOs and its own bilateral country offices to deliver on the SDGs.

6.1   Transparency is also needed amongst other actors such as multilateral agencies and non-governmental organisations (NGOs) and at both national and sub-national levels. This would help to inform DFID on the mix of resources flowing into each country and who was at greatest risk of being left behind. A criticism that is made of donor governments is that they fund too many 'snapshot' surveys without building consistent statistical capacity. We expand on this in section 9 below.

6.2   Uganda provides an excellent case study of how good sub-national data could help to direct country offices to better target aid to deliver on particular SDGs. The chart below shows Uganda's average score on life expectancy and how sub-national detail reveals striking variations. The district-level map below that, of rural access to safe water, reveals a different pattern of need.

Figure 8: Sub-national data on life expectancy shows significant deviation from national average
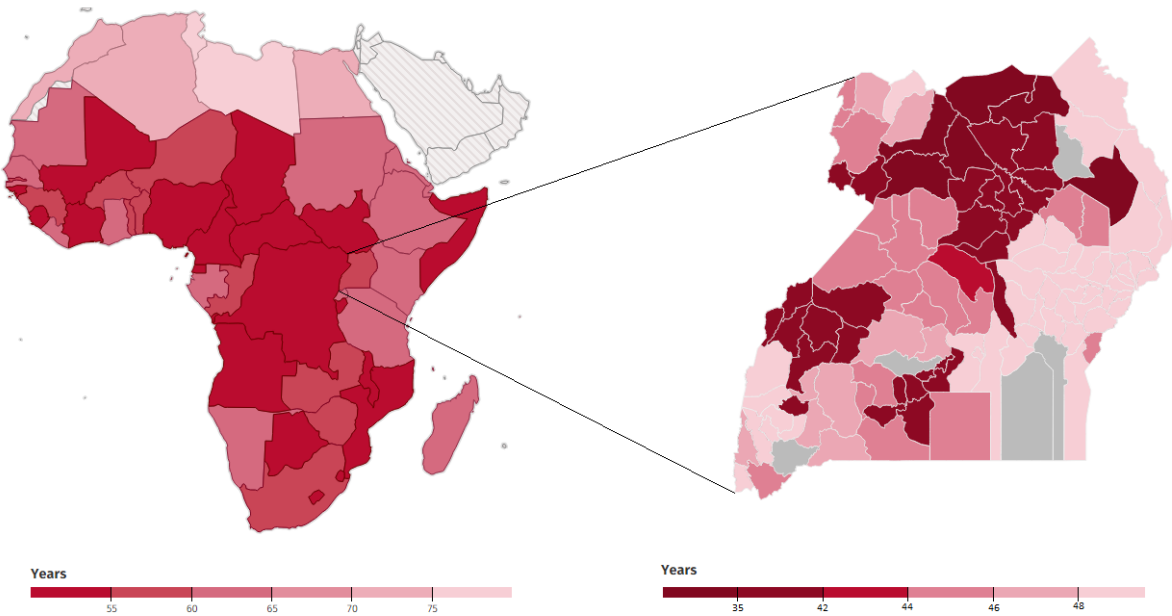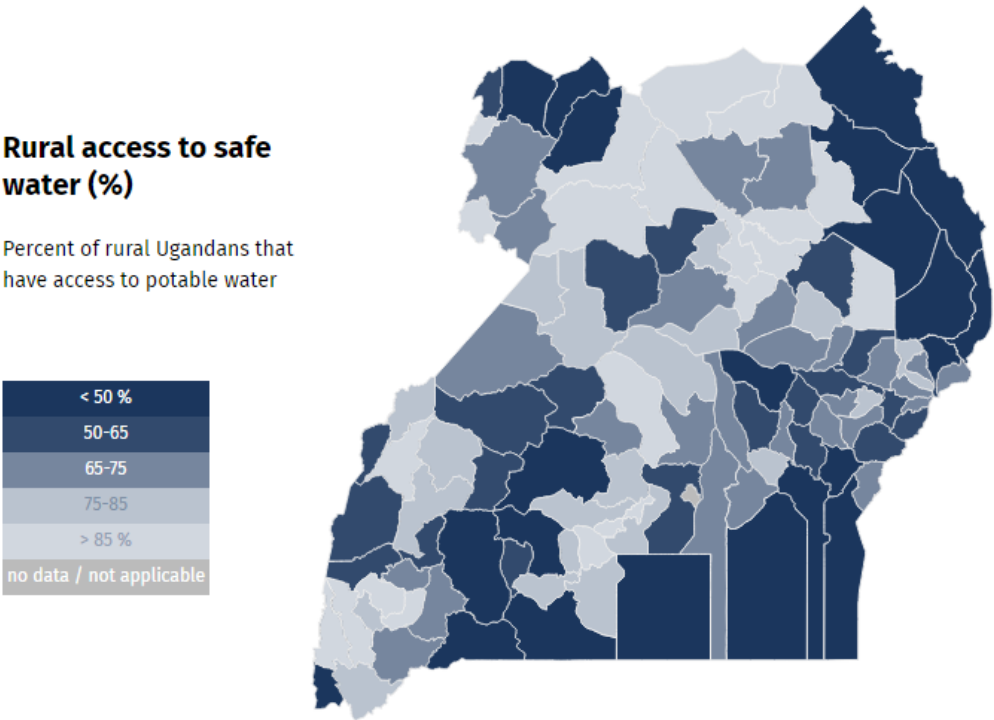

Years

| 55 | 60 | 65 | 70 | 75 |

Years

| 35 | 42 | 44 | 46 | 48 |

Figure 9: District-level data allows for more targeted distribution of resources

Rural access to safe water (%)

Percent of rural Ugandans that have access to potable water

| < 50 % |
| 50-65 |
| 65-75 |
| 75-85 |
| > 85 % |
| no data / not applicable |

7 Which SDGs should other UK Government departments focus on?

7.1 The Sustainable Development Goals are universal, applying to the UK alongside every other UN member state. But their significance to UK policy is greatest in international development and Official Development Assistance (ODA) spending provides one possible starting point for a division of responsibility for SDGs across government. In 2013 87.8% of UK ODA was spent by DFID [3], implying lead responsibility there. Other government departments or agencies contributing to UK ODA have included DECC, FCO, MoD, CDC, Defra, DWP, BIS and the Home Office.

7.2 Some government departments appear to map very obviously against particular SDGs and these may be relevant *domestically*. But they may do not necessarily provide a clear indication of which department should take leadership for a particular SDG from an *international* perspective.

7.3 So, for instance, the Department of Health has obvious relevance to SDG 3 but its small ODA spending of £12-13 million in some years is dwarfed by DFID's international health-related activity, including £543m in one year to the Global Fund alone.

7.4 The Department of Energy & Climate Change has obvious relevance to SDGs 7, 13 and 15 and the growing importance of climate finance and DECC's international role in the UNFCCC process makes this a more logical connection.

7.5 The Foreign & Commonwealth Office, Ministry of Defence and the shared MoD/FCO/DFID Conflict Pool funding have particular relevance to SDG 16 which aims to promote peaceful societies at all levels. Other FCO ODA has been devoted to education, legal and judicial development and administrative management, relevant to SDGs 4, 5, 10, 16 and 17.

8 How will progress be measured? What should be the Indicators within the targets?

8.1 We do not have space here to examine every target and possible indicator but it is vital that those indicators reflect data disaggregated below national average levels. If we are genuinely to know we are leaving no one behind, we need data to be disaggregated geographically, by age, gender, disability and income quintile across all indicators.

8.2 The work by Development Initiatives in Uganda, referred to in 6.2 above, provides a striking example of how a new picture emerges when national data is disaggregated to district level. Data on resource flows – particularly such disaggregated data – must improve if we are to understand how different resources can best be used to benefit people in poverty.

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[3] Government statistical release, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/300084/Prov-ODA-GNI-2013a.pdf

8.3   DFID should support the development of an accurate baseline of such disaggregated data on the poorest and most vulnerable people in order to measure their progress specifically and avoid relying on national country averages.

9   The quality and quantity of data needed to measure and achieve the SDGs needs to improve

9.1   Decision making can only be as good as the evidence on which it is based. The SDGs, their accompanying targets and indicators will require a data revolution if we are even to know whether they have one day been achieved.

9.2   While organisations like Development Initiatives work to find and communicate the data that is available, there is much missing or not fit for the extraordinary purpose of reducing poverty to zero.

9.3   The proposed draft indicator methodologies for the SDGs suggest that administrative data is the preferred source, but real administrative data is in short supply - the map below shows just how few African countries, for instance, have functioning birth registration systems.

Figure 10: A majority of African countries do not have functioning birth registration systems

Civil Registration (Percent of Births)

0.4   0.75
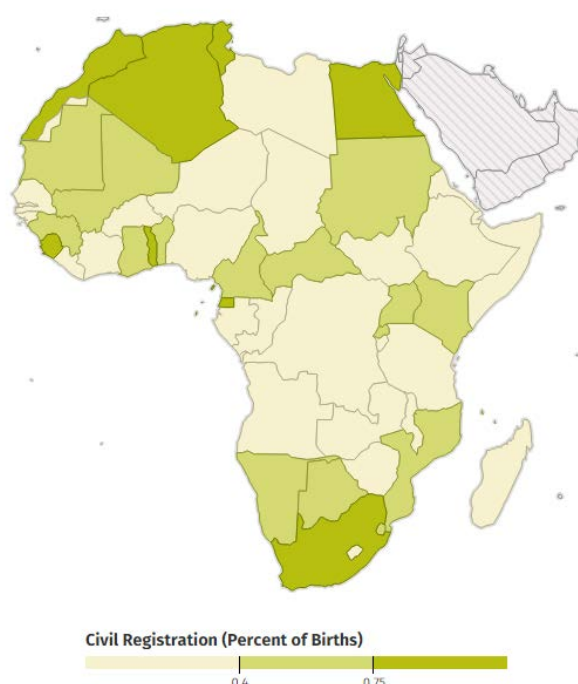
9.4   Surveys are often the substitute. For example, Ugandan maternal mortality data is collected in a survey every five years – not by registering actual births and deaths. The latest was based on interviews with 8,674 women. Timely sub-national estimates that look beyond national averages are only available for a small number of countries.

9.5 The charts below show how few African countries have recently carried out the kind of household survey of incomes, schooling, access to water or other indicators required to understand poverty and vulnerability in their countries.

Figure 11: A quarter of African countries have not carried out a household survey since 2008 or earlier

Number of countries

Source: International Household Survey Network and USAid *Demographic and Health Survey Programme*

9.6 To improve the use of data as a tool in decision-making, countries must own and develop their own national data systems and develop a culture of data use. The international community must support this. DFID should champion the importance of financing the development of sustainable administrative data systems and investing in core statistical systems and data collection in each country.

9.7 When necessary, indicators should be rebased as more up-to-date survey data or, better still, credible administrative data relevant to an SDG indicator become available.

10 Conclusions and suggested recommendations

10.1 The UK has particular strengths and capacity to help achieve key Sustainable Development Goals through Official Development Assistance (ODA).

10.2 DFID currently has a very clear mandate to target ODA at the poorest and the UK's spending has indeed been well targeted at the poorest countries with the least domestic resources. In some sectors – particularly environment, education and health - UK assistance stands out as a particularly high proportion of the global total. These relate most strongly to SDGs 3, 4 and 15.

10.3   Relevant to SDGs 1, 2, 11, 12, 13 and others, security and environmental issues will need to be addressed to effectively tackle extreme poverty and deliver on other specific SDGs.

10.4   The UK should encourage other governments to use good data and direct their ODA more cost-effectively towards those in greatest need and at greatest risk of being left behind. The OECD could specifically include poverty reduction in a mandate for ODA.

10.5   A good first step towards achieving more transparent data for better coordination amongst donors would be to encourage them all to publish to the International Aid Transparency Initiative (IATI).

10.6   DFID country offices should also make good use of sub-national data from each country itself and encourage the countries within which they are based to use IATI data to plan the financing of their development agenda.

10.7   The SDGs are universal and apply to the UK alongside every other UN member state. Some government departments map very obviously against particular SDGs and these may be relevant *domestically* but this does not necessarily provide a clear indication of which department should lead on a particular SDG from an *international* perspective. In addition to DFID, departments such as DECC, MoD and FCO do have a more logical connection to specific SDGs from an international perspective.

10.8   If we are genuinely to know we are leaving no one behind in the achievement of the SDGs, we need data to be disaggregated geographically, by age, gender, disability and income quintile across all indicators.

10.9   DFID should support the development of an accurate baseline of such disaggregated data on the poorest and most vulnerable people in order to measure their progress specifically.

10.10   DFID should champion the importance of financing the development of sustainable administrative data systems and investing in core statistical systems and data collection in each country.