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Progress in Eliminating World Poverty

The Department for International Development 2003–2010

RANIL DISSANAYAKE · MARK LOWCOCK

Abstract

This is the third in a series of papers on the UK's Department for International Development (DFID) between 1997 and 2020. It analyses DFID's impact in reducing global poverty between 2003 and 2010, particularly in 18 low-income countries in which the majority of the world's extreme poor lived and where the department focused much of its effort. The global context in this era was conducive for progress in poorer countries, until the environment deteriorated in the wake of the 2008 financial crisis. DFID's growing budget, influence, capability, focus and political support from the highest levels of the UK government allowed it, in these years, to make a substantial contribution towards the achievement of the Millennium Development Goals. These years also saw the emergence for the first time of a cross-party political consensus that the UK should aim to play a leading role in international development, creating a platform for a further decade of strong British commitment towards the reduction of global poverty. By 2010, however, there were signs of choppier waters ahead, with some features of the previous DFID approach beginning to fray.

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Progress in Eliminating World Poverty: The Department for International Development 2003-2010

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Lowcock was a director general in DFID (i.e., a deputy to the permanent secretary) throughout the period covered in this paper. Dissanayake had finally left school and was working for the government of Malawi from 2005. Thanks again to Bernat Camps Adrogue for invaluable research assistance. (He had graduated kindergarten.)

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Introduction

The Labour party's manifesto for the 1983 election was for years after their disastrous defeat lampooned as the longest suicide note in history. It ran to more than 22,000 words. The Conservative party's manifesto for 2010 was longer: nearly 28,000 words, across more than 130 pages. And it made promises that earlier generations of Tory leaders would have thought almost as extraordinary as those in the Labour document. They included a pledge to pass a law requiring the government to spend 0.7 percent of national income on official development assistance, one to retain DFID and another to meet the Millennium Development Goals (MDGs). The Conservatives' previous policy was stood on its head. That is one of the most eye-catching features of the story from 2003–10. For the first time, there was a consensus across the political spectrum that Britain should play a leading role in international development.

This was a phase of consolidation in DFID, and of increased effectiveness and impact.[1] The aid budget grew rapidly. Further increases were locked in; that added to the department's international influence, because others could see that it might be worth strengthening relations with them.

International commitment to the MDGs grew up to 2005, peaking with the Gleneagles G8 summit, with its motivating slogan to make poverty history. But from that point, and especially in the wake of the 2008–09 financial crisis, the UK's ambition was ahead of many of its peers.

Tony Blair, and above all Gordon Brown, determined the priority the government gave to development. But the goals they championed had to be turned into reality, and DFID worked hard to do that. It was largely successful; significant progress was made towards the MDGs, especially in countries in which the department made its main effort. DFID enhanced its reputation, even as scrutiny grew.

By 2010, there were clouds overhead and more on the horizon. The global financial crisis, though less damaging to the poorest countries, was still a setback that was only partially contained by Gordon Brown's orchestration of support from the G20 group of the world's largest economies. Defensive political reaction to criticism of the government's aid efforts betrayed early hints of changes in the years after 2010.

The failures in Iraq after the war which deposed Saddam Hussein, and the revitalisation of the Taliban in Afghanistan, pointed to the biggest strategic challenge: the countries making least progress on the MDGs were those where governments were not committed to poverty reduction

1 This paper picks up the story we described in our account of DFID in its early years, from 1997–2003. Readers wanting the back story to what we cover here, or an introduction to some of the issues, may wish to refer to that. See Ranil Dissanayake and Mark Lowcock. 2023. "Setting the Compass for Eliminating World Poverty: The Department for International Development 1997–2003." CGD Policy Paper 311. Washington, DC: Center for Global Development. https://www.cgdev.org/publication/setting-compass-eliminating-world-poverty-departmentinternational-development-1997. This paper and our previous publications will be drawn upon in our book on DFID from 1997–2020 which is due to be released towards the end of 2024.

or where conflict derailed development. This was to become a dominant theme for the remainder of DFID's existence. The 2003–10 period saw serious analysis and policy work to understand the issues and sketch out solutions. Then there was piloting of what became important and (often) effective ways of working round the problem, especially through social protection but also humanitarian support.

The paper draws on three sources of information: primary data analysis; secondary material both contemporary and retrospective; and original interviews and discussions in particular with former DFID ministers and officials.[2]

We will run through the issues as follows:

a) the global context, especially how developments in the world economy and geopolitics helped and hindered poorer countries;
b) how DFID policy evolved between 2003 and 2010;
c) the substantial increase in DFID's budget and the department's institutional evolution;
d) how the growing budget was spent, including on direct support through national budgets in poorer countries, education, health, social protection, humanitarian relief, economic growth through the private sector, and research. We also touch here on DFID's relations with multilateral agencies and funding for NGOs;
e) an assessment of DFID's role in the wider international development system;
f) how all this contributed to progress on the MDGs, and other conclusions to be drawn.

Global context for development

Despite the global financial crisis in 2008, the first decade of the 21st century was probably the best period of sustained economic growth and poverty reduction in the developing world in the last century. Helped along, in commodity exporting countries, by steadily rising prices,[3] economic growth in sub-Saharan Africa was high and reasonably stable throughout the decade, remaining above 4 percent per annum almost throughout, with a brief dip to 3 percent in the wake of the crisis.[4]

2 We want to record our thanks to Michael Anderson, Douglas Alexander, Hilary Benn, Jonathan Beynon, Eamon Cassidy, Suma Chakrabarti, Martin Dinham, Jim Drummond, Mick Foster, Annabel Geery, Pauline Hayes, Laurie Lee, Mark Malloch Brown, Richard Manning, Marcus Manuel, Simon Maxwell, Gavin McGillivray, Caroline Rickatson, Gareth Thomas, Minouche Shafik, Myles Wickstead and Alan Winters for interviews in 2022 and 2023 and written material. We are again grateful to Carew Treffgarne, a long serving education adviser in DFID who from 2012–2013 conducted more than 180 detailed structured interviews with senior and mid-level DFID staff and ministers on their experiences in the department (as well as with civil servants in the Treasury). She kindly allowed us access to her records. These are referenced in footnotes throughout the paper as "Treffgarne interviews". Thanks also to two anonymous peer reviewers for comments on an earlier draft.

3 Again, excepting a relatively brief interruption occasioned by the global financial crisis. Source: IMF Primary Commodity Price Index data, accessed (08/11/23).

4 All of the growth data in this section is taken from the World Bank's Databank, accessed on 08/11/23.

Looking at low- and middle-income countries alone,[5] the performance was even better. The same is true for GDP per capita: growth was fast enough to outpace population growth, and support higher living standards.

This strong economic performance was not just manna from heaven, granted by a good global economic climate. As we set out in our previous paper, the structural adjustment reforms most countries had to undertake to access World Bank and IMF support, and had to continue to remain on course with to access budget support and debt relief, played an important role. Macroeconomic management in this period improved almost everywhere, as inflation was brought under control, debt was managed much better (though not well enough to avoid future trouble) and domestic debt crises in countries like Malawi were resolved; many countries reached HIPC Completion Point and saw substantial debt cancellation (including Zambia in 2005, drawing a line under one of the more dramatic episodes of debt distress in the region). All told, there was a truly remarkable turnaround in the economic fortunes of many African countries in this period, and while the credit must go to their governments for making the most of good circumstances, the international community played an important role, through debt relief, economic advice and the strategic use of budget support and other financing to incentivise good economic management.

Even the global financial crisis did not derail this progress: growth dipped, but never turned negative in most developing countries, as it did in Europe and the US. 2008 was a banking crisis: in countries which were yet to fully integrate into the global financial system, its direct impact was muted, and these countries were also less exposed via trading relationships to the countries worst affected.[6] In many ways, the lack of a more pronounced downturn in 2008 was a reflection of how much further these countries still had to travel in terms of economic development.

This good economic performance translated into the material conditions of the poor. Globally, extreme poverty declined from around one quarter of the world's population to around one fifth between 2000 and 2010[7]; the decline is observed in most countries and regions of the world. Similar progress was observed on many other dimensions of social progress, in part due to benign economic conditions and in part due to targeted attention to them.

By 2011, just after the end of the period we cover here, *The Economist* ran a leader titled 'Africa Rising,'[8] reflecting the optimism engendered by the period to 2010. That headline, however, was less the starting gun on economic prosperity than its swansong. The period to 2010, with its fast growth borne of getting the basics right, saw great poverty reduction and improvements to human welfare; further progress became more and more difficult. While growth brought poverty reduction in a

5 That is, excluding high income countries in Africa, and including the many developing countries in the rest of the world.

6 It is telling that the main exception to this trend in Africa, South Africa, was the country most integrated into the global economy.

7 Our World in Data: https://ourworldindata.org/extreme-poverty-in-brief

8 The Economist, December 3 2011: https://www.economist.com/leaders/2011/12/03/africa-rising

number of large poor countries, there remained a number where GDP per capita was worryingly stagnant or even falling: Malawi, Zimbabwe and Zambia stalled or even went into reverse over the following decade. Poverty was increasingly concentrated in regions or countries where the politics made progress difficult, or where conflict (or even just the ever-present possibility of it) made the prospect of sustained growth distant.

Meanwhile, the kind of progress that was easy to buy through sheer financial heft (purchasing medicines or vaccines, or financing expansion of the schooling system) was finite. Further progress required changes to domestic systems so they were able to diagnose the remaining challenges, get the right resources to address them and to execute policy effectively—the kind of action for which a donor cannot substitute for a domestic government. Ironically, just as the nature of the challenge was shifting, political appetite in donor countries was shifting away from the type of support most suited to meeting it. We have more to say about the decline of general and sector budget support below.

Increasingly in this period, however, other factors, beyond the global economy, became more prominent in how the West, including the UK, saw the international context. Military interventions in Iraq and Afghanistan, and the reactions they provoked, were high in politicians' minds as they thought about their support for the poorest countries. Partly, that helped motivate and sustain their support for development, which they hoped (and believed) could take the edge off criticism over the deployment of Western troops a long way from home. Partly, though, development assistance was seen through the prism of combatting terrorism, extremism, illegal migration, the international narcotics trade (especially heroin from Afghanistan), and organised crime. Defence, interior and intelligence agencies across Western countries—and not least in Britain—were increasingly interested in the role of aid and development as a buttress against these new threats to their national security.

Policy evolution

The government published two more White Papers on development, both again under the strap line "eliminating world poverty." Hilary Benn, secretary of state from mid-2003, had put off the first until after the 2005 election, hoping then to set the agenda for the four or five years of the next Parliament. The White Paper he developed—with the help of a talented team led by Moazzam Malik (later a director general first in DFID and then in the merged Foreign, Commonwealth and Development Office)—and published in 2006 presented a sharp analysis and policy proposals framed around making governance work for the poor.[9] The analytical framework, drawing both on recent academic

9 *Eliminating world poverty: making governance work for the poor*, CM6876, July 2006

publications and some of the department's most insightful practitioners,[10] focused on how to improve the capability, responsiveness and accountability of states in poorer countries. It was unapologetic in recognising the central role of the state in every country that had ever developed successfully.

The publication of the 2006 White Paper was also the moment that the penny dropped for many people that the Conservative opposition had changed their tune on development. Andrew Mitchell, recently appointed by the new Tory leader David Cameron as the shadow secretary of state, took his chance when the White Paper was launched in Parliament on 26 October:

> *"We strongly support the Government's goals for international development as set out by the secretary of state today. Support for the British contribution to international development is not a Labour or Conservative policy, but a British commitment, and the secretary of state knows that he can rely on support from across the House. … . The secretary of state and the minister are, uniquely, doing a good job, and we applaud them for it."*[11]

The department's new tilt towards governance was a forced response to what was increasingly understood as the main threat to the achievement of the MDGs: conflict, fragility, insecurity and other features of weak and failing states. Often, governments and elites in these places barely even paid lip service to reducing the suffering of their poorest citizens. More ink was spilled on what to do when the government was the problem than on any other challenge.[12]

As Douglas Alexander, secretary of state from 2007, told us:

> *"I felt that as the geography of poverty was changing, we needed to rethink and reset our capability to do development in conflict-affected and fragile states."*[13]

Michael Anderson notes another key reason for the paradigm shift:

> "*The Twin Towers* [the 9/11 attacks in New York and Washington in 2001] … *shaped the way we thought about things. For the next generation we were all constantly in the shadow of terrorism and how we responded to terrorism.*"[14]

10 Sue Unsworth, who from the 1980s had been the most senior woman in the department's management team, was particularly influential. She was widely credited as the person who did most to bring political economy analysis to the heart of thinking in DFID—and to make it less prone to wishful thinking. She died young, sadly, in 2016.

11 https://hansard.parliament.uk/Commons/2006-10-26/debates/06102646000002/InternationalDevelopment?highlight=2006%20white%20paper%20making%20governance%20work%20poor#contribution-06102646001156 The minister referred to was Gareth Thomas, Benn's deputy.

12 For example, "*Fighting Poverty to Build a Safer World: A Strategy for Security and Development*", DFID 2005; "*Why we need to work more effectively in fragile states*", DFID, 2005; "*Building the state and securing the peace*", DFID, 2010.

13 Interview with authors.

14 Interview with authors. Anderson worked for the department for nearly a decade from 2003, reaching the rank of director general. He then moved to a senior role in 10 Downing Street.

DFID was on the front foot in its willingness to grapple publicly with the policy dilemmas. (The World Bank had often been looked to for cutting edge thinking on development challenges, often in their annual keynote World Development Reports. But the international community had to wait until 2011 for a World Development Report on conflict, security and development).[15] The department also worked to build an international consensus on the issues. It contributed prominently to the OECD Development Assistance Committee's guidance for donors.[16] The DAC reported that the UK was "among the leaders in promoting effective international engagement in fragile states."[17]

Nowhere was the focus on governance and security more pointed from 2003–10 than in Iraq and—especially—Afghanistan. The government's senior figures believed there was no alternative to nation building.[18] It was not so much that they desired to impose western norms—though there was an element of that—but that no country had ever developed without effective state institutions, and Afghanistan in particular in 2001 had almost none. So there was, in these years, a major effort to help establish them. One goal was to support and facilitate NGOs and others in delivering public services. Another was increasing the tax base and seeking to improve the integrity of Afghan tax administration, a zone historically rife with corruption. But the UK, like the rest of the EU, was always a junior partner in this endeavour. They were a long way behind the US in resources and influence. And the Americans were neuralgic about nation building. There were major failures: above all in politics and the administration of justice. The fact that the Karzai government did not build a political system that embraced all sides, and in particular could not ensure that local governance and justice administration operated in a way that carried the confidence of local communities, created space which allowed the Taliban back in. The initial response—the large-scale deployment of Western troops, mostly American but also thousands from the UK—was intended in British minds (which were perhaps too optimistic) to buy time for state building. But it failed to quell the insurgency and provided a target around which many Afghans, especially in rural areas, could coalesce. (They were also given confidence by the growing success of the Sunni-led insurgency in Iraq. British troops, based mostly around Basra in the south withdrew in 2009; the peak of American deployments was in 2007, falling from then until most left in 2011).

The presence of British troops in Iraq and Afghanistan substantially increased public and media attention on what was happening in those places, especially when military lives were lost. In turn, that heightened the focus across Whitehall in how DFID was contributing to the government's overall goals, and on how successful (or, more to the point, unsuccessful) development efforts were in winning hearts and minds among local people. DFID's license to operate on its global poverty goals could have been undermined had its effort in Iraq and Afghanistan been—or appeared to be—lukewarm. Aid made relatively little difference in Iraq, in truth, because its oil made it rich

15 The Bank did, including through its system for allocating resources to poorer countries, focus on the importance of institutional capacity for development, but it was slow to address conflict and insecurity.

16 See *"Principles for Good International Engagement in Fragile States"*, OECD DAC 2005.

17 THE OECD JOURNAL ON DEVELOPMENT, VOL. 7, No. 3, OECD 2006, 10.

18 See, for example, Gordon Brown, *My Life, Our Times*, The Bodley Head, 2017, 291–3.

enough to meet the basic needs of the population—but domestic politics still required a strong DFID effort there for several years after 2003.

Afghanistan was different. Senior officials recall Douglas Alexander emphasising the importance of DFID's work there in neutralising attacks on the aid programme more widely.[19] The department put its shoulder to the wheel. Progress was significant—school attendance, child survival and average incomes all shot up. The US, which threw huge resources at development problems in Afghanistan, made the biggest contribution, but the UK role certainly added value.

The final Labour White Paper,[20] published in 2009, was, at nearly 150 pages, the longest. It had chapters on, among other things, economic recovery, climate change, peace and security, (further) reform of the international system and ensuring the impact and value for money of aid spending. In truth, though, it broke little new ground in policy terms. Its most important role was in helping lock in the national political consensus on prioritising development even through the UK's economic travails following the global financial crisis.

As Gordon Brown (then prime minister) put it in his foreword:

> "*Some argue that in these difficult times the rich world should turn our backs on the Millennium Development Goals and retreat from the promises we have made to the poor …. While others might be tempted to shy away from their development responsibilities, the United Kingdom will keep the promises we have made.*"

Reinforcing Brown, Douglas Alexander made clear in his preface that poverty and the MDGs were still the focus of DFID's efforts.

The fact that the government were doubling down in publishing the 2009 White Paper made it harder for the Conservative opposition to back off. They declined to take the bait. Andrew Mitchell told the House of Commons on 6 July 2009 when the government launched it that:

> *"There is much in the White Paper that we welcome, not least since it adopts a number of themes and specific ideas that the Opposition have been championing now for more than four years. … Poverty breeds extremism, incubates disease and drives migration and conflict. Tackling poverty and deprivation is not merely a moral duty that we must discharge with passion and rigour—it is also in our best national interest. It is also a matter of relief to many of our fellow citizens that this is no longer a Labour or Conservative agenda but a British agenda that commands widespread support."*[21]

19 Interviews with authors.

20 "*Eliminating World Poverty: Building Our Common Future*", CM 7656, July 2009.

21 https://hansard.parliament.uk/Lords/2009-07-06/debates/0907064000458/InternationalDevelopment?highlight=international%20development%20white%20paper#contribution-0907064000132

What about other policy issues? Much of the vibrant activity that had, between 1997 and 2003, characterised DFID's engagement in non-aid policies affecting developing countries fizzled out. Multilateral trade talks, in particular, remained bogged down for the rest of the decade. The only real glint of light was in aid for trade. At the World Trade Organization's ministerial meeting in Hong Kong in 2005, an initiative was agreed for more and better coordinated assistance building the infrastructure, institutions and skills which underpin international trade.[22] That opened no new markets, but the projects that followed over the next decade (in which DFID played a notable part) did facilitate a growth of trade among developing countries especially in Africa.

In his foreword to the 2006 White Paper, Hilary Benn wrote that *"climate change is becoming the most serious and urgent problem the world faces."* There are more than a hundred references to the climate problem in that White Paper.[23] It assumed even greater importance as time passed. The 2009 White Paper mentions climate change 159 times.[24] Both Gordon Brown's foreword and Douglas Alexander's preface touch on it. In policy and operational terms, the main DFID response was to help developing countries engage in international negotiations, and to adapt their own economies and societies to what was clearly coming.

Corruption also loomed larger as a threat to development. Hilary Benn was appointed as the government's anti-corruption tsar. He regularly convened Whitehall-wide meetings in the Cabinet Office, in an attempt to gee up stronger action from the UK's law and order bodies. DFID funded projects to make anti-corruption agencies in its focus countries more effective. In Sierra Leone that led to the prosecution for corruption of the minister for health. In Nigeria the department helped the economic and financial crimes commission improve national compliance with anti-money laundering rules. It also funded police units in the UK to investigate allegations of corruption in developing countries involving British citizens or businesses. The DFID annual report for 2009/10 reported that this had led to assets worth £160 million being recovered or seized, as well as the first convictions for foreign bribery.[25]

Under Douglas Alexander, these programmes were reinforced. However, he also saw a risk that the anti-aid lobby would use concern over corruption to undermine public support for development. In fact, aid resources were often less exposed to corruption than countries' own resources, because aid agencies had systems to ensure they got to where they were intended. But that was a hard narrative to sell. While there were 78 references to corruption in the 2006 White Paper, the 2009 one contained only 19.[26]

22 Constantine Michalopoulos, *Ending Global Poverty,* Oxford University Press, 2020, 172–3.
23 *Eliminating world poverty: making governance work for the poor*, CM6876, July 2006.
24 *Eliminating world poverty: building our common future,* CM 7656, July 2009.
25 *DFID in 2009–10*, The Stationery Office, July 2010, 73. We will return to these police units in future work.
26 *Eliminating world poverty: making governance work for the poor*, CM6876, July 2006; *Eliminating world poverty: building our common future,* CM 7656, July 2009.

More money

The department's budget continued to grow steadily, as shown in Table 1 (and Tables A1 and A2 in the Appendix). The poverty focus of resource allocation was further reinforced.[27] It came under pressure in 2003, when the department had to free up resources to spend in Iraq to help with the recovery from the war. Hilary Benn took a principled decision to stick to the commitment to allocate 90 percent of regional resources to low-income countries. That meant other budgets had to be reduced to finance activities in Iraq. Suma Chakrabarti[28] saw this an as opportunity to scale back and close remaining activities in countries which were beyond the MDGs, including in central and south America.[29] Much of the 10 percent of the budget that was available for countries that were not low-income went to the Middle East—and not just to Iraq. There was a substantial increase in help for Palestinians too, both in the occupied territories and in Jordan and Lebanon.

TABLE 1. DFID budget 2003/04 and 2009/10

£m (Current Prices)	2003/04	2009/10
Total DFID	**3528**	**6590**
Of which regional programmes	1623	2666
Of which focus countries (a)	949	1810
Share (b)	58 percent	68 percent
Total UK ODA	**4302**	**8452**
Of which: bilateral	2914	5191
multilateral	1388	3261
DFID share of UK ODA(c)	82 percent	77 percent

Notes: (a)Afghanistan, Bangladesh, Democratic Republic of Congo, Ethiopia, Ghana, India, Kenya, Malawi, Mozambique, Nepal, Nigeria, Pakistan, Rwanda, Sierra Leone, Tanzania, Uganda, Zambia, Zimbabwe. These countries were all low income in 1997, and were prioritised as recipients of DFID development resources (as opposed to humanitarian aid during crises) for most (in many cases all) of DFID's existence. See Appendix, tables A1 and A2 for details for the 2003–2010 period; (b) The proportion of regional programme resources allocated to focus countries; (c) The remaining UK ODA was in most years related to debt relief (which involved no new financial transfer, just an ODA accounting credit at the moment of write-off), Treasury support for the IMF and modest expenditure by other government departments.

Some 80 percent of the increase in bilateral aid between 2001 and 2009 was allocated to fragile states.[30] The share going to 18 focus countries we studied in previous work increased to nearly 70 percent, up from less than 60 percent in the previous period. In some of them, the increase in DFID funding was dramatic (Table 2). Aid to Afghanistan increased 20 fold in real terms in the years 2003–10 compared to the total provided between 1997 and 2003; in the Democratic Republic of

27 DFID thought quite hard about aid allocation within LICs—and used an evidence-based aid allocation model to guide political decisions. This was the focus of debates about whether to allocate money to the countries with the strongest policy environments, or with the greatest needs (often conflict and fragile states); and also about whether DFID wanted to compensate for higher or lower levels of aid from other donors.

28 By then DFID Permanent Secretary.

29 Interview with authors.

30 Peter Colenso, "Donor Policies: The Evolution and Development of DFID's Commitment to Education in Fragile States 2000–10", 56, in Zuki Karpinska (ed), *"Education, Aid and Aid Agencies"*, Continuum, 2012. (Colenso had previously been head of profession for education in DFID).

Congo there was also a 20 fold increase; in Ethiopia it was 10 fold; the budget for Nigeria (spent mostly in the north of the country, where poverty was severe and endemic) grew by more than five times; in Pakistan it trebled; and in India (still then a low-income country) it grew by two and a half times. There was, in other words, a huge increase in support for big countries where most of the world's extreme poor lived. That was precisely what achieving the MDGs required.

But there were substantial increases elsewhere too: Bangladesh, Ghana, Malawi, Nepal, Rwanda, Tanzania and others in the 18 all saw their budgets (roughly) doubling in real terms. Increases on this scale were big enough for the UK to move the dial on issues like infant mortality and life expectancy, especially because, as discussed below, they came along with sharp increases in DFID funding for multilateral agencies most focused on MDGs (like the global health funds).

By 2006, the UK's aid as a share of national income reached 0.52 percent, the highest ever to that point. (It was, however, artificially inflated by debt relief which reached a peak around then). In its manifesto for the 2005 election, the Labour party pledged to reach the UN target of 0.7 percent by 2013. Given the experience of recent years, the promise was credible. And it was accompanied by a loosening of some of the controls traditionally imposed by HM Treasury. As Gulrajani notes,

> "*The levels of trust engendered in DFID permitted operational flexibility to 'break all the Treasury rules,' including the ability to make ten-year budget commitments despite a three-year budget cycle, increased delegated authority to field offices, to embrace risk and innovation as an opportunity for greater returns, and to engage in situations where the obstacles to poverty alleviation are more political than technical.*"[31]

These dispensations were immensely valuable given the concentration of DFID's effort in places where the risk was high and a patient, long term commitment was essential.

This period also, however, saw the start of the fragmentation of responsibilities for the aid budget across government. In 2006 Gordon Brown announced the creation of an International Environmental Transformation Fund, with allocations initially amounting to £800 million to the Department for the Environment and the Foreign Office as well as DFID.[32] This expanded a precedent set by the creation of cross-departmental conflict pools in Clare Short's time. Years later initiatives like these mushroomed, squeezing the share of the UK's official development assistance managed by DFID, with deleterious consequences for coherence and impact.

Notwithstanding the substantial growth in the DFID budget, it still accounted for less than 1 percent of the UK's total public spending by 2010.

31 Gulrajani, N. *Re-imagining Canadian development cooperation: a comparative examination of Norway and the UK*. Toronto: Walter and Duncan Gordon Foundation (2010).

32 *DFID Annual Report 2007*, The Stationery Office, May 2007, 173.

TABLE 2. Cumulative growth in DFID aid in focus countries

£Million	1997–2003	2003–2010
Afghanistan	58	1,089
Bangladesh	624	1,185
DRC	36	684
Ethiopia	136	1,143
Ghana	465	814
India	1,166	2,699
Kenya	327	553
Malawi	446	702
Mozambique	274	598
Nepal	188	421
Nigeria	158	832
Pakistan	262	756
Rwanda	204	463
Sierra Leona	240	409
Tanzania	596	1,180
Uganda	589	709
Zambia	271	412
Zimbabwe	148	424
Total 18 countries	6,186	15,072
Total DFID regional programmes	**10,105**	**22,111**
Total DFID	**25,935**	**50,332**

Source: DFID annual reports, adjusted for inflation (2022 prices).

Organisational issues

Political leadership

Earlier studies of DFID have looked at the role of its political leaders. An ODI report in 2017 commented:

> *"Secretaries of State often greatly influence how DFID is managed based on their personal and political party ideology, rather than primarily the complex realities of aid implementation."*

It goes on to observe that politicians should "*resist the temptation of promising more and better results and value for money, given the implications that this has for target setting in aid management.*"[33]

33 Craig Valters and Brenda Whitty, "*The politics of the results agenda in DFID: 1997–2017*", ODI 2017 https://odi.org/en/publications/the-politics-of-the-results-agenda-in-dfid-1997-2017/

The underlying tone is critical—that politicians somehow are a problem. Our view is different: the job of office-holding politicians is to choose the best technocratic approach to achieving public policy goals which is consistent with what the public will accept (or at least acquiesce in). Politicians can sometimes lead public opinion. Sometimes they have to respond to it. The most successful are those who get the balance right between the two.

Measured by this standard DFID was for most of its life lucky in its political leadership—including between 2003 and 2010. Clare Short had ruffled Whitehall feathers in carving out an influential role for the department. Blair now wanted someone more biddable, collaborative and on-message. Valerie Amos[34] was appointed when Short resigned, but was moved after five months to become the Leader of the House of Lords.

Hilary Benn then took over until 2007; he had come in with Amos as minister of state, having also previously served in DFID as one of Short's parliamentary under-secretaries of state. A poll of those who served on DFID's staff over its lifetime would, we suspect, rank Benn as the most personally popular of all the 11 politicians who served as secretary of state between 1997 and 2020.[35] Some thought he was too nice for his own good. But he was also effective. He worked hard on supporting recovery and reconstruction in Iraq at Blair's behest, and was happy to slide in behind Brown's health and education initiatives (as described below). He did his best to make nice with Jack Straw's foreign office, but not at the expense of financing foolish ventures or being knocked off the department's core strategy of achieving the MDGs. And he shifted the department's focus within the MDG umbrella. We have already flagged his role in bringing governance issues to the fore. We will shortly come on to the distinctive contributions he made on HIV/AIDS and humanitarian response.

Benn also had a steely side. Paul Wolfowitz, one of the architects of the 2003 Iraq war, was in 2005, following a nomination by US President George W Bush, made President of the World Bank. In April 2007, the *Financial Times* reported that, shortly after being appointed, Wolfowitz had personally directed the bank's human resources chief to give a promotion and large pay rise to a female staff member with whom he was in a relationship.[36] A kerfuffle was thus ignited. Circling the wagons, the US Treasury Secretary and World Bank governor Hank Paulson called Benn (the UK governor) seeking support for Wolfowitz—and expecting it, given the closeness of the Blair-Bush relationship. "*I know it does not look pretty*" began Paulson. "*No*", interrupted Benn, "*it does not.*"[37] Wolfowitz's resignation was announced the following month. There were other nails in the coffin but Benn's was an early and important one.

34 Appointed to the House of Lords by Tony Blair in 1997, she was a junior minister in the Foreign Office before joining DFID. She was later the UN under-secretary-general for humanitarian affairs.

35 He continues to endear himself to many of them by regularly attending the parties of the DFID Alumni Association.

36 Krishna Guha and Eoin Callan, "Wolfowitz Laid Out Terms for Partner's Pay Package", *The Financial Times*, April 12, 2007

37 Lowcock, the senior DFID official covering the World Bank at the time, was on the call.

When Gordon Brown took over as prime minister in 2007, he appointed Douglas Alexander, a long time close personal aide, as the new secretary of state. Alexander multi-tasked: he also chaired the Cabinet Committee on trade, and was in charge of Labour's election planning. Clever, committed to development and sometimes demanding to work for (as, in fairness, he was entitled to be), Alexander's most seminal contribution was arguably in helping lock in the UK's pledges on development in the wake of the global financial crisis and the run up to the 2010 election. He saw the danger of the Conservative opposition shimmying off its new pro-development stance. As he told us, *"I always regarded the Conservatives commitment to development as fragile."* Labour doubling down, not least in the 2009 White Paper, was no small thing.

Benn and Alexander were supported by junior ministers. Under Benn, the model was as it had been with Short—a single junior minister supporting the secretary of state. Gareth Thomas, another self-declared Blair loyalist,[38] was appointed to that role in 2003. He became DFID's longest serving minister, staying with the department right up to the 2010 election (for the last two years on promotion to minister of state.) Thomas was unusually (and unnecessarily) self-effacing as a minister, seeing his role as to support Benn, Alexander and the department's agenda:

> "*By the time I arrived in DFID, the calibre of the staff team was very strong … Other countries knew they were talking to very serious people and very capable people …* [DFID] *had a global reputation as a very big player, and … serious strategic thinkers in the UK recognised that DFID was crucial to Britain's soft power and influence. … The weakness was the department wasn't very political in a British sense. So it didn't always pick up where political debate in the UK was going."*[39]

Thomas' point is a good one, though it is also fair to say that senior civil servants looked to their ministers for political direction and a sense of where the wind was blowing.

The DFID ministerial team was more complicated in the Brown premiership from June 2007. Alexander was initially supported by three junior ministers. Shriti Vadera, a "*brilliant and fiery City analyst who had been central to Brown's financial and industrial decision-making,*"[40] was elevated to the Lords and appointed parliamentary under-secretary of state. Shahid Malik, elected as the MP for Dewsbury in 2005, was appointed too, and Gareth Thomas was kept on.

Vadera, who previously had made important contributions to some of the innovative initiatives for financing development Brown had proposed, was moved in January 2008 to help cope with the emerging global financial crisis. She was succeeded by a Commons minister, Gillian Merron, who had served in a range of ministerial posts in other departments, but she too was moved on after a few

38 Interview with authors.
39 Interview with authors.
40 Anthony Seldon and Guy Lodge, *"Brown at 10"*, Biteback, 2010, 9.

months. Her successor was Ivan Lewis, who also lasted less than a year. When he transferred to the Foreign Office in 2009, the department reverted back from four to three ministers—to the (mostly) unspoken relief of a good number of staff. Malik had been moved in October 2008. His successor Mike Foster lasted until the 2010 election (and after that went to work for a development NGO).

What are the takeaways from this? Douglas Alexander put his finger on the most important point:

> *"Who were the most effective cabinet ministers in the 1997–2001 parliament? … Clare Short, David Blunkett and Gordon Brown. … What characteristics did they share? All of them served the full parliament in the same department."*[41]

The continuity of political leadership from 2003–10 was valuable for the department. As to junior ministers, Gareth Thomas told us,

> "*how much power the secretary state is really willing to devolve is key to what influence a junior Minister can have. … If the secretary of state has confidence in the junior minister, and the junior minister is capable, you can significantly improve the capacity of the department. And I like to think that's what happened in particular between 2005 and 2007. Certainly, I knew what I was doing at that stage."*[42]

DFID's experience was not much different from that of other departments in the UK system. The right number of ministers (in DFID, that was one junior minister supporting the secretary of state), each genuinely interested in the role, working well together and all staying in post long enough to make a difference (i.e., several years) was most conducive to making the department effective.

Appointing people to ministerial jobs they are not interested in is not a recipe for success. Ministers serving too short a tenure achieve little that lasts. To quote Douglas Alexander again, "*as a broad rule of thumb, too many people move too quickly between jobs.*" And having more ministers is far from a guarantee of better departmental performance.[43]

So the department's senior political leadership was strong through this era. As Andrew Mitchell, whose job it was to oppose them, has said, the Labour secretaries of state were "*dedicated and effective ministers.*"[44] And, crucially, they enjoyed the backing of the highest level of government.[45]

41 Interview with authors.
42 Interview with authors.
43 Interviews with authors.
44 Andrew Mitchell, *"Beyond a Fringe"*, Biteback, 2021, 156. As we will see in later work, Mitchell too was a highly effective secretary of state.
45 It's also worth noting that all those we have spoken to found their time at DFID professionally fulfilling, and matched by few other things in their careers. When we asked Hilary Benn which of the many important roles in his now long and distinguished career he had found more fulfilling or enjoyable than being Development Secretary, he paused for several seconds. "None," he said.

Structure and operating model

DFID remained a grant maker, a commissioner and a policy influencer during this period. It did not invest directly for a return (either through loans or by taking equity stakes in enterprises).[46] And it did not hire staff to deliver services directly to people in developing countries.[47] It continued to work in partnerships, above all with the governments of developing countries but also with intermediaries including multilateral agencies, NGOs and private contractors.

By 2002, John Vereker, who had been permanent secretary of the Overseas Development Administration and then DFID for 8 years, thought it was time to hand over the reins.[48] His successor was Suma Chakrabarti, an economist who had spent several years in the Overseas Development Administration before time in the Treasury and Cabinet Office. He was well known in Number 10; they trusted him, which was important at a time when tensions with Short over Iraq were growing. As a result, Chakrabarti found he was able to protect the department from proposals that would have derailed it from its main mission.[49]

Chakrabarti wanted in particular to make management across the department more effective, with the goal of driving even harder on the MDGs. His senior deputies (directors general) had served for many years and were ripe for a move; one of them, Richard Manning, was elected chair of the OECD Development Assistance Committee soon after Chakrabarti's arrival. This was also a moment when governance across Whitehall was evolving, with each department now required to create a management board chaired by the permanent secretary and including external non-executive directors.

Chakrabarti was therefore able to create a new top team. He hired two highfliers, Minouche Shafik from the World Bank and Masood Ahmed from the IMF.[50] Why did high powered people leave the prestigious international financial institutions to join DFID? For Minouche Shafik:

> *"At that moment in history, DFID was the most exciting, the best bilateral and where a lot of the most creative thinking about development was happening. And so that was a huge attraction".*[51]

For Masood Ahmed, it was about where he could make the biggest difference:

> *"I joined DFID for a very simple reason: in 2003 there was no other agency where I felt I could have as much influence on shaping the key issues on the international development agenda."*

46 Though CDC, a company owned by the department, did that, as covered below.
47 It did though sometimes second UK civil servants to work in government departments in developing countries.
48 He also wanted a new challenge. He became governor of Bermuda. (Interview with authors).
49 Interview with authors.
50 A third director general post was also created on the management board, to which Lowcock was appointed in 2003.
51 Interview with authors.

In another structural change, Chakrabarti created a new Middle East division.[52] That established a much stronger senior-level capacity to work on Iraq and elsewhere in the region, including engaging across Whitehall—which, as some of our interviewees put it, reduced the number of high level cross-government meetings at which DFID was not represented and was therefore at risk of being bad mouthed.[53] A further example of stronger cooperation between departments saw DFID join the foreign office and ministry of defence in 2004 to create a post-conflict reconstruction unit. It brought together staff from all three departments to act as a hub for reconstruction operations.[54]

Chakrabarti also oversaw an enhancement of DFID's second headquarters location in East Kilbride (near Glasgow). More policy jobs were moved there, and a principle was established that if a staff member wished to work from East Kilbride rather than London, they should be allowed to unless there were serious operational reasons why that could not happen. That led to a significant shift, which included senior civil servants. It made the department more attractive to potential staff who did not relish living in London on a civil service salary. The East Kilbride office became—and remained until 2020—a hub of real policy expertise.

In 2003–04 Chakrabarti set about what turned into one of the more controversial structural changes in the history of the department, with the creation of a new policy division and changes in the roles of heads of specialist groups (economists, health advisers, engineers and others).[55] One account describes what happened thus:

> *"Previously, projects had been managed by generalists who could call upon teams of specialists. The latter were grouped into 'cadres' … The Chief Advisers of these cadres had … management responsibility for their advisers. Critics described these as 'powerful baronies' and 'silos'. These structural reforms reduced the power of the Chief Advisers, by taking away their line management responsibilities. It gave members of professional cadres project management roles".*[56]

Some of this was unpopular with many of the specialists.[57] And Chakrabarti's view now is that errors were made in the change process: "*We did make some mistakes and I think I was too distant from it.*"[58]

52 In DFID terminology, senior civil servants were graded as permanent secretary, director general, director or deputy director. A director headed a division. A deputy director reported to a director, and (confusingly) headed a department. Where we use the word department, though, we are talking about DFID as a whole.

53 Interview with authors.

54 Joe Devanny and Philip A. Berry, *The Conservative Party and DFID: party statecraft and development policy since 1997,* Taylor and Francis Online, 2021.

55 See Ranil Dissanayake and Mark Lowcock. 2023. "Setting the Compass for Eliminating World Poverty: The Department for International Development 1997–2003." CGD Policy Paper 311. Washington, DC: Center for Global Development. https://www.cgdev.org/publication/setting-compass-eliminating-world-poverty-departmentinternational-development-1997 for a fuller description of these groups.

56 Craig Valters and Brenda Whitty, "*The politics of the results agenda in DFID: 1997–2017*", ODI 2017 https://odi.org/en/publications/the-politics-of-the-results-agenda-in-dfid-1997-2017/

57 Treffgarne interviews.

58 Interview with authors.

There was, however, a clear rationale for the changes. The goal was to reinforce the philosophy of getting behind developing country leadership, which was at the heart of what Chakrabarti (like Clare Short) thought made for successful development, by expanding the role of the heads of local DFID offices as the lead interlocutor with local decision makers.[59] Previously, Chief Advisers had held larger budgets which were sometimes spent with limited engagement from either the DFID local office or their chief counterparts in the partner government. Likewise, having the specialists report through the head of the country office, rather than round their backs direct to their technical chiefs in London, was intended to improve coherence. And giving members of professional cadres responsibility for project management was intended to empower them while also making them accountable for ensuring that their technical advice delivered the desired outcomes in practice. Finally, Chakrabarti thought it essential that senior managers acted as a coherent team, responsible for the department as a whole. He wanted to attack a culture—common elsewhere in Whitehall, and from which DFID was not immune—where senior staff competed with each other as the heads of rival baronies. His successors worked hard to sustain that mindset throughout the department's life.

These changes were reinforced by other bureaucratic initiatives. The department had traditionally had a long rule book setting out the processes for spending money.[60] Like other large organisations, it tended to accrete processes: more and more were added as time passed to deal with some new requirement or other. A new "Blue Book" of rules and tools was created. The previous huge catalogue of mandatory rules was stripped back to a short volume of minimal "must dos", accompanied by guidance material which could be followed or not according to the professional judgement of the project manager. All staff went on obligatory training courses to absorb the new arrangements. As the OECD DAC put it in their 2006 review of the UK:

> *"The Blue Book represents a significant rationalisation and streamlining of predecessor manuals and guidelines. In a very compact (100 pages) and user-friendly manner, it explains DFID mandatory requirements while providing useful links and references for the remaining support materials of interest to each area. The Blue Book has become the one-stop, primary reference document for the effective functioning of DFID's large and highly decentralised operations. It is among the best examples seen in the DAC to date."*[61]

Crucially, managers in DFID's country offices were given a lot of authority. As Eamon Cassidy, who headed the DFID offices in Mozambique and Nigeria and later worked for Save the Children, told us:

59 As Richard Manning has pointed out to us, Chakrabarti's reforms went with the thrust of the model that had been championed for much of the 1990s by Bob Ainscow, then the Overseas Development Administration's only director general. (Email correspondence, November 2023).

60 When Lowcock joined as a graduate trainee in 1985, these Office Instructions ran to three large bound files. The naïve new entrant astonished his colleagues by reading them.

61 *The OECD Journal on Development*, Vol. 7, No. 3, OECD 2006, 69.

> *"There was a lot of delegation. In Nigeria, I had delegated authority of £20 million. And that was fantastic. That really distinguished DFID from other donors … My opposite numbers in the aid community in Abuja literally couldn't breathe without asking headquarters."*[62]

There was also, again as in other parts of Whitehall, a significant effort to increase the professional skills of staff in corporate services (finance, human resources, IT, procurement, communications and the like). Traditionally, many civil service jobs in these functions, not least at senior levels, had been filled by generalists without training or accreditation in the relevant professional bodies. The change in DFID began as a consequence of a decision across government that public sector bodies should produce accounts based not just on a cash book (recording funds coming in from the Treasury and expenditure going out), but distinguishing between current and capital expenditure and looking at assets and liabilities as well as expenditure. DFID's finance team needed upgrading to handle this.[63] Similarly, in personnel management, a former head of human resources at British Airways was hired, and for IT a chief information officer came in from the private sector. As well as new recruits, existing staff across all the corporate services functions studied to earn accreditation to their professional bodies. The benefits were significant. The department was, for example, an early adopter of video conferencing, which transformed communications between headquarters and the country offices. It also began to produce much better management information, so senior staff could see what was going on, spot problems and amplify successes.[64]

Staffing

The department had doubled in size from 1997–2003. Its administration costs in the UK were controlled by the Treasury, but staffing overseas was funded separately, and growth there was unconstrained. In 2003, in the wake of this expansion, the department's management board decided that more discipline was needed. They introduced a category of total operating costs, and reached an informal agreement with the Treasury to limit them. Cost control across Whitehall then became tighter. And in 2009, in the wake of the financial crisis, tougher steps were taken. As *The Guardian* revealed in early December:

62 Interview with authors.

63 In the summer of 2001 Lowcock returned from Africa to become DFID's finance director. One sunny day in August, in his first week in the role, he was visited by the director in the National Audit Office who was responsible for DFID's accounts. The message was that the test version of the accounts prepared in the new format was so bad that they would, if issued for real, be disclaimed—a technical term meaning that they were too inaccurate even to be fit to be qualified. It transpired that no-one involved in their preparation and approval, from the lowliest cash book clerk to the permanent secretary, was a qualified accountant. Lowcock signed himself up for years of exams to become a member of the Chartered Institute of Public Finance and Accountancy, encouraged other colleagues to get qualified too and hired a number of finance professionals from outside.

64 Interviews with authors.

> "*Gordon Brown will announce the biggest shakeup of Whitehall in a generation next week as the government attempts to save billions of pounds by cutting the number of senior civil servants and abolishing a fifth of all quangos.*"[65]

One consequence was a need to reduce the size of the senior civil service in DFID (the top 100 posts) by 20 percent.

The upshot of all this was a major challenge. The DAC described it in diplomatic terms (in 2006, before Brown's later cuts):

> "[DFID] *proposes to more than double its current level of aid in the next few years (0.7 percent target in 2013), to deliver its aid better (aid effectiveness agenda, results monitoring) and to move into countries with more complex and difficult environments for aid delivery (fragile states, conflict). At the same time, it plans do so with fewer staff (10 percent reduction in DFID staff over the next three years) and expected constraints on its administrative operating funds. It will be a challenge for DFID to undertake all of these tasks while maintaining the quality and innovative character of its aid. DFID recognises this challenge and is approaching it constructively.*"[66]

Senior officials had cause to rue the decision they had voluntarily taken in 2003 to tighten belts. They were sceptical of the wisdom of the scale of reductions now required. But it did not matter what they thought. They had to play the hand they were dealt. Given the importance and scale of the challenge in fragile states, a decision was taken to increase staffing for those countries. Efficiencies and cuts were made elsewhere. Hundreds of people were (over the passage of several years) seconded to other aid organisations, especially multilateral institutions. That took them off the DFID headcount, but it also brought the department's perspective to other organisations.

It helped that DFID was fortunate in its most important asset. The department continued to be the top choice among candidates for the civil service graduate recruitment programme, often getting the pick of the best candidates.[67] It also became notably more diverse than it had been ten years previously. By March 2009, women held a third of the top (senior civil service) jobs; and people from ethnic minorities 12 percent.[68] As the DAC, again, put it, DFID's "*high calibre, highly motivated staff*" was "*a particular strength.*"[69] In 2009, as part of a broad programme of civil service reform introduced

65 *The Guardian*, 4 December 2009.

66 *The OECD Journal on Development*, Vol. 7, No. 3, OECD 2006,34.

67 Microsoft Word—Capability Review programme FINAL CRC.doc (parliament.uk).

68 *DFID Annual Report and Accounts, 2008–09,* July 2009, HC 867-I, 56. The lobby group Stonewall included DFID in its list of the top 100 employers for lesbian, gay, bisexual and transgender staff.

69 *The OECD Journal on Development*, Vol. 7, No. 3, OECD 2006,72. This applied to staff across the whole department. In its 2002/03 annual report, the department profiled by way of example George Otto, a junior official in the procurement team based in DFID's headquarters near Glasgow. He described in vivid terms how what he was doing was ending world poverty. (*DFID Departmental Report 2002/03*, CM5914, 16).

by Gus O'Donnell as the Cabinet Secretary,[70] the government began conducting annual surveys of civil servants to test staff engagement. The idea was that staff motivated by and committed to their jobs would be more productive and effective than those who were not. Hundreds of thousands of civil servants round the country completed the survey. A staff engagement index was produced for each department based on the responses. The median score across departments was 58 percent.[71] DFID achieved the highest score, at 72 percent.[72] Gus O'Donnell told the parliamentary Public Accounts Committee that DFID was marked out by the commitment of its staff.[73]

The culture of the department fostered that commitment. As Hilary Benn told us,

> *"In other government departments I was in, you'd have a meeting with officials and the most senior official in the room would lead off. It wasn't like that in DFID. The person who knew the most about the subject led off in front of his or her superiors. That was impressive."*[74]

Performance management

The system of Public Service Agreements (PSA) introduced soon after Gordon Brown became chancellor of the exchequer was sustained. They continued to support DFID's focus on the MDGs. The stability of this framework was a real boon for an organisation whose raison d'etre was the achievement of long-term targets focused on 2015.

Suma Chakrabarti highlights one of the advantages:

> "*I believed in development outcomes. The only way to get people motivated around a PSA is if it describes things they actually care about. If you don't, it doesn't motivate staff. We were fortunate to have such a clear set of outcomes.*"[75]

With its improving IT systems, the department was able to collect information on "*more than 34,000 projects and programmes. All projects and programmes over an approved commitment of*

70 The UK's most senior civil servant.

71 The mean score was substantially lower, because engagement was weaker in departments with huge numbers of relatively junior staff (like the Department for Work and Pensions, and HM Revenue and Customs).

72 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/867298/Civil-Service-People-Survey-Main-Department-Scores-2009-to-2019.pdf

73 https://publications.parliament.uk/pa/cm200809/cmselect/cmpubacc/618/618.pdf

74 Interview with authors.

75 Quoted in Craig Valters and Brendan Whitty, "*The politics of the results agenda in DFID: 1997–2017*", ODI 2017 https://odi.org/en/publications/the-politics-of-the-results-agenda-in-dfid-1997-2017/

£1 million [were] *reviewed and scored annually through this system."*[76] As previously, the project success rate was high.[77]

There was also innovation. Partly, it was motivated by new legislation requiring the department to publish detailed information every year on progress towards the MDGs.[78] DFID started to estimate the total number of people it was lifting out of income poverty (i.e. above the dollar a day line), as well as other outcomes like the number of children it was financing in school and the number of lives saved through its support for immunisation.[79]

This approach later became more pronounced – and attracted a degree of criticism, as we will pick up in later work. It is worth noting, therefore, that it began in the Labour years. Hilary Benn explained that:

> *"as the aid budget rose, more people asked quite properly what are we getting for it?"*[80]

The department knew that it could not afford to overstate what it was doing, not least because the data was part of the annual report subject to scrutiny by the National Audit Office. It was never caught out exaggerating. It erred on the side of understatement.

Richard Manning, who first joined DFID's predecessor in 1965 and moved on in 2003, said:

> "*when I left DFID I was relatively satisfied with how we were using the idea of results.*"

Adrian Wood, the DFID Chief Economist from 2000 to 2005, who had previously worked in senior positions at the World Bank, observed in 2016 that:

> "*DFID was constantly engaged in self-appraisal … There were a lot of external reviews of DFID's performance, including by the Development Assistance Committee (DAC). Every country office had plans and records. People were very definitely held accountable by their superiors.*"[81]

76 THE OECD JOURNAL ON DEVELOPMENT, VOL. 7, No. 3, OECD 2006, 71.

77 Ranil Dissanayake and Mark Lowcock. 2023. "Setting the Compass for Eliminating World Poverty: The Department for International Development 1997–2003." CGD Policy Paper 311. Washington, DC: Center for Global Development. https://www.cgdev.org/publication/setting-compass-eliminating-world-poverty-departmentinternational-development-1997

78 The 2006 International Development (Reporting and Transparency) Act Act. https://www.legislation.gov.uk/ukpga/2006/31/pdfs/ukpga_20060031_en.pdf#:~:text=An%20Act%20to%20require%20the%20Secretary%20of%20State,aid%3B%20and%20for%20connected%20purposes.%20%5B25th%20July%202006%5D

79 This sort of data took increasing space in annual departmental reports from 2004 (when the document included an estimate that the department was lifting 2 million people a year out of poverty).

80 Interview with authors.

81 Quoted in Craig Valters and Brendan Whitty, "*The politics of the results agenda in DFID: 1997–2017*", ODI 2017 https://odi.org/en/publications/the-politics-of-the-results-agenda-in-dfid-1997-2017/

The subtle shift from focusing on how DFID was contributing alongside others to achieve the MDGs to giving greater prominence to what the UK could attribute to its own efforts may have been a political necessity. But it did have consequences. In particular it took the edge off the partnership philosophy, the centrality of country leadership and the commitment to collective donor effort.

How effective was DFID by 2010?

We will look at the end of the paper at the difference DFID made to its stated goals—the MDGs. But what, overall, can we say now about its capability as an organisation?

As we have already indicated, there is quite a lot to be positive about. But there were also some additional challenges to the vision many staff held dear of development that would be lasting, sustainable and help make poorer countries self-sufficient as well as achieving the development goals.

As the department's budget grew, so did scrutiny. The old anti-aid lobby looked for weaknesses. DFID's political leaders became more conscious of the risks. One related to corruption and the danger that some of the department's budget might be diverted from the intended uses. As Gareth Thomas said to us:

> *"I started to get concerned about the risk of corruption and aid spending. Hilary and Douglas both got those concerns. We made decisions which were slightly less ambitious than the department wanted, but it meant that there was no substantive attack on development spending, in the time we were there, on corruption and therefore on aid effectiveness because of corruption. I thought one big corruption scandal and we'd be in a lot of trouble."*

In fact there were no major scandals in this period. A more cautious mindset did however permeate (the consequences of which we will say more about shortly).

Greater scrutiny also meant that ministers wanted to find ways of communicating and getting credit for what was being achieved. Under the previous government, a favoured tactic was to plaster the Union Jack symbol on aid goods and use photos of them in publicity.[82] Many staff, especially those long in the tooth, were sceptical of such branding. They observed that no-one likes being a recipient of charity, and the emotion most commonly expressed by people getting respite from extreme suffering was not gratitude but desperation. They all also had stories of branding backfiring.[83]

82 This had also long been a practice of the US Agency for International Development (and still is).

83 Lowcock recalls visiting a hospital in southern Nigeria around this time, and being taken to see its broken diesel generator which was emblazoned with a dusty Union Jack sticker. The generator had stopped working because it was not maintained properly. The sticker and the conversation it provoked inadvertently sent the message that Britain was to blame.

But the bigger issue was the one Clare Short and her European allies had identified in the late 1990s. They argued that donor flags undermined the accountability relationship—which they were keen to foster—between developing country governments and their citizens. They wanted people to complain to their local officials and politicians (rather than foreigners) about service failures to put pressure on them to sort things out.

Nevertheless, by 2010 branding was starting to come back—and would grow thereafter.

In April 2007, Simon Maxwell, the director of the influential think tank, the Overseas Development Institute, observing a brief flurry of media criticism in *The Times* and *The Sun* and on BBC Radio, published a blog asking the question "*Is DFID any good or isn't it?*"[84] Reviewing the media critiques and observing the limited evidence base underpinning them, he then summarised three more substantive assessments. One reviewed research literature on the country-level impacts of aid. It concluded that recent research "*provides overwhelming evidence that aid is effective.*" A second was the latest DAC peer review of DFID. Maxwell quoted its view of DFID as "*one of the bilateral models for today's evolving world of development cooperation.*"

The third assessment was a Capability Review commissioned by the Cabinet Office. These reviews were conducted on all Whitehall departments between 2007 and 2010. They were carried out by five senior independent people from other parts of government, civil society and the private sector. Departments were scored against ten criteria; in 2007, DFID was scored in the top two categories ("strong" or "well placed") on seven of them. Overall, it had the top scores in Whitehall.[85]

Spending the extra money

Budget support

The department under Clare Short had been leading proponents of providing aid as cash injections into the national budgets of partner countries committed to poverty reduction and the MDGs. This was, as noted above, part of an explicit state building strategy. The hope was not just that the money would feed through into the delivery of services, but also that it would build administrative capability for the long term, strengthen the accountability links between governments and their citizens and buy time to grow the economy and tax base so that recipients could become more self-sufficient.

This was the essence of what the deep development thinkers in DFID believed in. No one, they thought, wants to be dependent on aid. Success was improving people's lives, but also reducing the need for aid in future. It was an optimistic, perhaps idealistic, vision. And it was posited on the

84 https://odi.org/en/insights/is-dfid-any-good-or-isnt-it-and-whos-asking/
85 Maxwell observed that, by contrast, the Foreign Office was scored in the bottom two categories in six out of the ten criteria.

proposition that while no country had ever developed successfully without capable state institutions, those institutions also had to be responsive to citizens' concerns.[86]

DFID provided high levels of budget support throughout the 2003–10 period. In the 2009/10 year it gave £426 million in general budget support (i.e., money untied to any particular sector) to eleven countries, and a further £290 million in sector budget support to ten countries (including six who also received general budget support). That represented in total 27 percent of the whole bilateral aid programme. The department was transparent in what it was doing, and about the risks of relying on partner countries' systems. The annual report noted that budget support "*is spent using the government's own financial management and procurement systems and is accounted for using the government's own accountability systems.*"[87] In some countries (Nigeria, the Democratic Republic of Congo and others) the risks were judged too high, and assistance was provided in alternative ways.[88] The biggest judgment was on the underlying commitment of the recipient government to poverty reduction. The department displayed a high willingness to take fiduciary risks where it was satisfied on that.

It also developed subtler tactics for handling problems when they arose. Major concerns (for example over human rights abuses in the wake of Ethiopia's 2005 elections, which were marred by violence) led to publicly announced pauses in support, often as part of a joint approach with other donors. Such difficulties were not infrequent: in 2009–10 the department reported 14 such cases, many of them on budget support and the *casus belli* was often suspected fraud.[89] Pauses were rarely, however, long-lasting: problems were typically addressed quite promptly and funding resumed, so the damage done to the MDGs by the hiatus was limited.

DFID also offered help, typically through technical assistance projects, with strengthening national institutions charged with ensuring accountability and propriety. Audit offices, finance ministries, central banks, anti-corruption bodies, parliaments and justice departments were all targeted for help. As Minouche Shafik has said,

> "*What really matters in the long run ..... are strong institutions—the institutions that make sure whatever kind of leadership you have works in the public interest.*"[90]

It is important to note that creating strong institutions is not primarily a technical challenge. It is fundamentally political. External support can be effective where there is a genuine top-level desire to reform.

86 Interviews with authors.
87 *DFID in 2009–10: Response to the International Development (Reporting and Transparency) Act 2006),* 70.
88 In the case of Afghanistan, the money was channelled via the World Bank through a dedicated trust fund supported by many donors. This was, in effect, budget support, though it was not reported as that but as a grant to the World Bank.
89 *DFID in 2009–10: Response to the International Development (Reporting and Transparency) Act 2006,* 68–69.
90 Interview in *Finance & Development*, September 2023.

It is not clear how successfully budget support led to a stronger tax base and greater self-sufficiency in the long run. In some countries receiving significant volumes of budget support (for example Rwanda, Malawi, Mozambique), the proportion of national income collected in tax tended to increase somewhat over time (from very low levels). In others, including some receiving very high levels of aid (like Ethiopia), the tax take did not keep up with rapid economic growth.[91] The effect on the political economy is also open to question. In the decade after 2010, too many countries resorted to the international bond markets to finance recurrent expenditure, rather than domestic resources, when aid could not meet their needs.[92]

Overall, however, the evidence points to budget support being a big plus for the MDGs.
The department reported the findings of an independent evaluation of general budget support (GBS) in its 2002/03 annual report. The study concluded that budget support could increase state effectiveness, particularly in delivering social services, lead to greater democratic accountability and reduce transactions costs in the management and delivery of aid. A more analytical paper published in 2010 by Jonathan Beynon and Andra Dusu looked at the impact in more detail. It found that countries receiving high volumes of GBS:

> "*have performed better, often significantly so, in all four MDGs assessed (covering primary enrolment, gender parity in education, child mortality, and access to water), as well as in terms of improvements in the Human Development Index, in the period 2002–2007. We also find that even after we control for the quality of the policy environment, income level and aid dependency, high GBS recipients have on average still performed better than other countries. It should be emphasised that this study is an analysis of association, not causality. Nevertheless, the results overall do provide more comprehensive support for the view that countries receiving large amounts of budget support perform better than those receiving little or no budget support.*"[93]

A study published by Oxfam in 2008 on the contribution of budget support to the health and education MDGs in 8 African countries reached similar conclusions:

> *"The evidence does show that where it* [the European Commission] *is giving large amounts of budget support, headway is being made in reducing poverty."*[94]

This era saw the peak in the use of budget support by DFID and other donors. Analysis of the sort we have just summarised had addressed all the various concerns. Nevertheless, such problems created political headaches. It proved a drawback that the precise effect of budget support on poverty could

91 Unpublished research for authors by Bernat Camps Adrogue.

92 That is one of the under-discussed dimensions of the current debt crisis in poorer countries.

93 Jonathan Beynon and Andra Dusu, *"Budget Support and MDG Performance"*, Development Paper Number 2010/01, European Commission, March 2010. Beynon now works for the Center for Global Development.

94 Quoted in Constantine Michalopoulos, *Ending Global Poverty*, Oxford University Press, 2020, 206.

not be measured when donors increasingly (as we explained earlier) wanted to measure the specific short-term results from their own interventions. And DFID (like other donors) proved not to have the staying power for financial management, procurement and anti-corruption measures alongside budget support so that they could both deal with risks as they emerged and at the same time use their financial heft to strengthen systems and accountability in partner countries.[95] The problem was a change in the political stance in donor countries rather than greater political risk in poorer ones. As Suma Chakrabarti put it, *"I think budget support requires great political courage and clarity."*[96]

Sector snapshots

In this section we examine DFID's approach to education, health, social protection, humanitarian response, private sector development, and scientific and social research for development. This is far from a comprehensive array of the department's activities, but it is illustrative of important features of the approach that was brought to bear and the growing scale of activity.[97]

Education

Education was a personal passion for Gordon Brown, both as chancellor and from 2007 as prime minister (and it is one he has sustained since, including as the UN Secretary-General's special envoy for global education, a role he has held since 2012[98]). As he wrote in 2017,

> *"I see Britain's commitment to universal education—guaranteeing schooling to the poorest and most vulnerable children in the least promising corners of the world—as the British people demonstrating our internationalism in practice and cajoling other nations to do likewise."*[99]

Brown campaigned on the issue with characteristic energy and determination throughout the 2003–10 period, not least with counterparts in developing countries, urging them to do more to get all their children in school.[100] In 2006, at an event in Mozambique attended by Nelson Mandela,

95 Constantine Michalopoulos, *Ending Global Poverty*, Oxford University Press, 2020, 206–7.

96 Interview with authors.

97 A number of readers of earlier drafts pointed out additional topics we could have covered, including gender policy, infrastructure, rural and urban livelihoods, a variety of governance issues, financial services, water and sanitation and a range of environmental challenges. There is much of interest to be said on all of these. They are covered in, for example, the department's annual reports and publications by others (including the Parliamentary development committee).

98 https://www.bbc.co.uk/news/education-18836618

99 Gordon Brown, *My Life, Our Times, The* Bodley Head, 2017, 391.

100 Lowcock, who thought he followed the issues closely, was impressed with Brown's detailed knowledge when briefing him on the plane from London to the Commonwealth Heads of Government Meeting in Uganda in late 2007, a moment at which Brown had quite a lot else on his mind.

he and Hilary Benn announced that DFID would provide £8.5 billion for education in poorer countries over the following 10 years.[101]

DFID supported education programmes between 2003 and 2010 in all 18 of the focus countries we have looked at particularly closely.[102] (In one, Zambia, its contribution was restricted to indirect funding through its general budget support. Zambia was a prime example of donors agreeing a division of labour across sectors as part of the international effort on aid harmonisation). The department's education work was everywhere focused on the MDGs: universal access to basic education, and in particular increasing the proportion of girls going to school. DFID sent specialist education advisers to work in these countries, and consistently engaged in policy issues with national and sub-national authorities, as well as on programme funding and implementation.

Education in all the 18 countries received a substantial share of the national government budget, and DFID generally provided the bulk of its aid for education through government systems, either as general or sector budget support. In practice, that meant that most of its resources contributed to paying teacher salaries—which absorb the lion's share of spending on basic education everywhere across the world. But the department also engaged actively on policy issues.

Amassing all the evidence, the department was persuaded that fees were the biggest block to every child going to school.[103] In 2002 DFID had commissioned a six-country study examining how costs deterred poor families from sending their children—especially daughters—to school. Some DFID economists were nervous about the fiscal consequences for governments of addressing this. But, particularly with the backing of Gordon Brown, it increasingly pushed for free basic education. It was able to piggy-back on decisions in a few first-mover countries. From the 1990s, Uganda's President Museveni promoted universal primary education. The presidential election in Malawi in 1994—the first free election after the departure of the long-time dictator Hastings Banda—was won by Bakili Muluzi partly on the back of a promise of free schooling.[104] DFID used its growing budget to underwrite the initial costs of abolishing fees. Crucially, the department could see that once introduced, free services would be well-nigh impossible to roll back.[105]

101 Benn also had a background in education, having worked as a special adviser to Education Secretary David Blunkett from 1997–99. At the outset of the Mozambique event Mandela announced he was coming out of retirement to support this cause. At the end of it he re-announced his retirement. (Gordon Brown, *"My Life, Our Times",* The Bodley Head, 2017, 191).

102 As time passed, the department provided ever greater detail on its activities through its annual reports. See Volume 1 of the 2009–10 report, pages 21–65, for a detailed (though still summary) description of its contribution to each of the MDGs (including education) across all focus countries. The following paragraphs draw on that material and other annual reports from 2003–10. (Note that the department's own definition of its focus countries changed over time, and includes more than we have examined).

103 That had also historically been the case in rich countries, including the UK. See Mark Lowcock, *Ten Generations: A Family Story from Rags to Riches,* Matador, 2021, 105 and 111–2.

104 Lowcock was in Malawi when, on the first day of the new school year after the election, a million children (not far short of 10 percent of the population, and many of them teenagers) showed up in class for the first time.

105 Interviews with authors.

Progress was impressive: by 2010, there were few countries in which primary fees remained part of government policy (though levies raised, sometimes unofficially, by schools still effectively barred some children). Policy work, often supported by technical assistance projects complementing financial aid, also covered curriculum modernisation, performance management, standards for school buildings, textbooks and other supplies, improving the use of capitation grants provided by government to schools, and stipends for particularly vulnerable groups. As attendance increased, the focus shifted to the even bigger challenge of quality and learning outcomes.

In Bangladesh, by way of illustration, the 2009/10 DFID annual report notes that primary enrolment was on track (at 93 percent) but that only 55 percent of children were completing 5 years of school. Poor quality schools, materials, curriculum and teaching were identified as the main problems, with children with disabilities or from ethnic minority groups particularly neglected. The report describes how that year, the DFID Bangladesh programme helped construct thousands of classrooms, train tens of thousands of teachers and distribute tens of millions of books—as well as helping reform teacher training and support national student assessments.

More widely than the 18 focus countries, DFID gave growing priority in its education work to fragile states. They were, after all, the ones in which progress was most needed if the education MDGs were to be achieved. Some 60 percent of the increase in education spending through the country programmes between 2001 and 2009 went to fragile states.[106]

In addition to its direct contribution through its country programmes, DFID engaged in education in two other important ways (as was also the case in other sectors).[107] First, there were specialist programmes the department ran from London. One, Imfundo, was a public-private partnership involving technology companies, posited on the notion that new information and communications technology might transform education in poorer countries. This was heavily driven by a team appointed by Tony Blair in the Cabinet Office. It was regarded with some scepticism by DFID's education specialists, and by managers in DFID's country offices who thought the main chance was in operating at large scale with governments to expand traditional systems, and who worried about being diverted from that. A second initiative had been promoted by Clare Short from 1999, on skills for development, aiming to address the all too real shortage of managerial, analytic, technical, vocational and entrepreneurial skills holding back many countries. That floundered for similar reasons to Imfundo. A third venture, launched with backing from Gordon Brown as part of the celebrations for Queen Elizabeth II's jubilee in 2002, was a Commonwealth Education Fund. The concept was strategically insightful and innovative: to create a consortium of leading UK charities (ActionAid, Oxfam and Save the Children) who would build capacity among local organisations in 16 Commonwealth countries to monitor, scrutinise and advocate to national governments

106 Peter Colenso, "Donor Policies: The Evolution and Development of DFID's Commitment to Education in Fragile States 2000–10", 57, in Zuki Karpinska (ed), *Education, Aid and Aid Agencies,* Continuum, 2012.

107 This and the following paragraph draw heavily on Carew Treffgarne, "Joined-up government? Insights from education during DFID's first decade", in *International Journal of Educational Development*, 2019.

on progress with the educational MDGs. This had the potential to strengthen national accountability systems, and thereby improve the sustainability and effectiveness of what governments were doing. Unfortunately (as it seems to us) implementation problems emerged, results were expected too quickly, patience was eroded and the department pulled the plug on future funding in 2008. It might, in retrospect, have been better to have displayed a little more staying power.

The other important way in which DFID engaged in education beyond its country programmes was in seeking to influence what the multilateral agencies were doing. In the health sector, as we will discuss next, this era saw the consolidation and expansion of a series of new multilateral institutions intended to support progress with the MDGs. The experience in education was more chequered. The World Bank played a leading role in creating an "Education for All Fast Track Initiative" (FTI). However, the FTI failed to carve out a niche that was complementary to the core role governments everywhere play on basic education, so the question arose as to why the Bank did not simply engage more on education through its existing vehicles. (The answer, dressed up in different ways, was that the Bank thought the FTI might enable it to get access to more donor money.) Clare Short had also questioned why the Bank wanted the FTI to focus on "good performing" countries. She (rightly) thought a higher priority was to do more in the five countries containing most of the children not in school (India, Pakistan, Bangladesh, Nigeria and the Democratic Republic of Congo). Independent evaluations revealed that the FTI was neither fast (prompting wags to suggest it be renamed the slow track initiative) nor generating significant additional resources. These problems were addressed to some degree in later periods, when there were also important developments in the provision by multilateral agencies of educational support for children forced to flee home for long periods as a result of conflict.

In other sectors, DFID's contribution to the MDGs in this period was matched by at least a small number of other bilateral donors. On education, the scale of the financial resources offered, complemented by top level political engagement and the contribution both these factors made to the department's ability to persuade partner governments to adopt new policies to get more children into school, meant the UK played a genuinely leading role. And the impact was enhanced because the approach was sustained (and in some ways extended) in the years after 2010, as we will show in later work.

Health

The health related MDGs—covering infant mortality, maternal mortality, HIV/AIDs, malaria and other major diseases—were through this period DFID's largest area of activity. There were, as with education, large scale programmes in the 18 focus countries. But in addition there was substantial financing through multilateral channels, especially the new global funds. There was also some striking innovation in international health financing, with the UK in the vanguard. And there were notable investments, often in partnership with the Bill and Melinda Gates Foundation, in developing new health products and other technologies.

The department provided direct support to strengthen government health systems in all 18 of our selected focus countries.[108] There were well qualified DFID health teams in all these (and other) country offices. The focus of their work varied according to local needs and what other donors were covering. But in many places the department made particular contributions on obstetric and ante-natal care, enhancing the size and quality of the health work force (especially female health workers), financing issues (including support for phasing out user fees and improving social insurance schemes), and nutrition programmes.

In the large majority of the focus countries, immunisation programmes were supported (and they were quite diverse, depending on the particular disease burden in each country and often also on the gaps left by other donors and national programmes). Contraceptives, and insecticide-treated bed nets to prevent malaria, as well as malaria treatments, were provided in most countries too. Where HIV/AIDS was a significant problem (which was most countries other than Rwanda and some of the South Asian focus countries), the department frequently supported public health campaigns and sometimes provided anti-retroviral drugs directly. Generally, however, it preferred to rely on others to take the lead there, particularly the Global Fund to Fight AIDS, Tuberculosis and Malaria and the US, both of whom were by this time financing huge HIV/AIDS programmes.

DFID was also an important financier of some of the more sensitive health services which other donors wished (or were forced by domestic regulations) to avoid, including safe abortion services and programmes to combat sexual violence. Such programmes were reported in the 2009/10 annual report in the Democratic Republic of Congo, Ethiopia and Malawi, but they were more widespread than that. In some cases partner governments wanted help but did not want it to be widely advertised; in others implementing agencies preferred to avoid the problems that might have arisen with greater publicity. The department was adept at navigating these waters.

Unlike education, achieving the health related MDGs also benefitted from rapidly expanding and highly effective multilateral initiatives.

The Global Fund to Fight AIDS, Tuberculosis and Malaria was the largest and had the highest profile. No development challenge received more public or political attention than the fight against HIV/AIDS. That was partly because it attracted the most creative, ingenious and effective public lobbyists, with media celebrities consistently in pole position. But it also reflected the gravity of the issue, and that it was now possible, as antiretrovirals became cheaper, to prevent HIV/AIDS being a death sentence. The US was by a country mile the largest financier, but the UK through DFID was consistently through this period in second place. That owed much to the priority given to it by both Hilary Benn and Gareth Thomas.

108 This and subsequent paragraphs draw on Volume 1 of the 2009/10 DFID annual report, pages 21–65, as well as earlier annual reports.

Hilary Benn described to us how his concern arose:

> *"The department's position was that it's no good talking about antiretrovirals, because if you haven't got a strong health system, it's pointless… The first country I went to was Malawi and I met Justin Malawezi, the vice president…* [he asked] *how could we bring antiretrovirals to some people. And I was profoundly affected by this because I thought we are behind where the country that is in the midst of this crisis is."*[109]

DFID's contribution on HIV/AIDs was material, but on immunisation it played a leading role. The department had long understood the cost effectiveness of immunisation: for a cheap, one-off intervention, children could be given a life-long protection against a range of killer diseases. Nothing else provided the same bang for buck in reducing infant mortality (and hence increasing life expectancy). And yet immunisation coverage was far from universal, above all in the poorest, most fragile countries. The core problem was a shortage of funds. Working closely with Bill Gates, Gordon Brown successfully championed a novel solution: a buy now, pay later scheme called the International Finance Facility for Immunisation (IFFIm). An entity was created to borrow $4 billion over 5–7 years though bonds sold on the capital markets. A consortium of donors (with DFID as the largest) undertook to pay the interest and principal back over 20 years. An accounting ruling from the EU statistical agency meant that the donor financing was registered as public spending only when the debt was serviced, not when the money was borrowed.[110] The financial aspects were managed by the World Bank, and the funds raised from issuing the bonds were channelled through GAVI, the vaccine alliance. IFFIm facilitated a dramatic expansion of GAVI's operations.

An independent evaluation in 2011 calculated that since 2006, IFFIm had financed hundreds of millions of vaccinations and so far saved more than 2 million lives, with a projection that another 2.5–3.5 million lives would be saved in future years.[111] Nearly two thirds of GAVI's spend had been financed by the IFFIm. By 2009/10, DFID was spending more than £300 million a year in servicing IFFIm debt, twice its contribution to the Global Fund.

One of the underlying insights behind the IFFIm was that the poorest countries had a huge requirement for medical interventions barely needed in richer countries, but because they lacked purchasing power there was little incentive for pharmaceutical companies to develop the necessary products. In a further collaboration with the Bill and Melinda Gates Foundation, DFID started investing in a series of product development partnerships, trying to develop new technologies to tackle tropical diseases. One of them, the Vector Control Consortium based in Liverpool,

109 Interview with authors.

110 The rationale was compelling: the economic case for immunisation was strong, and borrowing more than may otherwise have been possible could therefore be justified. The EU statistical agency's ruling did however raise eyebrows. And the government's accounting for its contribution to IFFIm created a precedent in controversial tinkering with the UK's fiscal rules which was later extended to more dubious propositions. We will cover that in later work.

111 Mark Pearson et al, *Evaluation of the International Finance Facility for Immunisation*, HLSP, June 2011.

developed a new kind of mosquito bed net that has two insecticides rather than one. It took nearly 10 years, but the new nets proved 40 percent more effective for reducing malaria than the previous ones. Another of the product development partnerships generated the pentavalent vaccine for developing countries. It provides immunisation against five diseases, including diptheria, whooping cough and tetanus, in a single shot, dramatically reducing the cost and difficulty of protecting infants against killer diseases.[112]

The most significant innovation was on advanced market commitments, through which donors sign a forward-looking binding contract guaranteeing a viable market for target vaccines.
The concept gained wider attention as a result of a paper published by the Center for Global Development in 2005.[113] In 2009, after years of negotiation and analytical work, a group of donors led by the UK and the Bill and Melinda Gates Foundation signed an agreement to accelerate the development of pneumococcal vaccines that met the particular needs of developing countries.
The pilot aimed to prevent 7 million childhood deaths by 2030.[114] The innovation in advanced market commitments spread. Leading pharmaceutical companies, including GSK, Pfizer and more recently the Serum Institute of India all developed qualifying vaccines. By 2020, more than 150 million children had been immunized, saving an estimated 700,000 lives.[115]

This range of initiatives established a long-lasting collaboration between DFID and the Bill and Melinda Gates Foundation that led Bill Gates in later years to describe DFID as the foundation's "*best partner*". DFID was blessed with a unique combination of attributes for its global health work—sustained high level political backing, a voracious focus on its poverty goals, a large and growing budget, and a culture that combined technical expertise at headquarters with professional capability in the poorest countries and an appetite for financial and scientific innovation.

Social protection[116]

The department had historically been suspicious of welfarism. In the prevailing mindset, development was about promoting self-reliance, principally through economic growth, and the general view was that the poorest countries needed to get richer before they could afford social safety nets. But in this period, inspired in particular by observation of government provision of conditional cash transfers to poorer families in Brazil and Mexico, that began to change. Senior DFID managers were particularly impressed by the work of Armando Barrientos, an academic at the

112 Authors interview with Michael Anderson.

113 Making markets for vaccines. Ideas to action. Washington, DC, Center for Global Development, 2005 (http://www.vaccineamc.org/files/markets4vaccines.pdf).

114 Advance Market Commitment for Pneumococcal Vaccines Annual Report 2009–10 (https://www.gavi.org/sites/default/files/document/2009-2010-pneumococcal-amc-annual-reportpdf.pdf).

115 *"Advance Market Commitments: Insights from Theory and Experience"*, Michael Kremer, Jonathan D. Levin, and Christopher M. Snyder NBER Working Paper No. 26775 February 2020 JEL No. I15,L65,O38 https://www.nber.org/system/files/working_papers/w26775/w26775.pdf

116 This section draws on interviews with Minouche Shafik and others and Treffgarne interviews.

University of Manchester sometimes described as *the* world expert on cash transfers and social protection.[117] They were struck by the obvious point: if our goal is to make sure everyone has an income of a dollar a day (the first of the MDGs), why not just give a dollar a day to more of those who currently don't?

The idea of cash transfers in low-income countries was hitherto viewed with scepticism not just for affordability reasons, but also for fear of the right-wing critique that recipients would fritter away the money on alcohol or other "wasteful" expenditure. So when DFID gradually developed what by 2010 had become a diverse portfolio of pilot projects for social protection across about 10 countries in Africa and South Asia, there was alongside them the largest programme of evaluations and analytical studies the department had ever embarked on. Many of these studies drew on the techniques of randomised controlled trials commonly used in the development of medical technology.[118]

Two other factors made DFID a willing pioneer on social protection. First, while wherever possible the department wanted recipient government backing (not least so that over time they would take on the financial burden), these schemes could be run by independent groups even in the absence of government involvement. That was particularly attractive in those countries where the authorities were in practice not seriously bought into poverty reduction or the MDGs—countries which, as we discussed earlier, were a growing concern. Second, as we will come on to, DFID played a crucial role in this era in the development of mobile money (cash payments through cell phones). That was an ideal platform for social protection programmes. The synergies were exploited with alacrity, initially in Kenya and before long in countries across Africa and South Asia.

Over the years a growing body of international evidence has confirmed that social protection schemes are effective and that recipients typically spend the money on food, education for their children and some form of enterprise to generate a higher family income. (One consequence was that what were originally *conditional* cash transfers increasingly became unconditional, as it became evident that the conditions added little value and were expensive to administer). DFID was between 2003 and 2010 a first mover in this area, and others, in particular the World Bank, later followed with larger programmes. In the wake of the global financial crisis, the Bank marketed a Rapid Social Response Programme at the G20 summit in London in early 2009. DFID promptly provided £200 million.[119] The majority of poorer countries now have social protection schemes of some kind, even if the coverage is often patchy.

117 See for example Joseph Hanlon, Armando Barrientos, David Hulme, *Just Give Money to the Poor: the Development Revolution from the Global South*, Kumarian Press, 2010.

118 Some useful early summaries were produced: Mark Davies, "*DFID Social Transfers Evaluation Summary Report*", DFID Evaluation Department Working Paper 31, July 2009; Naila Kabeer, *"Scoping Study on Social Protection"*, 2009. These papers also document and distil many of the underlying studies.

119 DFID Annual Report and Accounts 2008/09, HC867-I, July 2009, 15.

Humanitarian relief

On 15 December 2004, Hilary Benn gave a speech at the Overseas Development Institute in London.[120] The topic was reform of the international humanitarian system. After some typically gracious introductory remarks (referring in particular to "*the extraordinary efforts of humanitarian staff*" in the Red Cross, UN and NGOs) he launched into a detailed critique of the inadequacies of global humanitarian response. He was at the time deeply engaged in the Darfur crisis in Sudan, in which millions were killed, displaced and terrorised. What he saw there led him to believe humanitarian agencies had to do better.[121] His ODI speech set out a six-point agenda for reform, and then moved on to complementary proposals on disaster prevention, the prevention and resolution of conflict and peacekeeping.

Benn's proposals embraced a stronger coordinating role in emergencies for the UN Office for the Coordination of Humanitarian Affairs, the preparation of common response plans covering all the UN agencies in each disaster, benchmarks and standards for the speed and scale of responses, a new $1 billion humanitarian fund to be managed by the UN's Emergency Relief Coordinator and a more powerful role for the European Commission Humanitarian Office.

This was the most consequential statement on humanitarian relief issues by a DFID minister during the whole of the department's existence. Less than two weeks after Benn's speech, a massive tsunami ripped through the Indian ocean, killing hundreds of thousands of people in Indonesia, India, Thailand and Sri Lanka.[122] The speech, the tsunami and Benn's response to it (he spent much of the remaining three years of his tenure on these issues) elevated the department's humanitarian role to a new plane, and established the UK as among the leading supporters of humanitarian response—behind the US, but alongside ECHO as major financiers. For the rest of the decade, some 10 percent of the DFID bilateral budget was allocated to humanitarian response, up from around 6–7 percent (and the total budget was of course much larger by then).[123]

The Benn agenda was not fully adopted, but it struck a chord and went with the flow of what some UN leaders thought was needed. Significant improvements were made to the UN's work, including through better leadership and response planning, the creation of the Central Emergency Response Fund (CERF), and the establishment of a suite of country-based humanitarian funds.[124] The European Commission Humanitarian Office was also boosted.

120 Reform of the international humanitarian system—Hilary Benn DFID, UK – World | ReliefWeb (Accessible on relief web: posted 15 December 2004).
121 Interview with authors.
122 They included a number of DFID staff and their families.
123 Barrie Ireton, *Britain's International Development Policies*, Palgrave Macmillan, 2013, 100.
124 See Mark Lowcock, *Relief Chief: A Manifesto for Saving Lives in Dire Times,* Center for Global Development 2022, in particular 5–8, 143–9, 150–77.

Overall funding for global humanitarian response increased substantially from this point. The US remained much the biggest funder (and they effectively decided who would head some of the most important UN agencies, in particular the World Food Programme and UNICEF). Better quality and more generous humanitarian aid reduced suffering and loss of life in crises (and thereby contributed to the MDGs). The UK managed to find an effective complementary role to the US and others. It became (and remained for a decade) the biggest financial supporter of the CERF and the UN's humanitarian country funds, which were often among the most proactive responders.[125] DFID also supported coordination and funding for local organisations, and championed the use of cash in emergencies (rather than, as had been typical, simply providing commodities).

Nothing in the department's work caught the public eye more than its responses to major disasters. As Gareth Thomas told us, after the Indian ocean tsunami:

> *"DFID was in the spotlight for two and a half weeks of the Christmas and early new year holidays when there was no other news. The department handled the UK politics adroitly … as well as allowing those on the ground to do what needed doing. The perception that DFID did a good job and that it was right to help those who had lost so much underpinned support for development and bought the Treasury political space for the growing DFID budget."*[126]

Private sector

In most poorer developing countries in the 2000s, the private sector largely comprised small and informal enterprises that were held back by weak infrastructure, red tape, corruption, insecurity, police and courts that did not work for them, banks that would not lend to them, political volatility, and the poor health and education of many of their workers.[127] Outside oil, gas, mining and plantations there was little inward investment. Most multinational corporations and international investors were deterred by small market size and exchange rate uncertainty as well as the risks faced by local firms.

The private sector in this state was not generating enough income, jobs, innovation, growth or taxes to reduce poverty. DFID set out its approach to private sector development in its 2005 publication *Working with the Private Sector to Eliminate Policy.*[128] The melange of inter-connected difficulties facing private enterprise called for reforms to improve the business environment, coordinated with pioneering investment to demonstrate that good business could be done.

125 A 2008 evaluation by Martin Barber and others of the CERF described its faster responses and greater focus on neglected emergencies as "a remarkable achievement". https://cerf.un.org/sites/default/files/resources/CERF_Two_Year_Evaluation.pdf

126 Interview with authors.

127 We are heavily indebted to Gavin McGillivray for material in this section.

128 *Working with the Private Sector to Eliminate Poverty*, DFID, 2005, https://shopsplusproject.org/sites/default/files/resources/2809_file_dfid_private_sector.pdf

The enthusiasm of DFID's private sector specialists for backing enterprise development was moderated by concerns—voiced not least by the powerful cadre of economists—about market distortion and about unfairness (in giving grants to some firms but not others). The department tried to address these concerns by using new approaches to allocate funding. It launched a series of competitive challenge funds, covering financial deepening, business linkages, tourism, the food retail industry and the garment sector. These funds aimed to catalyse private sector innovation that would benefit the poor—breathing life into ideas that businesses had in mind but were loath to fund by themselves. DFID would invite applications, select the best proposals, and then share the cost of trials. The funds stimulated a wealth of innovation.

In 2003, a grant of £300,000 from the financial deepening fund was given to the UK mobile phone company Vodafone, and its Kenyan affiliate Safaricom, to pilot the use of text messages from mobile phones to transfer money and make payments. Alongside that, and arguably even more important, DFID provided technical advice to the central bank of Kenya on changes to regulations to make money transfer by text message lawful. In 2007, Safaricom launched its M-Pesa product. Kenya became the first country anywhere in the world to introduce mobile money. (It took several more years before it took off in the UK and other richer countries.) M-Pesa now provides more than 50 million customers in seven Africa countries with a range of financial services including transferring money, and paying bills and salaries.[129] And, of course, similar products are now used by billions of people across the world.

In total, DFID spent about £1 million in supporting the creation of M-Pesa. It is probably, in terms of the development benefits generated, the best single investment the department ever made. It happened because of DFID's unusual combination of attributes: the relentless focus on what would improve the lives of the poor; a belief in hiring professional staff with distinctive skills, including in negotiating with local decision makers; a delegated system for deciding what to spend money on (no-one in London had to be consulted on M-Pesa: the decisions were taken in the DFID office in Nairobi); and a culture which valued innovation and risk taking.

DFID also used its position as shareholder and a growing funder of multilateral institutions to promote policies and programmes to help the poorer developing countries become better places in which to invest and do business. It funded a good deal of the research for the World Bank 2005 World Development Report *"A Better Business Climate for Everyone"*, which the *Financial Times* described as *"among the most important the World Bank has ever produced."*[130]

A stream of global, regional and country initiatives followed. In 2008, DFID played a key role in establishing the Africa Investment Climate Facility, the International Growth Centre (led from Oxford University and the London School of Economics) and the International Commission

129 https://www.fsdkenya.org/themes/digital-finance/an-overview-of-m-pesa/

130 The *Financial Times*, 5 October 2004. Martin Wolf: Sweep away the barriers to growth. https://www.ft.com/content/9d2a98dc-16f9-11d9-bbe8-00000e2511c8

on Growth and Development. They all made material contributions to policy and research promoting growth from which the poor could benefit.

The department also took forward the reform started but not completed under Clare Short of CDC, its investment business.[131] It needed to resolve how Actis, the new fund management company, would take over the management of CDC's capital, and how staff should be remunerated. Remuneration needed to be generous enough to attract private equity professionals and incentivise them to produce good returns—but not so high as to attract criticism, given that CDC was a public entity whose purpose was poverty reduction. Actis would adopt the standard private equity model of reward comprising a percentage of profit (or "carry") on realised investments achieved above a base rate of return ("hurdle"). It was agreed that whilst Actis management would receive the then standard 20 percent carry over an 8 percent hurdle on new funds, they would accept a lower share of profits on CDC's existing investments (5 percent for power investments, 10 percent for the rest). The CDC Board, consulting with the department, decided on a remuneration structure for CDC senior managers heavily dependent on their performance. Incentive plans would reward CDC staff to the extent that CDC generated good financial returns, sold previous investments for good prices, mobilised third party capital and met its investment policy targets.

Actis got off to a flying start. It sold several of its stakes in businesses for a lot more than had been expected and won a competitive tender to manage a new $150m Canadian Fund for Africa—to which CDC committed $200 million. At the time of the 2004 demerger, Actis managed $900 million for just one investor—CDC. By 2010, Actis managed $4.8 billion for over 100 investors. More than 50 percent of its investments were in Africa—and 25 percent in South Asia.[132]

CDC too returned strong results. Its net assets grew from just over £1 billion in 2004 to £2.8 billion by 2010. Its financial performance exceeded private sector benchmarks in the places it worked.[133] In a 2012 paper, Harvard Business School concluded that CDC *"has had a transformative effort on its markets of interest."*[134]

Yet the apparent successes were overshadowed by growing criticism and censure. DFID was slated for selling the fund management business to Actis management too cheaply. CDC was condemned for making investments (such as in shopping malls) that critics believed did not contribute to poverty reduction, and for channelling its investments through subsidiaries in tax havens. Executive

131 See Ranil Dissanayake and Mark Lowcock. 2023. "Setting the Compass for Eliminating World Poverty: The Department for International Development 1997–2003." CGD Policy Paper 311. Washington, DC: Center for Global Development. https://www.cgdev.org/publication/setting-compass-eliminating-world-poverty-departmentinternational-development-1997

132 CDC Group plc 2010 Annual Report & Accounts. https://assets.bii.co.uk/wp-content/uploads/2010/06/25150810/Annual-Report-and-Accounts-2010.pdf

133 CDC's returns from 2004 to 2008 were higher than those enjoyed by investors in the MSCI emerging markets index.

134 Harvard Business School, October 2015, "The Impact of Funds - An Evaluation of CDC 2004-12", Josh Lerner, Ann Leamon, Dong Ik Lee. https://www.hbs.edu/ris/Publication%20Files/Impact%20of%20Funds-Final.ver2_bc4bc8d2-1496-41e2-975c-ea3de9fb57a7.pdf

pay also came under the spotlight. Under the CDC board's application of the new performance-related remuneration policy, in 2007 it paid the Chief Executive £745,000 in bonuses, on top of his £220,000 salary—a total of nearly £1 million. The National Audit Office criticised "*lapses in oversight and governance of executive remuneration since 2004, with significant departures from the agreed framework, which also contained ambiguities.*"[135] In late 2008 the parliamentary Public Accounts Committee conducted a televised grilling of DFID senior officials and the CDC Chair and Chief Executive. They then published a scathing report. Media criticism, not least in *Private Eye,* added salt to the wounds.

Research

It is in this period that DFID became a true powerhouse in the global research ecosystem for international development (and indeed, international issues more broadly). Over the next 20 or so years, until its merger with the FCO, DFID consistently punched above its weight in financing high-quality and influential research, published in the best journals and with substantial policy impact. The quality of DFID's research work was commented on positively in the DAC's 2010 review of the UK, which particularly noted the closer links being constructed between the research the department funded and its own policy and programming choices. Alan Winters, too, is well placed to judge DFID's contribution on research for development. He was Director of Research at the World Bank before becoming DFID's chief economist, and was later, returning to academic life, a recipient of research grants from the department. He told us DFID:

> "*was immensely influential on research. And the model of creating research centres, giving them space, holding them accountable, focusing … not on just is it coming out in the top journals, but is it actually useful … can you point to someone who's living better as a result of what you've been doing? … By a long way DFID was the best of the organisations …* [funding research] *We did very much like dealing with DFID.*"

Three aspects of DFID's approach to research are worth drawing out here. The first is institutional. DFID brought its research and policy functions together with its international work under one director general during this period; this built a bridge between the learning that DFID was funding and the policies it undertook. Similarly, the department hired a number of research fellows, academics of good standing who worked part time in DFID and served to keep staff (in particular in the Research and Evidence Division) apprised of the latest approaches and developments in the academic world. It also hired a chief scientific adviser to work alongside the chief economist. The chief scientist was also the director of research for the department. In 2009, Chris Whitty was appointed to that role. A practising NHS consultant and professor of public and international health

135 NAO, December 2008. *"Investing for development: the Department for International Development's oversight of CDC Group plc."* https://www.nao.org.uk/wp-content/uploads/2008/12/080918.pdf

at the London School of Hygiene and Tropical Medicine, Whitty quickly proved adept as a civil servant as well as an academic. He engaged broadly in the department[136], quickly becoming influential.

The second aspect of the department's role deserving comment is to do with resources: DFID really invested in research. In 2008, it committed to spending £1 billion over the next five years, an outlay that would make it one of the most important funders of global development research in the world. DFID made research markets, and its high and predictable funding made possible ambitious work, spanning many years, such as the Young Lives project at the University of Oxford.[137]

The third important point relates to the department's approach to funding research—in other words, how it went about it. Rather than directly hiring a large corpus of academics who would then conduct research, as the World Bank does, DFID hired highly competent sector specialists who would design calls for research, but would never carry it out themselves. This approach helped leverage the expertise of academics much more established than those the department could hire full-time as civil servants, while still (through the influence of the Research Fellows, Chief Economist and Chief Scientific Adviser) holding them to the highest standards. By setting research questions relevant to policy, led by civil servants with practical sector expertise, DFID ensured that researcher effort would go towards questions of policy importance that would support future efforts towards poverty reduction and the improvement of human welfare. Finally, the department increasingly worked to fund and build capacity among researchers from developing countries.

Multilateral agencies and NGOs

DFID's funding of the oldest multilateral aid agencies (notably the World Bank and UN agencies) changed in a strategically important way as a result of the new pressures it faced by the end of the decade. The staff cuts we explained earlier reduced the department's capacity to manage government-to-government projects. Growing risk aversion made it convenient to have intermediaries—who could be blamed if things went wrong—between DFID as the funder and partner governments. The upshot was a big increase in the amount of money country offices channelled through multilateral agencies. In the 2009/10 year, nearly £800 million of the £1.4 billion DFID gave the World Bank (i.e., more than half) went through this unattractively named "multi-bi" channel. For UN agencies it was more than three quarters of the £800 million contribution.[138]

136 Whitty later became a nationally renowned figure as the UK's chief medical officer during the COVID-19 pandemic. One economist commented to Dissanayake shortly after he joined the department that "you can tell Chris is clever because he can make jokes that economists find funny as well as jokes the scientists find funny."

137 Young Lives has been following 12,000 children from three countries since 2001. It has produced a number of highly cited research projects.

138 *DFID in 2009–10 Response to the International Development (Reporting and Transparency)* Act 2006, The Stationery Office, 2010, 75. The remainder of the DFID money going to the World Bank went in contributions to their main funds, on which the bank itself took the decisions on which countries and which projects to support. Some of the money going through the UN was for humanitarian response, where governments were sometimes the problem and so could not be the channel for money.

This was not the best approach, or even second-best. It undermined the department's direct dialogue with partner countries. It added cost. (Multilateral agencies are often effective but rarely efficient.) And there were important differences in approach between DFID and the multilaterals. The World Bank, for example, was slower, more centralised and had fewer decision makers based in partner countries. It struggled to embrace the realities of working in conflict-affected states. UN agencies tended to compete against each other and to want to profile and publicise themselves. They were replete with their own branding and logos and managed a lot of detailed implementation in-house rather than through government bodies. That was inimical to the prize of building state capacity and the accountability relationship between citizens and those who governed them.

The DAC was gently critical. It suggested DFID develop a better strategic vision for funding multilateral organisations, in cooperation with other bilaterals. However, it was not clear that the options actually available to the department were better. Putting more money into the core budgets of the multilateral agencies would simply have invested further into their weaknesses. And none of them gave as much priority to the poorest countries as DFID did. So putting more into their core budgets would effectively redirect money from low- to middle-income countries—from the poorest to the less poor. In retrospect, the department should have tried harder to build stronger strategic alliances in each country with other bilaterals and partner governments, in order to pursue reforms in how the multilaterals operated. As it was, the underlying problems persisted into the following decade. (Separately, the department did try to improve multilateral performance by engaging with their HQs, but that did not often filter down effectively to the country level).

Clare Short had not been in love with the development NGOs. She disagreed with some of their policy positions (for example on debt relief and hostility to the private sector) and was sceptical that the kind of small-scale initiatives they carried out could transform countries. She certainly believed NGOs had a valuable role to play but she was not ready to pander to them. Gordon Brown and Hilary Benn, by contrast, placed more value on the NGOs' campaigning work and their role in sustaining public support for development. Relations were accordingly warmer from 2003–10. And the department's funding for NGOs expanded too.

As the DAC noted, the UK had a

> "*strong network of civil society organisations. ..the annual total spending of the 300 UK based voluntary organisations working in international development and development education amounted to £1.37 billion in 2005.*"[139]

Total DFID expenditure through UK NGOs amounted to £114 million in 2000/01. By 2008/09 it was £317 million. There was a modest allocation to match the funding smaller NGOs raised themselves for their projects. A bigger deal was long term strategic funding for the larger NGOs through

139 The OECD Journal on Development, Vol. 7, No. 3, OECD 2006.

partnership programme agreements. And NGOs were particularly important in humanitarian response, both because much public funding arose through disaster appeals, and because they built effective capacity to provide high quality help promptly.

Shrewder DFID officials started to worry at this time about the risk that NGOs might become over reliant on government money. Most British NGOs relied mainly on private donations—VSO (Voluntary Service Overseas) being an exception, receiving 75 percent of its funding from a partnership agreement with DFID. The DAC reported that most NGOs they talked to said they would not want more DFID money "*if it implies compromising their independence*". For too many, however, the trap proved hard to avoid, and that had unfortunate consequences in the decade after 2010.[140]

International influence

Aid effectiveness

DFID continued its campaign to improve the effectiveness of the international development system. In February 2003 ministers and heads of agencies from more than 40 bilateral donors and multilateral agencies met representatives of 28 aid receiving countries in Rome. The result was a joint declaration aimed at increasing the effectiveness of development assistance by harmonising systems and processes. Donors committed to getting behind countries' own poverty reduction strategies, reducing bureaucracy, and providing more of their money through the receiving government's own systems. A further, even better attended, meeting followed in Paris in 2005, agreeing specific targets for aid providers and parallel commitments from recipients. There was then a third meeting in Accra in Ghana in 2008, at which Douglas Alexander with his US and Dutch counterparts played an important role in securing political agreement to get earlier agreements implemented more fully, to make aid more transparent and predictable and to get a stronger focus on identifying and reporting on what results aid was achieving.

This "aid effectiveness" agenda, for which DFID was one of the main cheerleaders, absorbed a lot of political and bureaucratic energy.[141] Much of the impetus and many of the ideas had their origins in the Utstein collaboration between Clare Short and her Dutch, German and Norwegian counterparts from 1997–2003.[142] Researchers have pored over all the activity trying to work out what difference it made.[143] The key points that emerge are that, first, there were lots of distortions and inefficiencies in the aid system, and transparency about that, as well as trying to address the problems,

140 We will return to this issue in later work.

141 Dissanayake, then working for the government of Malawi, saw the benefit of this there.

142 Ranil Dissanayake and Mark Lowcock. 2023. "Setting the Compass for Eliminating World Poverty: The Department for International Development 1997–2003." CGD Policy Paper 311. Washington, DC: Center for Global Development. https://www.cgdev.org/publication/setting-compass-eliminating-world-poverty-departmentinternational-development-1997

143 https://committees.parliament.uk/work/140/effectiveness-of-uk-aid/publications/ Some of these studies tie themselves up in abstruse methodological issues from which they never escape.

was desirable. But second, there were declining returns to this effort, especially from 2008, and the long-term benefits have largely evaporated. Up to 2010, the UK (through DFID), and a small number of likeminded northern European countries lived up to the commitments they made. In March 2009, in his foreword to the new White Paper, Gordon Brown emphasised:

> "*We must ensure that aid flows are predictable and support plans formulated by national governments, not spent on priorities, however well intentioned, imposed by donors from afar.*"[144]

However, as we noted earlier, even in the UK a growing tension emerged between, on the one hand, the need to generate information on what aid was achieving and attribute it to particular donors and, on the other hand, the focus on recipient country ownership implied by the aid effectiveness principles.[145] Other donors were more constrained than Britain by domestic political, institutional and legal factors. By 2008 the air was gradually sapping out of the aid effectiveness balloon.[146]

The 2005 Gleneagles Summit

In 2003 Tony Blair announced that when he chaired the G8 summit at the Scottish golf resort of Gleneagles two years later, his objectives would be increasing aid to Africa and climate change. Civil servants across Whitehall, including in DFID, worried about what could be achieved.[147] The US could in practice veto proposals in the G8. What would they agree to? Not much on climate, it quickly became clear. But partly because President Bush did not want to stick fingers in both eyes of his most important ally on Iraq, and partly because he had his own sympathies with Africa, he was "very pleased" to help there. Blair set up a commission, headed by the highly regarded economist Nick Stern, recently head of the Government Economic Service. Gordon Brown, who was also pleased with the G8 focus on Africa, joined it, as did Hilary Benn. But most of the members were African leaders. DFID seconded staff to Number 10 and the commission, as well as providing analytical and advocacy support (especially in Africa and with donors). But the main effort was led from Downing Street—as it had to be other if G8 heads of government were to sign their countries up to new pledges. The commission's lengthy report included 90 recommendations. But how many of them would be adopted and acted upon?

The Gleneagles summit agreed $22 billion worth of debt relief to 18 of the poorest countries, 14 of which were in Africa. It also signed up to a $50 billion increase in global aid levels by 2010, with half of it going to Africa. Again, British influence over the US was crucial: on 30 June, a week before

144 *DFID Annual Report and Resource Accounts 2008–09,* July 2009, HC 867–I, 40.

145 Craig Valters and Brenda Whitty, "*The politics of the results agenda in DFID: 1997–2017*", ODI 2017 https://odi.org/en/publications/the-politics-of-the-results-agenda-in-dfid-1997-2017/

146 Costas Michalopoulos, *Ending Global Poverty,* Oxford University Press, 2020, 183–5. Things then got worse. Michalopoulos concludes that bilateral donors essentially abandoned the Paris aid effectiveness agenda in the decade after 2010.

147 Anthony Seldon, *Blair Unbound*, Simon and Schuster, 2007, 323. Seldon provides a good account of the whole G8 process.

the leaders were due to meet, Bush announced that the US would be doubling aid to Africa. American officials were candid in acknowledging that would never have happened without Blair.[148]

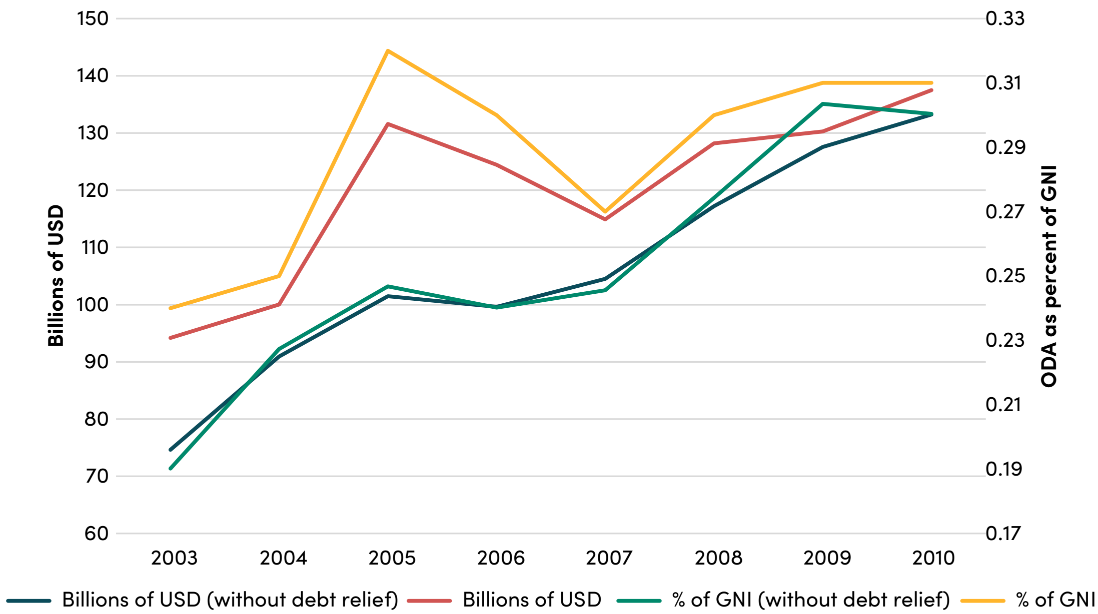
Civil society campaigners played a notable role. On 13 July 1985 it was estimated that more than one fifth of the planet's inhabitants watched the Live Aid concert organised by pop stars horrified by the famine in Ethiopia. It was "*the most spectacular charity appeal in history.*"[149] None of the public events mustered in 2005 by the Make Poverty History campaign got anywhere close to that. The difference was that Live Aid had little political traction with the Thatcher and Reagan governments, whereas in 2005 the campaigners generated it in spades. It was in truth a two-way process, with Brown and Blair's teams egging the campaigners on to ratchet up the pressure. Both sides found themselves having to deny they were in each other's pockets.[150]

There is no question that the commitments on development agreed in Gleneagles from 6–8 July were substantial. (And it is noteworthy that they were signed off despite Blair's absence for much of 7 July, when he had to return to London following terrorist attacks in the capital that day.) Debt was relieved, and global aid levels increased (Figure 1). Debt relief (for which donors receive an ODA credit even though there is no new flow of resources) optically inflated aid volumes, but there were still significant increases when that is stripped out. There were wide ranging other commitments too, promising to implement 50 of the Africa commission's 90 recommendations. (The pledges on trade, where the commission had asked for an end to agricultural subsidies in rich countries, were notably lukewarm.) DFID wanted to ensure all the promises were met, and tried to get mechanisms set up to ensure that. But overall, as Andrew Rawnsley put it,

> "*While Britain made good on its pledges, others did not ….* [Even so] *this G8 had much more meaningful product than most summits.*"[151]

148 Anthony Seldon, *Blair Unbound*, Simon and Schuster, 2007, 369
149 Graham Stewart, *"Bang! A History of Britain in the 1980s"*, Atlantic Books, 2013, 2.
150 Anthony Seldon, *Blair Unbound*, Simon and Schuster, 2007, 324
151 Andrew Rawnsley, *The End of the Party*, Viking, 2010, 335.

FIGURE 1. Net ODA from DAC countries (in constant 2021 USD billions and as percent of GNI)



Source: OECD Creditor Reporting System (2023).

The global financial crisis

In September 2008, UN Secretary-General Ban Ki-moon presided over a summit to mark the halfway point to the 2015 deadline for the achievement of the MDGs. Gordon Brown spent the preceding year working for its success. As John Sawers (then the UK's Ambassador to the UN in New York, and later head of the Secret Intelligence Service) put it, "*by throwing such energy into development, he forced it back onto the global agenda*"—and right at the time all eyes were focused in trepidation on the New York markets as the financial crisis unfolded. Brown's speech at the UN was interrupted several times by spontaneous applause—which is not how the world's diplomats normally react to utterings there[152].

The global financial crisis in 2008–09 brought growth to a shuddering halt and created enormous financial problems across the planet. The poorer countries were, however, less badly hit than they might have been. As Alan Winters told us,

> *"this was by far and away the only crisis that developing countries have weathered reasonably well."*[153]

Partly that was because earlier debt relief and improved economic policy had made them more resilient. It is true that remittances (the amount of money diaspora populations from developing

152 Anthony Seldon and Guy Lodge, *Brown At 10*, Biteback, 2010, 154–5.
153 Interview with authors.

countries sent home) declined, current account deficits grew (as the value of developing countries' exports fell more than their imports), and inflation increased. This was, though, initially a global banking crisis, and the banking sector in many of these countries was relatively loosely integrated into the global economy and thus insulated from the worst effects.

But the other reason that the poorer countries coped better than in many global downturns was that the international community came to their aid. No-one did more to orchestrate that than Gordon Brown. The meeting of the G20 than he hosted in London in early 2009 produced a package not just for the bigger economies but the poorer ones too.[154] A trillion dollars was added to the firepower of the IMF, including $250 billion in Special Drawing Rights (which effectively made a country's currency reserves more liquid and usable and increased the help they could get from the IMF). A further $100 billion was generated through the multilateral development banks. And there was $250 billion in trade credits. At the end of the meeting, the newly inaugurated President Obama took the floor to pay a gracious and fulsome tribute to Brown. The World Bank's verdict was that the London summit had "*broken the fall*" of the global economy. Brown's own judgement is right—the event "*is likely to go down in history as the moment when the international community united to stop a slide into a depression.*"[155]

Climate negotiations

In late 2006 Nick Stern produced an influential report on climate change. It attracted attention for its implications for developed countries. But it was clear that there were major issues for developing countries too. The Conference of the Parties to the UN convention on climate change met in Copenhagen in December 2009. DFID staff had been intimately engaged in supporting developing countries in their preparations. They were particularly close to the Ethiopian prime minister, Meles Zenawi, who played a leading role for developing countries in the final stages of the negotiations. They helped Meles articulate a proposal for a $100 billion a year climate funding package for low- and middle-income countries by 2020. Their work and personal, face to face discussions between Meles and President Obama led to this being agreed in the Copenhagen accords.[156] Implementing it has been a bone of contention ever since.

One notable transition in the exercise of British influence on international development comes out of these examples. Between 1997 and 2003, Clare Short, as the secretary of state, played a prominent global role. From 2003 onwards, both Tony Blair and Gordon Brown chose to take a bigger personal interest—enthusiastically supported by their development secretaries and the department.

154 There is a gripping account of the summit preparations and its conduct in Andrew Rawnsley, *The End of the Party*, Viking 2010. See the chapter titled "Trillion Dollar Man" (617–36).

155 Gordon Brown, *My Life, Our Times*, The Bodley Head, 2017, 323–36.

156 Interviews with authors.

Conclusions

Life for many millions of people in the poorest countries improved materially between 2003 and 2010. Life expectancy increased, incomes grew, more children went to and stayed in school, fewer died while young and more of their mothers survived and emerged healthy from pregnancy. That is all reflected in the data. Figure 2 shows how the Human Development Index improved across the globe in these years. It also shows that the rate of improvement was faster in many of the poorest countries than in richer ones. That was particularly the case in the 18 DFID focus countries we have studied. As is evident in Figures A1–A3 in the Appendix, life expectancy, child survival and average incomes were all higher in 2010 in each and every one of the DFID focus countries than they had been in 2003. In some cases, the improvements were quite dramatic.

So progress was being made on the objectives DFID was created to pursue. The MDGs were advancing. For reasons we have explained previously, it is not possible to attribute with any degree of precision how much of the progress made in any (still less all) of these countries arose from what the department itself was doing.[157] Changes in average incomes in particular are the outcome of a huge number of factors both internal and external to a country over a protracted period. It would be outlandish to argue that DFID did not contribute to growing incomes in countries like Ethiopia and Rwanda over these years, given how much they increased and the volume and nature of the department's support. But the scale of that contribution cannot be meaningfully quantified.

It is though possible to go a little further on the health and education MDGs. Progress on both was impressive across the 18 countries. As we discussed earlier (Table 2) there was a huge increase in the total volume of DFID assistance in the 2003–10 period compared to 1997–2003. Much of that extra money, again as summarised earlier in this paper, went into well evidenced and well-run programmes for the health and education MDGs. Aid from all sources, especially that going into government budgets to finance services to achieve the health and education goals, was more important in these countries from 2003–10 than previously. And DFID was a big player. By 2010 it was the largest or second largest donor in all bar four of the 18 focus countries. (It generally vied for the top spot with the US, most of whose money was provided outside government, limiting its influence on national policy, and the EU—of which the UK was part, and which typically worked in lockstep with DFID.)[158] The department therefore had a prominent and influential role in the local donor community. And it had a real voice with the national authorities. It is reasonable to conclude that the DFID contribution to overall progress in health and education was substantial, and certainly markedly greater than in the 1997–2003 phase. If the first years of the department's life under

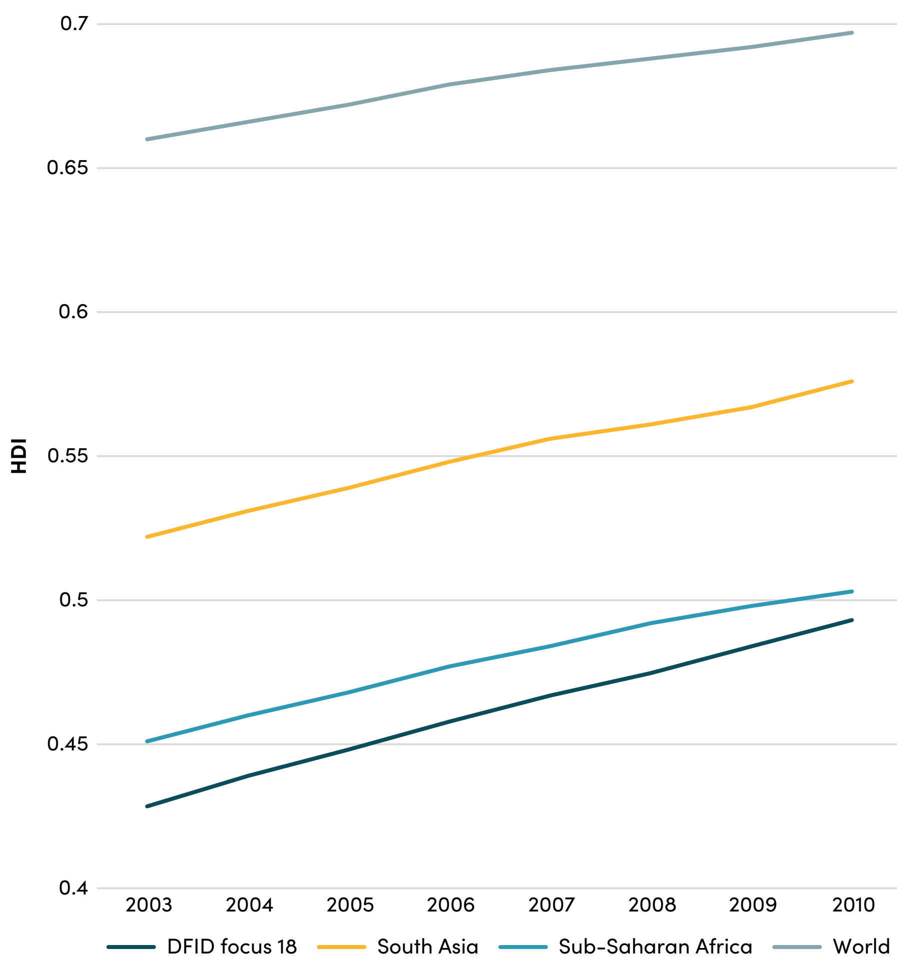
157 See Ranil Dissanayake and Mark Lowcock. 2023. "Setting the Compass for Eliminating World Poverty: The Department for International Development 1997–2003." CGD Policy Paper 311. Washington, DC: Center for Global Development. https://www.cgdev.org/publication/setting-compass-eliminating-world-poverty-departmentinternational-development-1997

158 Analysis of OECD data for authors by Bernat Camps Adrogue. In Afghanistan four of the top ten donors were US government departments, each tending to do their own thing with limited coordination among them.

Clare Short were about setting the compass for eliminating world poverty, this era was about delivering on the job.

We should be clear-eyed, not least given what happened in the following decade, that improving the average life experience of vulnerable people in very poor countries, while intrinsically desirable and beneficial, is not the same as setting their nation as a whole on a path of self-sustaining long-term development. As we have said, the Achilles heel of the whole endeavour was that in fragile and conflict-affected countries, or places where the authorities were not really committed to the MDGs, improvement could turn out to be limited–and in the worst cases, temporary. The department was well aware of that. It had been too optimistic on the prospects for quickly building effective states which would grow the economy and raise and manage public finance well. It was, though, seized of the problem and trying to develop better levers.

FIGURE 2. Human Development Index 2003–2010



Source: World Bank World Development Indicators, accessed through the R Package 'WDI'.

What DFID contributed to the achievement of the MDGs up to 2010 is one thing. It also needed to sustain enough support at home to keep going into the future. It worked hard at that. Relationships across government generally improved. Ministers led the way.[159] But officials followed. Minouche Shafik, who took over from Suma Chakrabarti in 2008, got on well with her permanent secretary colleagues at the Foreign Office and Ministry of Defence.[160] Especially as a result of their shared experiences in Iraq and Afghanistan, the UK's national security institutions increasingly saw that DFID understood the environments they were all working in, and had something useful to offer in achieving the collective objectives. More Foreign Office officials, especially at senior levels, appreciated the soft power that flowed from the UK's global reputation on development.

Domestically, despite the best efforts of the Make Poverty History campaign, public support for the priority the government accorded to development reached a peak not long after the 2005 Gleneagles summit. DFID's own annual report for the 2008/09 year mentions public opinion surveys showing popular support for aid spend decreasing, even if only slightly. Critical stories in right wing newspapers became a growth industry—though they never uncovered scandals on the scale of a few that had occurred between the 1970s and 1997. In July 2009, the government introduced a new UK aid logo for use in the UK and overseas in the hope that it would show their constituents the good that aid was doing. For similar reasons, it created a new scrutiny body, the Independent Advisory Committee for Development Impact.[161] More and more effort was put into communicating to the British public the results that were being achieved. This was all indicative of growing political nervousness. In fact, some of these measures misdiagnosed the issue. It was not so much that people in the UK doubted the effectiveness of foreign aid. It was simply that, especially in the wake of the financial crisis and belt tightening at home, more of them feared it may be getting too much priority over domestic problems.

We should not overstate all this angst. There were indeed a few fraying edges. But as we observed at the top of the paper, the opposition Conservative party underwent something of a transition in its approach to development in this period. A quiet beginning was made from 2004, when Alan Duncan (later a DFID minister) became the shadow secretary of state. The 2005 manifesto was an advance, albeit a modest one, on the 2001 version, making clear that "*fighting world poverty*" would be "*a key element*" of the foreign policy of a Conservative government.[162] But there were more dramatic changes once David Cameron became the party leader after the election.

159 Douglas Alexander told us that among the few politicians at his wedding were Gordon Brown, Des Browne (now defence secretary) and David MiIiband (now foreign secretary). They were determined their departments would work well together. (Interview with authors).

160 Interview with authors.

161 https://hansard.parliament.uk/Commons/2007-05-09/debates/07050989000009/IndependentAdvisoryCommitteeOnDevelopmentImpact(IACDI). Its members were impressive, including Rachel Glennerster who later became the DFID Chief Economist. In particular they tried to improve the quality of DFID's own evaluation work, which was later lost sight of somewhat.

162 The Conservative Party's General Election Manifesto 2005—It's Time for Action—Deryn Manifesto.

With his backing, Andrew Mitchell, the new shadow secretary of state, swallowed many of the government's positions hook, line and sinker. Why? Well, three successive electoral defeats concentrated the mind. Cameron thought things had to change if he was to win power. Shedding the Tories' reputation as the nasty party was one of them. He also thought, having observed the Blair/Brown governments, that support for development burnished the UK's soft power, and that helping poorer countries was necessary to help stave off global threats like extremism. And there was a recognition that DFID spent the money competently. The biggest factor, though, was more personal and high-minded. Cameron—and Mitchell—were of the Live Aid generation. They had seen enough of the world to understand the misery of extreme poverty. They genuinely wanted, in office, to do something about it.[163] Mitchell had the advantage of four years preparation by the time he became secretary of state after the 2010 election. As we will see in later work, he used the time well.

The fact that the Conservatives were now emulating their approach was one of Labour's most important successes. Making development a matter of cross-party consensus was significant. It meant there were nearly 10 more years after 2010 for a capable, well-resourced and influential department to continue to bash away at making poverty history.

Minouche Shafik, interviewed in 2023, captured the mood at the end of the Labour years:

> "*We were incredibly proud at that time because DFID was providing not just huge resources to development— with a strong focus on the poorest in the world. It was also providing leadership to the whole international system and mobilising resources from other countries and international institutions.*"[164]

People then working for the department were highly energised by the opportunity they had to make a difference, and still optimistic about future prospects. They were sometimes rose-tinted, and on occasion unrealistic about what aid and external support for development could achieve.[165] But their enthusiasm was infectious, and they were productive. Douglas Alexander told us that:

> *"the intellectual horsepower, the personal commitment, the energy and engagement that officials brought in DFID was as good as anything I saw anywhere else in Whitehall."*[166]

163 See Andrew Mitchell, *Beyond a Fringe,* Biteback, 2021, 155–91.

164 *Finance and Development*, September 2023.

165 They could also poke fun at their own naivety. Michael Anderson recalls a joke they all enjoyed: "How many DFID advisers does it take to change a light bulb? None. If you supply enough energy at the right voltage and the right price, the light bulb will change itself." (Interview with authors).

166 Interview with authors.

As an updated report by the Cabinet Office's capability review team put it in March 2009:

> *"DFID is a well-run department. It has impressive leadership that is complemented by high-quality and committed staff. It is admired internationally throughout the donor community and is regarded as a leader."*[167]

But everything in the garden is never rosy. In its normal diplomatic way, the DAC alluded to that in its 2008 review:

> *"DFID is well-placed to respond to the new challenges ahead both in terms of the increased scrutiny attached to a rising budget and in providing global leadership at a time of economic crises and weakening international consensus on poverty reduction."*[168]

A generous compliment but also a clear—and prescient—warning of choppier waters ahead.

167 *DFID Annual Report and Resource Accounts 2008–09*, July 2009, HC 867–I, 51.
168 DAC Peer Review, quoted in *DFID Annual Report and Resource Accounts 2008–09*, July 2009, 10.

Appendix

TABLE A1. DFID spending, in million £ nominal

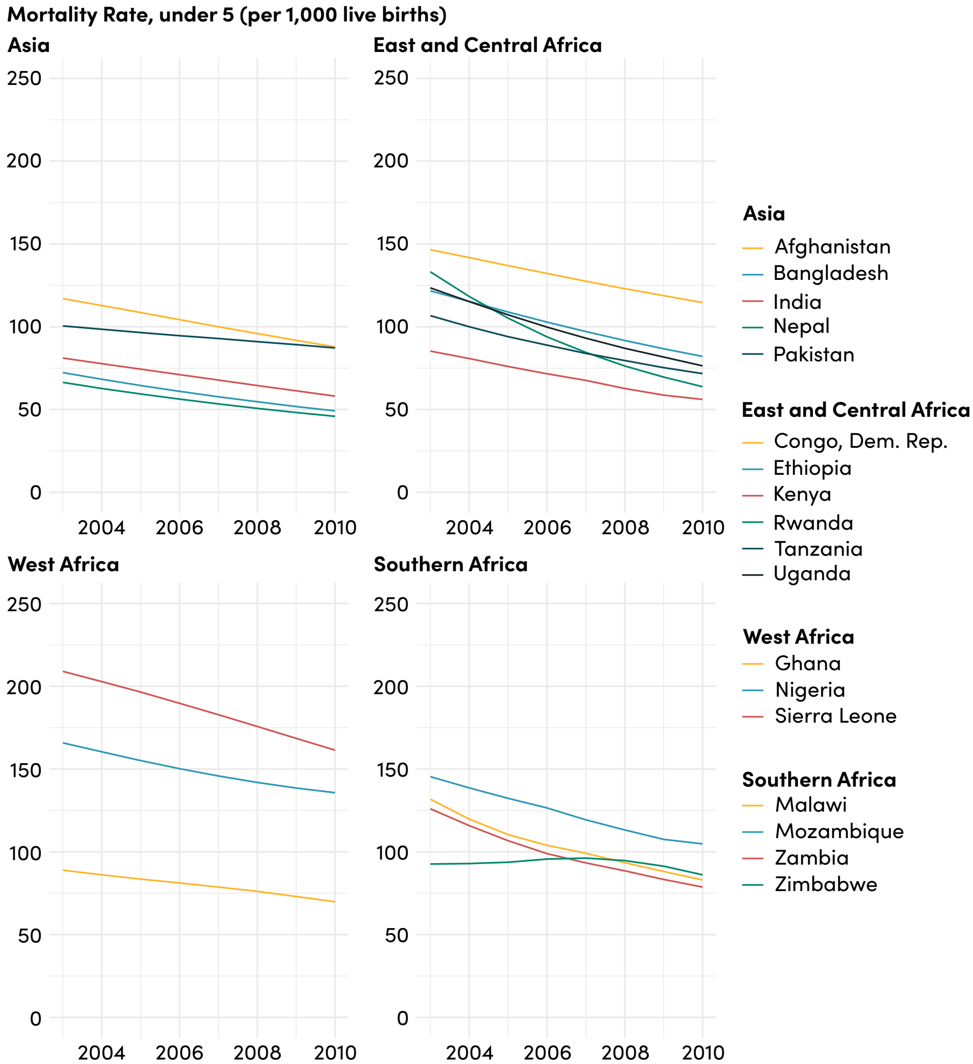
Countries	03/04	04/05	05/06	06/07	07/08	08/09	09/10
Afghanistan	68.6	81.9	98.5	98.7	107.0	129.8	141.5
Bangladesh	57.3	125.3	117.6	112.4	116.7	122.8	134.2
DRC	13.2	38.8	51.9	88.1	77.9	82.8	107.6
Ethiopia	40.4	66.2	62.0	88.7	140.2	155.6	219.9
Ghana	58.0	71.4	85.4	68.7	75.4	95.1	86.0
India	214.4	245.0	249.9	240.8	266.0	285.9	285.3
Kenya	26.0	39.5	64.2	61.3	50.9	69.1	57.2
Malawi	53.1	62.6	70.0	60.9	70.0	65.3	83.1
Mozambique	36.6	48.3	56.2	54.1	65.0	69.5	68.2
Nepal	27.8	32.2	33.5	34.4	43.0	52.6	57.3
Nigeria	31.9	45.1	81.0	81.5	101.2	99.3	117.4
Pakistan	66.2	25.0	71.7	89.3	91.0	120.0	38.7
Rwanda	28.1	44.3	68.1	16.9	46.3	51.0	51.7
Sierra Leone	35.2	35.4	32.1	36.2	40.7	47.8	44.0
Tanzania	79.8	94.7	109.2	109.8	120.6	130.2	140.4
Uganda	54.5	60.6	67.3	74.0	71.6	73.2	68.1
Zambia	24.7	26.8	47.1	39.9	42.2	44.4	49.0
Zimbabwe	33.1	23.7	37.3	32.0	45.2	50.7	60.7
Total 18 countries	**948.9**	**1,166.8**	**1,403.1**	**1,387.7**	**1,570.9**	**1,745.1**	**1,810.3**
18 countries as percent of regional progs.	*58*	*67*	*68*	*71*	*70*	*74*	*68*
Total-DFID Regional prog.	**1,623.4**	**1,752.7**	**2,062.6**	**1,967.5**	**2,246.6**	**2,373.5**	**2,665.6**
18 countries as percent of total DFID	*27*	*32*	*33*	*28*	*32*	*32*	*27*
Total DFID	**3,528.0**	**3,676.3**	**4,254.3**	**4,998.2**	**4,941.5**	**5,532.9**	**6,589.5**
Total Bilateral UK ODA	**2,913.4**	**4,491.0**	**4,737.1**	**2,799.0**	**4,048.0**	**4,732.0**	**5,191.0**
Total Multilateral UK ODA	**1,388.2**	**1,432.0**	**2,033.1**	**2,122.0**	**2,308.0**	**2,491.0**	**3,261.0**
18 countries percent of total ODA	*22*	*20*	*21*	*28*	*25*	*24*	*21*
Total ODA	**4,302.0**	**5,926.0**	**6,770.0**	**4,921.0**	**6,356.0**	**7,223.0**	**8,452.0**

Source: Departmental Reports.

TABLE A2. DFID spending from annual reports, in million £ adjusted inflation 2022

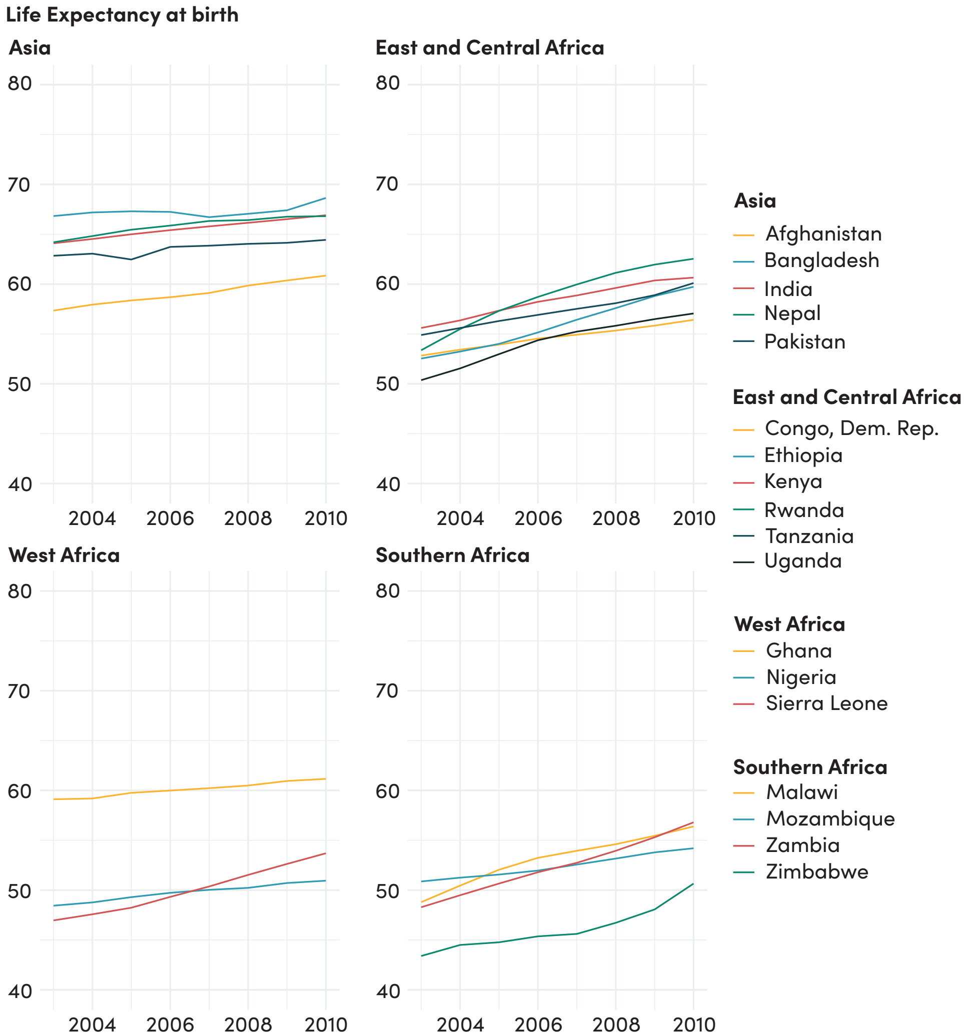
Countries	03/04	04/05	05/06	06/07	07/08	08/09	09/10
Afghanistan	110.6	130.3	153.5	150.3	159.2	186.5	199.0
Bangladesh	92.3	199.3	183.2	171.2	173.6	176.4	188.7
DRC	21.2	61.6	80.8	134.2	115.8	118.9	151.3
Ethiopia	65.1	105.3	96.6	135.0	208.6	223.4	309.2
Ghana	93.5	113.5	133.0	104.5	112.2	136.5	120.9
India	345.5	389.5	389.4	366.6	395.9	410.6	401.1
Kenya	41.9	62.7	100.1	93.3	75.7	99.3	80.4
Malawi	85.6	99.5	109.1	92.8	104.2	93.8	116.8
Mozambique	59.0	76.8	87.6	82.4	96.7	99.8	95.8
Nepal	44.8	51.2	52.2	52.3	64.0	75.6	80.5
Nigeria	51.4	71.7	126.1	124.1	150.6	142.6	165.0
Pakistan	106.7	39.7	111.6	136.0	135.4	172.3	54.4
Rwanda	45.3	70.5	106.1	25.8	68.9	73.3	72.6
Sierra Leone	56.7	56.4	50.0	55.1	60.6	68.7	61.8
Tanzania	128.6	150.5	170.1	167.1	179.4	187.0	197.4
Uganda	87.8	96.3	104.9	112.7	106.6	105.2	95.7
Zambia	39.7	42.6	73.4	60.8	62.8	63.8	68.9
Zimbabwe	53.4	37.7	58.2	48.8	67.3	72.8	85.3
Total 18 countries	**1,529.1**	**1,855.2**	**2,186.1**	**2,112.9**	**2,337.5**	**2,506.5**	**2,544.8**
18 countries as percent of regional progs.	*58*	*67*	*68*	*71*	*70*	*74*	*68*
Total-DFID Regional prog.	**2,616.0**	**2,787.0**	**3,213.5**	**2,995.6**	**3,343.0**	**3,409.0**	**3,747.1**
18 countries as percent of total DFID	*27*	*32*	*33*	*28*	*32*	*32*	*27*
Total DFID	**5,685.1**	**5,845.6**	**6,628.3**	**7,610.2**	**7,353.0**	**7,946.7**	**9,262.9**
Total Bilateral UK ODA	**4,694.7**	**7,141.1**	**7,380.6**	**4,261.7**	**6,023.4**	**6,869.8**	**7,363.3**
Total Multilateral UK ODA	**2,237.1**	**2,277.0**	**3,167.6**	**3,230.9**	**3,434.3**	**3,616.4**	**4,625.6**
18 countries percent of total ODA	*22*	*20*	*21*	*28*	*25*	*24*	*21*
Total ODA	**6,932.4**	**9,422.8**	**10,547.8**	**7,492.6**	**9,457.7**	**10,486.2**	**11,988.9**

FIGURE A1. Mortality rate, under 5 (per 1,000 live births) for focus countries



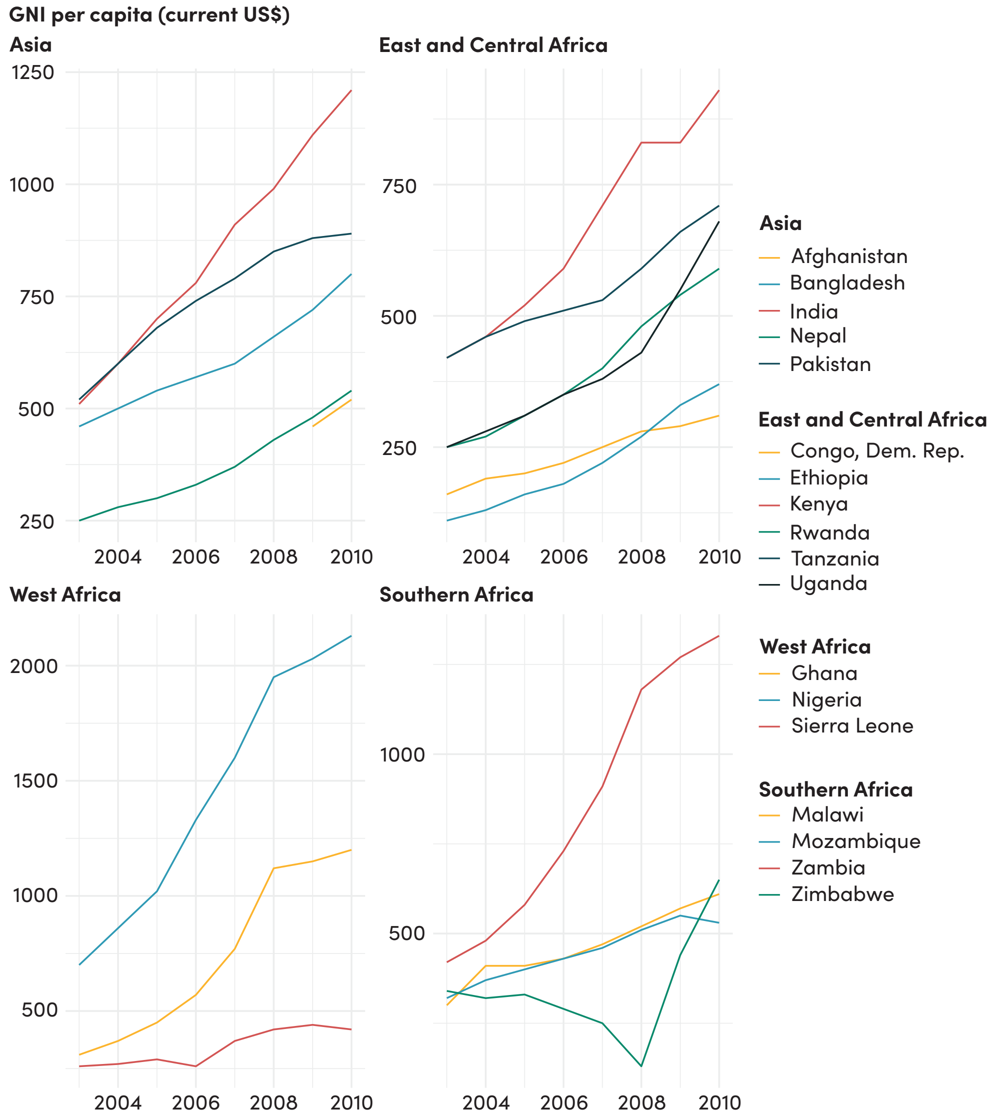
Source: World Bank World Development Indicators, accessed through the R Package 'WDI' on 02/07/23.

FIGURE A2. Life expectancy at birth for focus countries



Source: World Bank World Development Indicators, accessed through the R Package 'WDI' on 02/07/23.

FIGURE A3. GNI per capita (current US$) for focus countries



Source: World Bank World Development Indicators, accessed through the R Package 'WDI' on 02/07/23. There is no data available for Afghanistan before 2009.