Global Justice Now

Warning signs

The Prosperity Fund and the hijacking of UK aid

UK aid
from the British people

June 2022

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1. Introduction and summary

The UK government's recently published international development strategy promises to use aid to support "free trade" and "free markets", alongside promoting British expertise and building "economic partnerships" with countries through increased trade and investment.[1] By helping countries to trade more, their argument goes, UK aid will support low and middle income countries to reduce poverty, while also providing secondary benefits to UK companies.

But behind this argument lies a hardcore free market agenda, which is far more about benefiting big business and financial investors in the City of London than it is about reducing poverty. Global Justice Now has been warning for many years that not only is aid an outdated and paternalistic concept which needs to be radically reinvented for the world we live in today, but that this budget has been increasingly hijacked by the British government to serve their ideological agenda and 'aid' domestic business interests. The closure of an independent department for international development and the foreign secretary's new development strategy represents the new phase in this project. Aid is no longer viewed as a form of redistribution, but as something that will "ultimately benefit the British people".[2]

Of course, trade and investment, when controlled by low and middle income countries under fair international rules, can contribute significantly to development. However, these are very different rules to the ones that Britain will try to embed. The new strategy arrogantly states that the government "know(s) what works" and pays the barest lip service to calls for locally led development.[3] The pro-corporate rules Britain is trying to write into aid projects are all about removing local and national control in order to open up fast-growing markets for British businesses to profit from. And we have seen exactly how this agenda works in practice.

In this paper, we examine Britain's Prosperity Fund, a project that was given more than £1 billion in UK aid between 2015 and 2021 to increase trade and commercial opportunities for British businesses in middle income countries, which seems to be a model for Britain's new aid strategy as a whole. We discover little evidence that this type of development spending contributes to poverty reduction, and much to suggest it is primarily focused on self-interested corporate welfare, encouraging governments in the global south to open up their economies to foreign direct investment and privatise public services, thus increasing commercial opportunities for British businesses. Rather than tackling poverty, like aid is supposed to (and, right now, legally required to) this type of development agenda is really about increasing the UK's profits and international influence.

Our analysis found that:

- Rather than using aid to build strong public services after the Covid-19 pandemic, **aid spending is being used to encourage the privatisation of health services** in Brazil, and build a regulatory environment favourable to private healthcare providers;
- Despite 97% of its funds coming from UK aid, the Prosperity Fund essentially marks a return to tied aid, **with aid money being spent explicitly to increase commercial opportunities for British businesses**. One particularly shocking example saw aid funds used to fly British company representatives overseas to attend trade shows, and to bring foreign delegations to the UK to showcase British companies;

- **Aid funding is being used, implicitly and explicitly, to build new post-Brexit trade relationships with upper middle income countries**. The Fund prioritised larger and richer countries which the UK is interested in developing economic ties with, with high and upper middle Income countries receiving four times more (34.50%) money than lower middle income countries (7.92%);
- **The Fund has directly benefitted a number of British companies including big accountancy firms** and consultancies (eg. Deloitte, KPMG, Mott McDonald, PwC), which accounted for just under 15% over the Fund's non-World Bank spend between 2017 and 2019 (£2 million);
- The Fund is opaque, with little transparency as to the projects themselves, and a seeming disregard for the real impact they have on poverty reduction;
- **This Fund has backed fossil fuel interests**, including boosting the "global investment attractiveness… of domestic oil and gas production" in India, and developing "oil and gas infrastructure" in Myanmar.[4]

As our research below shows, the Prosperity Fund was focused more on using aid to promote UK companies overseas and on spending money in regions and sectors which the UK is well placed to profit from. With this new strategy, the approaches taken to the Prosperity Fund seem set to now become formal development policy, moving UK aid even further away from the goal of tackling global poverty.

2. Background

The Department for International Development's (DfID) subsummation into the Foreign Office in 2020, and the aid cuts that have followed, have rightly attracted criticism. However, while these cuts have taken the headlines, the UK's aid budget was already being depleted, through the establishment of funds that blurred the lines between, aid, trade and security.

In a speech given in December 2021, the recently appointed foreign, commonwealth and development Secretary Liz Truss said that the government's upcoming international development strategy would focus on a "new approach to investment" and building "economic partnerships" with lower income countries.[5] Truss highlighted how she will encourage diplomats to be "unashamedly commercial", and will use the international development budget to lay the groundwork for new free trade deals and facilitate increased export opportunities for UK businesses. The new strategy itself talks about the need to "deepen cooperation with businesses, sovereign wealth funds, private investors" and put "capital markets, investment and growth" at the heart of UK aid policy.[6]

But while this new strategy is being presented as a new approach to international development, we've been here before.

Between the vote to leave the European Union in 2016 and the end of 2021, the UK government repeatedly attacked and undermined UK aid, diverting it increasingly away from the communities that need it most and into the pockets of the private sector. The UK's looming departure from the EU also prompted attempts to use aid as a tool to lay the foundations of diplomatic alliances and potential future free trade deals. This 'aid for trade' approach takes us back to the 'bad old days' before the establishment of DfID in 1997, when development funds were routinely used as a carrot in negotiations over UK exports.[7]

Not content with diverting and repurposing the development budget in this way, however, in 2021 the Johnson government pushed through cuts to aid, diverting from the internationally agreed 0.7% target to reduce the budget to 0.5% of national income. The effects of these cuts are wide ranging, impacting the education of millions of children and potentially leading to the loss of hundreds of thousands of lives. What's more, they will continue until a time when the UK achieves a budget surplus – a new condition attached to the cuts that has been met only once in twenty years – and returns to 0.7%.[8]

Nonetheless, while the overall budget is diminished, the Johnson administration continues to redeploy an increasing amount of aid in pursuit of foreign policy objectives. In 2020, DfID was formally merged (in reality, abolished) with control of international development handed to the Foreign Office. In later 2021, the UK's development finance institution CDC Group dropped "development" from its title altogether, as part of a rebrand to become British International Investment. Each of these decisions aligns UK aid more closely with trade and diplomacy objectives, and moves it away from its legally mandated role of reducing poverty.

To get a sense of how this will reshape UK aid, we have looked at recent attempts to merge aid and trade through the Prosperity Fund.

The Prosperity Fund

Established in 2015, the Cross-Government Prosperity Fund (referred to as the Prosperity Fund or just the Fund below) was a project which sought to use £1.2 billion in public funds (over 97% of which was counted as Official Development Assistance) to reduce poverty and create opportunities for UK business in middle income countries.[9] The development of the Fund was rooted in an assumption that "economic reforms" and the removal of "barriers to trade" would contribute to poverty reduction.[10] This framing informed many of the Fund's activities, with money going towards projects that promoted the private sector, encouraged foreign direct investment (FDI), sought to make business-favourable regulatory changes, and developed trade opportunities. The last of these was explicitly linked with the government's post-Brexit trading ambitions, with the Fund prioritising the creation of "opportunities for business, including UK ones".[11]

The Fund officially closed on 31 March 2021, with the remaining programmes incorporated into the newly formed Foreign, Commonwealth and Development Office (FCDO). However, as the Fund had been administered by the Foreign Office, it provides a model for how a commercially-focused development strategy, administered by the new department, will be run. The Fund also represents the first programme where the idea of 'mutual prosperity' was explicitly mentioned and embedded in its delivery model. The concept of mutual prosperity has been more explicitly adopted by the government since the Brexit referendum, and essentially seeks to enhance "mutual prosperity by building the foundations for UK trade and commercial opportunities in horizon markets".[12]

However, it is not an entirely novel approach in the delivery of aid, with the UK's international development efforts increasingly being used to pursue commercial, diplomatic and security objectives. For example, in 2016, the UK lobbied the OECD to redefine aid by allowing more forms of defence and security spending to be classed as Official Development Assistance (ODA), the international standard for counting aid.[13] This shift was further confirmed at a meeting convened by Wilton Park (a government agency connected to FCDO) in April 2020, where it was made clear that the UK was indeed pursuing a "mutual prosperity" agenda, with some going further in explaining that this meant "mutual self-interest".[14] Previously ODA was limited to support that could be narrowly defined as providing assistance that supports the economic development and welfare of the recipient country. More recently, despite criticism from the official aid watchdog - the Independent Commission for Aid Impact (ICAI) - that a mutual prosperity approach risked undermining the effectiveness and reputation of UK aid, it has been mooted that the Johnson government may seek to rewrite legislation on how UK aid should be spent.[15]

In fact, while DfID has regularly scored very highly on the Aid Transparency Index in recent years, the Foreign Office, which administered the Prosperity Fund, only achieved a rating of 'fair', falling short of the government's own target.[16] Only three out of the 10 UK departments making ODA spend met this target, with many of those which didn't involved in administering the Fund.[17] This lack of transparency was borne out in the research for this report, with Freedom of Information (FOI) requests yielding little, and Fund documentation found to be incomplete or out of date. With the new FCDO now taking responsibility for almost all aid spending, transparency will likely be further eroded, allowing ODA to be further diverted towards the UK's commercial and security objectives.

3. Prosperity Fund findings

As noted above, the information we found on the Prosperity Fund from annual review documents, project evaluations and FOI requests remains incomplete and opaque.

However, from what we *could* find out about the Prosperity Fund, several clear themes emerged. The following should act as a warning against what UK aid spending could look like under the new international development strategy.

a. Little evidence that "aid for trade" reduces poverty

As noted earlier, the Fund has as its secondary objective the promotion of UK business through the expansion of trading opportunities. However, the evidence collected during this study shows that this objective has been given much greater importance than its secondary status suggests. In its early review of the Fund, ICAI noted that concept notes were poor in articulating a clear description on how proposed projects would lead to poverty reduction, the stated primary objective of the Fund.[18] They found that vague allusions to economic growth were not sufficient to show the requisite poverty reduction element, with little detail on the tangible effect that projects (for example, showcasing commercial opportunities in Colombia to 262 British companies, including 10 that were flown over) would have on poverty reduction. What's more, the distinction between the two objectives of the Fund was blurred with studies being cited claiming a link between trade and economic growth (and therefore poverty reduction), despite the studies themselves being more equivocal on this link.[19]

Conversely, ICAI found that the benefit to UK business was much better articulated in concept notes, despite it supposedly holding a much smaller weighting in the bidding process. While the Fund's operating framework states that "a project or programme proposal cannot progress without demonstrating that this primary purpose (poverty reduction) is met", in practice a quarter of the projects invited to proceed did not achieve a green rating on the poverty reduction element.[20] This casts further doubt on the extent to which creating commercial opportunities for British businesses was a secondary objective of the Fund's work, rather than the primary goal.

This elevation of the trade aspects of the Fund from secondary to primary objective has also been noted by others. The ICAI evaluation cites an unpublished Whitehall report which suggests that the Fund gave a higher priority to the promotion of trade in the wake of the UK's decision to leave the European Union.[21] Another report by the international development select committee stated that aid spending made outside of DfID was less poverty focused than money spent within the department.[22] Analysis by Oxfam also showed that in value terms, 20% of the projects funded from 2016/2017 involved explicitly promoting UK businesses and institutions, and that half of all projects in China had the same objective.[23]

While all of the Fund's programmes have been impacted by this selection process, the Global Trade Programme deserves particular scrutiny for how it has internalised the flawed logic of the Fund.[24] As the biggest programme in the portfolio, £150 million (later reduced due to the Covid-19 pandemic) was directed towards facilitating free trade in pursuit of inclusive growth.[25] However it was noted, this time in an evaluation of the trade programme from September 2020, that "there is a lack of unequivocal evidence on the relationship between reducing trade barriers and inclusive growth".[26] So while initially removing trade barriers and facilitating trade were presented as solutions to simultaneously reducing poverty *and* creating commercial opportunities, it appears that the Fund was repeatedly unable to present substantial evidence of meeting its primary objective.

Take for example the £3.6 million the Global Trade Programme has allocated to improving patent approval processes in Brazil's Instituto Nacional da Propriedade Industrial.[27] A key target of this project is to increase the number of patents approved by the agency, with nothing to say on the potential negative impact these additional approvals may have. In fact, the increased patenting of products by business and the increased enforceability of patents since the mid-1990s has been a huge problem for the fight against poverty, in particular by facilitating tax dodging, preventing technology transfer, increasing the importance of finance vis-a-vis other sectors of the economy and undermining local, communal ownership of resources.

In Brazil, small farmers have fought a protracted battle with the massive agribusiness conglomerate Monsanto, which recently won a $7 billion ruling which reversed previous rulings establishing the rights of farmers.[28] Last year Brazil's Supreme Court significantly cut the terms of patents on medicines, recognising the problems intellectual property law presents to access to medicines and the creation of local medical capacity.[29] As the economist Ha-Joon Chang has argued, increasing intellectual property restrictions on medicines and agricultural products can have significant costs for low income countries by encouraging high royalty payments and monopolisation.[30] In aiming to encourage increased patent protection by companies like Monsanto, the UK is therefore siding with the priorities of transnational corporations over the rights of consumers and small businesses, highlighting another contradiction between the expansion of certain trade rules and efforts to tackle poverty.

b. Tying aid and promoting UK businesses

The Prosperity Fund's commitment to promoting UK business puts it in clear conflict with the government's commitment to untie aid. Tied aid is ODA given on the condition that it be used to buy goods or services from companies in the donor country. Eurodad has noted the long term consequences of such an approach, arguing that it holds back "the long-term development of communities in the global south, depriving crucial local supply chains of important investment, and missing the opportunity to redistribute procurement spending towards local people who are experiencing inequalities".[31]

The UK's International Development Act (2002) prevents the UK from tying its aid commitments, but in practice this principle is regularly undermined, with the Prosperity Fund being a notable culprit. In ICAI's early review of the Fund, they found that concept notes explicitly stated that the secondary benefit could be met by contracting UK firms to implement projects – a possible violation of the legislation.[32] Further, they noted there was an expectation within concept notes that management of the projects would be outsourced to commercial firms, while also finding that at least four large commercial firms had advised on the development of concept notes, as well as the development of the Fund itself. As highlighted below, the 'big four' accountancy firms (Deloitte, E&Y, KPMG, PwC) and several corporate consultancies (LEK Consulting, McKinsey, Mott McDonald) all received contracts from the Prosperity Fund.

It's clear from the available literature, though, that these ethical considerations are subordinate to the active promotion of UK businesses under the Fund. he £30m Colombia Programme, for example, aims to "contribute to improving the commercial environment so that international business, including UK companies, can compete favourably in new markets".[33] The importance of this objective apparently necessitated the establishment of a Private Sector Advisory Panel, whose role included "improving UK company access" to contract opportunities.[34] In support of this a three day 'Agrofuturo' conference was held with 10 UK companies attending, as well as a rail conference designed to showcase UK businesses. It is unclear what contribution, if any, this made to poverty reduction.

UK businesses were also strongly promoted as commercial healthcare suppliers through the £96 million Better Health Programme, a partnership between the Department for International Trade and the NHS (thus implicating the UK's nationalised health system in the privatisation of foreign health systems). In its 2019 annual review it was stated that "a number of 'show and tell' missions were arranged between the recipient countries and the UK to showcase various parts of the NHS" and UK healthcare suppliers. The programme comprised 62 different activities designed to create an "improved business environment…for international companies" as well as "additional trade and investment opportunities in the relevant sectors in which the UK is well placed to compete".[35]

The Department for Trade has spearheaded efforts to showcase these commercial opportunities with conferences, missions and exhibitions reaching 88 different companies. Programmes in China referenced the need to explore "innovative financing of patient care" (a euphemism used by the private sector in the past to indicate patient fees or insurance schemes) and to "generate opportunities for international business in the healthcare sector, with potential benefits to British companies".[36]

In particular the Better Health Programme was praised for forming a close relationship with the little known public body Healthcare UK.[37] Healthcare UK is part of the Department of Health and Social Care, NHS England, NHS Improvement and the Department for International Trade. Its stated objective is "to increase the UK's share of exports in healthcare services" by "identifying healthcare opportunities" and supporting UK companies to turn these opportunities into commercial contracts. In its 2019/20 annual review, Healthcare UK boast of having worked with the Prosperity Fund to arrange more than thirty activities to promote the UK as a trading partner and showcase UK suppliers.[38]

The governance of Healthcare UK includes various NHS administrators, as well as a former managing director of SERCO (responsible for the UK's disastrous Covid-19 test and trace system), the chief executive of i5Health (a provider of digital health services to the NHS where ICT systems have notably failed), and the head of healthcare facilities at Mott MacDonald, an international development consultancy in receipt of over £220,000 from the Prosperity Fund.[39]

Sharing the expertise of the NHS with other countries on the basis of building decent public services around the world would certainly be justifiable, given the role of accountable, high quality public services in reducing poverty. But it seems the Fund is trying to promote precisely the opposite. At least two of the suppliers contracted to deliver the Better Health programme have been previously involved in pushing the privatisation of healthcare abroad via the UK's aid programme. A 2016 report by Unison outlines how consultants and private providers that have received funds from the Prosperity Fund, namely KPMG, IMC Worldwide, Mott McDonald and PwC, have all previously used DfID funding to promote healthcare marketisation and privatisation.[40]

c. Promoting privatisation and deregulation

While the explicit promotion of UK companies in the Prosperity Fund is a relatively novel objective, the Fund fits into the wider objectives of the UK's aid programme in promoting the role of the private sector in recipient countries.

For example, as part of the Global Trade Programme, budget has been set aside to produce a roadmap for Brazil's logistics infrastructure regulatory framework, for the purpose of facilitating private sector investments and fostering economic growth.[41] While there is little detail on how the budget for this activity has been spent, there has been fierce opposition to privatising infrastructure within Brazil. Those living in the parts of Rio where the water system is privatised pay up to 70% more for their water than those under the public system. More generally, the incentive structure behind the privatisation of water has been shown to increase inequality, and prioritise shareholders over the needs of communities.[42]

Worryingly, the support for privatisation in Brazil is not limited to infrastructure under the Fund, with references to developing public-private partnerships (PPPs) in the education and urban mobility sectors, and further references to attracting foreign direct investment into the healthcare system.[43] The fact that the Fund is seeking to further facilitate investments such as this, undermines any idea that it is intended to alleviate poverty, and is further evidence of the types of projects the FCDO is likely to pursue in the future.

Meanwhile, several programmes in Brazil explicitly promoted healthcare privatisation. In São Paulo, the Fund spoke of "fostering entrepreneurship and developing public-private partnerships" for healthcare; in Recife, of making healthcare "more cost-effective and also attractive to foreign investment"; and in the state of Minas Gerais and Bahia there were efforts to develop a "more favourable business environment for public-private partnerships" in healthcare as well as in education.[44]

As Global Justice Now and others have highlighted elsewhere, PPPs are a highly ineffective and unjust approach to healthcare, often undermining public services and placing huge financial costs on the public sector (even the UK Conservative Party has opposed this model in recent years).[45] Using aid money to encourage healthcare privatisation as a means of increasing business opportunities for UK companies is therefore highly unjust.

d. Outsourcing projects to private contractors

Our research has found that at least 37 different private companies won supplier contracts under the Fund, many of them based in the UK. These included the 'big four' accountancy firms (Deloitte, E&Y, KPMG, PwC), ARUP Group (which has been part of efforts to open up Ireland as a market for fracked gas), and L.E.K. Consulting Limited (whose previous work includes advising on the privatisation of the UK's railways).[46]

Table 1: **Prosperity Fund suppliers broken down by HQ location and type of organisation**

Country	Government/ Quasi-Government	NGO	Private	University	Total
Brazil		9	6		15
China	1	1	5		7
Colombia	1	1			2
Cyprus			1		1
France		2			2
India		7	7		14
South Africa			1		1
Switzerland		1			1
UK	8	13	15	1	37
USA		2	2		4
Total	**10**	**36**	**37**	**1**	**84**

The table below includes a list of organisations that had at least two IATI codes* listed against them. This includes all of the four large accountancy firms, as well as consultancies like Mott MacDonald (whose staff also sit on the board of a government agency involved in delivering the Fund).

Table 2: Prosperity Fund Suppliers by IATI code count

Suppliers	No. of IAITI Codes
Pricewaterhouse Coopers	9
Infrastructure and Projects Authority	8
Department for Business Energy And Industrial Strategy (BEIS)	7
KPMG Advisory Services PVT LTD	6
Mott Macdonald Ltd	5
Beijing Bofeng Aviation Services Company	4
China Civil Aviation Passenger and Cargo Sales Corp.	4
Corporacion Andina De Fomento	4
Ernst and Young LLP	4
British Council	3
Confederation of Indian Industry	3
Deloitte Consulting LLP	3
Financiera De Desarrollo Territorial SA Findeter	3
IMC Worldwide Ltd	3
The World Bank	3
China-Britain Business Council	2
Climate Bonds Initiative	2
Crisil Risk and Infrastructure Solutions Ltd	2
Fundacao Getulio Vargas	2
Health Education England	2
Indian Council for Research on International Economic Relations (ICRIER)	2
Innovar Eventos LTDA	2

* IATI codes are required by the International Aid Transparency Initiative when transparency data is published. They are written in a standard format allowing comparison across similar areas or geographies, but each unique code will describe a discrete activity

Table 3: Private Companies with Prosperity Fund contracts by HQ location

Company Location	Proportion of total
Brazil	16%
China	14%
Cyprus	3%
India	19%
South Africa	3%
UK	41%
USA	5%

Details of the actual amounts spent with individual contractors was highly limited and incomplete. From what we could find, the big four accountancy firms plus four known professional consultancies (IMC Worldwide, LEK Consulting, McKinsey, Mott McDonald) received 15% of the funds distributed to suppliers (when transfers to the World Bank were removed). When transfers to other development banks and government agencies were removed, the same eight companies accounted for 53% of spending. Our analysis showed that PwC had the most involvement of all the listed suppliers we had access to, with nine project lines across three programme areas (Table 2) – in the health and Brazil programmes, and most involvement in the India programme.

e. Favours potential trading partners over least developed countries

The data we were able to obtain via FOI requests shows that, at the end of 2019, £235 million had been spent across 42 named programme areas. The programmes with the highest spends can be seen in Table 4 below.

Table 4: Prosperity Fund Spend by Programme Area

Programme Area	% of Total Spend at the end of 2019
Central administrative costs of Prosperity Fund portfolio	13%
China	10%
Mexico	8%
Global Trade	8%
Global Business Environment	7%
Colombia	6%
Commonwealth Marine Economies	6%
Brazil	6%
Future Cities Programme	5%
India	5%
Anti-corruption	5%
ASEAN Economic Reform	4%
Better Health	4%
Global Infrastructure	3%

When the spend is broken down against country or region, as expected those areas for which there are dedicated programme areas represent the highest proportion (Table 5) of the funds spent at the end of 2019. 34.5% of total spend went to countries classified as high income or upper middle income countries as of July 2021 (Chile was previously classified as a lower middle income country when the Prosperity Fund began).[47]

Table 5: **Prosperity Fund spend broken down by country/region**

Country/Region	World Bank Categorisation	% Spend
China	Upper middle income	10.59%
Mexico	Upper middle income	8.54%
Colombia	Upper middle income	6.57%
Brazil	Upper middle income	5.73%
India	Lower middle income	5.07%
Indonesia	Lower middle income	1.65%
Lebanon	Upper middle income	0.65%
Peru	Upper middle income	0.65%
Turkey	Upper middle income	0.64%
Vietnam	Lower middle income	0.57%
Malaysia	Upper middle income	0.50%
Myanmar	Lower middle income	0.42%
Chile	High income	0.37%
Philippines	Lower middle income	0.21%
Thailand	Upper middle income	0.20%
Kazakhstan	Upper middle income	0.04%
Argentina	Upper middle income	0.02%

Poverty and the transition to a low carbon economy remain significant challenges in middle income countries, so there is merit to the UK's aid spend being spent to address these. However, it's no coincidence therefore that four of the top five countries allocated funding under the Prosperity Fund – China, Mexico, India and Brazil – are in the twenty biggest economies globally. The prioritisation of these countries appears not to be based on where poverty reduction efforts may be most effective, but about selecting countries that have the biggest commercial opportunities for UK businesses and potential for future free trade deals.

Further, it is part of a wider, worrisome trend in the UK's aid spending, particularly with regards to ODA spent outside of DfID. In looking at 2020's aid spending data Global Citizen found that from 2018 to 2019, while the majority of ODA was still spent by DfID, the percentage had fallen, meaning an additional £434 million was spent by other departments.[48] Of the portion spent by DfID, 65% went to the world's least economically developed countries. In contrast, 71% of the ODA spent outside of DfID went to middle income countries, with an approximately equal portion going to lower and upper middle income countries.

f. Fuelling climate crisis

A particularly egregious use of the Prosperity Fund is in supporting the expansion of environmentally destructive practices such as dubious agritech innovation, and oil and gas exploration. While some of the Fund is dedicated to renewable energy and improving safety practices in the energy sector, there is significant evidence that the Fund also supports energy privatisation and the expansion of fracking. An earlier study by Platform London found that £2 million had been allocated to fossil fuel projects by the Fund, representing almost 30% of the entire energy spend in the programme, with the majority of projects looking to expand production.[49] The Fund explicitly commits to SDGs 8 and 12 which speaks of supporting sustainable growth, consumption and production, and is clearly not compatible therefore with any increase in fossil fuel production.[50]

This includes projects exploring the expansion of shale gas production in China, as well as India and the Philippines.[51] Other projects sought to increase the "global investment attractiveness and… effectiveness of domestic oil and gas production" in India, "improve oil and gas sector efficiency", encourage increased use of natural gas, support the development of gas infrastructure in India and the Philippines, and to train oil and gas workers.[52] In Myanmar, the Fund established "an Aberdeen-Myanmar Energy Economy partnership" designed to help Myanmar "learn from Aberdeen's success in developing…its own oil and gas infrastructure".[53]

4. Conclusion

With this new strategy, the UK's development spending will be tied to a hardcore free market agenda, which is far more about benefitting big business and financial investors than it is about reducing poverty, for the foreseeable future. This agenda has seen aid effectively tied to supporting British business, a possible breach of the regulatory framework around international development. While this has been going on for many years, it has accelerated in the period since 2016, as Britain has plundered its aid budget to build new economic ties with upper middle income countries outside the EU. The closure of an independent department for international development and the foreign secretary's new development strategy represent the new phase in this project.

We have always spoken out about the deep problems with the aid budget. With Truss' new strategy and the abolition of an independent department for international development, these deep problems are cemented into the core of British aid spending. It is time for progressives to fundamentally rethink models for international development. We began to map out what this might look like in our 2017 report *Re-imagining UK aid*.[54] Since that time, experts have begun studying alternative models, including the work undertaken on Global Public Investment.

Without radical change, UK aid will end up doing more harm than good. The question of reversing the aid cuts and returning the development budget to 0.7% of national income is now a complex issues for the development sector, as Truss and the government believe that "a return to 0.7% will allow us to scale up critical elements of our new strategy".[55] If that means more money to spend on forcing trade on the global south, working with the City of London and developing ineffective, financialised response to climate change, then the development sector should ask itself if it's really worth the fight.

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Global Justice Now

Global Justice Now campaigns for a world where resources are controlled by the many, not the few. We work in solidarity with social movements to fight injustice and inequality.

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