



MEASURING WHAT **MATTERS** FOR GLOBAL BRITAIN

Better data can help the UK deliver on its ambitions to be a global force for good

The UK's Integrated Review of Security, Defence, Development and Foreign Policy¹ has set out a renewed commitment to the UK as a force for good in the world, and stresses the importance of an integrated, cross-government approach to realising its aims. Good data² on the UK's international impact can help achieve this by improving government effectiveness and increasing accountability.³

Better data, more coherent policy

The UK can be more effective in implementing a coherent foreign and development policy if it understands the effect of existing policies (and not just those owned and delivered by the FCDO) on its international objectives. Making this data available openly will also support accountability by allowing Parliament, the media and the public to understand what government is doing, recognise progress and hold it accountable for its actions.

Conversely, data gaps mean that poor policies and poor policy implementation can go unnoticed. As a result, opportunities for advancing the UK's global aims may be missed, or worse, policies may work against the UK's interests.

There are examples of good data on the UK's international interactions – such statistics on international trade in goods and on aid spending. The Government has also stated its intention to collect data in other areas, for example to monitor implementation of a new law to prevent illegal deforestation in the supply chains of UK businesses.⁴ More generally it has committed to

improving the quality and use of data across government in its National Data Strategy.⁵ But there are also many data gaps which could be addressed.

Six example gaps and how to fix

The table overleaf provides examples of data deficiencies relating to arms exports, export finance, commercial loans to governments, money laundering, stolen asset recovery and foreign direct investment. Policies in these areas can have a significant impact on the global challenges and countries (such as those in Sub-Saharan Africa) on which the UK wishes to focus.⁶

The practical steps to fix these gaps vary. However, the costs of doing so are likely to be small compared to the benefits of more effective and coherent foreign and development policy. Better policies, beyond aid spending, would also enable the UK to more effectively tackle global poverty and advance the Sustainable Development Goals.

Audit the gaps, measure performance

The examples overleaf are just a starting point. There are opportunities to improve data in support of the UK's global ambitions in many other areas, including better data on the economic, social and environmental impact of UK companies overseas.

To realise these opportunities, the Government could start by auditing and consulting on the data necessary to support its objectives. This would provide a consolidated, cross-government framework for measuring performance and the UK's global impact. The Government has already used similar approach for the UK's environmental performance⁷, another area where a coherent cross-government approach is needed to realise the UK's ambitions.

Such a framework would not enough on its own. It would need to be complemented by effective use of data across government, and cross-departmental accountability mechanisms, but it is an important first step towards success.

Six data gaps that matter for the UK's global ambitions and how they could be fixed

Data gap	So we don't know	Why it matters	What would it take to fix	What's the benefit
<p>Arms exports</p> <p>Quantity and value of controlled goods exported under open licences is not recorded.⁸</p>	<p>The full extent of UK arms exports to countries where the UK concerned about human rights⁹ as open licences allow the licence holder to export an unlimited quantity of the goods specified in the licence.</p>	<p>Many open licences have been granted for unlimited exports of arms to countries on the government's human rights priority list (e.g. 24 open licences were issued for exports to Afghanistan since 2015, including 5 that allow unlimited export of assault rifles).¹⁰</p>	<p>Require licensees to record the value and quantity of exports in their reports to the Export Control Joint Unit. This data is already collected by many EU countries and the US. Publish statistical information on exports by country and equipment category.</p>	<p>Better data would help reduce the risk that open licensing works against the government's objectives and spending¹¹ to defend human rights, tackle conflict and instability. It would identify where open licences are being used to export large quantities of arms and so inform where use of standard licences (that limit the value of exported goods) may be more appropriate.</p>
<p>UK Export Finance (UKEF) loans</p> <p>Interest rates and repayment schedules are not published.</p>	<p>How much developing countries are paying to UK government in debt repayments, how much of this is interest, and how much they will pay back in total.</p>	<p>Developing countries sovereign debts to UK government totalled approx. £3bn in 2020¹², including £863m owed by Sudan. The interest accruing on these loans can be significant (for example Sudan's debt increased by approx. £150m since 2015),¹³ countering UK aid spending on those countries.</p>	<p>This data already exists within government. It should therefore be straightforward to report all loans and loan guarantees to other governments in one place, including the key terms, and to provide annual updates.</p>	<p>Greater transparency would help UKEF to be held account for its lending and could inform future lending strategies and debt cancellation policies. This could reduce the risk of unsustainable debt building up in countries where it is in the UK's interests to support economic development.</p>
<p>Private sector loans</p> <p>Commercial loans by UK banks and companies to developing country governments are not published.</p>	<p>How much developing countries owe to UK companies, how much they are paying to UK companies in debt repayments and how much they will pay back in total.</p>	<p>Private sector loans may lead to debt crises in countries where the UK is seeking to support economic development. For example, in 2013 and 2014 two London-based banks lent \$2 billion to three state-owned companies in Mozambique, which triggered an economic and political crisis in Mozambique.¹⁴</p>	<p>Ensure UK companies implement the principles on debt transparency¹⁵ specified by the Institute of International Finance (IFF) and which the UK supports. A group of civil society organisation have set out how these principles could be enforced in the UK.¹⁶</p>	<p>Transparency of debt information would allow citizens to subject borrowing by their governments to more scrutiny and so help ensure those loans are used well. This would reduce the risk of debt crises in developing countries¹⁶, including those where it is in the UK's interests to support economic development.</p>

Data gap	So we don't know	Why it matters	What would it take to fix	What's the benefit
<p>Money laundering: Suspicious Activity Reporting</p> <p>National Crime Agency (NCA) Suspicious Activity Reporting (SAR) statistics are not broken down by country; exclude the aggregate value of transactions.</p>	<p>The number and aggregate value of suspicious transactions linked to countries that the UK has an interest in helping to tackle corruption; the proportion of those transactions for which action is taken by UK enforcement agencies.</p>	<p>Hundreds of £bns of international corrupt money is estimated to be laundered through the UK annually.¹⁷ Some of this involves countries where the UK has a shared interest in helping to tackle corruption.¹⁸ For example, in one case corrupt payments from Nigeria, totalling \$800m were alerted to the NCA's predecessor via SARs, but not acted upon.¹⁹</p>	<p>The current Home Office led SARs reform programme, including the SARs IT Transformation project, aims to enable more efficient reporting and analysis of SARs. This work could enable the production of new and improved public statistics on SARs and the NCA's performance.</p>	<p>Better data would improve understanding of the risks and scale of illicit finance entering the UK from different sources. This would help law enforcement agencies, and government as a whole, to more effectively prevent corrupt money from coming into the UK by enabling them to more accurately target their resources and effort.</p>
<p>Stolen Asset recovery</p> <p>No regular reporting²⁰ on the return of stolen assets to overseas origins.</p>	<p>What progress is being made on return of stolen assets and where those assets are going; e.g. whether more progress on asset return to developed countries than developing ones.</p>	<p>See above for the scale of international corrupt money. For example, Nigeria suspected at least \$37bn of stolen assets were routed through London.²¹ In 2016 the UK agreed to help return these funds²², but little information on progress has been published.</p>	<p>Provide additional detail and breakdown in the Home Office's Annual Asset recovery statistical bulletin.²³</p> <p>Provide regular and timely updates to the World Bank / UN Stolen Asset Recovery Initiative.</p>	<p>Progress in asset recovery can have significant benefits for developing countries, including those where it is in the UK's interests to support economic development. Each pound spent on recovery efforts can yield many pounds for developing countries.²⁴ For some countries this could be worth more than UK aid spending.</p>
<p>Foreign Direct Investment</p> <p>Statistics on UK investment in most African countries are not released until 14-15 months after the end of the reference year.</p>	<p>An up to date picture on the level of UK investment in most African countries.</p>	<p>The UK aims to be Africa's partner of choice for trade and investment, recognising Africa's huge economic potential.²⁵ The Government held UK-Africa investment conferences in Jan 2020 and 2021, but for most Africa countries, the FDI data available ahead of these conferences was two years old.</p>	<p>Office for National Statistics (ONS) could look at bringing forward the release of its FDI statistics that include country level detail for Africa. For comparison, the US Bureau of Economic Analysis publishes equivalent detailed data²⁶ in July, i.e. within 7 months and twice as quick as ONS.</p>	<p>Africa presents an investment opportunity for the UK, with a growing population and higher returns than other regions.²⁷ UK investment can also contribute to economic development and transformation in Africa. More up to date FDI statistics will make it easier to assess progress in Africa investment promotion activities and inform the targeting of those efforts.</p>

Notes

¹ [Global Britain in a Competitive Age](#): the Integrated Review of Security, Defence, Development and Foreign Policy (16 March 2021)

² The Institute for Government [identifies three key attributes](#) of high quality data: as 'data' it is complete, consistent and accurate; as 'information' it says something meaningful, and helps us to understand what is happening; as 'evidence' - it can be used to inform decisions.

³ Measuring and reviewing government performance using relevant, high quality data is widely recognised as best practice, including by the [NAO](#) and Institute for Government, for [improving government effectiveness](#) and [accountability](#).

⁴ Government [response](#) to the recommendations of the Global Resource Initiative - Recommendation 4b on development of a monitoring, measurement and reporting framework

⁵ [National Data Strategy](#) (Updated 9 December 2020) "The case for change in public sector data use is clear. Presently, data is not consistently managed, used or shared in a way that facilitates informed decision-making or joint working across government and the wider public sector. Data remains undervalued and underexploited." This draws on a 2019 NAO report [Challenges in using data across government](#).

⁶ Foreign Secretary [letter](#) to International Development Committee chair 2 December 2020 "we will focus only on countries where the UK's development, security and economic interests align, such as sub-Saharan Africa and the Indo-Pacific region"

⁷ Government has [defined](#) and has started [reporting](#) on a wide ranging set of environmental metrics in its 25 Year Environment Plan Progress Report

⁸ There are two related gaps i) no information on the financial value of open licences ii) no information on actual exports for any type of licence. However, for standard (but not open) licences there is at least information on the potential value of exports.

⁹ [Human rights priority countries: ministerial statement](#), January to June 2020

¹⁰ Data extracted from [Campaign Against Arms Trade database](#) in Oct 2020, which in turn is based on the quarterly reports of the UK Export Control Joint Unit.

¹¹ For example £1.2bn through the [Conflict, Stability and Security Fund](#)

¹² [UKEF and DFID sovereign exposure](#) by recipient country outstanding and arrears as of 31 August 2020

¹³ Sudan debt to UK in 2015 was provided by UK Export Finance (UKEF) in responses to a Freedom of Information request (but not published on UKEF website)

¹⁴ A \$2bn loan scandal sank Mozambique's economy ([The Economist](#), August 2019)

¹⁵ Institute of International Finance [Voluntary Principles For Debt Transparency](#)

¹⁶ Transparency of loans to governments: The public's right to know about their debts (April 2019) - Jubilee Debt Campaign [briefing](#)

¹⁷ The 2020 Home Office / HM Treasury [National risk assessment of money laundering](#) says that "The UN estimates that 2-5% of global GDP is laundered and given London's position as one of the world's largest financial centres, there is a realistic possibility that it remains in the hundreds of billions of pounds annually. It is likely that the majority of this is corrupt money from outside the UK, but it also includes the proceeds of crime generated from within the UK."

¹⁸ For example Nigeria. See [Nigeria profile](#) published by FCDO (September 2020)

¹⁹ [JP Morgan says it knew ex-minister linked to firm in Nigeria oilfield deal](#) (Reuters, April 2018)

²⁰ Details are not currently provided in the Home Office's [annual asset recovery statistical bulletin](#), although this is being considered for future bulletins. UK data on the World Bank [Stolen Asset Recovery database](#) is currently many years out of date. The UK has provided an update to this but this is not a regular or automatic process.

²¹ ["Nigeria not seeking a Cameron apology, but 'wants its assets back"](#). Around \$37bn (£25.6bn) in stolen money from Nigeria has been routed through London, according to Nigeria's anti-corruption chief (The Guardian, May 2016)

²² [Immigration Minister signs agreement with Nigeria](#) on returning stolen criminal assets (Sept 2016)

²³ Also see UK Anti-Corruption Coalition recommendation on publication of asset recovery data in [Civil Society input into the Asset Recovery strategy](#) (April 2020)

²⁴ Funds invested in asset recovery can leverage considerable resources in developing countries: for each dollar spent on investigating the proceeds of corruption, up to US\$20 is tracked and frozen, with a significant proportion of that sum being then repatriated to the source country ([Asset recovery and the theft of public money](#), Transparency International)

²⁵ [UK aims to be Africa's partner of choice for trade and investment](#): UK Government supports huge boost to UK investment in Africa, as UK-Africa Investment Summit is held in London (January 2020)

²⁶ [U.S. Direct Investment Abroad](#): Balance of Payments and Direct Investment Position Data, U.S. Bureau of Economic Analysis (BEA)

²⁷ [Africa and the United Kingdom: Challenges and opportunities to expand UK investments](#), Overseas Development Institute, January 2020