

# Official Development Assistance

## Global Challenges Research Fund Guidance

- The following text has been developed in consultation with the Department for International Development to provide general guidance on ODA compliance to applicants for Global Challenges Research Fund grants.
- It is intended as general guidance only and is not officially endorsed by the OECD.

### The Global Challenges Research Fund

The Global Challenges Research Fund (GCRF) is a £1.5 billion fund announced by the UK Government to support cutting-edge research that addresses the challenges faced by developing countries. The Fund forms part of the UK's Official Development Assistance (ODA) commitment which is monitored by the Organisation for Economic Cooperation and Development (OECD). ODA funded activity focuses on outcomes that promote the long-term sustainable growth of countries on the [OECD Development Assistance Committee \(DAC\)](#) list and is administered with the promotion of the economic development and welfare of developing countries as its main objective. The Fund is being administered by delivery partners including:

- Academy of Medical Sciences
- British Academy
- Royal Academy of Engineering
- Royal Society
- Arts and Humanities Research Council
- Biotechnology and Biosciences Research Council
- Economic and Social Research Council
- Engineering and Physical Sciences Research Council
- Higher Education Funding Council for Wales
- Medical Research Council
- Natural Environment Research Council
- Northern Ireland Department for the Economy
- Research England
- Science and Technology Facilities Council
- Scottish Funding Council
- UK Research and Innovation
- UK Space Agency

This guidance has been prepared jointly with all primary delivery partners and all applications under this programme must therefore be compliant with these guidelines.

## Overall principle of ODA

'Is it ODA?' (<http://www.oecd.org/dac/stats/34086975.pdf>) states that:

"ODA is defined as those flows to countries and territories on the DAC List of ODA Recipients and to multilateral development institutions which are:

- provided by official agencies, including state and local governments, or by their executive agencies; and
- each transaction of which:
  - a. is administered with the promotion of the economic development and welfare of developing countries as its main objective; and
  - b. is concessional in character and conveys a grant element of at least 25% (discounted at a rate of 10%)."

All GCRF awards made by the delivery partners automatically comply with the first bullet and (b). Applicants need to ensure that (a) is met by the proposal they are writing and the resultant activity.

## DAC List of ODA Recipients

The [DAC List of ODA Recipients](#) shows all countries and territories eligible to receive official development assistance (ODA). These consist of all low and middle income countries based on gross national income (GNI) per capita as published by the World Bank.

The DAC revises the list every three years. Countries that have exceeded the high-income threshold for three consecutive years at the time of the review are removed. At the time of the 2017 review of the DAC List, the DAC agreed on the graduation of Chile, Seychelles and Uruguay. These three countries are no longer eligible for ODA from 1 January 2018.

The current DAC List of ODA Recipients is effective for reporting on 2018, 2019 and 2020 flows<sup>1</sup>. The next review of the DAC list will take place in 2020.

## ODA compliant research activities

The OECD defines ODA compliant research activities as follows:

*"Research includes financing by the official sector, whether in the donor country or elsewhere, of research into the problems of developing countries. This may be either (i) undertaken by an agency or institution whose main purpose is to promote the economic growth or welfare of developing countries, or (ii) commissioned or approved, and financed or part-financed, by an official body from a general purpose institution with the specific aim of promoting the economic growth or welfare of developing countries. Research undertaken as part of the formulation of aid programmes in central or local government departments or aid agencies is considered as an administrative cost."* (DAC Statistical Reporting Directives, <http://www.oecd.org/dac/stats/38429349.pdf> 51.iv)

In addition the OECD further specifies the following in relation to ODA compliant research:

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<sup>1</sup> It is anticipated that Vanuatu will graduate from the list on 4 December 2020 and Angola will graduate on 12 February 2021. If Antigua, Barbuda and Palau remain high income countries until 2019 they will be proposed for graduation from the list in the 2020 review

*“Only research directly and primarily relevant to the problems of developing countries may be counted as ODA. This includes research into tropical diseases and developing crops designed for developing country conditions. The costs may still be counted as ODA if the research is carried out in a developed country.”* (Is it ODA?

<http://www.oecd.org/dac/stats/34086975.pdf> )

The fund can support research capacity building to address the development issues, for example, to increase the skills and knowledge base and support the development of the research capability within developing countries. Capacity building should be aimed at improving the ability to undertake and disseminate research in order to promote the welfare and economic development of the developing countries.

### **Key ODA compliance issues to note in writing applications for funding**

Any GCRF proposal must make it clear that its primary purpose is to promote the economic development and welfare of a developing country or countries. Applicants should:

- Seek to investigate a specific problem or seek a specific outcome which will have an impact on a developing country or countries on the DAC list;
- Provide evidence as to why this is a problem for the developing country or countries;
- Address the issue identified effectively and efficiently;
- Use the strengths of the UK to address the issue, working in collaboration with others as appropriate;
- Demonstrate that the research is of an internationally excellent standard;
- Identify appropriate pathways to impact to ensure that the developing country benefits from the research.

Any benefit to the UK or other developed countries has to be the secondary consideration and should not lead to a project being funded if it doesn't primarily deliver the development objective.

Applications will be assessed by a competitive peer review process with ODA eligibility being a criterion for approval i.e. projects must be fully ODA compliant to be considered for funding. Initial ODA compliance checks will be carried out by the delivery partners; proposals that do not meet the eligibility as defined in this document may be rejected without reference to peer review. Peer reviewers will also be provided with this guidance and asked to comment on ODA compliance and likelihood of significant impact.

### **Pathways to Impact**

It is important that the pathways to impact are realistic and appropriate to the particular developing country or countries context. Impacts from research are always uncertain, often unexpected and cannot be guaranteed – this includes impacts in developing countries. The likelihood and scale of beneficial impact is increased:

- If the research is orientated towards a problem or challenge affecting developing countries currently or in the future, where there is potential to benefit a large number of people to a significant degree;

- If the academics and research team can demonstrate experience or understanding of successful impacts within the specific context; relevant expertise might be located within both UK and overseas partners;
- If stakeholders that are close to the problem, from the voluntary and community sector, commercial and private sector and/or public sector and government, are actively involved in the research. Particularly through the whole life cycle from initiation, design, progression, knowledge exchange and application of the research.

Applications should describe the nature and scale of the problem or challenge they are seeking to address through this research. For example, how many people would be affected by progress in this area?

Applications should explain how any stakeholder collaboration and knowledge exchange activities strengthens the pathways to impact and likelihood or scale of beneficial outcomes. This should include any specific commitments from institutions or enterprises from developing countries to adopt or apply outcomes of the research, and where appropriate it is helpful to outline how this enhances local innovation and research capacity at an individual, institutional or whole system level. Applicants are encouraged to consider the resources required to undertake their proposed impact activities and include project specific costs within their request for funding.

Where the research could lead to commercialisation the application must demonstrate that the developing country or countries have existing or potential ability to grow industry (or other relevant sector). It is not normally acceptable for the commercialisation of research to take place solely in developed countries, unless there is a clear plan to build new businesses or business growth in the developing country or countries.

### **Demonstrating ODA compliance within applications for funding**

As part of your application you may be asked to provide an ODA justification statement. You should consider using the questions below when preparing this statement.

1. Which country/ countries on the DAC list will directly benefit from this proposal and are these countries likely to continue to be ODA eligible for the duration of the research?
2. How is your proposal directly and primarily relevant to the development challenges of these countries?
3. How do you expect that the outcome of your proposed activities will promote the economic development and welfare of a country or countries on the DAC list?

### **Document History and Version Control**

<b>Version</b>	<b>Date</b>	<b>Change</b>
1	21/06/2016	N/A
2	20/07/2018	Change RCUK to UKRI Change to information about countries graduating from the DAC list