

Dear Colleagues,

I first wrote to you in March 2021 to inform you of the likely consequences for UKRI ODA funded research and innovation projects, following the decision by UK Government to reduce its UK Aid (ODA) budget from 0.7% to 0.5% of gross national income. At this time, we also made a commitment to transparency and openness, acknowledging both the need to move rapidly as well as the uncertainty within the developing situation. I subsequently wrote again to provide updates and further clarifications; we also held a number of webinars and meetings with organisations. This is intended as a final letter in this series, bringing to a close this very difficult period for research and innovation communities both within the UK and overseas.

I would like to thank all our grant funded organisations and partners who worked with us and helped us to manage the grant reductions. Your organisational engagement and support enabled us to manage a very complicated and rapidly evolving situation with multiple stakeholders and a large number of affected individuals. Organisations responded professionally and proactively to our urgent requirements and showed great resilience. This was evident from the outset with the immediate management and coordination of the reductions and then continued through the following year and beyond, working with us to distribute additional funding and mitigation support, and ensure as much research as was possible continued. It was very apparent that grant holding organisations were drawing upon institutional and other resources to support projects and mitigate some of the worst effects of the reductions.

In Summer 2021, we conducted surveys to better understand the consequences of the budget reductions at project level, gain insight into the methods used to adapt, and the extent to which projects remained able to meet original call requirements. We surveyed research partners: Principal Investigators (PIs) based in the UK and in-country project staff based in developing countries. Response rates for both groups were low at 26% from PIs (168 responses out of 636) and 15% from in-country partners (271 responses out of 1,800) and were gathered in the months immediately following the budget reductions. Nevertheless, the findings provide valuable insight and represent the feedback and feelings of our grant holders, team members and partners at this very difficult point in time. The findings shared in the report make for tough reading. We are grateful though for the insight provided which we are using to future-proof, as far as possible, research and innovation within international development.

The information gathered through these surveys provides helpful input towards future planning. For example, 65% of in-country respondents and 59% of PIs indicated that projects could, at least partly, be brought back on track with additional funding. UKRI has taken a number of actions to offset the reductions. In March we were able to provide <u>a further £19.7M</u> to the research organisations most affected by the reductions. This enabled universities and research organisations to address some of the financial impacts arising from the ODA Review.

Investing in research and innovation to tackle global challenges, address the UN Sustainable Development Goals (SDGs) and enable diverse and equitable partnerships is vital and remains a priority for UKRI. This year BEIS have provided a further £23.7M to <u>support legacy GCRF and Newton programmes</u>. We aim to distribute £8M to support on-going programmes in global food security and health, with a further £15.7M provided via institutions to help maximise the value and impact of GCRF and Newton projects. Institutional awards give research organisations the autonomy and flexibility to spend the funds on grants where there is the most chance of realising impact,



including allowing those that were affected the most by the Covid-19 pandemic and/or ODA reductions to conclude activity that was curtailed. Management of funds at an institutional level will leverage local knowledge of where opportunities lie, or where challenges over the past two years have hit research the hardest and so will maximise benefit for the whole portfolio.

The UK Government recently published its International Development Strategy, which sets the direction for future development. This strategy gives prominence to science, technology and innovation within the UK development portfolio, highlighting global development priorities such as health, food security and climate resilience – areas where UKRI has significant and strong investment portfolios.

Going forward, ODA research and innovation will continue to be an integral part of the UKRI portfolio. An important element of this will be the partnership programmes with the Foreign, Commonwealth and Development Office (FCDO), underpinned by the recently agreed concordat between UKRI and FCDO. This will build upon the longstanding partnerships established between individual councils and the former Department for International Development over many years.

UKRI remains committed to furthering research and innovation within development and harnessing the power of science to build a better fairer future for all.

Yours sincerely,

(J. Smith

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