



Craig Whittaker MP

CALDER VALLEY

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Response to Funding the Elderly in China (Prosperity Fund) – February 2017

Thank you for contacting me about the Prosperity Fund and supporting “middle-income” countries. I understand why this could be perceived as concerning, particularly when social care is under pressure in this constituency and across the UK.

First, it is important to recognise that the UK ended its traditional bilateral aid programmes with China in 2011 and India in 2015. Instead, UK relationships now focus on trade and investment, providing expertise to support economic growth and development and working on global issues in a mutually beneficial way.

Second, the term “middle-income” countries can be rather misleading. Middle-income countries are actually where 60 per cent of the world’s poorest people live. Sustained economic growth is the only long-term solution to poverty and the Prosperity Fund supports the vital economic development needed to help middle-income countries to stand on their own two feet and become our trading partners of the future, which ultimately benefits the UK. This tallies with the aims of the first year of the Prosperity Fund, which is to focus on countries where the development potential and the interest to the UK are highest.

The figure of £1.3bn is the total amount available for from 2016 to 2021 and is across all our partner countries. The first year of the Prosperity Fund is now under way, with projects taking place in 15 countries. Projects include work on education, healthcare, energy and anti-corruption.

The Prosperity Fund forms a strategic proportion of the UK’s total Official Development Assistance commitment of 0.7 per cent of Gross National Income. However, this commitment does not come at the expense of spending at home on social care. Recognising the pressures on social care here, the Government is giving local authorities additional funding and flexibility so that they will have access of up to an additional £3.5 billion by 2020, providing a real terms increase in funding by the end of this Parliament. In addition, the Government has taken steps to help in the shorter-term, making available almost £900 million of additional social care funding over the next two years. However, the Government is clear that far-reaching reform is needed to find a long-term sustainable solution which helps local authorities learn from each other to raise standards across the whole system.

I believe that it is right that the Government continues to honour its manifesto commitment to spend 0.7 per cent of GNI on Official Development Assistance. Of course we need to continue to ensure that our aid is spent where it is most needed and all spending is rigorously checked as programmes progress.

Thank you again for contacting me.

Kind regards,

A handwritten signature in black ink, appearing to read 'Craig Whittaker', with a stylized flourish at the end.

Craig Whittaker MP