

International Development Committee

House of Commons, London, SW1A 0AA

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From Sarah Champion MP, Chair

Rt Hon Anne-Marie Trevelyan MP
Secretary of State
Department for International Development
By email

Rt Hon Dominic Raab MP
Foreign Secretary
Foreign and Commonwealth Office
By email

17 June 2020

Merger between DFID and FCO

Dear Anne-Marie and Dominic

Thank you for your letter yesterday on the merger of DFID with the FCO. I would like to accept your kind offer of a meeting to answer questions and the committee clerk is in touch with your offices to set up a joint appearance on 6 July.

The International Development Committee (IDC) welcome the opportunity to contribute to making the transition to the arrangements that have been announced as orderly, effective and transparent as possible; just as we welcomed our “important role” – as identified by the Prime Minister – in the conduct of the Integrated Review.

In playing our part, we had gathered our evidence and published an interim report. In the event, some of our key conclusions and recommendations – on not taking decisions in haste, not making substantial changes during the coronavirus crisis and keeping an independent DFID – did not find favour.

We hope that the following issues, culled from evidence both recent and gathered by our predecessor committee, will be now taken into account. We intend to use our remaining time to monitor how well the transition is now managed and implemented and to argue for the establishment of clear indicators and metrics by which to measure success; the on-going effectiveness of the new arrangements; and progress towards the stated aims and objectives of the change.

Major organisational restructures involve confusion and distraction, loss of productivity and morale. We recommend that the potential for specialist skills to be lost or degraded during the process must be proactively avoided.

In addition to issues of retention and productivity, there are risks to staff well-being arising from substantial change occurring with the usual absence of consultation or preparation, due to assumed political imperatives. Organisational change within central government should be approached using the tried and tested methods and mechanisms of other sectors. This is

especially true in circumstances, like now, of uncertainty, anxiety and fear both within and outside the workplace due to the pandemic.

In DFID's case, there are also staff posted overseas and also staff who are locally engaged. All these categories of employees will have common anxiety, but also specific concerns that will need to be addressed carefully and sympathetically. It is painful to hear that some staff found out about the merger via the media.

In the current case, IDC conclude that the costs and chaos of merger may be ameliorated if the process is staged in steps and, for example, if DFID maintained its integrity, within the FCO family, for a transitional period.

We have noted that decisions on DFID's future programme are paused, ostensibly due to a ministerial review in responses to the risk of recession identified by the Chancellor and the impact this would have on the GNI-related aid budget. Presumably, the machinery of government change just announced has also been a contributory factor to this approach of pause and review. It is important that any resulting change of direction, focus or emphases are seamlessly tracked and scrutinised.

Thank you for your references to the future arrangements for scrutiny. You point to the convention that each government department enjoys the attention of its own dedicated select committee but of course departments also cooperate with a number of cross-cutting committees too, notably PAC and EAC. Your letter betrays something of the institutional bias that the process is an FCO takeover of DFID in that – when it comes to Parliament's committees – the executive assumes that the IDC gets abolished and the FAC gets adapted.

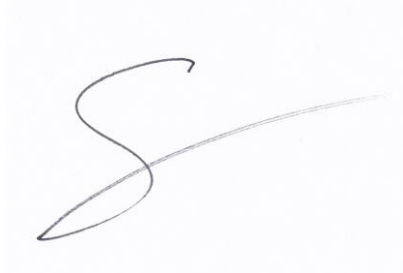
A new committee for the Foreign, Commonwealth and Development Office will likely need to be a new creature requiring: a new standing order, agreement over the party allocation of the chair'ship, a new election for that chair, and some other decisions, including: size; quorum; and how to best reflect the new and different responsibilities of the amalgamated department. There is also the issue of how to accommodate reporting to Parliament by the Independent Commission on Aid Impact (ICAI) and the other semi-formal aspects of that relationship, including appointment of the Chief Commissioner, agreement of ICAI's programme and aligning the work of the Commission with the work of the relevant committee.

Apart from the risk of dislocation, the continued scrutiny of ODA is important and should reflect the various duties and requirements contained in the international development legislation on issues such as poverty reduction, gender equality, transparency and the better known requirement regarding spending equivalent to 0.7% of GNI.

It may be helpful to point out that previously, the Liaison Committee has acknowledged that the scope of IDC's remit extends to the expenditure of ODA across all government departments and funds (thus mirroring the remit of ICAI). Perhaps the issues set out above might be best and most easily resolved by formalising this position – on a PAC model – and re-establishing the IDC as a committee with responsibility for scrutinising ODA expenditure. I enclose an outline of a standing order that expresses this solution.

Perhaps these are issues we could discuss and debate on 6 July were you, Dominic, able to join Anne-Marie and the Committee in a hearing (virtual of course) in the afternoon. Please let me know. I hope this is helpful. I am copying this letter, and its enclosure, to the Prime Minister, Leader of the House and to all parties' whips offices.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'S', on a light blue background.

**Sarah Champion MP
Chair of the Committee**

Draft remit for an ODA scrutiny committee (with an ICAI sub-committee)

152L. Official Development Assistance Committee

(1) There shall be a select committee, called the Official Development Assistance Committee, to examine the expenditure, administration and policies of government relating to:

(a) official development assistance (ODA) and its impact

(b) performance against the duty of the Secretary of State to ensure that ODA amounts to 0.7% of gross national income, and

(c) the aims and objectives of the UK aid strategy.

(2) The committee shall consist of eleven members.

(3) Unless the House otherwise orders, each Member nominated to the committee shall continue to be a member of it for the remainder of the Parliament.

(4) The committee shall have power— (a) to send for persons, papers and records, to sit notwithstanding any adjournment of the House, to adjourn from place to place, and to report from time to time; and (b) to appoint specialist advisers to supply information which is not readily available or to elucidate matters of complexity within the committee's order of reference.

(5) The committee shall have power to appoint a sub-committee, which shall have power to send for persons, papers and records, to sit notwithstanding any adjournment of the House, to adjourn from place to place, to report the evidence taken before it and to report to the committee from time to time.

(6) The quorum of the sub-committee shall be three.