



House of Commons
International Development
Committee

Racism in the aid sector: Government response to the Committee's First Report

**Fifth Special Report of
Session 2022–23**

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The International Development Committee

The International Development Committee is appointed by the House of Commons to examine the expenditure, administration and policy of the Department for International Development and its associated public bodies.

On 1 September 2020, DFID and the Foreign and Commonwealth Office were merged to form the Foreign, Commonwealth and Development Office (FCDO). The Committee remains responsible for scrutiny of those parts of FCDO expenditure, administration and policy that were formerly the responsibility of DFID.

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The Committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No. 152. These are available on the internet via www.parliament.uk.

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Fifth Special Report

The International Development Committee published its First Report of Session 2022–23, [Racism in the aid sector](#) (HC 150) on 23 June 2022. The Government response was received on 5 December 2022 and is appended below.

Appendix: Government Response

Introduction

The Government is grateful to the International Development Committee for its inquiry into the philosophy and culture of aid and its report on racism in the aid sector.

We take this important and complex matter seriously. It is a longstanding issue, which the FCDO has for some time been working to address, both internally and externally with our partners and stakeholders. Internally, we have been working on a range of areas, including improving the diversity of our UK-Based Staff and ensuring fair recruitment. Externally, we have focused on delivering development through partnerships with countries, which recognise their agency in driving progress. Comprehensive change and improvement will require the FCDO to work together with the aid sector.

As an organisation, to drive further progress we need to take a cross-cutting approach across policy, programme delivery, commercial, human resources and communications – with central teams working closely with our posts around the world to devise the best ways to embed an inclusive approach to development.

Striving to work more equitably with our partners – both partner governments and other stakeholders such as civil society organisations – is key to addressing racism in the aid sector. The UK's Strategy for International Development (IDS) recognises that lasting development occurs where people and governments can determine their future, adopt good policies and tackle the root causes of problems: "Those who benefit from our work must have a voice in what we do, and how we do it. The difficult reforms and good policies that drive progress must be locally owned." The FCDO takes a patient (long-term) approach to working in partnership with countries, supporting them on the pathway to sustainable and equitable growth and to succeed as open, free nations. We also take an inclusive approach to international engagement regionally and globally, as well as championing efforts to ensure developing countries have more of a voice in multilateral fora. The UK is, for example, a supporter of efforts to increase the voice of low-income countries in Multilateral Development Banks.

The FCDO empowers its overseas network of High Commissioners and Ambassadors to ensure – in consultation with partner countries - that the UK's foreign and development policies reflect local needs. We are working to support the network to take a locally-led approach that strengthens the leadership and resilience of local institutions, organisations and communities. For example, the UK's Humanitarian Reform Policy recognises the importance of national and local organisations and communities as first responders to disasters - a fact that has been underlined during the COVID-19 pandemic.

We have created bidding opportunities for small and medium sized enterprises as well as local (in country) organisations. We have also worked to make funding more accessible for local organisations. For example, in October 2020, the UK launched its humanitarian response funding guidelines for non-governmental organisations (NGOs) to be used in its Rapid Response Facility. These guidelines improve the tracking of FCDO funds going to local and national actors and ensure that their indirect costs are being covered by our funding.

The FCDO's senior leadership has been clear from Day 1 about its commitment to ensure the FCDO tackles racism. The Permanent Under-Secretary appointed a Board Sponsor for Race and signed the Business in the Community Race at Work Charter on behalf of the FCDO. We have since translated that pledge into a suite of interventions designed to promote racial equity in the FCDO. Our 'Race in the FCDO Commitments' include a commitment to "Leverage the FCDO's racial diversity to improve UK foreign and development policy, lead and promote racial equality overseas, and build better relations with communities within the UK".

This response seeks to address the Committee's recommendations in the order in which they appear in the 'Conclusions and Recommendations' section of the Committee's Report.

Working with partners in country

Conclusions and recommendations paragraph 1: Across the global aid sector, racism manifests in decisions around whose expertise we value. Evidence to our inquiry suggested that institutions in high income countries like the UK assume they have the knowledge and best practice to assist people in low- and middle-income countries. Due to a belief that these institutions represent the 'gold standard', local partners are often required to adapt to their way of working. Racist attitudes also play out in the narrative that local organisations are 'high risk' and need 'capacity building'.

The FCDO does not value international expertise over local expertise. Delivery, leadership and decision-making by local people is often the best solution, particularly in times of crisis and in complex contexts. We aim to structure our tenders accordingly.

Our contracts include requirements for the primary contract holder to leverage the use of small and local organisations over the programme's duration. Furthermore, [Procurement Policy Note 06/20](#) states that a 10% weighting in Tender evaluations must be given to Social Value. The Note contains indicative themes, such as tackling economic inequality and equal opportunity, and outcomes and the Programme and Commercial teams select objectives most relevant to the programme objectives. Potential activities which are then included in the tender requirements include:

- Create employment opportunities particularly for those who face barriers to employment and/or who are located in deprived areas.
- Create a diverse supply chain to deliver the contract including new businesses and entrepreneurs, start-ups, small to medium sized enterprises (SMEs), *Voluntary Community and Social Enterprises* and mutuals.

- Demonstrate action to identify and tackle inequality in employment, skills and pay in the contract workforce.
- Support in-work progression to help people, including those from disadvantaged or minority groups, to move into higher paid work by developing new skills relevant to the contract.

Our tender evaluation criteria thereby seek to prioritise and value diverse contractual delivery, appropriately ensuring local inclusion.

We continue to look at how we can take a proportionate approach to financial risk management and safeguarding that maximises the positive social, economic and environmental value of our investment within the context in which organisations operate, and still delivers the most economically advantageous tender. We have already developed frameworks that create contract opportunities for smaller organisations and are looking further at ways to make it easier for local organisations to access contract opportunities. Local non-profit organisations (e.g. NGOs, think-tanks, social enterprises, research institutions) have access to a wide range of opportunities through calls for proposals for accountable grants managed in-country by teams at post and advertised widely. This delivery model is also adopted by centrally managed programmes, where possible.

The FCDO has created a Due Diligence Hub to support teams around the world to make appropriate decisions on how to ensure partners have the capabilities to deliver project outcomes, manage funds and safeguard people. The FCDO adopts a proportionate, risk-based approach to due diligence assessments, informed by factors including the size and complexity of the project and local, contextual knowledge. Teams ensure that all five due diligence assessment pillars are duly covered, while shaping the assessment questionnaire in a user-friendly manner adapted to the context and providing constructive improvement-oriented recommendations in the due diligence assessment report. The [Programme Operating Framework](#), the single rule set for all FCDO-delivered policy programming, emphasises the importance of being context-specific and proportionate. Engagement with local constituents is a key part of our approach.

On technical assistance, we require advisers working on institutional development and reform to design context-appropriate interventions and to deploy approaches in collaboration with stakeholders in country. Governance advisers' work must be underpinned by an understanding of the context and power structures, including race. On research, equitable international research collaborations to address global challenges are important. Individuals and institutions based in low- and middle-income countries play a vital role in these partnerships. The FCDO uses ODA funds to increase the research capacity, profile, and sustainability of researchers and institutes in the Global South, to elevate academic voices that are often absent from relevant global debate.

Conclusions and recommendations paragraph 2: *The use of European languages, particularly English, in the development sector can lock out national actors who operate in local languages.*

The FCDO has an ambitious language training programme and is currently training FCDO staff in 43 languages. Since its creation in 2020, the FCDO has been reviewing its language training speaker slots with a view to enhancing language capabilities further, including by promoting greater re-use of language skills as part of career development.

The FCDO also employs talented multilingual country-based staff who use their local knowledge, connections and languages to further the FCDO's objectives, including on development policy.

Conclusions and recommendations paragraph 3: *The FCDO should consider whether applications for funding must always be submitted in English – especially in bids for small projects administered by embassies, which are to be undertaken by local civil society organisations.*

There is no FCDO requirement for bids always to be in English and we do not ask for applications for funding in this way. In the case of overseas programmes, it is up to the post running the competition to decide on what is most appropriate in the local context, taking into account the resources and budget available in order to make value for money decisions about where having documents in English and local languages offers the best return on investment.

Conclusions and recommendations paragraph 4: *It is important that progress made by DFID to shift funding decisions from Whitehall towards country offices is not lost under the merged department.*

The FCDO will continue to look to shift funding decisions towards our country posts. The IDS recognises that how we work with our partner countries needs to be shaped by local stakeholders. It sets out a patient approach, enabled by a shift in how we operate: we seek to spend a higher proportion bilaterally, so that the UK can deliver more aid in direct partnerships where it is needed, and ensure that our programmes are shaped by this close country-level engagement with our partners and stakeholders. The IDS also commits to giving our Ambassadors and High Commissioners greater authority to identify what is needed, what works, and then to take an integrated, whole of government approach to delivering on the ground, both with and through our country partners.

Conclusions and recommendations paragraph 5: *Further, the FCDO should increase the amount of UK aid funding that goes directly to locally led civil society organisations. It should reconsider how it conceptualises and calculates risk and work with local civil society organisations to undertake the due diligence and administration associated with bidding for FCDO contracts.*

The UK has reiterated its commitment to a more locally-led approach to development and humanitarian assistance as part of our IDS. Making this shift is arguably one of the most important challenges facing the entire aid sector, and it is one which we want to address collectively.

The UK is a signatory to the Grand Bargain and the Good Humanitarian Donorship Principles, which include commitments on localisation. As a signatory of the Organisation for Economic Cooperation and Development (OECD) Development Assistance Committee (DAC) Recommendation on Enabling Civil Society in Development Co-operation and Humanitarian Assistance we have committed to “promote and invest in the leadership of local civil society actors in partner countries or territories”. As a signatory of the Busan Partnership for Effective Development Co-operation, we have committed to creating an “enabling environment [...] that maximises the contributions of Civil Society Organisations to development.”

The FCDO has several programmes and initiatives to advance localisation. Our overseas network, with its deep understanding of the context and relationships with local actors, is best placed to partner with local organisations. We have also looked at how better to support localisation through our central programming. Examples include:

- An innovative, long-term programme partnership between the FCDO and Comic Relief - singled out for praise by ICAI in its 2020 follow-up review on our partnership with civil society - will invest up to £60m (£30m from FCDO) over 10 years into building the capacity of civil society organisations (CSOs) in Ghana, Zambia and Malawi.
- A tailored central programme to support Disabled People's Rights Organisations.
- A new programme supporting Women's Rights Organisations in developing countries.
- The Digital Access Programme (up to £85m), whose innovative blended delivery approach engages with a wide range of specialised local organisations to promote digital inclusion in underserved communities in five countries.

The UK continues to invest in initiatives to support localisation in the humanitarian sphere, including the creation of the Start Network, Humanitarian Learning Academy, and the Humanitarian to Humanitarian (H2H) Network. We are supporting the Start Fund in setting up five new country-based hubs over the next three years to support the expansion of national and local NGO membership, and a tiered due diligence model to reduce the barriers to accessing funding whilst building capabilities. Start Fund Bangladesh now has over 50% of its membership as local/national actors. The FCDO has supported the piloting of Start Fund Nepal and is designing a similar non-UN pooled funding mechanism for Northern Syria.

The FCDO has sought, where possible, to localise its Ukraine response, working closely with the Ukrainian government. We have funded a programme with an NGO Consortium in Ukraine, which was co-designed with CSOs in Ukraine and Poland and will enable funding to be channelled to national and local organisations.

The UK is the largest global donor to the United Nations Office for the Coordination of Humanitarian Affairs (OCHA)'s Country based Pooled Funds (CBPFs), which allow donors to pool their contributions into single, unearmarked funds to support local humanitarian efforts. By pooling funding, it is possible to agree harmonized standards, better coordinate responses and reduce the need for organisations to navigate the funding processes of numerous donors. The UK provided \$182 million to the CBPFs in 2020, and \$165 million in 2021. In 2021, CBPFs allocated \$977 million of the \$1.13 billion received from donors to partners, of which \$338 million (nearly 35%), was allocated to national NGOs.

Once geographical funding allocations have been made, decisions on how funding is made available are taken by the FCDO teams in country. Teams consider all options available to achieve development aims for that country, which includes working with local civil society and non-profit organisations, local academia and research bodies. A comprehensive programme management learning and development offer is available to

FCDO teams so that they have the capability to manage local programmes well. This is aligned to cross-government best practice set out by the Cabinet Office Infrastructure and Projects Authority.

New internal guidance on working with CSOs is also in train that will guide those seeking to act in this space on the best and most appropriate forms of intervention. At our request, the OECD facilitated a sharing of internal guidance on working with civil society among DAC members, which has informed this work. As part of this, we have committed to investing in institutional strengthening of partner country civil society actors, ensuring such support is respectful of civil society's own agency and accountability to constituencies, as well as strengthening partner country civil society's financial management capacities.¹

Conclusions and recommendations paragraph 6: *The FCDO should apply these same principles to do no harm when it removes funding, as well as when aid programmes are initiated.*

Conclusions and recommendations paragraph 7: *The manner in which the cuts to UK aid took place, with little or no consultation of downstream partners, or the communities where they are implemented has sent a harmful message that the UK does not care about the people affected, many of which are Black, Indigenous and People of Colour.*

The FCDO has had to make difficult decisions about how to prioritise the most critical aid spending in a context of economic contraction in the UK and wider ODA pressures. The strategic decisions made were not born from a lack of respect for our partners or communities affected, but we know that this has been a challenging time for all our stakeholders.

FCDO teams have access to guidance under the Programme Operating Framework which emphasises the importance of engagement with project partners. Early programme closure guidance for programme teams also specifically factors in Do No Harm principles. The Programme Operating Framework contains Exit Plan templates and guidance for all FCDO Staff. The "Equality and Inclusion Principles" circulated prior to business planning asked teams to consider best practice. Equalities assessments are used to inform allocation decisions.

Conclusions and recommendations paragraph 8: *The structure of the sector transfers much of the risk to frontline implementing partners who have the least capacity to mitigate those risks.*

Conclusions and recommendations paragraph 9: *The FCDO should consider how it can restructure its funding commitments to give long-term certainty to local civil society organisations to ensure funding that has been committed cannot be suddenly withdrawn at short notice.*

As set out in the IDS, we are committed to working in partnership with a diverse range of CSOs, large and small, from across the entire UK, and in developing countries, as well as other non-commercial organisations such as local universities and research bodies. This includes a commitment to increase the speed and agility with which we can engage

¹ We would be happy to share the summary of this research which is now publicly available on the FCDO Knowledge for Development (K4D) website.

frontline implementing partners through our grants and Memorandum of Understanding processes, while still ensuring that we only work with organisations that can deliver value for money and safeguard people and the environment.

In contracts, 'Exit Plans' are written with delivery partners at the inception phase, or equivalent, of programmes. These provided and continue to provide certainty of a responsible exit for delivery partners, to help mitigate risk. This document is applicable when a contract is ended early or as scheduled.

Communications and storytelling

Conclusions and recommendations paragraph 10: *Fundraising is extremely important to many international aid organisations, but public appeals that depict the communities they serve as helpless and needy strip those communities of their dignity. They contribute to the narrative that the countries where they work are somehow inferior to the UK.*

Conclusions and recommendations paragraph 11: *Fundraising appeals should depict positive, realistic stories and wherever possible use local filmmakers. They should seek to inform audiences about the drivers of poverty and inequality instead of giving simplistic messages about the difference donations can make.*

Much of our work is focussed on changing attitudes towards development with the aim of facilitating positive and lasting change in low-income countries, while promoting UK interests. We are committed to dismantling harmful narratives, swaying public opinion and producing communication products that contribute towards ending systemic racism in the sector.

We actively oppose objectifying or 'othering' of people in low-income countries and reject the use of communication products that evoke pity and helplessness and which attack human dignity. It is standard practice for permission to be sought from individuals regarding their participation in any of our communication activity and most recently there has been a shift towards supporting low-income countries to shape their own development narratives. By ensuring the communities we work with are active rather than passive participants, we represent people as individuals to whom the viewer can relate.

The organisations which deliver UK Aid Match appeals are required to follow the principles outlined by The Narrative Project, a research and communications tool that is focused on changing the development narrative in the United Kingdom and beyond by giving guidance on how to communicate about development to overcome outdated stereotypes. Created by a group of leading organisations specialising in global equity issues, The Narrative Project requires the use of imagery which is not pity based and language which is about developing independence rather than an over-reliance on aid or reinforcing old-fashioned development tropes. All communications must show independence, shared values, partnership, and progress. The FCDO and Comic Relief's 10-year partnership programme, Shifting the Power: Strengthening African Civil Society will invest up to £60m (up to £30m from FCDO) in strengthening the capacity and sustainability of locally-led CSOs in Ghana, Zambia and Malawi that are working in areas which are a priority for both the FCDO and Comic Relief: early childhood development, gender justice, safe and secure shelter and mental health. Locally-led, Southern-based CSOs will be supported to become more effective, sustainable and better able to represent local people's priorities.

By championing local CSOs and empowering them and their stakeholders to tell their own stories, the Communications Strategy on this programme will ensure that the content that is created is as useful for them in their local markets as it is for the FCDO and Comic Relief in the UK. In this way the communications content will contribute to the programme objective of building the capacity of local CSOs by increasing their local market exposure and by instructing the media agencies that we fund to give local partners a voice in how their work should be represented.

Conclusions and recommendations paragraph 12: *The terminology used in the aid sector has its roots in colonialism; it 'others' the communities where programmes are delivered and reinforces ideas that 'the West' is the ideal that others should aspire to. It is not easy to strip the sector of terms such as 'recipient' or 'beneficiary', even the term 'aid' adds to this narrative.*

Conclusions and recommendations paragraph 13: *The aid sector should have a conversation that includes the communities it works with to develop positive and inclusive working terminology, the FCDO should consider how it can lead this work.*

We continually review the impact of our language. We recognise that there is an active debate about terminology in the aid sector, led by Bond. The FCDO is exploring taking part in these conversations.

Conclusions and recommendations paragraph 14. *Guidelines on informed consent for obtaining and using images should be observed just as thoroughly in relation to individuals from the communities that aid organisations work with, as they are in the UK. It is unacceptable for images to be used and re-used without the subject's express consent.*

The FCDO has a consent form and guidance related to use of photos. In addition, our Memorandum of Understanding and Accountable Grant templates have a section on data protection in the partner visibility statements, which includes language about getting consent to use people's images. We continue to remind staff about this and ask for confirmation from all delivery partners that they also obtain consent before using images.

Data on racism and diversity in the aid sector

Conclusions and recommendations paragraph 15: *The aid sector does not operate in a vacuum. The different forms of discrimination that permeate British society manifest in the aid sector too. Racism is particularly pertinent for aid organisations because they work directly with individuals from around the world who are Black, Indigenous and People of Colour. Discriminatory attitudes within these organisations will have a negative impact on the communities they work with and the programmes they deliver.*

Conclusions and recommendations paragraph 16: *Aid organisations must ensure their working practices and programmes are mindful of the intersecting identities of their staff and the people they serve.*

The FCDO is committed to representing the people we serve. The Business in the Community Race At Work Charter, which the FCDO signed up to on its first day as a

new organisation, contains five calls to action² to ensure that minority ethnic employees are represented at all levels in the organisation. As at March 2022, representation rates for Minority Ethnic UK-based staff at the higher grades of Grade 6 and the Senior Civil Service grades was just under 10%, whereas the Administrative Assistant, Administrative Officer and Executive Officer grades had disproportionately higher representation of staff from ethnic minority backgrounds (33%, 29% and 20% respectively). We are therefore focused on ensuring the progression of Minority Ethnic staff towards the higher grades. For UK-based staff, we aim for parity at all grades with the UK's economically active minority ethnic population (14%).

In addition to the five calls to action in the Business in the Community Race at Work Charter, the FCDO added a sixth, FCDO-specific, externally focussed commitment: "Leverage the FCDO's racial diversity to improve UK foreign and development policy, lead and promote racial equality overseas, and build better relations with communities within the UK." This Commitment includes ongoing work to review the FCDO's current foreign and development policy approach through a series of Dialogues with a critical "race-inclusive" lens to identify where practical policy and programmatic improvements can be made.

The learning provision of the FCDO's International Academy on specific countries and regions aims to point staff to useful material on the history of the place concerned, including colonial history, and how this has shaped international relations and states' foreign policies and priorities.

Conclusions and recommendations paragraph 17: *Evidence submitted to this inquiry and recent surveys by actors in the UK charity and international aid sectors shows the scale of racism experienced by staff who are Black, Indigenous and People of Colour. Any level of racism in the workplace is unacceptable, and the findings that leaders and HR departments are ill equipped to deal with such incidents are deeply concerning.*

Conclusions and recommendations paragraph 18: *All aid organisations should have effective processes in place to tackle instances of racism when they occur. They should also be able to measure and assess whether those processes are working.*

The FCDO is committed to Zero Tolerance of Bullying, Harassment and Discrimination (BHD). The FCDO is launching a new Dignity and Respect at Work Policy in December 2022 which aims to respond robustly to bullying, harassment and discrimination, including on grounds of race. The policy has fairness and justice at its heart to ensure an objective complaints process for all staff by building in obstacles to biased decision-making in the process, such as ensuring no all-male or all-white panels. Specific measures enable representation of staff of colour in decision-making processes. Additionally, the policy text contains definitions and examples of racial harassment and micro-aggressions, so that staff better understand how to identify these and respond. The policy is clear that this behaviour is prohibited. The policy will be closely monitored with a set of performance indicators to show how far staff – including staff of colour - perceive the policy as fair and just.

2 The Five Calls to Actions are: 1. Appoint an Executive Sponsor for Race 2. Capture Ethnicity Data and Publicise Progress 3. Commit at board level to Zero Tolerance of Bullying, Harassment and Discrimination 4. Make clear that supporting equality in the workplace is the responsibility of all leaders and managers 5. Take action that attracts, supports and promotes career progression for BAME colleagues

The FCDO uses its influence in this space when working with supply partners through the [Supplier Partner Code of Conduct](#). Safeguarding, social responsibility and respect for human rights are central to the FCDO's expectations of our supply partners. They must ensure that robust procedures are adopted and maintained to eliminate the risk of poor human rights practices within complex delivery chain environments funded by the FCDO. These practices include sexual exploitation, abuse and harassment; all forms of child abuse and inequality or discrimination on the basis of race, gender, age, religion, sexuality, culture or disability. The Code of Conduct requires supply partners to have adequate whistleblowing policies in place, through which individuals can raise concerns. Concerns can also be raised with the FCDO through its dedicated mailbox for reporting concerns.

Due diligence assessment processes ascertain the presence of relevant safeguarding and whistleblowing policies and processes at implementing partners.

Conclusions and recommendations paragraph 19: *Collecting and publishing data on diversity in staffing is a key element of holding aid organisations to account. Only by being transparent can organisations share and learn from each other. For the smallest organisations it might not be appropriate to publish diversity data if it could compromise employees' rights to confidentiality but organisations with over 50 employees should do so.*

Conclusions and recommendations paragraph 20: *The Foreign Commonwealth and Development Office should require organisations that it funds, which employ more than 50 staff, to publish their diversity data. This should not act as a barrier to small organisations in receiving funding. The FCDO should work with small organisations to identify ways to increase opportunities for staff from underrepresented groups.*

In accordance with its reporting obligations under the Public Sector Equality Duty, the FCDO publishes diversity information through the Diversity and Equality Report and the FCDO Annual Report and Accounts. Annually we also publish the FCDO Gender Pay Gap report. Requiring organisations that we fund to publish their diversity data may not always be either appropriate or possible, given the contexts in which the FCDO operates.

Conclusions and recommendations paragraph 21: *Aid organisations, including private sector contractors, with more than 50 staff should measure and publish their ethnicity pay gap data in order to be held accountable. It will also help them to identify if there are inequalities in their workforce that should be addressed.*

The FCDO does not currently publish ethnicity pay gap data. The Cabinet Office is expected to issue guidance on the ethnicity pay gap in 2023.

Conclusions and recommendations paragraph 22: *We are concerned that the decision to designate the merged Foreign, Commonwealth and Development Office as a 'reserved department' shuts down the possibility of civil servants from the countries where UK aid funding is spent, from taking part in funding decisions. It appears to go against other commitments to diversity in staffing and to shift decision making power towards the countries where the aid budget is spent.*

Conclusions and recommendations paragraph 23: *The FCDO should undertake a review of its reserved department status to identify whether its security considerations warrant the decision not to hire foreign nationals.*

The previous Foreign Secretary decided that the model that best meets the FCDO's objectives and its security requirements is through a reserved model. This was not a rolling over of the FCO's approach, but rather the best fit for the FCDO as a new department and for its ability to deliver for the UK.

Recognising that DFID employed non-UK nationals, the then Foreign Secretary also agreed that any non-UK national employed at the time of the creation of the FCDO on 2 September 2020 would be retained in their role and that the role was deemed unreserved for the period of their tenure. This ensured that this cadre of staff continue to contribute to the vital work of the FCDO and its focus on both diplomacy and development.

There is currently no plan to review the FCDO's reserved department status. We know that FCDO staff are attractive targets for a range of sophisticated state actors. Reserved status is one of the tools that helps us protect our staff from that threat. Our Country Based Staff are employed locally and are not impacted by the reserved status of the department. We are proud that the majority of FCDO staff overseas, including at senior levels, are Country Based Staff.

Conclusions and recommendations paragraph 24: *DFID previously set out its ambition to publish more inclusive data, in order to improve its programming in 2022.*

The FCDO is a signatory of the inclusive data charter and remains committed to its vision and principles, particularly on the promise to "Leave No One Behind".

Conclusions and recommendations paragraph 25: *The FCDO should publish the first tranche of inclusive data this year and set out a timeline for when it will be able to publish further data relating to race, ethnicity and income.*

As described above, we publish diversity information via the Gender Pay Gap and the FCDO Annual Report and Accounts.

Building an equitable and inclusive aid sector

Conclusions and recommendations paragraph 26: *The barriers to entering the aid sector for candidates from diverse backgrounds can be considerable.*

Conclusions and recommendations paragraph 27: *Donors and aid organisations should reduce barriers to entry by ending the use of unpaid internships and paying all employees the living wage and removing unnecessary stipulations in job applications such as years of experience in the international aid sector and higher degrees that disadvantage individuals from under-represented backgrounds.*

Following legacy DFID's successful apprenticeship programme focussed on social mobility and reducing barriers to entry, the FCDO took the opportunity to review entry points into the FCDO. Recent bulk campaigns at Administrative Officer, Executive Officer and Higher Executive Officer levels removed the requirement for specific qualifications as an eligibility criterion. These inclusive campaigns opened the FCDO as a career path for 275

new colleagues, yielding a significant increase in applicants from diverse backgrounds. The FCDO will look at what more it can do on social mobility with new (voluntary) data to be collected on socio-economic diversity from next year.

We have partnered with nationally recognised diversity experts in an attraction campaign, promoting the FCDO as an inclusive employer. This attracted candidates who would not have been eligible to apply prior to our review of entry grade positions.

The FCDO's Work Experience and Internship Policy stipulates that all work experience or internships must be paid. We do not arrange ad hoc or unpaid work experience, internships or job shadowing for individuals. These should be done on UK- or Country-Based Staff pay and Terms and Conditions as appropriate.

Conclusions and recommendations paragraph 28: *Some aid organisations are taking action to increase diversity in their workforce, such as reducing unnecessary stipulations in person specifications in job descriptions and banning all-White recruitment boards.*

Conclusions and recommendations paragraph 29: *All aid organisations, including private sector contractors should reflect on their diversity data and seek to understand if their recruitment practices need strengthening to support talented candidates from diverse backgrounds. We need sector-wide cooperation to share best practice and identify how the recruitment process can better facilitate candidates from diverse backgrounds to enter core roles in the aid sector.*

The FCDO operates its resourcing and recruitment in line with the Civil Service Recruitment Principles which includes selection being made on merit, and the process being fair and as open as it can be. External recruitment into the FCDO includes sifting of anonymised applications by hiring panels to help ensure fairness and transparency, and we have also doubled down on the requirements to bring together a diverse interview and selection panel. We continually look at ways to expand our recruitment markets, advertising, and building networks to offer candidates from all sectors and backgrounds the opportunity to apply for roles in the FCDO.

Conclusions and recommendations paragraph 30: *Some aid organisations are beginning to introduce measures to open up and encourage conversations about racism in their workplaces but much more needs to be done to welcome diverse ideas and values. These processes are likely to be painful and difficult and will take courage on the part of leaders, managers, and staff to be open, honest and committed to change.*

Conclusions and recommendations paragraph 31: *Aid organisations, including private sector contractors, should publicly acknowledge that racism exists in the sector and prioritise anti-racism work that tackles the underlying culture of their workplaces and not just the racial diversity of their staff. This will include making space for open, honest and often difficult conversations. It also requires them to welcome ideas and approaches suggested by staff who are Black, Indigenous and People of Colour.*

The FCDO is committed to tackling racism in the sector and will continue to discuss the issues raised in this report internally and with our partners and stakeholders. The FCDO has developed a Race Toolkit, incorporating support for conversations on race and allyship (helping staff to support minority ethnic colleagues and build inclusion). This is designed to inform and educate senior leaders, teams and individuals on race issues, and

teams are encouraged and supported by human resources and the staff Race and Ethnicity Network (REN) to hold discussions using the Toolkit. There has been an organisation-wide push to facilitate race conversations, creating safe spaces at different levels to strengthen understandings of race. The REN's recommendations inform and shape the actions adopted by senior leadership on race, which has been informed by numerous listening sessions and discussions led by the REN committee over several years.

Conclusions and recommendations paragraph 32: *It is the responsibility of those in the sector who hold the most power to increase diversity, inclusion and transparency, and be accountable for the steps their organisations are taking to dismantle structural racism. Responsibility for engendering culture change and increasing diversity within aid organisations should sit with the senior leadership of the organisation. Whoever is leading this work needs sufficient seniority to be able to drive it forward without fear of reprisals. Likewise, responsibility should not sit solely in human resources departments; the vision must be adopted by the senior leadership, and it should be embedded throughout the workforce. Leaders must ensure that everyone understands their own personal responsibility to promote a zero-tolerance culture towards discrimination, abuse and harassment.*

Conclusions and recommendations paragraph 33: *Aid organisations and private sector contractors with a large enough leadership team should appoint senior leaders with the remit to tackle racism and increase diversity, equity and inclusion in their organisations, with the full support of the senior leadership team.*

In recognition of the responsibility of senior leadership to take action to make tangible change in the FCDO to ensure we are living up to our commitments on diversity and inclusion, the Department, at its creation, appointed a Director General level Board Sponsor for Race in September 2020. In July 2022, the FCDO Executive Committee agreed a series of actions to ensure progress on race within the organisation, in particular increasing representation of minority ethnic staff at senior grades. This included reaffirming our commitment to ensure a zero-tolerance environment for bullying, harassment and discrimination, and ties in with work to refresh our internal systems for managing grievances. The Board Sponsor is supported in their work by five senior Race Sponsors, who work with human resources and the FCDO's REN to ensure progress is made on the Business in the Community Charter Commitments.

Conclusions and recommendations paragraph 34: *The way that FCDO contracts are structured creates disincentives for implementing partners to hire local staff, particularly in project lead roles. While FCDO fee rates for locally hired staff may be linked to local pay-scales in humanitarian and development settings, they can lead to large inequalities when compared to internationally hired staff. This can undermine relations with local actors, damage trust and make frontline workers feel undervalued.*

Conclusions and recommendations paragraph 35: *We urge the FCDO to recognise their important role in determining levels of pay across the sector and commit to undertaking a full audit of its pay structures to assess the impact of them on staff hired in-country. The department must ensure that staffing stipulations in contracts take into account the value of contextual knowledge and do not lead to locally hired staff being undermined by differences in pay and conditions in comparison with their international counterparts.*

The FCDO has a responsibility to maintain stability and avoid distortion of local markets. We must ensure wages are fair in regional contracts and that fees accurately reflect costs of living. We assess wages in categories (international, national or regional) as well as by job 'family' at Initiation to Tender Stage as part of commercial pricing schedules as well as taking into account technical and qualitative capability of suppliers throughout the process to allow us to award the Most Economically Advantageous Tender. The importance and value of local and contextual knowledge is assessed as part of the evaluation process.

Conclusions and recommendations paragraph 36: *The FCDO has significant convening power across the aid sector.*

Conclusions and recommendations paragraph 37: *It should use its position to facilitate sector-wide conversations about how aid actors can improve diversity, equity and inclusion and being anti-racist. The FCDO still has work to do internally and will not have all the answers, but it can create the forum for these conversations and provide the funding to develop best practice guidelines for its partners. The FCDO can also put stipulations on organisations that it funds to publish their diversity data and demonstrate the work they are undertaking to build truly inclusive workplaces.*

The FCDO recognises the importance of being part of the conversation about diversity, equity and inclusion. Just as we are having internal discussions about race, we continue to engage externally, and at all levels, with the dialogue on race and racism in the aid sector.

In the Commercial Directorate, the small to medium sized enterprises (SMEs) Advisory Forum is being established. This forum will provide SMEs internationally an opportunity to shape initiatives and policies that could have a big impact on SMEs in the sector. The opportunity to join has been advertised on twitter, GOV.UK, and FCDO's procurement system, and has received a high number of responses. This forum will be used to help understand and break down barriers to entry.

The FCDO will continue to look for opportunities to use its convening power, as well as its delivery expertise, to support the sector to explore how to make development programmes and related processes more inclusive. We recognise that we have some way to go on this issue, but are committed to making progress, and learning from, and alongside, the sector as we go.