



House of Commons
International Development
Committee

**Aid spending in the UK:
Government response
to the Committee's
Sixth Report of Session
2022-23**

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

*Ordered by the House of Commons
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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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You can follow the Committee on Twitter using [@CommonsIDC](#).

Seventh Special Report

The International Development Committee published its Sixth Report of Session 2022–23, *Aid Spending in the UK*, (HC 898) on 2 March 2023. The Government response was received on 2 May 2023 and is appended below.

Appendix: Letter from Rt Hon John Glen MP, Chief Secretary to the Treasury 1 May 2023

Dear Sarah,

OFFICIAL DEVELOPMENT ASSISTANCE (ODA) SPENDING IN THE UK

1. Thank you for your report on ‘Aid spending in the UK’ summarising the International Development Committee (IDC) inquiry into the topic. I commend your committee’s valuable work examining UK ODA and am grateful to have had the opportunity to provide evidence alongside the Minister for Development and Africa and Minister for Immigration on 8 February. I am responding on behalf of HM Government to the IDC’s recommendation, directed to HM Treasury, which I cannot accept as it is not affordable in current highly challenging economic and fiscal context:

“To guarantee that the FCDO can plan and deliver support for people living in the world’s poorest countries, to ensure that any future Home Office raids on the ODA budget are supplementary to FCDO expenditure on development and to comply with the spirit of the OECD Development Assistance Committee rules, HM Treasury must ring-fence the equivalent of 0.5% GNJ in the ODA budget for expenditure on development assistance delivered outside the UK from 1 April 2023.”

2. However, I recognise the IDC’s concern with potential impacts of ODA spending in the UK on our international objectives, which this recommendation is intended to address, and want to set out the Government’s approach to mitigating them.

3. The UK remains a champion for the international development agenda and a major donor globally. In 2022 the UK was the third largest development donor in the G7 as a percentage of Gross National Income (GNI), spending nearly £12.8 billion on aid. UK ODA, together with our business, trade, civil society, research and technology expertise, continues to support some of the world’s most vulnerable people and contributes to our prosperity and security by addressing key global challenges and strengthening our international partnerships.

4. The ODA cost of support for refugees and asylum seekers in the UK has increased very significantly following the establishment of schemes offering refuge to people from Ukraine and Afghanistan fleeing conflict and oppression and reflecting wider migration pressures. Recognising the pressure these unforeseen costs place on the ODA budget, and the implications this would have for the UK’s wider aid objectives, the Government provided additional ODA resources of £1 billion in 2022-23 and £1.5 billion in 2023-24

at the 2022 Autumn Statement. This will result in ODA spending exceeding 0.5% of GNI and restrict the impact in-donor costs would otherwise have had. The Government is also working to strengthen the value for money and effectiveness of support offered to refugees and asylum seekers in the UK, and to ensure costs are sustainable. Changes to the Homes for Ukraine scheme, and the Prime Minister's 10 Point Plan for Immigration, both announced in December, reflect these efforts and will reduce ODA eligible costs.

5. All UK ODA is reported in line with the OECD Development Assistance Committee's (DAC's) rules. In 2021 the DAC reviewed and published the UK methodology for estimating in-donor refugee costs. Since the introduction of schemes such as the Afghanistan Citizen Resettlement Scheme and Ukraine Visa Schemes, all departments reporting in-donor refugee costs have developed their methodologies to incorporate new costs in line with ODA rules. Details of the methodologies used by spending departments will be published in a report prior to the publication of final 2022 Statistics on International Development in autumn 2023. This report will demonstrate that the methodology is fit for purpose while highlighting areas for potential development.

6. The Government will continue to strike an appropriate balance between fiscal responsibility and its development objectives when managing these pressures. In highly constrained fiscal circumstances reflecting the impact of the Covid-19 pandemic and Russia's invasion of Ukraine, the Government has helped meet much of these exceptional costs with additional resources, but difficult decisions have still been required to prioritise within ODA budgets. The Government remains committed to spending 0.7% of GNI as ODA when the fiscal circumstances allow, as set out to Parliament in July 2021.

With very best regards,

The Rt Hon John Glen MP
Chief Secretary to the Treasury