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Sarah Champion MP
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Dear Sarah,

Thank you for your letter of 27 April 2023, setting out a number of questions in follow up to my 30 March 2023 Written Ministerial Statement (HCWS705) on the FCDO's ODA Programme Allocations.

As you are aware, the FCDO has had to reprioritise its ODA spend in the context of the significant and unanticipated costs incurred to support the people of Ukraine and Afghanistan find refuge in the UK, alongside wider migration pressures. While difficult decisions have had to be taken in this context, the profile of our allocations reflects how we have sought to maximise our development impact and minimise the negative impact of reductions. We have been guided by the priorities set out in the International Development Strategy while seeking to meet our commitments on humanitarian, British Investment Partnerships, climate, and women and girls, as far as possible.

As the FCDO recommences updating information on DevTracker, expected in June, details of programmes that have been adjusted since November 2022 will become publicly available. We plan to publish full breakdowns of the 2022-23 outturn and 2023-24 ODA allocations, including by country, in the FCDO Annual Report and Accounts 2022 to 2023 later this year following completion of our audit.

Detailed responses to your questions are below.

Africa

1. Africa Directorates and posts in Africa have focused programmes on Ministerial priorities, including humanitarian, women and girls, and International Climate Finance

(ICF). While we anticipate that our development impact will be reduced from original Spending Review plans, we still expect our programming in 2023-24 to deliver substantial meaningful outcomes, such as through FCDO's WISH Programme (Women's Integrated Sexual Health) and our Africa Clean Energy programme, which has contributed to improved access to clean energy for 729,615 people. Details of programmes that have been adjusted will become publicly available once the FCDO recommences updating information on DevTracker.

Latin America, Caribbean, and Small Island Developing States (SIDS)

2. Our programmes remain at the early stage of their implementation, so the reduction in ODA will impact our scale of ambition within the current financial year. Our central and regional teams are currently identifying delivery partners and are well placed to adjust the timing of expected deliverables. For example, the Caribbean Regional team has slowed down planned programme implementation of some initiatives. Our programmes retain their full approved budget allocation and are currently scheduled to continue beyond the lifecycle of the UK SIDS Strategy 2022 to 2026.

3. The UK has committed resources to international partners that will allow them to provide technical assistance to SIDS to enable them to better access existing climate and other concessional finance held by international bodies, such as the global climate funds and development banks. Future funding will help to address the issues SIDS face; the OECD reports that SIDS are acutely vulnerable (some middle-income SIDS are 73% more economically vulnerable than their peers). These circumstances lead to poorer livelihoods for SIDS populations, especially in the wake of COVID-19 when tourism revenues were almost non-existent. UK support will deliver on the UK SIDS Strategy by helping to diversify economies in ways that support biodiversity and local livelihoods.

South East Asia and the Pacific

4. The Indo-Pacific remains a key priority for HMG, as set out in the Integrated Review Refresh, and an example of where we have a wider, modern development offer. The Indo-Pacific tilt is about greater collective HMG effort, including the breadth of our development work, and not limited to ODA spending. We are focusing on development issues that respond to country needs and which the UK wants to shape, influence and be known for, using the resources we deploy to best effect.

5. We are positioning ourselves as a catalytic development partner in the Indo-Pacific, with development work a core part of the UK's Indo-Pacific strategy, underpinning other elements of the strategy. Our approach meets our goal of poverty reduction, supporting humanitarian resilience, and promoting global health, and takes account of the large number of countries across the Indo-Pacific graduating into middle-income status. As the region moves to being composed predominantly of middle-income countries, we are shifting from large-scale aid programmes to mature development partnerships with innovative private sector work and instruments from the Multilateral Development Banks, particularly on climate finance.

6. Nepal, for example, is a stable lower middle-income country, so the UK is increasingly focusing its efforts on the development of Nepali capability and system strengthening across its whole portfolio and moving away from paying for services directly. This will not only help Nepal better plan and utilise its own resources – such

as through UK support to sector line ministries – but also help Nepal attract greater external finance, through UK technical assistance to the government's FDI agency, the Investment Board of Nepal.

7. The new Pacific Strategy will strengthen the resilience of Pacific Island Countries to climate threats and malign actors. We will work with development partners in the region such as Australia, Japan, India, and RoK to tackle poverty, promote prosperity and good governance, transform the lives of women and girls, and deliver climate objectives. We will bring greater clean, honest, and reliable investment into the region, including through expansion of British International Investment (BII) in the region, with a new regional hub in Singapore.

Middle East

8. All ODA allocations are subject to revision as, by its nature, the FCDO's work is dynamic. ODA allocations are continually reviewed to respond to changing global needs, including humanitarian crises, and to ensure aid is used effectively to achieve poverty reduction.

Afghanistan and Pakistan

9. Our latest estimate for ODA spend in Afghanistan in 2022-23 is £246m. Our indicative ODA budget for Afghanistan in 2023-24 is £100m.

10. The FCDO has had to reprioritise its ODA spend in the difficult context outlined above. Our continued and vital humanitarian support to Afghanistan will remain one of the FCDO's largest bilateral aid programmes this financial year, supporting those Afghans most in need. UK funding provides life-saving support to the most vulnerable, helping millions of people with food, nutrition, water, sanitation, shelter, protection, livelihoods, and medical care. We are working with aid agencies, including the UN, World Bank, and Asian Development Bank to try to ensure that marginalised groups have equal, safe, and dignified access to assistance and services.

11. The UK continually monitors the situation in Afghanistan and works with other donors to maximise our collective impact. We continue to support the UN led humanitarian response which prioritises according to need. OCHA is currently revising the Humanitarian Response Plan for Afghanistan better to align people targeted with available funding.

Education and gender

12. The Written Ministerial Statement details ODA allocations at a directorate level. Whilst Education, Gender and Equality Directorate (EdGE), which you reference in relation to funding reductions, plays a central role in the delivery of the Women and Girls Strategy, EdGE is not responsible for the delivery of all FCDO programming to deliver on the Women and Girls Strategy. For example, central programming on Sexual and Reproductive Health and Rights is led by the Global Health Directorate. Moreover, the EdGE allocations do not include or reflect women and girls programming at a bilateral country level – these come through the regional/country level allocations and are therefore not included in the figure published for Education, Gender, and Equality in the WMS. However, given the scale of the ODA reductions required across the FCDO in 2023-24 it was not possible fully to protect spending on women and girls and the proposed cuts to bilateral allocations are likely to have a

severe impact on programmes that focus on gender, equalities, and the most vulnerable.

13. Recognising the importance of sound and effective investment, the Women and Girls Strategy to 2030 makes a new commitment to target at least 80% of FCDO's bilateral ODA programmes towards gender equality (using the OECD DAC gender equality significant or principal policy markers) by 2030, and the 30 March WMS also reaffirms the commitment to restoring FCDO bilateral funding to women and girls. Alongside the launch of the Strategy, FCDO also announced both up to £200m towards the WISH Dividend Women's Sexual and Reproductive Health and Rights programme, focussed on sub-Saharan Africa, and a new £38m programme to support women's rights organisations and movements around the world.

14. The Strategy is, however, clear that achieving our objectives, including standing up and speaking out for women's and girls' rights from the grassroots to the global levels, requires far more than spend alone. Women and girls are a major foreign policy as well as development priority for FCDO and HMG, and we are looking to apply all our relevant levers and networks to tackle gender inequality across the globe.

Office for Conflict, Stabilisation and Mediation

15. Office for Conflict, Stabilisation and Mediation (OCSM) has prioritised the commitments made at the November 2022 International Ministerial Conference on Preventing Sexual Violence in Conflict Initiative, and funding to maintain the Civilian Stabilisation Group (CSG) which provides HMG with access to a roster of 500+ deployable civilian experts. The CSG provides FCDO with a global capability of specialists in conflict prevention and resolution that we have deployed in countries including Ukraine and Iraq. We will also adapt and develop programming to meet our conflict and atrocity prevention, resolution, and stabilisation objectives, including a focus on conflict risk and early warning. Although our multilateral peacebuilding contributions reduce this financial year, this will be followed by increased contributions in future years.

Impact of reductions upon multi-year programmes

16. FCDO ODA allocations have been guided by the priorities set out in the International Development Strategy, and we remain committed to the spending targets set out in the Strategy where funding allows. This includes focusing spend on the poorest and most vulnerable, prioritising humanitarian programmes, women and girls work, climate, and British Investment Partnerships.

17. To maximise development impact and value for money, we are empowering our development experts on the ground to take individual funding decisions, guided by our approach to prioritisation. Teams across the world are now working with partners to programme their ODA allocations, including across multiple years. This includes working with partners to minimise the negative impacts of reductions, in line with our approach to prioritisation.

18. The CLARISSA programme is part of the FCDO-funded Asia Regional Child Labour Programme. This five-year programme started in 2018 and despite the challenging

ODA context over the past three years, FCDO has still managed to fund 82% of the original allocation. The programme is not threatened with closure; indeed, while the original end date for CLARISSA was 30th June 2023, FCDO has granted a no-cost extension until end March 2024. However, we do not currently have plans to fund the programme after March 2024.

British Investment Partnerships

19. As British International Investment (BII) funding is determined through a separate allocation process specific to Financial Transactions, there is no process of allocation between BII and FCDO programming – their respective allocations are determined through separate channels. In allocating ODA across geographies, British Investment Partnerships directorate first prioritises funding to Sub Saharan Africa and South Asia, due to the concentration of global poverty in these regions. Allocations within these regions are then made by matching the needs of the country with our available expertise, building on where we have established relationships and comparative advantage.

As I set out in my written statement, revisions to the FCDO's ODA budget have necessitated difficult decisions. We have endeavoured to allocate our resources in such a way as to maximise our development impact, and I am confident that our allocations will achieve this aim.

With best wishes
Yours ever
Andrew

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