



Foreign, Commonwealth
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Sarah Champion, MP
Committee Chair
International Development Committee
House of Commons
London
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22nd May 2023

Dear Sarah,

Independent Commission for Aid Impact (ICAI)

Following my appearance before the IDC on the 8th February providing evidence on aid spending in the UK, I wanted to follow up on questions raised by IDC members regarding the value for money of the Independent Commission for Aid Impact. These questions have also been raised by the International Development Committee directly with the ICAI Chief Commissioner during an evidence session on 18th April.

The FCDO is fully supportive of the Independent Commission for Aid Impact (ICAI), which plays a vital role providing independent evaluation and scrutiny of the UK's ODA. ICAI's reviews are based on the rigorous use of evidence and analysis, providing tangible recommendations across a wide range of different issues. I and other Ministers draw on these to relentlessly focus the department's ODA spending on areas that deliver the best outcome and the most value for money.

On the specific issues raised, ICAI's independence is set out in the FCDO / ICAI Framework agreement, which describes the framework that applies between the roles of the FCDO, ICAI, and the oversight role of the International Development Committee (IDC), to which ICAI reports to preserve its independence. It also sets out how the day to-day relationship works in practice, including in relation to governance and financial matters. These arrangements are designed to ensure ICAI's propriety and value for money, while protecting its operational independence from the FCDO in view of its role in scrutinising UK aid.

Since I started in the role of Development Minister, I have sought to resolve any issues that ICAI have experienced with access to information and budgets, and considerable

progress has been made in these areas. As the ICAI Chief Commissioner highlighted in her recent session with the IDC, access to information has improved as IT issues have been overcome and departments have increased their understanding of ICAI's work. ICAI's budget is allocated annually by the FCDO, in line with the Framework Agreement, based on financial forecasts submitted by ICAI setting out the resources they need for the workplan agreed with the IDC. ICAI have been given the full budget requested for the last 15 months of phase 3 of their work, and the funding required for phase 4 has been ringfenced by the FCDO. Officials will continue to work with ICAI on multi-year planning to make sure ICAI can plan budgets over the full length of each phase.

The FCDO remains committed to ensuring the value for money of all its ODA spending. ICAI's work is critical in ensuring UK aid is spent effectively for those who need it most, and delivering value for UK taxpayers.

*With every soul unit.
Joan ever Andrew*

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