



Foreign, Commonwealth & Development Office

Sir Philip Barton KCMG OBE
Permanent Under-Secretary of State
King Charles Street
London
SW1A 2AH

Tel: 020 7008 2150
Email: pus.action@fcdo.gov.uk

Tom Tugendhat MP
Chair, Foreign Affairs Committee
House of Commons
SW1A 0AA

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Dear Tom,

I was pleased that Juliet Chua and I were able to appear before the Committee on 10 November. Juliet and I agreed to follow-up in writing on a few of the points raised during the session.

Q308. COP26

Graham Stringer MP requested further information on UK engagement with China ahead of COP26. The UK, as COP26 President, alongside many other countries, welcomed President Xi's announcement at UNGA that China will achieve carbon neutrality before 2060. This is a positive step that demonstrates the world is moving towards net-zero. We look forward to hearing more details on how China will fulfil its commitment. China's 14th Five Year Plan and the scaled-up Nationally Determined Contribution (NDC) that China has committed to submit will be crucial in this regard. Many studies have shown that the carbon neutrality target is feasible and could be achieved well before 2060^[1]. Analysts believe China is already on track to exceed its current NDC^[2]. The UNFCCC does not label Parties to the convention as 'developing' or 'developed', but recognises the 'Common But Differentiated Responsibilities and Respective Capabilities' (CBDR-RC) of all parties. The UK, as COP26 President, respects CBDR-RC while encouraging all parties to raise their ambition.

We are working closely with China to support the transition to a low carbon economy through our long-standing technical support programmes and bilateral engagement. Areas of bilateral cooperation include green finance, climate risk, forest governance, clean technology and energy market reform. Ahead of President Xi's UNGA announcement, the Prime Minister had agreed with President Xi that the UK and China should work together to achieve mutually supportive outcomes at UNFCCC COP26 and CBD COP15, as the respective hosts. The COP President Designate, Alok Sharma, is in regular contact with his counterpart, Environment Minister Huang, to take this collaboration forward along with senior officials.

China is the world's largest producer and consumer of coal and largest financier of overseas coal. We agree that this needs to change. Nevertheless, China is also the largest investor in renewable energy. We want to work with China to accelerate the global energy transition to renewable energy.

Q319. ODA spending

Graham Stringer MP sought to understand what the impact on the ground would be as a result of 2020 ODA reductions, with particular interest in payments disbursed to multilateral partners. The £2.9bn in reductions was a 'reasonable worst case scenario'. We will maintain our flexibility to respond to the economic picture. Payments to our multilateral partners provide this flexibility within the agreements we have with them. Following the 0.5% announcement, Lord Ahmad reached out to some of the UK's key multilateral partners, specifically the UNDP Administrator, Achim Steiner, and UNICEF's Executive Director, Henrietta Fore, to inform them of the decision and highlight the unprecedented economic challenges which had precipitated it. Given the 2020 ODA year is not yet complete, we do not have a definitive list of the final reductions. The Statistics for International Development will provide a full breakdown of the UK's ODA spend in 2020 when published in Autumn 2021.

Q324. FCDO merger

Neil Coyle MP requested further information about engagement with Non-Government Organisations (NGOs) ahead of the FCO/DFID merger. Baroness Sugg, as the then Ministerial lead on engagement with NGOs and Civil Society Organisations (CSOs), met 16 organisations on 19 August 2020 to listen to their views on the merger. We also had other engagement with NGOs, CSOs and international partners such as the World Bank and the World Health Organisation (an anonymised record of this meeting is attached, as the meeting was conducted under Chatham House rules).

Neil Coyle also asked about a meeting on 12 June. This was a DFID-Civil Society High-level Steering Group meeting focused on the health impacts of COVID-19. The merger was not discussed at this meeting.

Q334. FCDO policy on reserved roles

You asked whether restrictions would be placed on the work of dual passport holders in the FCDO. The former DFID was not a fully reserved department and applied the Civil Service Nationality Rules. The majority of DFID roles were unreserved, with a minority reserved. All roles in the former FCO were reserved, meaning the department only employed British Nationals (including dual British nationals). This includes those British citizens born in Northern Ireland who, under the Belfast/Good Friday agreement, have the right to hold both British and Irish citizenship. This is in

line with the Civil Service Nationality Rules and will continue to be the case in the FCDO.

The Foreign Secretary has agreed the FCDO's long-term policy regarding reserved roles. The FCDO will be a reserved department, meaning all external recruitment will be restricted to UK (or dual-UK) nationals. Nevertheless, roles within specific functions will be made available to existing FCDO non-UK national staff to allow them to continue working and progressing in the department. These roles will be advertised internally and non-UK national staff will be able to apply as normal alongside all other eligible FCDO staff. If a non-UK national staff member is successful in their application, the role will be unreserved for their tenure.

Q352. LGBT rights

Alicia Kearns MP requested further information about the work the FCDO is doing to promote LGBT rights abroad. The UK is committed to the promotion and protection of LGBT rights. UK diplomats work at the United Nations, the Organisation for Security and Co-operation in Europe, the Council of Europe, in the Commonwealth, and elsewhere, to support and strengthen the international frameworks that promote and protect LGBT rights. The UK Government is committed to ending conversion therapy and will outline its proposals in due course. Officials in the Government Equalities Office are in discussion with international counterparts to understand the details of their measures to help inform the UK's next steps.

The FCDO has consistently committed funding to LGBT rights projects. As Chair-in-Office (CiO) of the Commonwealth since 2018, we have funded a number of programmes to help Commonwealth Governments and civil society groups reform outdated laws and end the discrimination and violence against LGBT people. You will find information about this on pages 18 and 19 of the [UK Commonwealth Chair-in-Office Report 2018-20](#), which we published and submitted to the Foreign Affairs Committee on 9 September. Former Minister, Baroness Sugg, recently announced over £4 million of additional funding to support these efforts.

With regard to the UK Overseas Territories, ten of fourteen now have legal recognition and protection of same sex relationships. The Cayman Islands is the latest to provide such protection, with legislation implemented in September 2020. Our relationship with the Overseas Territories is based on partnership. As policy on marriage law is an area of devolved responsibility, it should primarily be for the Territories to decide and legislate on this matter. We encourage the remaining Territories that have not put in place arrangements to recognise and protect same sex relationships to do so.

Q373. Beneficial ownership registers in the Overseas Territories

Chris Bryant MP asked about financial transparency in the Overseas Territories. I am pleased to confirm that all of the inhabited Overseas Territories have committed

to introduce publicly accessible registers of company beneficial ownership. Gibraltar has already introduced its register. This is major shift, which has been brought about by sustained engagement and support from the FCDO. Transparency International have noted that this is “a major breakthrough that should be acknowledged as such.” The British Virgin Islands were the latest Territory to commit to this policy, a move welcomed by many NGOs, including Global Witness who heralded it as a “significant win for anti-corruption campaigners”. Committing to this policy is a major change for the Overseas Territories. Publicly accessible registers of beneficial ownership are not yet a global standard and the Financial Action Task Force do not require private central registers, let alone publicly accessible registers. As such, the Overseas Territories are in the vanguard on this matter.

The UK Government is spearheading an international campaign to encourage more countries to commit to publicly accessible registers by 2023. Action on access to beneficial ownership information in the Overseas Territories needs to be complemented by improved access to beneficial ownership information internationally. We consider that the end of 2023 is a reasonable deadline for the introduction of publicly accessible registers. Meeting this date will be a considerable task for many Overseas Territories, given their limited resources, especially those that do not currently have a company beneficial ownership register. It will involve significant legislative and operational changes. It took the UK over three years to introduce its own register.

To provide the Overseas Territories with assistance, we have run technical workshops and secured funding to enable Open Ownership, an organisation that supports countries to introduce registers of beneficial ownership, to provide assistance to all Overseas Territories.

In line with the Sanctions and Anti-Money Laundering Act 2018, the Government will prepare and publish draft legislation by the end of this year setting out the standards it expects each Territory to adopt when rolling out publicly accessible registers. This will also outline the progress the Territories have made so far.

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^[1] <https://rmi.org/insight/china-2050-a-fully-developed-rich-zero-carbon-economy/>

^[2] <http://www.lse.ac.uk/GranthamInstitute/wp-content/uploads/2015/03/Green-and-Stern-policy-paper-March-2015a.pdf>

Readout - Round Table with Development CSOs and Think Tanks on the formation of the new FCDO, Wednesday 19 August 2020

What, in your view, are some of the opportunities that FCDO presents?

- Critical FCDO promotes democracy and has a strong focus on shared prosperity and tackling the causes of poverty.
- Opportunity to put conflict prevention and resolution at the centre of the new department and how the UK addresses it. The Integrated Review needs to prioritise and adopt a more cohesive approach to conflict.
- Design a structure which maximises impact and delivers an in-country focus on poverty reduction, working coherently with local CSOs and faith-based organisations. Suggestion to create a DG level position with responsibility for evidence and impact of the whole department.
- The FCDO's combined expertise and strategic coherence could result in a more unified strategy and more effective implementation of support to protect against shrinking of civil society space.
- Important for the new department to build domestic support for development in the UK and try to link domestic and international agendas on a range of issues including; climate change, security, pandemics, migration.
- Human rights need to be at the front and centre of FCDO, integrated and mainstreamed across the organisation rather than siloed.
- The ability to maintain the UK's strong international reputation on women's rights and gender equality, especially in SRHR and VAWG where the UK has a strong record of evidenced based programming and funding of WROs.

What are the risks and challenges you are most concerned about?

- Important to finalise the structure of the new department down to delivery level at pace to minimise uncertainty and ensure the organisation is outward focused and not grappling with internal uncertainty. Critical for the UK to be outward facing so we can maximise upcoming opportunities i.e. G7 and COP26
- Ensure taxpayers money is spent as effectively as possible and maintain high standards of scrutiny and transparency of aid spend.
- FCDO needs to be transparent about the programmes and policies that the new department will deprioritise/drop. Important that we don't spend too long trying to translate our policies into programmes.

What is the best of DFID and FCO that you would like to see in the new department?

- Important to preserve DFID's expertise i.e. Chief Economist, Chief Scientist, the cadres in order to retain world leading experts.
- FCDO should adopt the key recommendations from ICAI's 2019 report on DFID's work with civil society including; greater predictability in programming cycle (i.e. avoid cancellation of programmes mid-way through development phase), more direct contact between DFID and fund managers rather than intermediaries.

- FCDO needs to prioritise tackling the root causes of poverty i.e. investing in stronger health care systems, quality education, world leader on climate change. Important the FCDO maintains DFID programmatic expertise in these areas.
- DFID ranks highly for transparency and scrutiny. Important to retain existing transparency mechanisms i.e. ICAI, International Development Committee and bring the FCDO up to DFID standards.
- Critical to ensure decision making remains decentralised. This is more effective and works better to deliver more sustainable outcomes for development.

What should not continue in the new department?

- DFID's use of fund managers for delivery of programmes. They don't always represent a great value for money investment, perhaps this could be reconsidered.