Foreign, Commonwealth
& Development Office

The Rt Hon. Baroness Chapman of Darlington
Minister of State for International Development and Africa

King Charles Street
London
SW1A 2AH

psministerchapmanaction@fcdo.gov.uk

Sir Geoffrey Clifton-Brown MP
Chair, Public Accounts Committee
House of Commons
Palace of Westminster
London
SW1A 0AA

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Dear Sir Geoffrey,

Publication of FCDO's Multi-Year ODA Allocations (2026/27–2028/29)

Today the Government is publishing the FCDO's multi-year Official Development Assistance (ODA) allocations for 2026/27 to 2028/29, and the accompanying Equalities Impact Assessment. These allocations give three years of predictable budgets as we transition to spending the equivalent of 0.3% of GNI on ODA by 2027, while maintaining our focus on poverty reduction, humanitarian need, and long-term partnerships. I am writing to set out the approach that underpins these decisions and the wider reset of the UK's international development offer.

Why we are resetting our approach

Last year the government took the necessary decision to reduce our development budget to fund an increase in defence spending. Facing the most serious security situation in Europe since the end of the Cold War, our allies like Germany, France and Sweden have all made the same choice.

This was never an ideological decision. We are proud of Britain's pioneering record on development. We remain committed to tackling the most pressing global challenges, from hunger and disease to climate change and conflict. Responding to desperate humanitarian crises and upholding international law reflect UK values. Growth and stability in lower income countries are firmly in the UK's national interest. Poverty, crises and institutional failure are easily exploited by malign actors to gain advantage, spread extremism or crime. Instability abroad affects the cost of living, the security of our borders, and the resilience of our economy at home.

A modern approach to development

We also have an opportunity now to modernise our approach. The world has changed dramatically in the last three decades. Economic power has shifted. Conflict is on the rise around the world. Mass migration has increased. Climate and development challenges have become increasingly entwined. Crises in one corner of our more interconnected world affect us all. New actors are shaping global development, some of whom do not share our values or interests. And countries we work with today want genuine partnership, not the paternalism of the past.

Over the past year we have taken the time to review our priorities and redefine how we work. This has inevitably led to hard choices – we will not sugarcoat that. But it has also required us to be both innovative and rigorous about the best way to deliver our objectives so we have the greatest impact abroad and secure the best value for money for taxpayers at home. Every pound must deliver. Under our new approach, we will have clearer, more realistic priorities and new, innovative ways of doing development in partnership that deliver better results.

We will prioritise aid for communities hardest hit by crisis, conflict and climate change. That means fully protecting funding for Ukraine, Sudan and Palestine, and prioritising humanitarian crisis support. And we will focus on effective measures which save and transform lives – from the Global Fund which has a track record of saving millions of children's lives through vaccines, to investment in jobs and opportunities through BII. We will ensure that women and girls are central to development decisions. We will additionally protect our ODA spend at 25/26 levels for the UK's Overseas Territories, demonstrating our unwavering commitment to the OTs.

We will focus support and reform key international institutions so that they can do more. For example, backing the most effective and efficient multilateral institutions that can multiply our investment including the World Bank's International Development Association where each £1 we invest unlocks £4 of additional finance, and our ongoing partnership with Gavi, the Vaccine Alliance, which will save the lives of millions of children around the world and utilise the UK's world-leading scientific expertise. And we will use our shareholder role and seat at the table to press for innovation and reform, championing a more effective global financial system.

We are rethinking and resetting our approach – maximising value for the taxpayer and impact on the ground in line with our values and our interests. So we are making four major shifts:

- To think as an <u>investor</u>, not just a donor, using UK policy and funding to unlock other sources of finance and significantly multiply our impact.
- To support <u>systems</u>, not deliver services, so countries are increasingly able to thrive without aid.

- To provide more expertise rather than grants, including from the UK's financial, health, education and tech sectors.
- To support local solutions rather than international interventions, because these are more likely to succeed and to be sustained.

Scrutiny of Aid

The UK takes transparency and value for money in its ODA spending very seriously, as illustrated by the level of detail we are publishing. The Government draws on a range of mechanisms to scrutinise development spend, including National Audit Office (NAO) reports, Aid Transparency Indices (ATI), internal audits, regular programme reviews and evaluations. The FCDO will continue to fund the Independent Commission for Aid Impact as the primary means of independently evaluating the extent to which UK ODA represents value for money.

Our commitment to international development is as important as ever - it reflects UK values, supporting those in conflict and extreme poverty, and is also in the UK national interest because in an interconnected world, crises and instability across the world undermine our security and prosperity at home. I look forward to working with the Committee as we deliver this approach.

Yours ever,

The Rt. Hon Baroness Chapman of Darlington
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