Foreign, Commonwealth
& Development Office

Rt Hon Dominic Raab MP
Secretary of State for Foreign,
Commonwealth and Development Affairs

King Charles Street
London
SW1A 2AH
Tel: 0207 008 5000

Email:
fcdo.correspondence@fcdo.gov.uk

www.gov.uk/fcdo

Sarah Champion MP
Chair - International Development
Committee
House of Commons
London
SW1A 0AA

25 March 2021

Dear Sarah

Thank you for your letter of 11 March, in which you raised questions relating to the ongoing business planning process, consultation on changes to the aid budget, legal obligations in UK ODA spending, and our metrics for measuring the FCDO's performance and impact.

FCDO business planning exercise

The internal business planning process will conclude soon. This means final decisions relating to ODA budgets have not yet been taken. Heads of Mission will receive notice of their country settlement once Ministers have taken those decisions. Delivery partners will be informed of any implications for their programme as soon as possible, in most cases via communication with the FCDO Senior Responsible Owner.

The UK ODA portfolio for 2021/22 is fully informed by and consistent with the conclusions of the Integrated Review. Later this year I will lead work on a new development strategy to ensure the long-term alignment of UK aid with the objectives set out in the Integrated Review.

Consultation on changes to the aid budget

As the Chancellor set out in the Spring budget, the Government has had to take urgent decisions to safeguard the British economy following the seismic impact of the COVID pandemic. This includes the difficult decision to temporarily cut the aid budget to 0.5% of GNI. We intend to return to 0.7% as soon as the fiscal situation permits. The UK remains a global leader on international development, and is on track to spend over £10bn in 2021/22.

Our priority in business planning has been to work through the implications of reductions, and to achieve the best possible outcomes for the world's poorest people, by maximising both value for money and the impact of our spend. We have maintained existing channels through which NGOs and other partners engaged with former DFID, including through our supplier relationship programme, and ministerial-hosted roundtables with civil society.

Legal obligations for UK ODA spending

Your letter refers to the eight statutory instruments that confirm the multilateral finance commitments on which the UK has a legal obligation. These statutory instruments establish a timeframe for making the overall contributions, but allow for some flexibility around the timing and quantum of individual payments. For this reason, I cannot confirm specific allocations by financial year or calendar year. This includes 2021/22 whilst the allocation process is ongoing.

Instrument	Total amount in GBP	End date
International Development Association 19	£3,062,000,000	June 2023
African Development Fund 15	£633,090,000	December 2022
Multilateral Debt Relief Initiative to International Development Association	£562,320,000	June 2031
Multilateral Debt Relief Initiative to African Development Fund	£66,420,000	December 2032
African Development Bank General Capital Increase 7	£95,000,000	December 2027
International Finance Corporation (IFC) General Capital Increase	£188,824,845	April 2025
International Bank for Reconstruction and Development (IBRD) Selective Capital Increase	£47,959,853	October 2023
International Bank for Reconstruction and Development (IBRD) General Capital Increase	£157,029,140	October 2023

Measuring the FCDO's performance and impact

FCDO uses a wide range of internal indicators to support delivery of its diplomatic and development objectives. The Government will publish Outcome Delivery Plans later this year, which will provide detail on departmental KPIs, including for the FCDO.

Dominic Raab

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