



Foreign, Commonwealth
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Sarah Champion, MP
Committee Chair
International Development Committee
House of Commons
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10 June 2021

Dear Sarah,

ICAI Budget

Thank you for your letter of 28th May regarding the Independent Commission for Aid Impact's (ICAI) budget.

ICAI's budget has not been cut as no change has been made to ICAI's overall indicative programme budget for the four-year period from 2019 to 2023. Given the impact of the global pandemic on the economy and, as a result, the public finances, we have had to take difficult decisions on programme budgets for 21/22 and have taken the decision to provide ICAI with a flat settlement of £2.8m for 21/22, which is consistent with the average of the four-year programme budget of £11.1m. Budgets for 2022/23 will be determined through the spending review process later in the year.

Operating cost and programme budgets have taken longer to finalise this year due to the reduction in ODA. This meant that ICAI agreed their workplan with the IDC prior to being advised of their annual programme budget by Lord Ahmad on 26th April. It also meant that we could not consult and engage with ICAI or the IDC as early as in previous years. ICAI confirmed that they would review the budget against their current workplan to see what impacts this would have, and the Minister advised that he was happy to discuss again once ICAI had reviewed. Officials will contact ICAI to see they would like a meeting. In line with the Framework Agreement, we will consult with the IDC if any changes to ICAI's budget will have a significant impact on the workplan.

The FCDO remains committed to maintaining ICAI's independence and ensuring transparency to enable scrutiny of how aid is delivered.

THE RT HON DOMINIC RAAB MP