

## **Written evidence submitted by the Foreign and Commonwealth Office (INR0082)**

### **Introduction**

1. The following submission of evidence by the Foreign and Commonwealth Office (FCO) to the House of Commons Foreign Affairs Committee's Inquiry into the FCO and the Integrated Review (IR) provides answers in response to the Terms of Reference outlined by the Committee.

### **Executive Summary**

2. The Covid-19 pandemic has accelerated and amplified global trends, resulting in an increasingly complex and challenging international landscape. Through the IR, our ambition is to define and strengthen the UK's global role. We want the UK to be an active, internationalist, problem-solving and burden-sharing nation.
3. The FCO has played an important role in the IR process, developing policy proposals to support the Prime Minister's vision for Britain's role in the world. The Foreign Secretary, as First Secretary of State, has chaired a Ministerial Small Group that submitted political advice to the Prime Minister on some of the main policy issues. Our diplomatic network is a key asset, providing insights and comparative analysis. We are also engaging widely with experts from, for example, academia, industry and civil society to ensure that our input to the IR is widely evidence-based.
4. The Foreign, Commonwealth and Development Office (FCDO) will be central to the delivery of the IR outcomes. Under a single Cabinet Minister, the new Department will ensure both that our diplomatic aims are supported through our development work, and that our world-class diplomacy helps to deliver greater effectiveness and impact.
5. Whilst not formally merged until September, the FCO and Department for International Development (DFID) are already working closely in respect of the IR, ensuring our work benefits from and reflects the expertise of both Departments. The outcomes of the IR and Comprehensive Spending Review (CSR) will shape the objectives and systems of the new Department, allowing us to maximise the UK's influence around the world and safeguard British interests and values overseas.
6. Our commitment to spending 0.7 percent of gross national income on international development is enshrined in law. The UK will continue to champion poverty reduction and gender equality, and tackle exclusion in international development in order to create a fairer, safer and more prosperous world, and achieve the Sustainable Development Goals.

### **The process of the Integrated Review**

7. The Prime Minister is leading the IR using the National Security Council (NSC) processes. The Prime Minister is supported by a small team of experts and officials in Downing Street. An IR team based in the Cabinet Office (CO) under Deputy National Security Advisor Alex Ellis is leading and providing strategic coherence to the cross-Whitehall process.
8. The IR is a policy-led, evidence-driven, whole-of-government process. It goes beyond the parameters of a traditional defence and security review by considering the totality of global opportunities and challenges the UK faces, and determining how government should be structured, equipped, and mobilised to meet them. It will take into account the current and projected domestic and global context in 2030, addressing the trends that will likely characterise the interim period.
9. The IR will remain closely aligned with the CSR, to ensure that ambition, capabilities and budgets can be coordinated. A draft policy framework was produced in July, which set out emerging thinking on policy priorities. The final output will be a new national and international security strategy, to be published in the autumn.
10. Both the IR and the creation of the FCDO are evidence of the Prime Minister's commitment to a unified British foreign policy that will maximise our influence around the world. The IR will define the Government's ambition for the UK's global role, and its outcomes will shape the objectives of the new Department. The Prime Minister is determined that the IR will set an ambitious vision for the future of the UK as an active, internationalist, problem-solving and burden-sharing nation. The new FCDO will be central to the delivery of that vision.

### **The efficacy of the Review's process**

11. As we have seen with the coronavirus pandemic, the world will become even more complex and competitive, with growing, interconnected challenges and opportunities for the UK. We need a more effective and efficient whole-of-government approach if we are to secure our values and interests, confront global challenges, and ensure we can effectively operate in the increasingly complex global environment.
12. The cross-Whitehall IR process, which is based on cross-cutting work strands and led from the Cabinet Office, is structured to ensure all relevant departments and agencies systematically contribute their expertise and analysis in a way that responds to whole-of-government objectives and priorities.
13. The FCO has taken a proactive, rigorous and collaborative approach to the IR. This reflects the Department's role at the centre of international policy and capability, and recognises the important opportunity the IR presents to examine our strategic policy aims and to ensure the right structures and capabilities are in place to deliver them as the FCDO is established.

14. A dedicated team based in the FCO's Strategy Directorate was established at the start of the IR process to lead and coordinate the FCO's contribution to the IR, working closely with policy experts across the FCO and with the FCO's Spending Review team to ensure a coordinated approach to both exercises. During the initial phase of Covid-19, whilst the majority of the FCO's effort and resource was dedicated to the pandemic response, a small team focussed on the long-term policy implications of the pandemic, including to inform work on the IR when it recommenced.
15. Following the announcement of the creation of the FCDO, we have established a joint FCO-DFID IR team to ensure a coherent approach to the Review across both Departments. The work of the FCO-DFID IR team involves regular engagement with strategy teams from departments across Whitehall, in particular the Department for International Trade (DIT), Home Office (HO), the Department for Business, Energy and Industrial Strategy (BEIS), and the Ministry of Defence (MoD).
16. The FCO, with CO and DFID, have developed an international engagement strategy for the IR, building on our ongoing dialogue on COVID-19 response and recovery, and benefiting from the reach of our diplomatic network.

### **The relationship of this Review with other foreign-policy reviews**

17. The IR is a wholesale reassessment of our foreign, defence, security and development policy. It extends from the Armed Forces to the intelligence services, our Diplomatic Service, international development work, counter-terrorism and serious organised crime. When launching the Review, the Prime Minister said that it would be the deepest and most far-reaching assessment of our international, diplomacy, development and national security strategy since the end of the Cold War.
18. The IR goes beyond the parameters of a traditional defence and security review by considering the totality of global opportunities and challenges the UK faces, and determining how government should be structured, equipped, and mobilised to meet them. In 2020, as the UK resets its relationship with the rest of the world at a time of very rapid change, there is a need for a full reassessment of all aspects of our policy with a view to setting direction for the next decade.

### **The role of the FCO in the Review process**

19. The Foreign Secretary - in his role as First Secretary of State - chairs a Ministerial Small Group, which has given political advice to the Prime Minister on policy issues raised by the Review. The Secretaries of State for Defence, International Development, Trade, and the Home Office attend these meetings, with other departments attending where appropriate. Ministerial oversight of the IR process is conducted through the NSC. Senior officials in the FCO are leading on specific foreign policy elements of the IR to bring capabilities and policy outcomes together. The FCO is also contributing to other work strands to ensure the foreign policy voice is heard,

20. The FCO is engaging with stakeholders from departments across Whitehall through a series of in-depth discussions on key issues, and through engagement with the Global Britain National Strategy Implementation Group (NSIG) currently chaired by the FCO Director-General for Global and Economic Issues, Menna Rawlings. FCO and DFID directorates also provide input on areas where they have equities in other IR work strands (e.g. on economic security, defence equities or sustainable growth).
21. The FCO's diplomatic network is providing insights on the long-term analysis and policies of foreign governments in response to the changing global context, extracting lessons for the UK, as well as capturing international perceptions of the UK as a global player. This analysis from our network will allow us to challenge our assumptions and perceptions, enable us to understand better the UK's perceived strengths and weaknesses, and help ensure our IR work is evidence-based.
22. Building on its extensive network of external relationships, the FCO is hosting a series of sessions with experts and academics in the relevant subject areas to discuss specific aspects of the IR. Discussion topics have included the IR itself, green recovery, global cooperation and partnerships as well as economic recovery and resilience. We are also holding a series of workshops on the key themes, developed in conjunction with the CO and delivered through Wilton Park; capitalising on Wilton Park's convening power among representatives from the international worlds of politics, diplomacy, academia, business, civil society, the military and the media, and benefiting from Wilton Park's status as a globally-respected neutral forum. We are also tracking external and online commentary in relation to the geo-political and geo-economic landscape.

### **Strategy in UK foreign policy**

23. The Government believes that UK foreign policy should deliver for the four constituent nations of the UK and be rooted firmly in our national interests. It wants to build UK resilience to the risks we face - from hostile activity from state and non-state actors, terrorism and serious organised crime to pandemics, striking the right balance between economic opportunity and security. Securing our domestic interests and our global influence will be essential, ensuring our international action is connected to our domestic objectives, including COVID-19 recovery.
24. We will continue to strengthen cooperation with our allies on security and intelligence, underpinned by the NATO Alliance. We will continue to exceed the NATO target of spending 2% of GDP on defence, and maintain the nuclear deterrent, while the 0.7% target on international development is enshrined in law. These themes and others all shape and are shaped by a complex and shifting geopolitical context; the IR will bring them together to define and strengthen the UK's place in the world.
25. The UK's multilateral relationships and priorities will be considered as part of the IR, which will set an ambitious vision for the future of the UK as an active, internationalist, problem-solving and burden-sharing nation. As we create the FCDO,

the Government is clear that the UK will remain a champion of the international system as part of advancing UK interests and working as a global force for good.

### **The relationship of the FCO with other UK Government Departments in foreign-policy strategy**

26. The Covid-19 pandemic, which drastically changed the world in 2020, has demonstrated the importance of uniting our international development and diplomatic efforts to better protect and promote UK interests and values, and be an even greater force for good. Hence the Government's decision to merge the FCO and DFID, placing our world-class international development expertise at the heart of foreign policy decision making. We are continuing to play a major role in the global response to Covid-19, including with our international partners and our diplomatic and development networks.
27. The FCO and DFID are already collaborating, with Ministers already working jointly across the two departments since early 2020, and working as one team during the period leading up to the creation of the FCDO in September, including on the IR. Once established, the FCDO will ensure UK development and foreign policy are fully aligned and that decisions on development spending are part of a coherent and unified set of priorities for our international policy. The merger will strengthen our ability to lead global efforts to recover from the coronavirus pandemic and allow us to seize the opportunities ahead, as we prepare to take on the G7 presidency and host COP26 in 2021. This joint working was also in evidence as we hosted the Global Vaccine Summit in June 2020.
28. Overseas, the Head of Post will have oversight of all of the Government's work in the host country, and will be responsible for implementation of development and foreign policy strategies on the ground. Though formally remaining a part of the DIT, HM Trade Commissioners will also now come under the authority of the relevant UK Head of Post, bringing further coherence to our international presence.
29. The FCO works closely with other government departments on multilateral policy. The UK is a member of many organisations, partnerships and intergovernmental groups. The FCO has a role in maintaining a general oversight of the multilateral system, as well as leading on key institutions such as the United Nations and the Commonwealth, which have cross-cutting agendas relevant to multiple departments across Whitehall. The FCO also works closely with other departments on thematic areas e.g. with DEFRA and BEIS on climate change.
30. The international multilateral system is complex. It is better understood not as one single system, but a system of multiple, different, overlapping and interrelated systems. Due to this, and to the diversity and breadth of UK interests and investments, a single cross-HMG 'strategy' on the multilateral system would be inappropriate. Instead, different lead departments have strategies for organisations and for thematic areas, working together to ensure that objectives are tailored in respect of each individual organisation. Recognising the need for coherence, the NSC

architecture brings these strategies together and considers them in their totality to provide co-ordination and clarity.

### **UK allies, and how they shape or contribute to the FCO's strategy.**

31. Covid-19 has changed the global context, making collaboration and cooperation more imperative but also more challenging, and has reinforced the importance of engaging our allies on our foreign policy and national security vision for the future.
32. We have reached out to a wide range of stakeholders to seek their insights on global trends and future priorities, including on the longer-term implications of Covid-19. Early engagement with our key allies and non-traditional partners has focussed on challenging emerging assumptions, understanding international perceptions of the UK as a global player, and capturing what our partners want from the UK. These discussions have helped shape our emerging policy objectives and priorities for the IR, and our approach to building key partnerships for the future, whether multilateral, plurilateral or bilateral.
33. As the IR work moves from informing and agreeing our policy objectives and priorities to assessing the capabilities, systems and resources we need to achieve our vision, we will look to broaden our external engagement. We will reach out to our key allies to test assumptions on specific themes and issues. We will also engage with civil society, the Devolved Administrations, Parliament, multilateral as well as mini-lateral groupings, and a wide range of external experts. This will ensure that we have a robust and comprehensive challenge function, and help identify opportunities to collaborate with likeminded partners.

### **The FCO's resources and capabilities: International comparisons, key assets and obstacles for FCO capabilities**

34. As part of building the evidence base to underpin the IR, which will shape the objectives and priorities of the FCDO, we are assessing how the FCO's current capabilities compare with those of selected Ministries of Foreign Affairs (MFAs), and those where foreign policy is integrated with overseas development and/or trade. We are learning from the examples of Australia, Canada and New Zealand, all of whom run generous and respected development programmes from their foreign ministries.
35. Our diplomatic network is a key asset: with a global platform of 280 posts and missions in 178 countries, we are one of the largest diplomatic networks in the world. Our network supports the whole of the UK Government to achieve its international objectives overseas. Thirty-four departments and agencies are on the FCO's global platform. Our overseas posts are an integral part of our strategy setting process. But we face heightened competition from some other MFAs who have rapidly increased their diplomatic spend over the past decade.
36. The majority of comparable diplomatic services have stronger links to their home regions outside their capital cities. In the context of the Government's levelling-up

agenda, there is an opportunity for the FCDO to deepen its ties to all areas of the UK, linking the whole nation to our international agenda.

37. As we establish the FCDO, the expertise of staff - both DFID and FCO - will be central to the new Department's mission. We will integrate the development expertise of DFID with the diplomatic expertise of the FCO, ensuring that our impact overseas is bigger than the sum of its parts. Though many staff have worked in both organisations, our aspiration is that all FCDO staff have a baseline knowledge of international development and diplomacy. In support of this, we are investing in specific learning and development opportunities to expand and enhance the skills of current and future FCDO officers.

### **Resource priorities and areas that the FCO has de-prioritised**

38. The FCO undertook a re-prioritisation exercise earlier this year in response to the Covid-19 pandemic. The FCO mobilised staff and resources in London and across the diplomatic network to deliver a rapid, flexible and effective response to the Covid-19 pandemic, including deploying staff from elsewhere in the FCO and from other government departments to our consular, repatriation and crisis teams. The FCO worked closely with other government departments to deliver a cross-government response to the pandemic. At the same time, the re-prioritisation exercise ensured that essential resources were protected to deliver in priority areas, including Covid-19 policy responses, constitutional responsibilities, EU negotiations and readiness, essential national security work, and the operational requirements to keep the FCO network running.
39. In a recent review of 2020 ODA spend, all ODA spending departments identified changes to the budget to make sure we meet, but do not exceed the 0.7% commitment in 2020. The careful review process looked at every strand of the ODA budget, evaluating the impacts of spend and making sure we can maintain operational capacity.
40. The pandemic has shown that security, prosperity, development and foreign policy are inextricably interlinked. It has demonstrated just how important it is that our development and diplomatic efforts are fused together more closely. In June, the Prime Minister hosted from London the Global Vaccine Summit that showed what can be achieved when diplomacy and development work in lockstep. Over 60 nations attended, collectively raising \$8.8 billion to help vaccinate some of the most vulnerable people around the world.
41. Our commitment to spending 0.7 percent of gross national income on international development is enshrined in law. The UK will continue to champion poverty reduction and gender equality, and tackle exclusion in international development in order to create a fairer, safer and more prosperous world, and achieve the Sustainable Development Goals.

42. We will undergo the necessary parliamentary process to transfer responsibilities under the International Development Act to the FCDO mission and we will continue to look at how ODA can be spent most effectively in our national interest, including through the IR. The FCDO will be accountable to Parliament for how it spends UK overseas development assistance. The form this takes is a matter for Parliament.
43. The FCDO will continue to work within the framework set by the International Development Act (Reporting and Transparency) and initial work has begun to bring together DFID and FCO's different data systems. Targets for the FCDO's future aid transparency will be set in due course, but we anticipate that FCDO will continue to be assessed in the Aid Transparency Index (next occurring in 2022). As a part of our commitment to transparency, the FCDO will continue to support transparency of ODA data across Government. The 'Devtracker' tool will continue to be maintained as an effective way of presenting aid spending to the public alongside other methods
44. As the FCDO sets its new priorities, it will be essential to draw on the outcomes of the IR and CSR to shape the objectives and systems of the new Department. In turn, the IR and CSR will each benefit from the unified expertise of the FCDO, allowing us to maximise the UK's influence around the world and safeguarding British interests and values overseas. We are aware of the challenging fiscal context but are nevertheless ambitious about the FCDO's role in both securing the UK's place in the world and realising the vision of Global Britain which this Government has set out.
45. FCDO will submit a single return to HMT for the CSR, to identify spending priorities and pressures over the CSR period, which will be until 2023-24. We will fill out and submit a single template to reflect the emerging priorities for the new Department. In so doing, we will ensure that we draw upon legacy FCO and DFID opinions and expertise and that the new Department makes the most of the great strengths and skills of the staff of the predecessor departments. Both the costs of the merger and potential efficiencies will be factored into the CSR on which FCDO is working closely with the Treasury.

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