



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

Nick Dyer CB
Second Permanent Under-Secretary
King Charles Street
London
SW1A 2AH

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

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

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Dear Samh,

INTERNATIONAL DEVELOPMENT COMMITTEE: 7 JANUARY

We were pleased to appear before the committee on 7 January and to have the opportunity to talk about the work of the FCDO. We promised to write to the committee following up on several points. These are addressed below.

Gross National Income and ODA

We said we would follow up on the impact of Gross National Income (GNI) growth and asylum costs on the FCDO's Official Development Assistance (ODA) spending. Quality assured spend data by department is not yet available for the calendar year 2024. As usual, this will first be published in the Provisional Statistics on International Development in the spring of this year. Additionally, the ONS will publish its first estimate of GNI for calendar year 2024 at the end of March 2025.

At the Autumn Statement, the settlement provided departments with £13.3 billion of ODA in 2024-25 and £13.7 billion in 2025-26 to enable the UK to spend 0.5% of GNI on ODA in calendar years 2024 and 2025. Since the Autumn Statement, the ONS has released its first estimate of GNI for January to September 2024 which suggests GNI growth in 2024 may be above the OBR forecast, upon which the ODA settlements were based. The Home Office has also introduced policy and operational changes within the asylum system to reduce the impact on UK ODA spend. Forecasts from departments including the Home Office suggest this spend will have reduced in 2024. The Chief Secretary to the Treasury considered these and other changes to ODA forecasts in the round and has now agreed, subject to Parliamentary approval, that the FCDO will receive an uplift to our 2024/25 ODA settlement in the region of £540 million. This translates to an increase to the FCDO ODA programme budget of around £200-300 million as compared to 2023/24.

At official level there are cross-Government mechanisms to provide oversight and detailed scrutiny of asylum ODA costs, including a senior civil servant level steering board that meets quarterly. The last was held in December 2024. This is in addition to regular official level engagement, including the sharing of forecasts from the Home Office, monthly. The Minister for Development and the Chief Secretary to the Treasury have also re-established the ODA Board to scrutinise UK ODA spend. The first meeting will focus on in-donor refugee costs.

Bilateral and Multilateral Funding

The balance between bilateral and multilateral expenditure varies year to year with the re-profiling of multilateral expenditure being the main mechanism to move costs between years to help manage the calendar year target of 0.5% of GNI. Between 2021/22 and 2023/24, multilateral contributions made up 42% of the FCDO's ODA budget, bilateral contributions making up 33%. The remaining 22% was a combination of Financial Transactions, Research & Development, Operating Costs, Arms Length Bodies, International Subscriptions and Scholarships. It is worth noting that bilateral expenditure is increasing significantly in 2024/25, which the committee will be able to see once budgets have been published via a written ministerial statement.

The UK is one of the largest donors to Gavi, the Vaccines Alliance and the third largest historical donor to the Global Fund to Fight Aids, Tuberculosis and Malaria, investing over £5.5 billion to date. We have committed £1.65 billion to the current "5.1" 5-year strategic period covering 2021-2025, supporting Gavi to immunise 300 million children and save up to 8 million lives from vaccine preventable diseases. The European Commission and the Gates Foundation will host a replenishment event for Gavi's "6.0" period (2026-2030) in March 2025. Since 2002, the Global Fund and partners have helped to save 65 million lives and cut the mortality rate of the three diseases combined by over half (61%).

The UK pledged £1 billion to the 7th replenishment in November 2022 to support the fights against the three diseases and strengthen health systems from 2023-2025. This investment is expected to save 1.28 million lives, avert 28.3 million new infections or cases across the three diseases, and create over \$32 billion in economic returns through health gains. The UK wants to see successful replenishments of both Gavi and the Global Fund in 2025, and Ministers are currently considering all global health investments in the round.

Gender Pay Gap

The FCDO published its fourth Gender Pay Gap report on 17 December 2024. It can be found on gov.uk¹ and we have also enclosed a copy for the IDC. The FCDO has made positive progress in the last year in all measures, meaning that we now have one of the lowest across the Civil Service. The FCDO's median GPG when the

¹ FCDO, [FCDO 2024 Gender Pay Gap Report](#), 17 December 2024.

FCDO was formed was 9.8%. This has now reduced to 2.7%. The reduction can mostly be attributed to the alignment of pay and HR policies from our legacy departments and the increased rates of women in the SCS, which is currently 45.7% up from 41.6% in 2020.

There is, however, still work to be done. The FCDO is committed to closing the Gender Pay Gap and the Senior Leadership takes a close interest in diversity outcomes throughout the employee lifecycle, including being mindful about decisions that will impact the Gender Pay Gap.

Counter Fraud

The Counter Fraud mandatory training is provided via Civil Service Learning. We apply it to our staff, including Country-Based Staff as part of inductions. Staff are required to complete it at least every two years thereafter. It is accessible on demand and was most recently refreshed in October 2023. From summer 2024, the FCDO released new capability to manage compliance via our International Academy platform (Hera Learn), which facilitates oversight aligned to our line management structures and provides prompt reminders to staff where completion of the training is overdue. This capability increased the quality of our management information. Our rate of compliance has been increasing since and we have provided targeted messaging to drive up compliance rates. At the start of 2025, the FCDO compliance rate was 72%.

South-East Asia Fraud

During 2023-24, the FCDO uncovered a fraud case relating to procurement activity in the South-East Asia region. Corrective measures have been taken to reduce the risk of a repeat of this type of fraud and a full lessons learned exercise has been completed. Disciplinary action has also been completed, up to and including dismissal. We have already recovered a small portion of the funds lost to fraud and are continuing efforts to make further recoveries. Given the jurisdiction involved, it is likely that criminal and recovery procedures will not conclude for several years. We will update the committee when we have further clarity.

Yours sincerely,

Philip Barton

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Nick Dyer

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