

**Minister for
International Development**



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21st February 2025

Sarah Champion MP

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

Subject: Contribution to the Inquiry on the FCDO's Approach to Value for Money

Dear Chair,

I am writing as Jersey's Minister for International Development and Chair of Jersey Overseas Aid Commission in response to your Committee's inquiry into the FCDO's approach to Value for Money (VfM) in international development. As the Island's official aid agency, our annual budget is granted by the States of Jersey from taxpayer monies to support international development and humanitarian response. Since 2021 Jersey Overseas Aid's budget has been formally tied to Jersey's Gross Value Added (GVA), meaning it varies automatically and proportionately with the Island's economic fortunes. In 2025 JOA received 0.30% of GVA from the States of Jersey, amounting to approximately £22 million. JOA is committed to delivering high-impact, cost-effective development assistance, and we welcome the opportunity to share insights from our experience.

JOA has a long-standing commitment to maximising the impact of its funding, ensuring that every pound spent leads to measurable, sustainable outcomes. Our approach to VfM is underpinned by the following key principles:

1. **Rigorous Partner Selection:** We work with well-established National and International Organisations, ensuring that our funds are managed by partners with a proven track record in cost-effective programming and capacity building of local actors.
2. **Impact Measurement & Accountability:** We place strong emphasis on monitoring and evaluation, ensuring that interventions deliver long-term benefits, particularly in areas such as financial inclusion and women's economic empowerment in countries like Malawi and Sierra Leone.
3. **Cost-Effectiveness & Sustainability:** JOA prioritises projects that promote self-reliance and economic resilience, reducing the long-term dependency on aid. This includes our investments in financial inclusion, where we leverage innovative solutions like digital banking to enhance efficiency and reach.

4. **Focus on Thematic Priorities:** JOA ensures that its funding is strategically directed towards key thematic priorities, including financial inclusion, conservation livelihoods and dairy for development. By maintaining a clear thematic focus, we maximise the effectiveness of our interventions and align them with international development goals.
5. **Geographic Focus & Target Country Selection:** JOA currently concentrates its efforts in six target countries: Malawi, Sierra Leone, Ethiopia, Rwanda, Nepal, and Zambia. These countries are selected based on a combination of need, low levels of corruption, potential for high impact, and alignment with Jersey's expertise. This targeted approach enables us to concentrate resources where they can make the most difference while ensuring strong local partnerships and contextual understanding.
6. **Equity Considerations:** JOA is committed to targeting interventions that benefit the poorest and most marginalised, with a particular focus on gender equality and disability inclusion. Our projects are designed to reach those who are most in need, ensuring that VfM is not solely measured in financial terms but also in terms of social impact.
7. **Flexibility, Agility & Continuous Improvement:** As a smaller donor, JOA is able to act quickly and strategically, funding initiatives that may be overlooked by larger agencies but offer high returns in terms of impact per pound spent. We also place a strong emphasis on learning and adaptation, ensuring that our VfM approach evolves over time based on lessons learned from programme implementation.

While we recognise the importance of cost efficiency in international development, we recommend the Committee consider the following:

- **VfM Must Balance Efficiency with Effectiveness:** Measuring value should go beyond cost-cutting to include long-term impact, sustainability, and empowerment of local communities.
- **The Role of Smaller, Agile Donors:** JOA's experience shows that smaller agencies can deliver highly effective interventions due to their ability to be flexible and responsive.
- **The Importance of Locally Led Development:** JOA recognises that supporting grassroots organisations often reduces administrative costs and enhances community ownership, ultimately leading to better outcomes. We are keen to explore potential collaboration with the FCDO in this area, such as capacity-building support for local and national NGOs and the possibility of due diligence passporting. Given our lack of permanent presence outside of Jersey, such initiatives would enable us to further strengthen our impact and partnership effectiveness.
- **Collaboration Between Traditional and Non-Traditional Donors:** FCDO could explore partnerships with smaller development agencies like JOA to pilot innovative, high-VfM initiatives.

We appreciate the Committee's attention to this important issue and would welcome the opportunity to share further information on our VfM approach. Please do not hesitate to reach out should the Committee wish to discuss JOA's work in more detail.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Carolyn', with a stylized flourish at the end.

Deputy Carolyn Labey
Minister for International Development
Assistant Minister for External Relations
Chair of Jersey Overseas Aid Commission

