



Foreign, Commonwealth
& Development Office

Lord (Tariq) Ahmad of Wimbledon
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Our ref:
Your ref

14 October 2021

Sarah Champion MP
House of Commons
London
SW1A 0AA

Dear Sarah

Thank you for your letter of 27 September following up on the International Development Committee's Racism in the Aid Sector oral evidence session on 7 September. I was pleased to appear before Committee, and to provide you with further information in answer to the questions in your letter:

1. During the evidence session you said that the FCDO can set the parameters to ensure that pay and conditions are the same for staff hired locally or internationally. However, organisations should have flexibility and it should not be for Government to impose what the pay scales would be.

- How does the FCDO set the parameters for daily fee rates for experts in the tendering process for programme contracts?**

As part of the tendering process supply partners must complete a cost pro-forma, setting out, amongst other things, a breakdown of individual daily fee rates. This figure is compared against FCDO's extensive fee rate database, benchmarking the proposed daily fee rate against organisations in the public, private and not-for-profit sectors, as well as compare rates with other international aid organisations, enabling us to identify any fee rates above set parameters and ensure supply partners provide a robust justification for any higher rate. We take into account other factors, including the length of time (for example whether an individual can deliver in 10 days rather than a lower paid individual taking 30 days).

This practice does not equate to setting a fee rate cap since we recognise that there will be occasions on which a higher fee rate is justified for example a more challenging environment, for a niche specialism, or for where the individual is considered an expert or leader in their field. This enables FCDO to pay the appropriate rate for the job, based on expertise, experience and market conditions.

- **Please can you provide details of the maximum allowable rate for the following positions: International Principal Expert, International Senior Expert, International Expert, International Assistant Expert, National Principal Expert, National Senior Expert, National Expert, National Assistant Expert?**

FCDO do not define a “maximum allowable rate” with our suppliers and, as set out above, all rates above set parameters require robust justification and approval before the contract commences.

- 2. Brendan Clarke-Smith asked how the FCDO can support smaller aid organisations to make the necessary changes to be more inclusive. It was agreed that Charlotte Biswas would follow-up on this point in writing. We would be grateful if she could set out how the FCDO can support smaller organisations to improve their data collection and reporting and potentially begin publishing ethnicity pay gap data?**

As of 2017, prime supply partners are required to record details of contract downstream delivery partners which are then added to our internal project management system (AMP). Supply chain mapping now covers 86% of contracted spend (cross-government requirement is 80% coverage), allowing us to identify levels of spend through SMEs in our supply chains and the makeup of local supply partners. Placing the contractual onus of data collection on our prime partners helps reduce some of the financial and manual reporting burden for smaller organisations; since it’s the responsibility of prime supply partners to retrieve and ensure that they have the appropriate systems in place where smaller partners can upload information.

We continue to work to increase visibility of our supplier market. Through our Strategic Relationship Management programme we are working with our supply partners to find innovative ways to improve reporting and data collection which can better help us to identify pay gaps across ethnicities in our supplier market.

All Small Charities Challenge Fund grant holders are supported from application onwards in collecting and using disaggregated data (by sex, disability and other characteristics of vulnerability appropriate to their project context), and approaches to strengthening inclusion within projects is a key area of ongoing dialogue with these grant holders through the regular reporting process throughout their grant.

- 3. Your written evidence to this sub-inquiry refers to the Inclusive Data Charter Action Plan.**

- **Is the FCDO on-track to report key headline results by 2022 and are you still planning to include data on race and ethnicity in the longer term?**
- **Please can you provide the Committee with the headline data you have collected to date?**

The FCDO signed up to the Inclusive data charter in 2020, continuing the work that DFID began through their inclusive Data charter Action Plan, published in 2019. This set out how DFID would improve the quality, quantity, financing and availability of inclusive and disaggregated data.

The FCDO will be reviewing the action plan and considering how it will be expanded to cover all of the FCDO's work. We cannot commit to a timeframe at the moment.

Yours sincerely,

A handwritten signature in black ink, reading "Tariq Ahmad of Wimbledon". The signature is written in a cursive style with a horizontal line underneath the name.

LORD (TARIQ) AHMAD OF WIMBLEDON
Minister of State for South Asia, United Nations and the Commonwealth
Prime Minister's Special Representative on Preventing Sexual Violence in Conflict