

UK aid under pressure

A synthesis of ICAI findings from
2019 to 2023

September 2023

The Independent Commission for Aid Impact works to improve the quality of UK development assistance through robust, independent scrutiny. We provide assurance to the UK taxpayer by conducting independent reviews of the effectiveness and value for money of UK aid.

We operate independently of government, reporting to Parliament, and our mandate covers all UK official development assistance.

Overall review scores and what they mean

GREEN

Strong achievement across the board. Stands out as an area of good practice where UK aid is making a significant positive contribution.

**AMBER/
RED**

Unsatisfactory achievement in most areas, with some positive elements. An area where improvements are required for UK aid to make a positive contribution.

**GREEN/
AMBER**

Satisfactory achievement in most areas, but partial achievement in others. An area where UK aid is making a positive contribution, but could do more.

RED

Poor achievement across most areas, with urgent remedial action required in some. An area where UK aid is failing to make a positive contribution.

OGL

© Crown copyright 2023

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit www.nationalarchives.gov.uk/doc/open-government-licence/version/3, or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: psi@nationalarchives.gsi.gov.uk.

Where we have identified any third-party copyright you will need to obtain permission from the copyright holders concerned. Readers are encouraged to reproduce material from ICAI reports, as long as they are not being sold commercially, under the terms of the Open Government Licence. ICAI requests due acknowledgement and a copy of the publication. For online use, we ask readers to link to the original resource on the ICAI website.

Any enquiries regarding this publication should be sent to us at icai-enquiries@icai.independent.gov.uk.

 [@ICAI_UK](https://twitter.com/ICAI_UK)

icai.independent.gov.uk

Contents

.....
.....
.....
.....
.....
.....
.....
.....



Acronyms

Acronym	Definition
ANP	Afghanistan National Police
BII	British International Investment
CAAs	Central Assurance Assessments
CEPI	Coalition for Epidemic Preparedness Innovations
COP26	The 2021 United Nations Climate Change Conference
COVAX	COVID-19 Vaccines Global Access initiative
CRSV	Conflict related sexual violence
CSOs	Civil society organisations
DAC	OECD Development Assistance Committee
DFID	Department for International Development (merged with the Foreign and Commonwealth Office in September 2020)
DHSC	Department of Health and Social Care
EU	European Union
FCDO	Foreign, Commonwealth and Development Office
FCO	Foreign and Commonwealth Office (merged with the Department for International Development in September 2020)
GCRF	Global Challenges Research Fund
GNI	Gross national income
IDA	World Bank's International Development Association
IDS	International Development Strategy
IFU	International Forests Unit
IPA	Infrastructure and Projects Authority
LGBT+	Lesbian, gay, bisexual and transgender/transsexual people
MOD	Ministry of Defence
NGOs	Non-governmental organisations
OBR	Office for Budget Responsibility
ODA	Official development assistance
OECD	Organisation for Economic Cooperation and Development
PSVI	Preventing Sexual Violence in Conflict
PrOF	Programme Operating Framework
SEA	Sexual exploitation and abuse

Acronym	Definition
SEAH	Sexual exploitation and abuse and sexual harassment
SDGs	UN Sustainable Development Goals
UN	United Nations
UNFPA	United Nations Population Fund
UNICEF	United Nations International Children's Emergency Fund
WASH	Water, sanitation and hygiene

Foreword

This report was meant to mark the end of the third ICAI Commission, bringing together the main findings and themes from all our work since July 2019. However, it has just been announced that this Board of Commissioners will be extended until the end of June 2024, so we are starting to plan more reviews.

Nevertheless, this is a good moment for us to set out our overarching findings as the UK government is preparing a new white paper on international development, and other political parties are reviewing their development policies.

Our reviews have something to offer in relation to the white paper ambitions, whether at the global level on the linked challenges of development, nature and climate, or at the ground level on the deeply practical answers to ‘what works’ or does not work in preventing fraud affecting the aid programme. The government’s call for evidence mentions the “difficult lessons” of the last few years, and ICAI has reviewed and reported on many of these, as with the lessons from Afghanistan on statebuilding or lessons on respectful partnership with developing countries and multilateral organisations. Above all, in consultation with the people in poverty affected by UK aid, ICAI has promoted the importance of integrating their perspective if aid is to ‘work’.

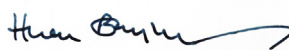
This synthesis of our findings also pulls together the evidence from our reviews providing “difficult lessons” on the performance of UK aid in the last few years: the disruption and losses from the merger of DFID and FCO and the damage to the UK’s reputation from the succession of budget reductions, a reduced emphasis on targeting aid to assist those in greatest poverty and therefore on the overarching Sustainable Development Goal (SDG) of “leaving no one behind”, and the diversion of aid towards hosting refugees in the UK.

At the same time, it notes from ICAI’s assessments a positive overall picture of the UK contribution to many of the SDGs since 2015 and proposes the key points on which to focus to rebuild UK aid for the future.

In the months to come, ICAI will continue its work on some of the key themes of this Commission, with reviews focusing on climate action and on overall management of the aid budget in volatile times, while also picking up SDGs not so far covered, such as SDG 11 on sustainable cities and communities. ICAI too has been subject to quite a bit of turbulence during this Commission including a period when our continuing existence appeared to be in doubt, but the current Board remains firmly focused on ensuring that scrutiny continues seamlessly to help provide both accountability and learning for UK aid.



Dr Tamsyn Barton
Chief Commissioner



Sir Hugh Bayley
Commissioner



Tarek Rouchdy
Commissioner

1. Introduction

- 1.1 The third Commission of ICAI, which began in July 2019, has coincided with an exceptionally challenging period for UK aid. There were emergency responses to a series of global crises, including the COVID-19 pandemic, the Taliban takeover of Afghanistan and the Ukraine war. The UK aid architecture underwent radical reorganisation with the September 2020 merger of the Department for International Development (DFID) and the Foreign and Commonwealth Office (FCO), ending 26 years of separate development and foreign ministries. The UK aid programme was also subjected to a series of drastic and highly disruptive budget reductions, as well as an extended period of budgetary uncertainty. There were also frequent changes in ministers and government priorities.
- 1.2 This synthesis review gives an overview of the state of UK aid. Drawing on findings from ICAI's 17 full reviews, ten rapid reviews, seven information notes and four follow-up reviews (see the list in **Annex 1**), and supplemented by additional interviews and documentary analysis, the review looks at the impact of the merger and budget reductions on the UK's capacity as a development partner, and examines the expenditure patterns and strategic shifts that have emerged.
- 1.3 The review also summarises ICAI's findings on the achievements of UK aid over the period from 2019 to 2023. Despite the many pressures on the aid programme, UK aid has continued to make an important contribution to international development and global crisis response. The majority of ICAI's reviews have awarded positive scores for its effectiveness. Most of these scores reflect achievements over a longer period, and some recent reviews have questioned whether the UK is still in a position to offer the same quality of development assistance. Nonetheless, the positive achievements are an important reminder of the value UK aid can bring and the strong traditions on which it draws.
- 1.4 The review concludes by looking ahead, setting out key elements that will need to be addressed as part of rebuilding the aid programme in a complex and dynamic global context.
- 1.5 In preparing this synthesis review, we have:
 - analysed patterns of findings across ICAI's reports published between August 2019 and August 2023
 - reviewed literature setting out external views on the state of UK aid
 - reviewed key UK government documents, strategies and speeches from 2019 onwards that have shaped the strategic direction of UK aid
 - consulted with a wide range of stakeholders from government, academia, think tanks, commercial suppliers and civil society, through a series of roundtable discussions
 - conducted four focus groups with Foreign, Commonwealth and Development Office (FCDO) staff to learn about their perspectives on the impact of the departmental merger and UK aid budget reductions.

2. The state of the UK aid programme

A turbulent context

- 2.1 The 2019-23 period covered by this review has been one of extraordinary turbulence for the UK aid programme, both globally and within the UK government. The UK's withdrawal from the European Union (EU) on 31 January 2020 was the first of many challenges. Many UK aid officials were redeployed to support Operation Yellowhammer, the government's contingency planning for a 'no-deal Brexit'. This led to a range of development activities being deprioritised, including the UK's engagement with United Nations (UN) agencies on humanitarian crises. Initiatives requiring cooperation across DFID teams or government departments were particularly vulnerable to disruption.¹
- 2.2 The domestic political context was volatile. The 2019 general election was followed by a series of changes in prime minister and secretaries of state for foreign affairs and later international development,² leading to frequent shifts in priorities. The government instituted annual spending reviews in 2019 and 2020, instead of the usual two-to-three-year budget cycle, making forward planning for the aid programme more difficult. Despite significant realignment in UK foreign policy after Brexit, no new aid policy was adopted until the *International development strategy* in May 2022,³ nearly six years after the Brexit referendum, leading to a sense of strategic drift among many stakeholders.⁴
- 2.3 It was against this backdrop of uncertainty that the UK had to mount its international response to the COVID-19 pandemic. This was a rapidly evolving global crisis with potentially devastating impacts on developing countries. As we recounted in our three reports on the COVID-19 response,⁵ DFID and FCO put in place mechanisms at global and country levels to track the evolving crisis, and processing the resulting data was itself a major undertaking which at times threatened to overwhelm the available capacity. As well as planning rapid humanitarian support for the most vulnerable countries and populations, the departments worked to adapt many bilateral programmes to help partner countries manage the pandemic and its economic and social impacts.
- 2.4 COVID-19 also impacted on the UK's ability to deliver aid. In March 2020, FCO implemented a mandatory withdrawal of UK staff from 36 countries for periods of three to six months.⁶ While FCO had a responsibility to protect all UK government staff posted overseas, ICAI found that other donors took greater account of individual staff preferences.⁷ In our reviews, many aid staff spoke of the difficulties of managing the pandemic response remotely while simultaneously finding accommodation and managing home-schooling and childcare in the UK.⁸ Border closures and social distancing measures in partner countries also limited the ability of staff and implementing partners to travel and supervise aid programmes. Finally, as discussed below, the impact of COVID-19 on the UK's own economy triggered a reduction in the aid budget, which is based on gross national income (GNI) for 2020, leading to major in-year budget reductions in bilateral programmes. An ICAI review of the management of the aid-spending target found that the government's use of a pessimistic GNI forecast led to more severe reductions than were in fact necessary, creating additional value for money risks.⁹
- 2.5 Although undoubtedly the largest, COVID-19 was not the only international crisis during this period. The takeover of Afghanistan by Taliban forces in August 2021 led to a mass evacuation from Kabul, requiring the diversion of FCDO resources. Just a few months later, the Russian invasion of Ukraine in

1 ICAI follow-up review of 2018-19 reports, Independent Commission for Aid Impact, July 2020, p. 4, [link](#).

2 During the third ICAI Commission, there have been four prime ministers (Theresa May 2019, Boris Johnson 2019-22, Liz Truss 2022 and Rishi Sunak 2022-present), three secretaries of state for foreign, Commonwealth and development affairs (Dominic Raab 2019-21, Liz Truss 2021-22 and James Cleverly 2022-present) and, while DFID was a separate department, two secretaries of state for international development (Sir Alok Sharma July 2019-February 2020 and Anne-Marie Trevelyan February-September 2020). Within FCDO, Vicky Ford was briefly appointed minister of state for development in 2022, and Andrew Mitchell was appointed minister of state for development and Africa from October 2022, and still holds the office.

3 *The UK government's strategy for international development*, Foreign, Commonwealth and Development Office, May 2022, [link](#).

4 *The UK's approach to democracy and human rights*, Independent Commission for Aid Impact, January 2023, p. 14, [link](#); ICAI follow-up review of 2018-19 reports, Independent Commission for Aid Impact, July 2020, p. 4, [link](#); *The FCDO's Programme Operating Framework*, Independent Commission for Aid Impact, April 2023, p. 6, [link](#); *UK aid to India*, Independent Commission for Aid Impact, March 2023, p. vi, [link](#).

5 *UK aid spending during COVID-19: management of procurement through suppliers: Information note*, Independent Commission for Aid Impact, December 2020, [link](#); *The UK aid response to COVID-19*, Independent Commission for Aid Impact, October 2021, [link](#); *The UK's humanitarian response to COVID-19*, Independent Commission for Aid Impact, July 2022, [link](#).

6 *The UK's humanitarian response to COVID-19*, Independent Commission for Aid Impact, July 2022, p. 18, [link](#).

7 *The UK aid response to COVID-19*, Independent Commission for Aid Impact, October 2021, p. 19, [link](#).

8 *The UK aid response to COVID-19*, Independent Commission for Aid Impact, October 2021, pp. 19-20, [link](#).

9 *Management of the 0.7% ODA spending target in 2020*, Independent Commission for Aid Impact, May 2021, p. 15, [link](#).

February 2022 triggered a major geopolitical crisis, leading in turn to refugee movements unparalleled in Europe since the Second World War. The disruption to global markets caused by the Ukraine crisis led to sharp rises in international prices for food and agricultural inputs, triggering a widespread food security crisis.

The merger of FCO and DFID

- 2.6 In the early months of the pandemic, on 16 June 2020, the then prime minister, Boris Johnson, announced the merger of FCO and DFID.¹⁰ In his speech to Parliament, he stated that the pandemic had shown the distinction between “diplomacy and overseas development” to be “artificial and outdated”, and that the division into two departments meant that no single decision-maker had a comprehensive overview of the UK’s international engagement. The merger would empower the foreign secretary to decide which countries received UK aid, and to deliver a single UK strategy for each country, under the leadership of the UK ambassador. Other government documents from that time emphasise that the merger would enable an all-of-government approach to complex international challenges, helping to promote the UK as a “force for good” in a changing world.¹¹ High ambitions were set for the merger: the then foreign secretary, Dominic Raab, stated that the new department would represent “the best of both” of its predecessors.¹²
- 2.7 FCDO launched less than three months later, on 2 September 2020. The merger came at an inopportune time, when both DFID and FCO were dealing with COVID-19 lockdowns and mobilising the UK’s global response to the pandemic. A Transformation Directorate was established to manage the process. Initially, it set out an expansive transformation agenda, designed to create a modern and effective FCDO able to deliver the UK’s international objectives, achieve value for money and become an employer of choice for talented people from all backgrounds.¹³
- 2.8 However, in February 2022, the government’s Infrastructure and Projects Authority (IPA) found the agenda to be overambitious and unachievable, given competing demands on the department’s resources. In response to the IPA’s recommendation, the agenda was scaled back to a more limited portfolio of activities focused on enabling FCDO to operate as a single organisation (the ‘Integration Portfolio’). These included aligning pay structures, building a common finance and human resources system, creating a shared IT architecture and integrating former DFID- and FCO-managed aid programmes onto a common platform.¹⁴ The more ambitious, longer-term objectives were collected into a second portfolio, ‘Future FCDO’, to be pursued through an open-ended process of continuous improvement, rather than a time-limited change management exercise.
- 2.9 The Integration Portfolio was formally closed in July 2023. However, the IPA noted that there was still work to be done to achieve full integration – particularly in the human resources area – and to realise the benefits of the merger. Similarly, ICAI’s March 2022 review on tackling fraud found that the programme management and counter-fraud systems from the two predecessor departments were still operating in parallel at the time of publication (see **Box 1**),¹⁵ while our April 2023 review of FCDO’s Programme Operating Framework found that the FCDO programme management system was not yet fully integrated with the new joint finance system.¹⁶
- 2.10 The department was initially set up without any senior role focused solely on development, with directors general given responsibility for both thematic and geographical areas. However, this changed over multiple rounds of restructuring. In March 2022, a new post of director general for humanitarian and development was created, with expanding responsibility over time. A second permanent under-secretary post was later also established, serving as an accounting officer role for aid spending.¹⁷ There were also changes at ministerial level, with a minister for development sitting in Cabinet since October 2022. These appointments have raised a question as to whether the original vision of a fully merged, geographically based configuration is gradually being dropped, in favour of giving development cooperation

10 Prime Minister’s statement to the House of Commons, 16 June 2020, [link](#).

11 Merging success: Bringing together the FCO and DFID: Government response to Committee’s Second Report, Foreign Affairs Committee, Sixth Special Report, 23 July 2020, [link](#).

12 Oral evidence: Future of UK aid, International Development Committee, 22 April 2021, [link](#).

13 The original purpose of the FCDO Transformation Portfolio in 2021-22 is summarised in *Annual report on major projects 2021-22*, Infrastructure and Projects Authority, 2022, p. 60, [link](#).

14 FCDO assurance of action plan, July 2022, unpublished.

15 Tackling fraud in UK aid through multilateral organisations, Independent Commission for Aid Impact, March 2022, [link](#).

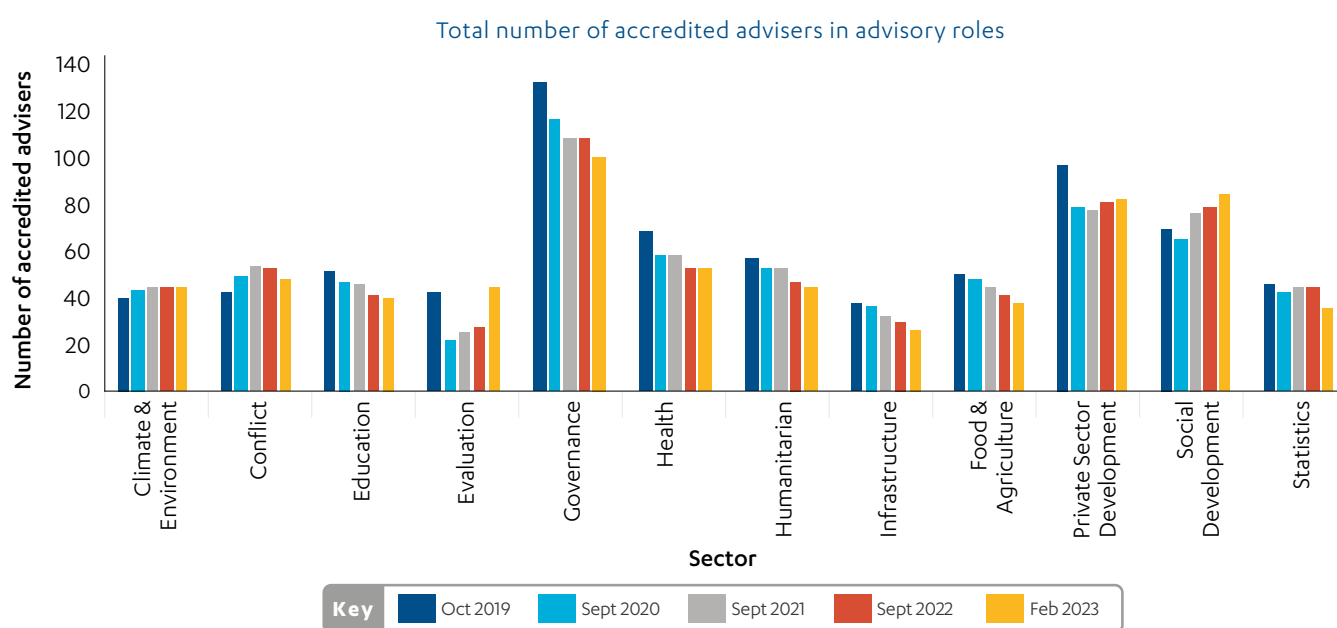
16 The FCDO’s Programme Operating Framework, Independent Commission for Aid Impact, April 2023, para. 4.40, [link](#).

17 Future of international development, Speech by minister Andrew Mitchell, Chatham House, 27 April 2023, [link](#).

a more distinct place in the departmental structure. As yet, however, there is no return to having a separate wing for development, as in previous merged departments.

- 2.11 The practical challenges raised by the merger inevitably had an impact on the aid programme, leaving the department inward-focused and distracted for much of the period. One of the chief concerns from stakeholders both within and outside the department was the loss of development expertise during the transition.¹⁸ Several ICAI reviews noted an erosion of technical capacity and institutional memory. ICAI’s democracy and human rights review, for example, found that the departure of DFID governance experts (particularly senior advisers and local staff), or their move into other roles, had reduced FCDO’s ability to pursue its objective of promoting democracy around the world.¹⁹ In our aid to agriculture review, we found that the number of food and agriculture advisers had fallen by 25% between 2019 and 2023.²⁰ We also found that the expertise DFID had acquired on managing complex emergencies, which proved critical in the early phase of the pandemic response, had diminished.²¹
- 2.12 Staffing figures provided by FCDO show that the loss of experts in advisory roles varied across professional cadres (see **Figure 1**), with governance, health, humanitarian, and food and agriculture (formerly livelihoods) the most affected. (Accurate data are not available on the economist cadre). Some cadres started to recover the lost ground in 2023, although mostly through the accreditation of existing staff rather than external recruitment.²² According to FCDO officials, the overall rate of attrition of staff did not increase as a result of the merger. Rather, staff shortages arose from a hiring freeze imposed during Dominic Raab’s tenure as foreign secretary and, subsequently, from barriers to external recruitment. Furthermore, the decision to make FCDO a ‘reserved’ department means that only UK nationals can be appointed to UK-based roles, although existing non-UK nationals retain their jobs.²³ One of DFID’s greatest strengths was that it could recruit leading experts externally from around the world, and this has been impaired by the merger.

Figure 1: Changes in expert staff in advisory positions since 2019



Source: Data provided by FCDO Heads of Profession Group.²⁴

18 A September 2021 survey of views on the merger within government found that only one in ten senior officials believed the merger had been positive for UK development cooperation. See *FCO and DFID merger seen as failure, survey of officials finds*, Jim Dunton, Civil Service World, 29 September 2021, [link](#).

19 *The UK’s approach to democracy and human rights*, Independent Commission for Aid Impact, January 2023, p. 20, [link](#).

20 *UK aid to agriculture in a time of climate change*, Independent Commission for Aid Impact, June 2023, p. 37, [link](#).

21 *The UK’s humanitarian response to COVID-19*, Independent Commission for Aid Impact, July 2022, p. 19, [link](#).

22 In our follow-up review of 2021-22 reports, we noted that FCDO had informed us that its climate and environment cadre had almost doubled over the past six months, from 64 accredited advisers in October 2022 to 113 in March 2023. FCDO has subsequently informed us that this number includes non-FCDO climate and environment advisers, as well as FCDO climate and environment advisers currently working in other roles. It is therefore not comparable to the data in Figure 1 of the *ICAI follow-up review of 2021-22 reports*, Independent Commission for Aid Impact, July 2023, p. 10, [link](#).

23 *Foreign, Commonwealth and Development Office: Department responsibilities: Questions for Foreign, Commonwealth and Development Office*, UN115759, tabled on 16 November 2020, UK Parliament, November 2020, [link](#).

24 The data in Figure 1 are drawn from a mixture of data sources with varying limitations. Since September 2022, the data have been recorded manually, and are therefore subject to error. Since December 2022, the humanitarian cadre has been in the process of onboarding ten new accredited advisers into humanitarian advisory roles, which may not be reflected in these figures. While FCDO also has an economics cadre, it is excluded from Figure 1 as FCDO was unable to provide complete data.

- 2.13 In our interviews and focus groups, former FCO officials also expressed concerns about aspects of the merger. Some found the responsibility of managing large aid programmes to be burdensome, and felt that heavy financial management processes deprived them of the agility that had been the hallmark of FCO's use of aid. Others questioned the value of making ambassadors responsible for large aid budgets, as this took their time away from diplomatic engagement, and were concerned that former FCO staff would no longer qualify for ambassadorial posts in countries with large aid programmes.
- 2.14 There are unresolved questions about the role of specialist expertise within FCDO. Whereas senior management continue to say that specialist expertise is valued, ICAI has encountered a perception among specialists that it is not valued as much as in the past.²⁵ ICAI has often been told by external stakeholders around the world that the UK's influence on international and national partners rests on the quality of its research and analysis, and its ability to offer high-quality technical inputs on policy issues.²⁶ If FCDO chooses to prioritise generalist over specialist skills in recruitment and career progression, it risks losing depth of expertise over time.
- 2.15 One of the most negative impacts of the merger has been on country-based staff (that is, nationals of the partner country, recruited and employed locally). In DFID, country-based staff were eligible for promotion to senior advisory positions and to apply for jobs in other countries, but this was less common in FCO, where few country-based staff held specialist roles. Past ICAI reviews have commented on the value that country-based staff brought to the aid programme, given their deeper knowledge of country contexts and languages, and their networks of contacts.²⁷ In our interviews and focus groups, many country-based staff reported feeling disempowered and demoralised. They told us that they faced restrictions on their access to information, their ability to represent the department externally and their career prospects. This trend does not sit well with a recommendation by the International Development Committee that FCDO should promote diversity, equity and inclusion within its own workforce and across the aid sector.²⁸ FCDO informs us that it has recently started work on strengthening career pathways for country-based staff.
- 2.16 Looking forward, combining development and diplomatic skills within the merged department could still have benefits to offer, potentially bringing both greater political acumen to the aid programme and a more developmental perspective to UK diplomacy. Whether the merger will deliver this potential, however, remains uncertain. So far, we have seen only a few examples of benefits in our reviews, including positive UK engagement on global climate action, a stronger focus on development issues beyond former DFID priority countries, and improved collaboration with the Ministry of Defence on tackling sexual exploitation and abuse by international peacekeepers.²⁹ A recent Royal United Services Institute study of FCDO's work in East Africa was somewhat more positive, suggesting that the merger had led to improved diplomatic support for some development objectives, and better links between trade and development initiatives. However, it also noted concerns among some stakeholders that human development had been deprioritised in favour of commercial and security concerns.³⁰ By and large, the officials we spoke to who were focused on global development challenges, as opposed to in-country aid delivery, were more optimistic about the potential of the merger. However, we have also seen risks, as the merger beds in, that UK aid is used in a short-term or transactional way, to facilitate diplomatic access, especially in settings where the UK has strong national interests at stake. In our country portfolio review of UK aid to India, we raised concerns that aid was being used to support the bilateral relationship and lacked a strong enough focus on development outcomes.³¹

25 *UK aid to agriculture in a time of climate change*, Independent Commission for Aid Impact, June 2023, p. 37, [link](#).

26 *The UK's humanitarian response to COVID-19*, Independent Commission for Aid Impact, July 2022, p. 18, [link](#); *UK aid to Afghanistan*, Independent Commission for Aid Impact, November 2022, p. 40, [link](#); *The UK's approaches to peacebuilding*, Independent Commission for Aid Impact, December 2022, p. 28, [link](#); *The UK's support to the World Bank's International Development Association (IDA)*, Independent Commission for Aid Impact, May 2022, p. 35, [link](#).

27 *The UK's approaches to peacebuilding*, Independent Commission for Aid Impact, December 2022, p. 22, [link](#); *Assessing UK aid's results in education*, Independent Commission for Aid Impact, April 2022, p. 16, [link](#).

28 *Racism in the aid sector*, International Development Committee, June 2022, [link](#).

29 *ICAI follow-up review of 2020-21 reports*, Independent Commission for Aid Impact, June 2022, p. 17, [link](#).

30 Simon Rynn, Michael Jones and Larry Attree, *Furthering Global Britain? Reviewing the Foreign Policy Effect of UK Engagement in East Africa*, RUSI Occasional Paper, August 2023, pp. 24-27, [link](#).

31 *UK aid to India*, Independent Commission for Aid Impact, March 2023, [link](#).

2.17 By mid-2023, there were signs that FCDO was finally getting on top of the ‘nuts and bolts’ challenges posed by the merger, many of which should prove to be transitional in nature. Yet the strong consensus among the stakeholders we spoke to and the external commentary we reviewed³² was that the merger represented a significant setback in the UK’s ability to provide high-quality development assistance, while the gains in terms of more joined-up external engagement remain uncertain. Inevitably, DFID and FCO had different cultures and ways of working. Most stakeholders are of the view that the FCO culture has emerged as dominant within the merged department. They point to a decline in transparency, lower levels of external consultation, less focus on evidence and learning, more hierarchical decision-making and a reduced culture of internal challenge. FCDO was assessed in the International Aid Transparency Index for the first time in 2022, where it scored 13.5 percentage points lower than DFID in 2020.³³ The department continues to struggle with its IT platforms for storing data and documents from past aid programmes, which risks a large-scale loss of institutional memory. The UK development non-governmental organisations (NGOs) we spoke to told us that there was less consultation on FCDO’s policies and priorities, and that they now felt more like service providers than strategic partners. We found that the new Programme Operating Framework (PrOF) is a sound document,³⁴ setting down clear principles for good development practice. However, there remains work to do in institutionalising this way of working across the department, with compliance not yet strong.

Box 1: Fraud and corruption risks in UK aid

Our April 2021 review on tackling fraud in UK bilateral aid found that stakeholders faced a range of hurdles in highlighting or reporting fraud, including the fear of being identified or disadvantaged. These issues, combined with weaknesses in whistleblowing and procurement oversight and data analysis, may negatively affect the amount of fraud detected in UK aid. At the time of our follow-up review in 2023, three out of four recommendations from this review remained inadequately addressed.³⁵ Our 2023 PrOF review also showed unsatisfactory compliance in several areas of programme management, with a lack of leadership on the part of senior management. FCDO has a much wider range of issues to address than DFID did, and it will need to ensure that its systems and culture are conducive to fraud prevention and detection.

Managing budget reductions

2.18 The impact of the merger is difficult to disentangle from the effects of the successive UK official development assistance (ODA) budget reductions implemented over the same period, which most stakeholders saw as more damaging. There were several phases:

- In 2020, the COVID-19 pandemic caused a sharp contraction in the UK economy, which translated into a reduced absolute aid-spending target. (It is government policy to meet but not exceed 0.7% of UK GNI).³⁶ In July 2020, the government began to implement a £2.94 billion (19%) in-year reduction in aid spending based on a pessimistic GNI forecast, and failed to adjust its plans when higher forecasts became available. In the end, the GNI contraction was not as severe as anticipated but it was too late to restore funds to bilateral programmes, and additional funds were allocated as multilateral contributions at year end instead, to make up the difference. An ICAI review found that, if the government had taken account of later forecasts, it could have managed the uncertainty by varying the timing of multilateral payments, which had been the practice in other years, and this would have reduced the real-world impacts.³⁷

32 “The merger of the Foreign Office and DFID has damaged Britain’s soft power. It’s time to reverse it”, Mark Lowcock and Peter Ricketts, *Prospect*, 26 July 2022, [link](#); “Foreign Office IT issues hampering UK’s response to Ukraine crisis, say insiders”, Aubrey Allegretti and Jessica Elgot, *The Guardian*, 19 February 2022, [link](#); “UK development ambitions: the impact of the 2020 FCO-DFID merger”, Amelia Hadfield and Chris Logie, *Political Studies Association*, 28 October 2020, [link](#); “Britain has blown its reputation as a world leader in aid”, *The Economist*, 27 July 2023, [link](#).

33 *Transparency in UK aid*, Independent Commission for Aid Impact, October 2022, p. iii, [link](#).

34 *The FCDO’s Programme Operating Framework*, Independent Commission for Aid Impact, April 2023, p. 22, [link](#).

35 *ICAI follow-up review of 2020-21 reports*, Independent Commission for Aid Impact, June 2022, p. 33, [link](#).

36 *Management of the 0.7% spending target in 2020*, Independent Commission for Aid Impact, May 2021, p. 8, [link](#).

37 *Management of the 0.7% spending target in 2020*, Independent Commission for Aid Impact, May 2021, p. iii, [link](#).

- In 2021, the government reduced the aid-spending target to 0.5% of GNI, explaining this as a temporary measure in response to the impact of the pandemic on UK public finances.³⁸ This measure remains in place. While it is government policy to return to the 0.7% target “when fiscal conditions allow”³⁹ – namely, when the Office for Budget Responsibility’s (OBR) fiscal forecast shows, on a “sustainable basis”, that the UK is not borrowing to support day-to-day spending, and when underlying debt is falling.⁴⁰ Current OBR forecasts suggest that this may be several years away.⁴¹ This decision led to a further £3 billion (21%) reduction in the 2021 aid budget, compared to 2020.
- From 2020, the cost of supporting refugees and asylum seekers arriving in the UK rose sharply, absorbing a larger share of the aid budget. Under international rules, the first year of support to refugees arriving in donor countries can be reported as ODA. As we recounted in a March 2023 report, an increase in arrivals led to the Home Office accommodating asylum seekers in hotels, at high cost. In 2021, in-donor refugee support costs absorbed over £1 billion, or 9%, of the UK aid budget, and in 2022 this rose to around £3.7 billion, or 29% – double the average of other donor countries. Difficulties in forecasting the scale of the refugee support costs led FCDO to place its own aid spending on hold for five months in 2022, with some exemptions for “essential” spending.⁴² While the chancellor responded by increasing the aid budget by £2.5 billion over two years, this only partially mitigated the disruption to the aid programme.⁴³

2.19 While the aid budget is not within FCDO’s control, reports by ICAI and the National Audit Office⁴⁴ have been critical of the department’s management of the reductions for lacking a focus on development outcomes, as well as HM Treasury’s inflexible interpretation of the target. Repeated in-year budget reductions and the continuing lack of predictability in the aid budget have undermined the UK’s reputation as a reliable development partner. In 2021, FCDO officials were not permitted to communicate openly to partners about planned reductions in programme budgets, which reduced their ability to mitigate the impact. According to the implementing partners we consulted, many aid programmes lost key components or activities – especially monitoring, evaluation and learning – leaving them with reduced value for money or sustainability prospects. Many informed us that the abrupt nature of the reductions had damaged their relationships with local partners and communities, and caused them to lose experienced staff.⁴⁵

2.20 The reduced budget and continuing budget uncertainty have had many impacts across the aid programme, including a reduced ability to respond to global crises and emerging challenges. UK bilateral humanitarian aid fell by half between 2020 and 2021. While providing access to protection in the UK for refugees is an important international obligation, the reallocation of resources away from supporting people affected by humanitarian crises worldwide to meet soaring costs for asylum seekers and refugees in the UK is an inefficient use of the aid budget and undermines the previous UK policy of supporting refugees in their region of origin. It has meant that UK support for global relief and recovery efforts – for example, in response to the August 2022 floods in Pakistan and the worsening drought in the Horn of Africa – was significantly smaller and pledged later than in previous years. This has diminished the UK’s ability to play a leading role in the international response to crises.⁴⁶ This pattern appears to be continuing in 2023-24. An equality analysis conducted by FCDO on the budget reductions planned in the 2023-24 financial year acknowledged that there will be a “severe impact” on support to some of the world’s most vulnerable people, including in Afghanistan, Yemen, Syria, Nigeria, Somalia, Ethiopia, South Sudan and Myanmar.⁴⁷

38 *Managing reductions in Official Development Assistance spending*, National Audit Office, March 2022, [link](#).

39 *The UK government’s strategy for international development*, Foreign, Commonwealth and Development Office, May 2022, p. 29, [link](#). The foreign secretary informed the House of Commons in November 2022 that these conditions were not met for the 2022-23 financial year, and were not expected to be met for 2023-24. Statement by James Cleverly, secretary of state for foreign, Commonwealth and development affairs, to the House of Commons, 22 November 2022, [link](#).

40 Statement by Rishi Sunak, chancellor of the exchequer, to the House of Commons, 12 July 2021, [link](#).

41 Earlier OBR forecasts suggested that the test might be met in 2023-24, leading the government to plan for a return to the 0.7% target from the 2024-25 financial year. However, subsequent forecasts have been more pessimistic, suggesting that the tests will not be met before 2026-27 at the earliest. “Public finances databank 2023-24”, OBR website, [link](#); *The 0.7% aid target*, Philip Loft and Philip Brien, House of Commons Library, November 2022, [link](#).

42 *UK aid funding for refugees in the UK*, Independent Commission for Aid Impact, March 2023, pp. 16-17 and p. 30, [link](#).

43 *UK aid funding for refugees in the UK*, Independent Commission for Aid Impact, March 2023, pp. iv-1 and p. 34, [link](#).

44 *Managing reductions in official development assistance spending*, National Audit Office, March 2022, [link](#).

45 *The UK’s changing approach to water, sanitation and hygiene*, Independent Commission for Aid Impact, April 2022, p. 4, [link](#).

46 *UK aid to refugees in the UK*, Independent Commission for Aid Impact, March 2023, pp. iv-v, [link](#).

47 Letter from Andrew Mitchell, Minister for Development and Africa, to Sarah Champion, Chair, International Development Committee, 19 July 2023, [link](#).

2.21 In our consultations with both internal and external stakeholders, a prominent message was about the debilitating effects of budgetary uncertainty on the UK aid programme, which for several years now has made forward planning all but impossible. In its 2022-23 annual report, FCDO was able to provide forward plans for aid spending per country, having been unable to do so the previous year.⁴⁸ However, with domestic refugee costs potentially continuing to absorb a large part of the UK aid budget in 2023, FCDO is still operating in an environment of considerable uncertainty.⁴⁹ The government has rejected ICAI's recommendations to cap the proportion of the aid budget that can be spent on in-country refugee costs or set a floor for FCDO's budget,⁵⁰ which would have reduced the uncertainty.

The strategic direction of UK aid

2.22 A common finding across ICAI reviews – supported by feedback from a broad range of FCDO officials and external stakeholders – is that this has been a period of strategic drift, as a succession of new ministers have sought to define the role of UK aid in a changing global environment. In the absence of a clear strategic direction, significant shifts in priorities have come about as a result of financial pressures from a sharply reduced aid budget. The most pronounced of these is the redirection of around £3.7 billion of the annual aid budget away from developing countries to support asylum seekers and refugees in the UK (partially offset by increasing the aid budget by £2.5 billion over two years), which has severely undermined the government's ambitions for the aid programme. There is no reference to this as a priority in government publications detailing their strategy for aid and development, such as the *International development strategy* or the *Integrated review of security, defence, development and foreign policy*.⁵¹ This approach has come about not through strategic choice, but because of the UK's interpretation of its aid-spending target.

2.23 For most of ICAI's third Commission, the 2015 strategy – *UK aid: tackling global challenges in the national interest*⁵² – set the strategic framework for the aid programme, at least on paper. However, by 2019, through changes in government and lapse of time, it had ceased in practice to provide a reference point for aid programming. Delays in the preparation of a new strategy were followed by the disruption of the pandemic, a succession of budget reductions and changes in government priorities.⁵³

2.24 In December 2020, after major reductions to bilateral programmes in July, the then foreign secretary, Dominic Raab, laid out seven global challenges for UK aid to focus on.⁵⁴ In March 2021, the government released its *Integrated review of security, defence, development and foreign policy*.⁵⁵ This document set out a number of new priorities, such as building resilience in the face of threats to security and prosperity, and announced a shift of geographic focus, including an 'Indo-Pacific tilt'. It also foreshadowed the imminent release of a new *International development strategy* (IDS). However, the new IDS⁵⁶ was not released until 14 months later, in May 2022, under a new foreign secretary, Liz Truss. The IDS sets out four priorities:

- i. deliver honest and reliable investment
- ii. provide women and girls with the freedom they need to succeed
- iii. provide life-saving humanitarian assistance
- iv. take forward the government's work on climate change, nature and global health.

48 *Annual report and accounts 2022-23*, Foreign, Commonwealth and Development Office, July 2023, p. 267, [link](#).

49 *UK aid to refugees in the UK: ODA eligibility update*, Independent Commission for Aid Impact, September 2023, [link](#).

50 *Government response to the Independent Commission on Aid Impact's review of UK aid funding for refugees in the UK*, March 2023, July 2023, [link](#).

51 *Global Britain in a competitive age: The integrated review of security, defence, development and foreign policy*, HM Government, March 2021, [link](#).

52 *UK aid: tackling global challenges in the national interest*, HM Treasury and Department for International Development, November 2015, [link](#).

53 *The FCDO's Programme Operating Framework*, Independent Commission for Aid Impact, April 2023, [link](#); *The UK's approach to democracy and human rights*, Independent Commission for Aid Impact, January 2023, [link](#); *ICAI follow-up review of 2018-19 reports*, Independent Commission for Aid Impact, July 2020, [link](#); *ICAI follow-up review of 2019-20 reports*, Independent Commission for Aid Impact, June 2021, [link](#); *UK aid to agriculture in a time of climate change*, Independent Commission for Aid Impact, June 2023, [link](#).

54 These were climate change and biodiversity; COVID and global health security; girls' education; science, research and technology; open societies and conflict resolution; humanitarian preparedness and response; and trade and economic development. Letter from Dominic Raab, secretary of state for foreign, Commonwealth and development affairs, to Sarah Champion, chair, International Development Committee, 2 December 2020, [link](#).

55 *Global Britain in a competitive age: The integrated review of security, defence, development and foreign policy*, HM Government, March 2021, [link](#).

56 *The UK government's strategy for international development*, Foreign, Commonwealth and Development Office, May 2022, [link](#).

- 2.25 The flagship initiative in the IDS was ‘British Investment Partnerships’, which covers a range of economic initiatives including rebranding the UK’s development finance institution British International Investment (BII), the ‘Clean Green Initiative’ (clean energy partnerships), support for infrastructure and capital markets, more use of UK guarantees, UK Export Finance and the conclusion of new trade agreements with developing countries. As we noted in our 2020 review of the government’s management of the aid-spending target, HM Treasury rules requiring a proportion of DFID’s budget to be allocated to capital expenditure (that is, investments that add to the government’s assets) were met in large part through significant capital injections to BII, given relatively few other bilateral options.⁵⁷
- 2.26 Less than a year later, the government issued an update or ‘refresh’ to the *Integrated review*⁵⁸ in response to the Russian invasion of Ukraine and a deteriorating geopolitical environment. The document notes the intensification of transnational challenges, including global health threats, climate change and conflict. It reaffirms the four priorities in the IDS as the overarching goals of UK aid through to 2030, but states that they will be pursued in the short term through seven initiatives. The additional short-term priorities include promoting food security and nutrition, and reform of the global financial system to make it better equipped to deal with global challenges.
- 2.27 In April 2023, development minister Andrew Mitchell launched a ‘rebranding’ of UK aid as ‘UK International Development’, or UKDev, as part of an effort to rebuild international partnerships and shore up domestic support for UK aid. Shortly afterwards, in July 2023, he also announced that the government would publish a new international development white paper focused on climate finance and getting the UN Sustainable Development Goals (SDGs) back on track. This suggests further changes in priority may be imminent.⁵⁹
- 2.28 After a lengthy gap in the updating of sectoral and thematic strategies, the last two years have seen a number of new publications, including on health systems strengthening,⁶⁰ ending the preventable deaths of mothers, babies and children,⁶¹ a humanitarian framework,⁶² an international women and girls strategy,⁶³ and an international climate finance strategy.⁶⁴ However, stakeholders noted that, given continuing budgetary uncertainty, many of these strategies are not yet supported by spending commitments and a pipeline of future programming.
- 2.29 The new strategies indicate that UK aid retains a number of its long-standing priorities, including gender equality and girls’ education, international climate finance and humanitarian support. They contain new emphasis on global threats and global public goods, including reform of the international financial system, fairer global tax systems, preventing global health crises and promoting food security.
- 2.30 In our consultations, stakeholders raised various concerns about the strategic direction of UK aid. First, there were concerns that the UK has reduced its focus on the eradication of extreme poverty. While poverty reduction remains the statutory purpose of UK aid under the International Development Act, it no longer features prominently in the strategy documents. Current strategies also signal a shift of geographical focus – both the ‘Indo-Pacific tilt’ and, within Africa, towards more mature markets and future trading partners. When combined with major international climate investments in energy transition and low-carbon development, this suggests a rebalancing in favour of middle-income countries. It is also notable that the SDGs have not been a prominent reference point for UK aid over this period, although very recently they have come back into focus.
- 2.31 Second, stakeholders raised concerns about the emphasis on UK ‘national interest’ and ‘mutual prosperity’, which has been growing in prominence since 2015. A June 2023 ICAI review found that the most recent trade programmes had an increased emphasis on ‘secondary benefits’ to the UK, in addition to the primary

57 *Management of the 0.7% ODA spending target*, Independent Commission for Aid Impact, November 2020, paras. 3.56-3.57, [link](#).

58 *Integrated review refresh 2023: Responding to a more contested and volatile world*, HM Government, March 2023, [link](#).

59 *International development white paper*, statement by Andrew Mitchell, 18 July 2023, [link](#).

60 *Health systems strengthening for global health security and universal health coverage: FCDO position paper*, Foreign, Commonwealth and Development Office, December 2021, [link](#).

61 *Ending the preventable deaths of mothers, babies and children by 2030: Approach paper*, Foreign, Commonwealth and Development Office, December 2021, [link](#).

62 *UK Humanitarian Framework*, Foreign, Commonwealth and Development Office, November 2022, [link](#).

63 *International women and girls strategy 2023-2030*, Foreign, Commonwealth and Development Office, March 2023, [link](#).

64 *Together for people and planet: UK international climate finance strategy*, HM Government, March 2023, [link](#).

goal of supporting developing countries.⁶⁵ Since 2019, ICAI has flagged the need for stronger guidelines to ensure that the pursuit of commercial and other benefits to the UK does not detract from the quality of development programming.⁶⁶

- 2.32 Analysis of the government's aid-spending commitments, especially given the reduced aid budget, provides important information on priorities. The UK has committed to spending £11.6 billion in international climate finance over the 2021-26 period, of which £3 billion will be for the protection of nature⁶⁷ and at least £1.5 billion per year by 2025 to support adaptation.⁶⁸ Recent press reporting has cast doubt on whether this commitment is still achievable, given the reduced aid budget, although a government spokesperson responded by denying that the pledge had been dropped.⁶⁹ The increasing prominence given to supporting climate action in developing countries is one of the clearest trends in UK aid over the period, and has led to a growing tendency for aid programmes across all sectors to include climate components.
- 2.33 The other major visible financial commitment is to private sector development and investment promotion. BII plans to commit around £9 billion in new investments over the 2022-26 period, on top of its existing investment portfolio of £7.5 billion.⁷⁰ This includes £250 million to support the rebuilding of Ukraine.⁷¹ The UK also hopes to mobilise up to £8 billion per year in other investments, including from the private sector, by 2025, through its British Investment Partnerships.⁷² BII's investments are not visible in the aid statistics, as the UK chooses to report as aid its capital injections into BII, rather than outward investment from BII. However, they represent an increasingly important part of UK aid, with an additional £3 billion entrusted to BII between 2018 and 2022.⁷³ The increased prominence of development finance also implies a geographical shift towards more mature markets, where more and larger investment opportunities are available. In our 2022 India country portfolio review, we noted that 28% of BII's recent investments had been made in India.⁷⁴
- 2.34 In a July 2023 letter to Sarah Champion MP, chair of the International Development Committee, development minister Andrew Mitchell stated that FCDO had sought to reduce the impact of budget reductions on the poorest countries, drawing on an 'equality impact assessment' prepared by the department. This had involved protecting humanitarian allocations to some of the most vulnerable countries, including Afghanistan, Yemen, Syria and Somalia. The letter further states that 2024-25 spending plans have been informed by data and modelling on equality, humanitarian need and extreme poverty.⁷⁵ While ICAI recognises these efforts to reduce the impact on poor countries and vulnerable people, we note that they are only a partial mitigation of the effects of successive budget reductions.
- 2.35 The balance between bilateral and multilateral aid has shifted over the period, as shown in **Figure 2**, and this too has been driven less by strategy than financial imperatives. From 2019 to 2021, reductions in the overall aid budget fell disproportionately on bilateral aid, because many multilateral contributions are subject to multiannual agreements. In 2022, when sharper reductions had to be made to meet targeted cuts, there were more opportunities to reduce multilateral aid through:
- the scheduled phasing out of aid through EU institutions
 - reduction of 54% in UK contributions to the World Bank, 30% to the African Development Bank,⁷⁶ and 30% to the Global Fund, which fights HIV/AIDS, tuberculosis and malaria

65 *UK aid for trade*, Independent Commission for Aid Impact, June 2023, p. iii, [link](#).

66 *The changing nature of UK aid in Ghana*, Independent Commission for Aid Impact, February 2020, p. 56, [link](#).

67 *UK international climate finance: A UK government commitment to building resilience and accelerating transition*, HM Government, November 2021, p. 4, [link](#).

68 *Together for people and planet: UK international climate finance strategy*, HM Government, March 2023, p. 6, [link](#).

69 "Revealed: UK plans to drop flagship £11.6bn climate pledge", Helena Horton and Patrick Greenfield, *The Guardian*, 4 July 2023, [link](#); "UK refutes claims it is dropping \$14.76 billion climate pledge", Rishabh Jaiswal, *Reuters*, 4 July 2023, [link](#).

70 *Productive, sustainable and inclusive investment: 2022-26 technical strategy*, British International Investment, 2022, p. 43, [link](#).

71 *British International Investment to support reconstruction in Ukraine*, BII news story, 21 June 2023, [link](#).

72 *The UK government's strategy for international development*, Foreign, Commonwealth and Development Office, May 2022, [link](#).

73 Figures calculated from FCDO and DFID annual report and accounts from 2015-16 to 2021-22: *Annual report and accounts 2020-21*, Foreign, Commonwealth and Development Office, p. 210, [link](#); *Annual report and accounts 2021-22*, Foreign, Commonwealth and Development Office, p. 271, [link](#). DFID annual reports can be found here: *DFID annual reports*, Department for International Development, [link](#).

74 *UK aid to India*, Independent Commission for Aid Impact, March 2023, p. iv, [link](#).

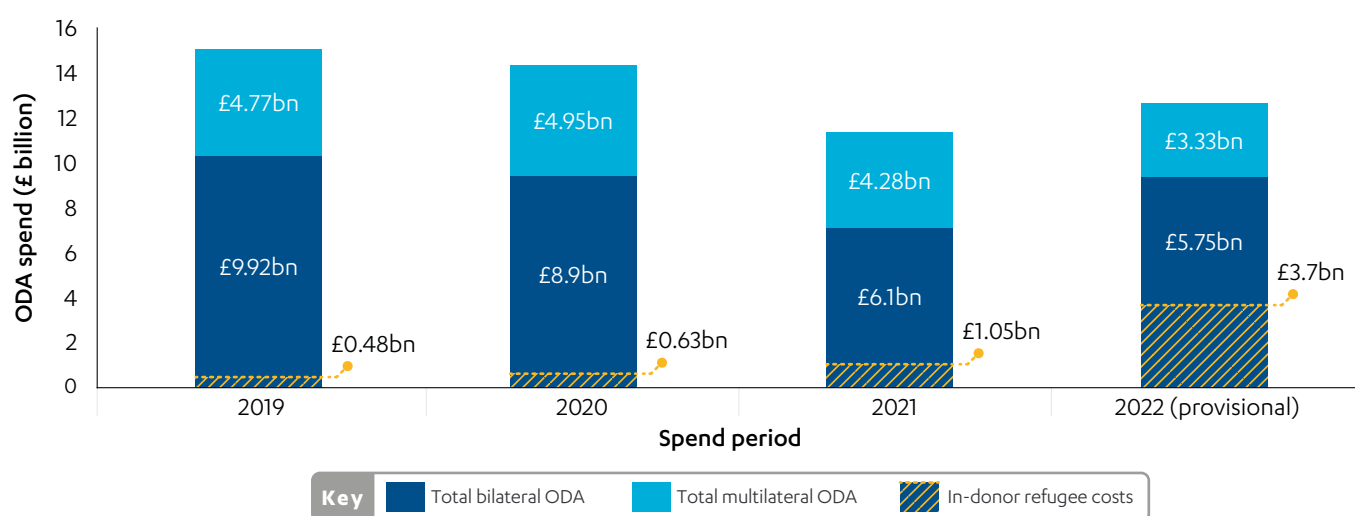
75 Letter from Andrew Mitchell, Minister for Development and Africa, to Sarah Champion, Chair, International Development Committee, 19 July 2023, [link](#).

76 Specifically, the UK contribution to the World Bank International Development Association's 20th replenishment (July 2022 to June 2025) is 54% lower than to the previous three-year replenishment, while the UK contribution to the African Development Fund's 16th replenishment (2023-25) is 30% lower.

- sharp reductions in UK contributions to UN agencies, including UN Women (down by 77% from 2020 to 2022) and the United Nations Development Programme (down by 80%).⁷⁷

2.36 However, leaving aside refugee support costs in the UK, bilateral aid has seen much larger reductions, both absolutely and in proportion to total aid, than multilateral aid. This is despite a statement in the IDS that FCDO would “substantially rebalance its ODA investments from multilateral towards bilateral channels.”⁷⁸ If and when there is a decision to return to the 0.7% of GNI statutory aid-spending target, it is likely to take some time to scale up bilateral spending, given the lead times involved in developing new programmes. The forthcoming white paper on international development may offer an opportunity for a more strategic look at the balance between multilateral and bilateral aid. ICAI has highlighted the importance of having a large enough multilateral aid budget to enable effective management of the spending target.

Figure 2: ODA spend 2019-22, including in-donor refugee costs



2.37 A major shift has been towards more aid spending in the UK. Although difficult to quantify in full, the pattern is pronounced. The spiralling cost of supporting asylum seekers and refugees in the UK is a stark example. There was no rationale other than a fiscal one for shifting resources on such a scale away from countries in crisis, where the funds could have helped many more people. ICAI has also commented on the substantial share of UK ODA-funded research allocated to UK universities.⁷⁹ While research that benefits developing countries is ODA-eligible wherever it is conducted, the amount of ODA channelled to UK research institutions has at times appeared contrary to the UK’s commitment to untying all its development aid.

77 These figures are taken from analysis of government-published statistics on international development from 2019 to provisional 2022 published accounts: *Statistics on international development: Final UK aid spend 2018*, Foreign, Commonwealth and Development Office, September 2019, [link](#); *Statistics on international development: Final UK aid spend 2019*, Foreign, Commonwealth and Development Office, September 2020, [link](#); *Statistics on international development: Final UK aid spend 2020*, Foreign, Commonwealth and Development Office, September 2021, [link](#); *Statistics on international development: Final UK aid spend 2021*, Foreign, Commonwealth and Development Office, November 2022, [link](#); *Statistics on international development: Provisional UK aid spend 2022*, Foreign, Commonwealth and Development Office, April 2023, [link](#).

78 *The UK government’s strategy for international development*, Foreign, Commonwealth and Development Office, May 2022, p. 22, [link](#).

79 *Global Challenges Research Fund: A rapid review*, Independent Commission for Aid Impact, September 2017, [link](#); *The Newton Fund: A performance review*, Independent Commission for Aid Impact, June 2019, [link](#); *UK aid to India*, Independent Commission for Aid Impact, March 2023, p. v, [link](#).

3. Delivering results in challenging circumstances

3.1 The turbulence facing the UK aid programme in recent years has given a distinct pattern to ICAI review findings during this Commission. Many of these reviews have covered the performance of UK aid in particular countries or thematic areas over the period since 2015 or even earlier, providing an overall review score, as well as scores for different criteria such as relevance, coherence, and effectiveness. Most of our scoring has been positive, with 11 overall green-amber scores out of 17 scored reviews (see **Table 1**). This reflected generally positive ratings for the relevance of aid programmes (9 out of 15 green or green-amber scores) and their effectiveness in delivering their intended results (12 out of 15 green-amber scores). UK aid generally scored well for coherence across UK government departments (six out of nine green-amber scores), but poorly for learning (one red and two amber-red scores, of the three reviews that were scored).

Table 1: Scoring from 17 ICAI Phase 3 reviews

Name of review	Date (2019-23)	Overall rating	Rating by review criterion*							
			Relevance	Effectiveness	Learning	Equity	Sustainability	Impact	Coherence	Efficiency
The UK's Preventing Sexual Violence in Conflict Initiative	Jan-20	Amber / red	Amber / red	Amber / red	Red					
The changing nature of UK aid in Ghana	Feb-20	Green / amber	Green / amber	Green / amber			Amber / red			
The UK's support to the African Development Bank Group	Jul-20	Green / amber	Green	Green / amber						Green / amber
Assessing DFID's results in nutrition	Sep-20	Green / amber		Green / amber		Green / amber		Green / amber		
The UK's approach to tackling modern slavery through the aid programme	Oct-20	Amber / red	Amber / red	Amber / red	Amber / red					
UK aid's approach to youth employment in the Middle East and North Africa	Jul-21	Amber / red	Green / amber	Amber / red						Amber / red
International Climate Finance: UK aid for halting deforestation and preventing irreversible biodiversity loss	Jul-21	Green / amber	Green / amber	Green / amber						Green / amber
The UK's approach to safeguarding in the humanitarian sector	Feb-22	Amber / red	Amber / red	Amber / red						Green / amber
Assessing UK aid's results in education	Apr-22	Green / amber		Green / amber		Green / amber		Green / amber		
The UK's support to the World Bank's International Development Association (IDA)	May-22	Green / amber	Green / amber	Green / amber						Green
The UK's humanitarian response to COVID-19	Jul-22	Green / amber	Green / amber	Green / amber						Green / amber
UK aid to Afghanistan	Nov-22	Amber / red	Amber / red	Amber / red						Green / amber
The UK's approaches to peacebuilding	Dec-22	Green / amber	Green / amber	Green / amber						Green / amber
The UK's approach to democracy and human rights	Jan-23	Green / amber	Green / amber	Green / amber						Amber / red
UK aid to India	Mar-23	Amber / red	Amber / red	Green / amber						Amber / red
UK aid to agriculture in a time of climate change	Jun-23	Green / amber	Green / amber	Green / amber						Amber / red
UK aid for trade	Jun-23	Amber / red	Amber / red	Green / amber	Amber / red					

Key ● Green ● Green / amber ● Amber / red ● Red

*ICAI reviews award a score to each of the review criteria, which vary according to the focus of the review. These scores are averaged to generate an overall score.

- 3.2 Overall, this is a positive set of findings which shows the value that has been delivered through UK aid in recent years. However, the picture is qualified by concerns raised in a number of ICAI reviews as to whether the conditions are still in place to sustain this quality of programming in the future. For example, our review of the UK's approach to human rights and democracy awarded a green-amber score overall, but raised concerns about a loss of responsiveness and technical capacity within FCDO, which has led to programmes becoming less effective since 2020.⁸⁰ Our review of UK aid for trade found that budget reductions had left the portfolio more fragmented and less focused on poverty reduction.⁸¹ On agricultural programming, we noted a decrease over time in the UK's technical capacity and strategic clarity, and observed that the UK's reputation for thought leadership was declining.⁸² Overall, the pattern of scores shows a slight deterioration in performance from the second to the third Commission.⁸³
- 3.3 This chapter nonetheless presents some of the most important results to have emerged from UK aid over the period, and highlights the underlying strengths of UK aid that can be built upon in the future.

Climate and nature



3.4 UK climate finance has grown in volume over the period. The *International climate finance strategy*, published in March 2023, reiterates the UK government's commitment to spending £11.6 billion on international climate finance between 2021-22 and 2025-26.⁸⁴ Priority areas for action include clean energy, nature for climate and people, adaptation and resilience, and sustainable cities, infrastructure and transport.⁸⁵ The UK also committed in 2019 to aligning all its aid with the 2015 Paris Agreement, a global framework intended to limit global warming to well below 2°C. UK climate-related programming contributes to three of the Sustainable Development Goals (SDGs): SDG 13 on climate action, SDG 14 on life below water, and SDG 15 on life on land.



3.5 ICAI reviews have found that the UK has helped galvanise international action on climate change. In June 2019 the then prime minister, Theresa May, delivered a speech promising to "put the UK at the forefront of climate action at the G20", including through the UK's hosting of the COP26 international climate conference in Glasgow in 2021.⁸⁶ The government worked closely with multilateral partners to raise their ambitions on climate finance and to improve the quality of their climate work. As a result of pressure from the UK along with other shareholders, climate change was included as a 'special theme' in the past three replenishments of the World Bank's International Development Association (IDA), and the Bank launched a new and more ambitious Climate Action Plan (2021-25) in the lead-up to COP26. We found relatively little focus on climate, including adaptation, in the World Bank IDA country portfolios we reviewed, but this appeared to be changing after COP26.⁸⁷

3.6 UK aid has also helped leverage other finance and investment for climate change. There are positive examples in India, where the UK has combined technical assistance on policy reforms with well-targeted investments.⁸⁸ Working in partnership with the Indian government and financial institutions, it has invested in green infrastructure companies and investment platforms for renewable energy, energy efficiency, energy storage, electric public transport and waste management. We found that the UK aid portfolio in India is helping to demonstrate the viability of private investment in projects that contribute to environmental sustainability (see **Box 2**).

80 *The UK's approach to democracy and human rights*, Independent Commission for Aid Impact, January 2023, p. iv, [link](#).

81 *UK aid for trade*, Independent Commission for Aid Impact, June 2023, p. 30, [link](#).

82 *UK aid to agriculture in a time of climate change*, Independent Commission for Aid Impact, June 2023, p. vi, [link](#).

83 The second Commission awarded one green (4%), 15 green-amber (63%) and eight amber-red (33%) scores, out of 24 scored reviews. The third Commission awarded ten green-amber (59%) and seven amber-red (41%) scores, out of 17 scored reviews. For the second Commission, see *The current state of UK aid: a synthesis of ICAI findings from 2015 to 2019*, Independent Commission for Aid Impact, June 2019, pp. 2-3, [link](#).

84 *Together for people and planet: UK international climate finance strategy*, HM Government, 2023, p. 6, [link](#).

85 *Together for people and planet: UK international climate finance strategy*, HM Government, 2023, [link](#).

86 *UK aid's alignment with Paris Agreement*, Independent Commission for Aid Impact, October 2021, p. 16, [link](#).

87 *The UK's support to the World Bank's International Development Association (IDA)*, Independent Commission for Aid Impact, May 2022, p. 16, [link](#).

88 *UK aid to India*, Independent Commission for Aid Impact, March 2023, p. iv, [link](#).

Box 2: Emerging impacts of climate investment in India

UK investments in India have increased renewable electricity generation capacity in central and state-level grids, helping to lower emissions during energy generation and distribution, with some suggestive evidence of indirect contributions to reducing air pollution. The UK has made pioneering investments in clean transport – for example, in the company GreenCell Mobility, which is investing in 5,000 electric buses and charging infrastructure on major bus routes. Another example is its investment in Chakr Innovation, which has developed technology to capture diesel emissions and convert them into an ink by-product. Chakr worked with India’s Centre for Research on Excellence in Clean Air to develop methods for retrofitting vehicles and devices such as generators to reduce pollution.⁸⁹

- 3.7 The UK aid programme has provided valuable and innovative support on biodiversity, with a range of relevant and credible programmes. We found that the UK was helping to tackle drivers of deforestation and biodiversity loss, including through its efforts to shape global markets for tropical timber and to improve research and forest governance. In the Democratic Republic of Congo, the Improving Livelihoods and Land Use in Congo Basin Forests programme has helped forest communities establish effective community forest management and develop sustainable rural enterprises. This was supported by legal reforms across the Congo Basin. Overall, however, the UK’s biodiversity work lacks evidence of impact at scale.⁹⁰
- 3.8 The UK’s investments in sustainable agriculture are helping build community resilience to climate change. In Malawi, UK aid has helped introduce drought-tolerant crops and shock-responsive social protection. In Rwanda, it has helped communities cope with increased risks of erosion and landslides from extreme weather.⁹¹ We also saw evidence of effective resilience building in India, where the UK has helped nearly 100,000 households to cope with climate change through its livelihood initiatives, and is on track to support one million people by the end of 2024.⁹²
- 3.9 Despite progress on climate change and biodiversity, further efforts will be needed across UK aid-spending departments if the UK is to deliver its ambitions in this area. The UK has been slow to disburse its international climate finance in relation to its commitment, and global climate finance flows remain below the \$100 billion annual commitment in the Paris Agreement.⁹³ FCDO also recognises the need to increase its analytical capability on climate and biodiversity, to support alignment of UK aid with the Paris climate agreement.⁹⁴

Economic development and livelihoods



- 3.10 While ICAI has not undertaken a comprehensive review of UK aid for economic growth and private sector development, it has looked at several important aspects. SDG 8 promotes ‘decent work and economic growth’, and economic growth is also a key condition for achieving other goals.
- 3.11 ‘Aid for trade’ – aid intended to help developing countries enjoy the benefits of trade – is a long-standing area of programming for UK aid. The ICAI review of the aid for trade portfolio found that programming was generally well aligned with the evidence on ‘what works’ in boosting trade volumes. There were positive results in promoting improved trade policy and regulations in partner countries, as well as support for them to achieve better outcomes in international trade negotiations. UK programmes had helped reduce the time and cost involved in shipping goods across national borders, and some programmes had helped create jobs in manufacturing and agriculture. However, we found that the causal links between the interventions and pro-poor growth were often

89 *UK aid to India*, Independent Commission for Aid Impact, March 2023, p. 43, [link](#).

90 *International Climate Finance: UK aid for halting deforestation and preventing irreversible biodiversity loss*, Independent Commission for Aid Impact, July 2021, pp. i-iii, [link](#).

91 *UK aid to agriculture in a time of climate change*, Independent Commission for Aid Impact, June 2023, p. 21, [link](#).

92 *UK aid to India*, Independent Commission for Aid Impact, March 2023, p. 39, [link](#).

93 \$83.3 billion was mobilised in 2020, the latest figure available. *Aggregate trends of climate finance provided and mobilised by developed countries in 2013-2020*, Organisation for Economic Cooperation and Development, 2022, p. 4, [link](#).

94 *UK aid’s alignment with Paris Agreement*, Independent Commission for Aid Impact, October 2021, p. 20, [link](#).

weak, and that the impacts on inclusive growth were not always monitored.⁹⁵ We also raised some concerns about the quality of jobs that were being created, and flagged continuing risks around sexual harassment and gender-based violence for female employees working at the industrial park we visited, despite efforts by a UK programme to mitigate those risks.⁹⁶

- 3.12 ICAI's review of UK aid to agriculture – which totalled around £2.6 billion between 2016 and 2021 – found that the UK's programming was promoting inclusive growth by helping smallholder farmers move towards commercial production. Agriculture generates around half of all jobs and livelihoods in sub-Saharan Africa.⁹⁷ FCDO programmes had helped improve access to key inputs such as fertiliser, reduced barriers to the sale of produce and stimulated demand, and succeeded in creating employment and raising incomes. However, given the long-term nature of agricultural transformation, many programmes were too short to ensure sustainable impact. BII investments in the agricultural sector had helped promote the development of larger and more established firms, but with limited evidence of employment creation and wider development benefits. New BII thematic strategies in 2020 have helped improve its focus on climate change, gender and nutrition. Overall, the UK has been slow to take into consideration the accelerating impacts of climate change on the agricultural sector, but this is now changing.⁹⁸
- 3.13 The UK also funded a substantial portfolio of agricultural research. We found that research supported by DFID/FCDO had a practical focus that enhanced its impact. For example, research on biofortified crop varieties had a close link to improving nutrition. By contrast, research funded by the Department for Business, Energy and Industrial Strategy, now the Department for Science, Innovation and Technology – especially through the Global Challenges Research Fund, which operated from 2016 to 2021 – was less practical in focus. It was also less suited to building research capacity in developing countries.⁹⁹
- 3.14 Our review of the UK's efforts to address youth unemployment in the Middle East and North Africa found that this was not a strong focus for UK aid. The UK's efforts to improve the business environment and promote job creation broadly aligned with the available evidence on 'what works', but we found the investments in skills training (including British Council 'employability skills' programming) to be unconvincing. We found some successes in supporting young entrepreneurs and small businesses, although at high cost per intended recipient, but little evidence overall that the portfolio was delivering jobs for young people. There had also been limited effort to tackle the social and cultural barriers that make it difficult for young women in the region to participate in the workforce.¹⁰⁰
- 3.15 In India, the UK has a strong focus on development investment – that is, private sector loans and equity investments that help to achieve development impact alongside a modest financial return. Alongside a substantial BII portfolio, India is the only country where FCDO directly manages development investments. Our country portfolio review found that the FCDO investments showed 'additionality' (benefits over and above what the markets already provide) by working jointly with Indian financial institutions, influencing their investment practices. We were less convinced by elements of the BII portfolio. For example, nearly half of BII's investments were in financial services, and there was limited evidence that they were contributing to poverty reduction. Both portfolios reported positive results on economic growth and job creation. According to BII, its investments created 170,000 jobs in investee firms between 2017 and 2021, and over 3 million jobs through their wider economic effects. However, we raised concerns as to whether BII's investments were making a strong contribution to inclusive growth and poverty, since many of its investments were primarily benefiting middle-class workers and consumers.¹⁰¹
- 3.16 Overall, a common theme across our reviews of the economic development portfolio is that programmes lack convincing theories of change linking economic growth objectives to poverty reduction. Furthermore, there is underinvestment in monitoring and evaluation of what benefits are being delivered,

95 *UK aid for trade*, Independent Commission for Aid Impact, June 2023, pp. iii-v, [link](#).

96 *UK aid for trade*, Independent Commission for Aid Impact, June 2023, p. 27, [link](#).

97 In Africa, more not fewer people will work in agriculture, Luc Christiaensen and Karen Brooks, World Bank blog, November 2018, [link](#).

98 *UK aid to agriculture in a time of climate change*, Independent Commission for Aid Impact, June 2023, pp. iv-vii, [link](#).

99 *UK aid to agriculture in a time of climate change*, Independent Commission for Aid Impact, June 2023, pp. iv-v, [link](#).

100 *UK aid's approach to youth employment in the Middle East and North Africa*, Independent Commission for Aid Impact, July 2021, pp. i-iii, [link](#).

101 *UK aid to India*, Independent Commission for Aid Impact, March 2023, pp. iv-vii, [link](#).

and to whom. Promoting economic growth is of course an important foundation for achieving a broad range of development outcomes. However, we take the view that programmes focused primarily on growth have a responsibility to establish who is benefiting and who is missing out. This question is particularly pressing for development investments. There are clear risks that the growing scale of BII's global portfolio will lead it to invest in more mature markets and sectors where the links to inclusive growth are often less convincing.

Women and girls



- 3.17 Supporting women and girls, and particularly girls' education, has been a consistent priority for UK aid during the third ICAI Commission and has demonstrated some strong results. The UK's efforts align with SDG 5 to 'achieve gender equality and empower all women and girls'.
- 3.18 ICAI's education review found that bilateral education programmes had improved the teaching and learning environment for girls, including by making schools safer and more accessible and by promoting gender-responsive and inclusive teaching practices.¹⁰²

However, in our follow-up of the review, we questioned whether FCDO had an adequate approach to mainstreaming a focus on girls across its education programming.¹⁰³ We did, nevertheless, find a focus on helping girls who are out of school to resume their education. In Ghana, for example, the UK supported 228,556 children from hard-to-reach communities, half of whom were girls, to access formal schooling. The UK also provided stipends to encourage 86,000 girls to remain in school.¹⁰⁴ In Afghanistan, the expansion of women's and girls' access to health and education services stands out as one of the most significant achievements of UK aid. Our Afghanistan country portfolio review found that the UK had supported 2.8 million girls through school, established 1,670 community-based girls' schools, and supported innovative efforts to drive social norm change – although what remains of these results under Taliban rule is uncertain.¹⁰⁵

- 3.19 It is a statutory obligation of the UK government to consider gender equality when spending aid.¹⁰⁶ DFID, and subsequently FCDO, made progress on mainstreaming gender equality across policies, programmes and influencing work in many areas, but other aid-spending departments have further to go.¹⁰⁷ We found a mixed record on mainstreaming gender equality into UK programming on deforestation and biodiversity loss, and our citizen engagement suggested that women were often excluded from programme processes and benefits.¹⁰⁸ Our rapid review of UK support for refugees in the UK found that gender-sensitive approaches had not been mainstreamed across services for refugees provided by the Home Office and other departments, and refugees and civil society organisations (CSOs) told us that safeguarding lapses in aid-funded accommodation were widespread. Despite the priority given to gender in official policies, gender programming has been heavily impacted by recent aid budget reductions. For example, while our peacebuilding review found that gender had been mainstreamed into programming, the abrupt termination of some programmes funding women, peace and security activities had left the participating women unsupported and at risk of harm.¹⁰⁹ An equality impact assessment prepared by FCDO noted that centrally managed programmes on girls' education had lost 54% of their funding during the 2022-23 budget reductions, while funding for a pan-African programme on sexual and reproductive health rights had been reduced by 60%. This was on top of reductions from previous years.¹¹⁰
- 3.20 The UK has been an effective voice for the rights of women and girls on the global stage, particularly where it has conducted high-profile campaigns. During the review period, we have assessed UK efforts to prevent sexual violence in conflict,¹¹¹ eliminate modern slavery¹¹² and tackle sexual abuse and exploitation

102 *Assessing UK aid's results in education*, Independent Commission for Aid Impact, April 2022, p. 14, [link](#).

103 *ICAI follow-up review of 2021-22 reports*, Independent Commission for Aid Impact, July 2023, p. 19, [link](#).

104 *The changing nature of UK aid in Ghana*, Independent Commission for Aid Impact, February 2020, pp. 34 and 61, [link](#).

105 *UK aid to Afghanistan*, Independent Commission for Aid Impact, November 2022, p. 30, [link](#).

106 *International Development (Gender Equality) Act 2014*, [link](#).

107 *The UK's approach to tackling modern slavery through the aid programme*, Independent Commission for Aid Impact, October 2020, p. 31, [link](#).

108 *International Climate Finance: UK aid for halting deforestation and preventing irreversible biodiversity loss*, Independent Commission for Aid Impact, July 2021, p. 10, [link](#).

109 *The UK's approaches to peacebuilding*, Independent Commission for Aid Impact, December 2022, p. 35, [link](#).

110 Letter from Andrew Mitchell, Minister for Development and Africa, to Sarah Champion, Chair, International Development Committee, 19 July 2023, [link](#).

111 *The UK's Preventing Sexual Violence in Conflict Initiative*, Independent Commission for Aid Impact, January 2020, [link](#).

112 *The UK's approach to tackling modern slavery through the aid programme*, Independent Commission for Aid Impact, October 2020, [link](#).

in the international humanitarian system.¹¹³ All three of these topics have been high ministerial priorities for a period of time, and were strongly promoted by the UK, both through its aid programming and in international forums, helping to galvanise global action. These are, however, long-term challenges, and it is notable that momentum is easily lost as ministerial priorities move on. For example, the Preventing Sexual Violence in Conflict Initiative lost direction once William Hague was no longer foreign secretary.¹¹⁴ It has, however, received more focus again after the FCO/DFID merger.¹¹⁵

- 3.21 The campaigns are most effective where the UK works at several levels, including with grassroots organisations, survivor groups, governments and the private sector. We found that programming would be improved by more engagement with survivors in programme design,¹¹⁶ although this improved in later years in response to ICAI’s recommendations.¹¹⁷ In the modern slavery review, we found that the UK’s efforts would have been improved by stronger partnerships with UK private companies, which are better placed to identify modern slavery risks within their international supply chains.¹¹⁸
- 3.22 The UK has influenced its multilateral partners to prioritise gender in their programming and monitoring arrangements. In the African Development Bank, the UK has used its contributions to push for more sex disaggregation of results data,¹¹⁹ while in Afghanistan the UK was prominent in the Afghanistan Reconstruction Trust Fund gender working group, which promoted women’s empowerment and gender mainstreaming across the portfolio.¹²⁰ In Sierra Leone, we found that the UK has worked closely with the World Bank to promote new policies on retention of girls in school, with a particular focus on girls’ secondary education.¹²¹ Early in the COVID-19 pandemic, FCDO commissioned its Violence Against Women and Girls helpdesk to assess the risks of increased violence against women and girls, and this was cited in strategies and guidance produced by the World Bank and the United Nations Children’s Fund (UNICEF).¹²² In our democracy and human rights review, partners told us that the UK is viewed as a global leader on gender and inclusion.¹²³

Governance, democracy and human rights



- 3.23 SDG 16 focuses on ‘peace, justice and strong institutions’. Democracy and human rights have been subject to variable focus within UK development policy during the third ICAI Commission. FCO had an explicit commitment to supporting democracy and the international human rights system, which it promoted through campaigns on specific themes such as media freedom, and through small grant instruments such as the £55 million Magna Carta Fund. DFID tended to focus on inclusion and social and economic rights, including gender equality, rather than civil and political rights. With the frequent change of ministers since 2015, the language used to describe the UK’s objectives on democracy and human rights has shifted (including, at various points, ‘open societies’ and ‘network of liberty’), causing some confusion for external stakeholders.¹²⁴ The 2021 *Integrated review* has a focus on ‘open societies’, particularly in the context of rising geopolitical tensions in the Indo-Pacific region, but this receives notably less emphasis in the *International development strategy*, while the 2023 *Integrated review refresh* is more ambivalent on the subject of democracy and human rights.
- 3.24 In our review of the democracy and human rights portfolio, which included £1.37 billion in programming over the 2015 to 2021 period, we found the programmes to be relevant and useful, supported by good levels of staff expertise, technical guidance, access to evidence, and flexibility in dynamic contexts. Across a range of countries, UK support had helped make government institutions, parliaments, political parties, media organisations and civil society bodies more effective. It had also improved rights

113 *The UK’s approach to safeguarding in the humanitarian sector*, Independent Commission for Aid Impact, February 2022, [link](#).

114 *The UK’s Preventing Sexual Violence in Conflict Initiative*, Independent Commission for Aid Impact, January 2020, p. 12, [link](#).

115 *ICAI follow-up review of 2020-21 reports*, Independent Commission for Aid Impact, June 2022, p. 17, [link](#).

116 *The UK’s approach to tackling modern slavery through the aid programme*, Independent Commission for Aid Impact, October 2020, p. 36, [link](#).

117 *ICAI follow-up review of 2020-21 reports*, Independent Commission for Aid Impact, June 2022, p. 17, [link](#).

118 *The UK’s approach to tackling modern slavery through the aid programme*, Independent Commission for Aid Impact, October 2020, pp. 34-35, [link](#).

119 *The UK’s support to the African Development Bank Group*, Independent Commission for Aid Impact, July 2020, p. 37, [link](#).

120 *UK aid to Afghanistan*, Independent Commission for Aid Impact, November 2022, p. 21, [link](#).

121 *The UK’s support to the World Bank’s International Development Association (IDA)*, Independent Commission for Aid Impact, May 2022, p. 37, [link](#).

122 *The UK aid response to COVID-19*, Independent Commission for Aid Impact, October 2021, p. 14, [link](#).

123 *The UK’s approach to democracy and human rights*, Independent Commission for Aid Impact, January 2023, p. 18, [link](#).

124 *The UK’s approach to democracy and human rights*, Independent Commission for Aid Impact, January 2023, p. 9, [link](#).

and democratic participation for groups at risk of exclusion, such as women and girls, people with disabilities, youth and, to a lesser extent, ethnic and religious minorities and LGBT+ people. Some of the most effective programming went beyond strengthening specific institutions to nurturing coalitions for change around particular democratic or human rights challenges, therefore strengthening the democratic process.¹²⁵

- 3.25 However, we also noted instances where the UK has prioritised protecting its relationships with governments, as well as instances where restrictive funding modalities limited its ability to support journalists, human rights defenders and CSOs under threat from government repression. These factors limit its contribution to countering growing threats to civic space around the world.¹²⁶ When reviewing UK peacebuilding activities in Colombia, we noted that the UK was reluctant to publicly condemn human rights violations by security forces.¹²⁷ In India, we found that the UK was not active in supporting democratic space, free media or human rights, despite growing concerns about political polarisation, religious intolerance and restrictions on civil society.¹²⁸ While the political sensitivities around these issues are often acute, the emphasis on global threats to democracy and human rights in the *Integrated review* seems to be at odds with this limited risk appetite. Bringing together the former DFID and FCO approaches within the merged department may create opportunities for stronger engagement, although thus far a lack of strategic direction and budget reductions have prevented the benefits from being realised.

Responding to conflict and crises



- 3.26 A significant share of UK aid over the period has gone towards responding to conflict and humanitarian crises. SDG 16 is about promoting peaceful and inclusive societies, including through the reduction of violence and the promotion of inclusive governance and the rule of law.
- 3.27 The *International development strategy* (IDS) commits the UK government to providing principled humanitarian assistance to people affected by crises, and providing them with the support they need to recover.¹²⁹ At present, its ability to do so has been sharply curtailed by aid budget reductions, which saw UK humanitarian aid fall by more than half between 2019 and 2021, to £743 million. It is likely to have fallen further in 2022 and 2023. As discussed above, the UK's decision to charge spiralling refugee support costs to the aid budget has resulted in a major reallocation of resources from crisis-affected countries to the UK. This has dramatically reduced the resources available to respond to new crises, such as the 2022 Pakistan floods and the growing food security crisis in the Horn of Africa. According to FCDO officials, ministers are committed to returning humanitarian spending to at least £1 billion per year.
- 3.28 ICAI found that the UK responded rapidly and flexibly to the COVID-19 pandemic, providing early, unearmarked funding to support an effective international response. DFID/FCDO directed its multilateral support towards people already affected by crises, while pivoting bilateral programmes to provide urgent support to those made newly vulnerable by the direct and indirect impacts of the pandemic. In Yemen, for example, the UK retained its existing humanitarian priorities, adapting its programmes to address COVID-19 risks and impacts. We found that DFID's track record of aligning humanitarian and development programming and its past investments in social protection provided a strong foundation for its emergency response to the pandemic.¹³⁰
- 3.29 In our peacebuilding review, we found some high-quality interventions, combining financing, technical inputs and diplomatic engagement. Peacebuilding is a high-risk area where tangible results are relatively rare, so the review focused on more positive examples to enable lesson learning. In Colombia, patient UK engagement over a ten-year period helped put in place key elements for implementation

125 *The UK's approach to democracy and human rights*, Independent Commission for Aid Impact, January 2023, p. 20, [link](#).

126 *The UK's approach to democracy and human rights*, Independent Commission for Aid Impact, January 2023, p. iii, [link](#).

127 *The UK's approaches to peacebuilding*, Independent Commission for Aid Impact, December 2022, p. 21, [link](#).

128 *UK aid to India*, Independent Commission for Aid Impact, March 2023, pp. 30-32, [link](#).

129 *The UK government's strategy for international development*, Foreign, Commonwealth and Development Office, May 2022, [link](#).

130 *The UK's humanitarian response to COVID-19*, Independent Commission for Aid Impact, July 2022, p. 15, [link](#).

of the peace agreement. In Nigeria, the UK played an important role in coordinating international engagement on conflicts in the northeast, with partners noting the value of its expertise and use of evidence.¹³¹ International partners working alongside the UK in Colombia and Nigeria also highlighted the UK's ability to play the role of trusted partner and critical friend to host governments.¹³² However, recent capacity pressures across the department, linked to Brexit, the pandemic and the merger, have reduced the government's ability to promote international cooperation on peacebuilding.¹³³

- 3.30 Afghanistan was not a positive example of peacebuilding. There, nearly £3.5 billion in UK contributions to building the Afghan state came to an abrupt end in August 2021 with the withdrawal of international forces and the takeover of central government by the Taliban. ICAI's country portfolio review found that the UK approach to state-building did not rest on an inclusive and viable political settlement. The failure was linked to the UK's decision to support the US-led military occupation, which prioritised excluding the Taliban over forging an inclusive political process with its more moderate elements. As the Taliban insurgency intensified, the focus on building legitimate institutions took second place to counter-insurgency operations. The huge scale of UK and international support for central government institutions had a distorting effect, contributing to corruption and political fragmentation, and leaving the UK funding an enterprise it knew had little prospect of success.¹³⁴
- 3.31 The UK also spent more than £250 million in aid on salaries for the Afghanistan National Police (ANP) and other security institutions, following a commitment it made to international partners to share security costs. The ANP acted primarily as a paramilitary force, rather a civilian policing institution, and was subject to numerous allegations of corruption and brutality. We found this to be a questionable use of the aid budget.¹³⁵
- 3.32 The Taliban takeover in August 2021 and the withdrawal of international development assistance has come at huge cost for the Afghan people, who faced a collapse in economic activity and public services.¹³⁶ By March 2023, nearly 20 million Afghans were acutely food-insecure. In response, the UK announced a doubling of humanitarian aid to Afghanistan for 2021-22 and 2022-23, to £286 million. However, the 2022-23 allocation was subsequently reduced to £246 million and, despite efforts to protect the humanitarian allocation for Afghanistan,¹³⁷ it has been affected by subsequent budget reductions, and will fall to a planned £100 million in 2023-24.¹³⁸ With competing emergency needs in Ukraine, Syria, Turkey and across Africa, the UK will struggle to mount an effective response with a reduced humanitarian budget.

Global health and nutrition



- 3.33 Health is a clear priority in the IDS and FCDO sector strategies, with a strong focus on strengthening national health systems, ending preventable deaths for women, babies and children and, since COVID-19, on global health security. SDG 3 covers 'good health and well-being'.
- 3.34 The UK has made substantial aid investments in health research stretching back more than two decades. During the third ICAI Commission, the Department of Health and Social Care (DHSC) invested more than £451 million in research tailored to the health needs of developing countries.¹³⁹ As we noted in a 2018 review, experience with the 2014 Ebola outbreak in West Africa led to an intensification of aid-funded research on future global health threats.¹⁴⁰ In 2016, DHSC awarded £1.87 million to Oxford University through the UK Vaccine Network Project for preclinical development and phase one clinical trials of a Middle East Respiratory Syndrome vaccine. This laid

131 *The UK's approaches to peacebuilding*, Independent Commission for Aid Impact, December 2022, p. 28, [link](#).

132 *The UK's approaches to peacebuilding*, Independent Commission for Aid Impact, December 2022, p. 21, [link](#).

133 *The UK's approaches to peacebuilding*, Independent Commission for Aid Impact, December 2022, p. 18, [link](#).

134 *UK aid to Afghanistan*, Independent Commission for Aid Impact, November 2022, p. 25, [link](#).

135 *UK aid to Afghanistan*, Independent Commission for Aid Impact, November 2022, pp. iii-v, [link](#).

136 *UK aid to Afghanistan: Information note*, Independent Commission for Aid Impact, May 2023, pp. 6-7, [link](#).

137 Letter from Andrew Mitchell, Minister for Development and Africa, to Sarah Champion, Chair, International Development Committee, 19 July 2023, [link](#).

138 *Annual report and accounts 2022-23*, Foreign, Commonwealth and Development Office, July 2023, p. 268, [link](#).

139 *UK aid to India*, Independent Commission for Aid Impact, March 2023, p. 29, [link](#).

140 *The UK response to global health threats*, Independent Commission for Aid Impact, January 2018, pp. i-ii, [link](#).

important foundations for the development of the Oxford-AstraZeneca COVID-19 vaccine. Two further DHSC aid-funded projects with Oxford University were also redirected during the pandemic to support development of the Oxford-AstraZeneca COVID-19 vaccine, including £1.1 million repurposed to support clinical trials in Kenya and £305,000 to support further research and development of vaccines better suited to developing countries.¹⁴¹ FCDO and DHSC officials confirmed that these investments had generated learning which helped accelerate the development and deployment of COVID-19 vaccines.

- 3.35 The UK also made a £250 million contribution to the Coalition for Epidemic Preparedness Innovations (CEPI), to support vaccine development, manufacturing and distribution.¹⁴² The UK was one of the founding partners of CEPI, launched in 2017 to develop vaccines against future epidemics. CEPI in turn helped establish COVAX, an international fund to accelerate the development of COVID-19 vaccines and promote access for developing countries. COVAX in due course delivered over 1.6 billion doses of COVID-19 vaccine to 87 developing countries. Despite this important initiative, access to COVID-19 vaccines remained far from equitable. For its part, the UK donated 85 million doses of COVID-19 vaccine and supported COVAX's COVID-19 Vaccine Delivery Partnership to increase vaccine coverage in the most vulnerable countries. The UK also contributed to the World Bank's response to the pandemic, which included more than £20 billion in funding for vaccines and other health interventions.¹⁴³
- 3.36 The UK also supported national responses to the pandemic, mainly via multilateral partners. UK funding for the World Health Organisation, for example, enabled it to scale up its support for national health authorities during the pandemic. Support to UNICEF enabled the delivery of therapeutics, diagnostics and oxygen concentrators to vulnerable countries. The UK's contributions to the World Bank supported a rapid, flexible and large-scale response to the pandemic, helping to demonstrate its important role as a global insurer in time of crisis. The Bank approved funding for national response efforts in April 2020, within a few weeks of the declaration of the pandemic.¹⁴⁴
- 3.37 ICAI found the UK's bilateral efforts to be rapid and effective, drawing on the knowledge of staff with experience of past epidemics, including Ebola. The UK sent emergency medical teams of UK health personnel to developing countries in Africa, Asia and the Middle East, to enhance the capacity of national health systems.¹⁴⁵ In Bangladesh, Ethiopia and Nepal, UK-supported technical experts posted in national health ministries were able to help national counterparts gather and analyse COVID-19 health data and design national responses. The UK also supported COVID-19 testing laboratories in Bangladesh and Nepal, helping to build resilience to future health emergencies.¹⁴⁶
- 3.38 The UK aid programme has also made important contributions on maternal and child health. In Afghanistan, UK support through the Afghanistan Reconstruction Trust Fund helped promote improvements in maternal and neonatal health, and to expand immunisation coverage for children under the age of two (increasing the vaccination rate from 30% in 2014 to 52% in 2019).¹⁴⁷ FCDO has recently published new approach papers on health systems strengthening and ending preventable deaths. We found both to be of good quality, responding to past concerns raised by ICAI.¹⁴⁸ However, budget reductions have had a dramatic impact on maternal health programming. Over the years, the UK has been the largest funder of efforts by the United Nations Population Fund (UNFPA) to increase the supply of maternal health and family planning commodities, and its flexible, multiannual support enabled UNFPA to reach women, girls and young people in more than 150 countries. However, UK support for UNFPA's commodities budget was cut by 85% in 2021.¹⁴⁹ UNFPA has estimated that if these funds been provided as pledged, it would have averted 47 million unintended pregnancies, 813,000 maternal and child deaths and 14.4 million unsafe abortions.¹⁵⁰

141 Information provided to ICAI by DHSC.

142 *The UK aid response to COVID-19*, Independent Commission for Aid Impact, October 2021, p. 23, [link](#).

143 *The UK's support to the World Bank's International Development Association (IDA)*, Independent Commission for Aid Impact, May 2022, para. 4.60, [link](#).

144 *The UK's support to the World Bank's International Development Association (IDA)*, Independent Commission for Aid Impact, May 2022, [link](#).

145 *The UK's humanitarian response to COVID-19*, Independent Commission for Aid Impact, July 2022, p. 21, [link](#).

146 *The UK's humanitarian response to COVID-19*, Independent Commission for Aid Impact, July 2022, p. 16, [link](#).

147 *UK aid to Afghanistan*, Independent Commission for Aid Impact, November 2022, p. 28, [link](#).

148 *ICAI follow-up review of 2020-21 reports*, Independent Commission for Aid Impact, June 2022, p. vii, [link](#).

149 *ICAI follow-up review of 2019-20 reports*, Independent Commission for Aid Impact, June 2021, p. 31, [link](#).

150 Written evidence submitted by Matt Jackson, UNFPA UK representative, to the International Development Committee's inquiry into FCDO's approach to sexual and reproductive health, 18 April 2023, [link](#).

3.39 One pillar of the UK's approach to ending preventable deaths is tackling malnutrition and promoting sustainable food systems, to make nutritious diets more affordable, accessible and climate-resilient. Between 2015 and 2019, DFID reached 50.6 million women, children under five and adolescent girls through its nutrition interventions.¹⁵¹ However, the nutrition portfolio has also suffered budget reductions, even though humanitarian need and global food insecurity were on the rise. In Kenya's refugee camps, for example, reduced funding from the UK and other donors resulted in the World Food Programme cutting food rations for 440,000 refugees to 52% of the basic food basket (about 1,050 calories per day) from October 2021.¹⁵² The commitment in the *Integrated review refresh* to promoting global food security and nutrition would need to be backed by budgetary resources to be compelling.

151 *Assessing DFID's results in nutrition*, Independent Commission for Aid Impact, September 2020, p. 17, [link](#).

152 *The UK's humanitarian response to COVID-19*, Independent Commission for Aid Impact, July 2022, p. 24, [link](#).

4. Building for the future

- 4.1 This has been an exceptionally challenging period for the UK aid programme, with pressure on many fronts. The period was dominated by the COVID-19 pandemic, which required DFID and then FCDO to respond to an unprecedented global emergency, even as their own operational capacity was curtailed. Coming at this most demanding of times, the merger left FCDO distracted and inward-focused. While the department is progressively coming to grips with the practical challenges it created, there is evidence of a loss of development expertise, including country-based staff, since the merger. To achieve its objective of greater synergy between diplomacy and development cooperation, the UK will need to preserve and rebuild its expertise on global and national development challenges.
- 4.2 The successive rounds of budget reductions have undoubtedly caused the greatest disruption to the UK aid programme. The top-down way in which they were executed and the lack of timely communication with collaborators has damaged the UK's reputation as a reliable development partner. On top of that, continuing uncertainty over budgets has severely constrained the government's ability to protect its past investments and plan for the future. Much of this uncertainty has been self-inflicted, through overly rigid interpretation of the UK's aid-spending target as both a floor and a ceiling. This was manageable in the past, when conditions were more stable.¹⁵³ Such rigidity has now become a major obstacle to restoring the credibility of UK aid, so it was good to see a precedent set by allowing more flexibility in response to soaring in-donor refugee costs.
- 4.3 It remains government policy – and a statutory obligation – to return to the 0.7% of GNI aid target once UK fiscal conditions allow. We note that the UK has now dismantled many of the partnerships and spending channels that it relied upon to deliver good-quality aid at that scale. FCDO would need time to build back to that level of expenditure, especially through bilateral channels. In the meantime, restoring some certainty over its medium-term budget would help to achieve better value for money. This will be difficult, however, if ODA spending on in-donor refugee costs in the UK remains as high and unpredictable as it has been in recent years. The government has rejected ICAI recommendations for either a cap on refugee costs to the aid budget or a floor for FCDO's budget, both of which would enable some certainty.
- 4.4 Beyond budget issues, the government still has some way to go in defining the purpose of UK aid and the values that should guide its use in an era of rising geopolitical competition and interlocking global challenges. The *International development strategy* and the *Integrated review refresh* offer a starting point. However, in our consultations, we were struck by the extent to which informed observers, both within and outside FCDO, remain unclear about the strategic direction of UK aid. Work is now starting on the new white paper which, according to the government, is meant to be a cross-party strategic framework. There is no precedent for this, so further changes in strategy may be on the cards if there is a change of government.
- 4.5 In part, the constant changes in the strategic framework reflect a volatile world in which global development challenges are becoming more complex. The aid programme today is called upon to respond to interlocking challenges from climate change, health threats, rising geopolitical tension and global economic uncertainty. The merged FCDO, if sufficiently resourced and well organised, should be well placed to make its contribution to promoting more effective global cooperation in these areas. However, the Sustainable Development Agenda – and particularly its promise of ending extreme poverty by 2030 – is far from achieved, and on the back of the pandemic and other global crises will require an acceleration of investment. In our reviews, we often heard from the poorest people in poorer countries that these threats and crises were already impacting disproportionately on them. The UK has signed up to the 'leaving no one behind' principle as part of the other SDGs, but this commitment has not been in the foreground in recent years. A UN conference on the Sustainable Development Agenda in September 2023 provides an opportunity for the UK to reaffirm its commitment to the SDGs.

153 *Management of the 0.7% ODA spending target*, Independent Commission for Aid Impact, November 2020, pp. iv-v, [link](#).

- 4.6 This synthesis of our review findings during ICAI's third Commission suggests a number of key measures, listed below, that could be taken in the coming period to restore the quality and reputation of UK aid and ensure it remains focused where it is most needed.
- i. Reducing the volatility of the UK aid budget and facilitating a return to multi-annual planning, to restore the UK's reputation as a reliable development partner.
 - ii. Renewing FCDO's commitment to ending extreme poverty and placing vulnerable people at the heart of its work, in keeping with the SDGs and the principle of 'leaving no one behind'.
 - iii. Restoring transparency and opportunities for internal and external challenge to the management of UK aid.
 - iv. Protecting, rebuilding and making effective use of development expertise, including that of country-based staff.
 - v. Restoring the commitment to evidence-based decision-making that focuses on development outcomes.
 - vi. Strengthening measures to prevent and tackle fraud and other risks in the delivery of UK aid so that aid reaches those who need it most.
 - vii. Restoring the reliability and quality of UK engagement with key multilateral partners.

Annex 1: List of ICAI reviews 2019-23

Paper	Findings
<p data-bbox="137 300 368 331"><i>How UK aid learns</i></p> <p data-bbox="137 349 217 380">(2019)</p> <p data-bbox="137 398 475 987">This review assesses the quality of the learning processes around non-DFID aid. Building on a 2014 ICAI review of <i>How DFID learns</i>, it looks across the other aid-spending departments. It draws on findings from past ICAI reviews of particular funds and programmes, together with light-touch reviews of learning processes within each department, using an assessment framework developed for the purpose.</p> <p data-bbox="137 1016 301 1048">Rapid review</p> <p data-bbox="137 1068 276 1099">Not scored</p>	<p data-bbox="528 300 687 331">Key findings</p> <ul data-bbox="528 349 1458 1473" style="list-style-type: none"> • Since 2015, the UK government has involved more departments in the spending of UK aid. • Around a quarter of the £14 billion annual aid budget is now spent outside DFID. • The decision to allocate the UK aid budget across multiple departments has been a major organisational shift, raising complex learning challenges. • Under UK government rules, each department is accountable for its own expenditure. DFID is mandated under the UK aid strategy to support other departments with their aid expenditure, and is doing so through sharing tools, skills and people. • Secondments and staff transfers are proving to be an important mechanism for transferring learning across government. • However, ICAI found that learning processes are not always well integrated into departments' systems for managing their aid. • Several departments have made progress on developing information platforms that capture learning on development practice, but these platforms are not currently accessible across departments because of information security concerns and technical constraints. • The 2015 aid strategy commits all aid-spending departments to achieving a ranking of 'good' or 'very good' on the Aid Transparency Index. So far, progress towards this target is mixed, with some departments yet to publish data in this format. • In many instances, departments have contracted out monitoring, evaluation and learning functions to commercial providers, creating the risk that knowledge accumulates in the commercial supplier rather than in the department itself. <p data-bbox="528 1503 858 1534">Follow-up findings (2023)</p> <p data-bbox="528 1552 1417 1989">In the first follow-up, ICAI found that HM Treasury had allocated resources for DFID to support learning on aid management in other departments. However, only limited action has been taken to date on the recommendations from this review since the merger, despite their continued relevance and the amount of time since the review was published. FCDO has been supporting cross-government efforts to develop the government's new <i>International development strategy</i> but has only undertaken a few specific pieces of work to support broader learning on good development practice across departments. Since the merger, FCDO has focused on developing its own evaluation policy, and is not working to develop common monitoring, evaluation and learning standards across government.</p>

The use of UK aid to enhance mutual prosperity (2019)

This information note looks at the use of UK aid to enhance mutual prosperity and how foreign aid is being increasingly spent in areas where it can deliver benefits to both the UK economy and countries eligible for aid.

Information note

Not scored

Key findings

- In policy statements, the UK government has signalled its intention to use UK aid to generate economic and commercial benefits both for recipient countries and for the UK – in short, “enhancing mutual prosperity by building the foundations for UK trade and commercial opportunities in horizon markets”.
- There is a long history of the UK using aid to enhance its own prosperity through economic and commercial benefits resulting from various government policies dating back to the 1960s.
- While the mutual prosperity agenda long predates the 2016 referendum, the focus on mutual prosperity in UK policy appears to have intensified after the vote to leave the EU.
- Mutual prosperity can be understood as one manifestation of the ‘Fusion Doctrine’, which is the UK government’s proposition that it should use its tools of external engagement in the economic, security and diplomatic spheres in a joined-up way, in pursuit of common objectives.
- In 2018, DFID, FCO and the Department for International Trade were tasked with developing cross-government prosperity strategies for individual countries.
- Because mutual prosperity is a cross-cutting agenda, there is no classification of the total number of aid programmes under this heading, nor is it possible to determine how much of the UK aid budget has been allocated in its pursuit.
- The Prosperity Fund is the clearest example. Because it spends under the authority of the International Development Act, the primary objective is reducing poverty. However, for the first time, ‘secondary benefits’ to the UK were among the criteria for programme selection and had to be explicitly stated and quantified in programme designs.
- The UK’s shift towards mutual prosperity is similar to the position of several other donors and is in line with the expectations of some partner countries.
- UK departments are currently proceeding with caution in their use of aid to promote mutual prosperity, being careful to operate under the rules of the 2002 International Development Act.
- However, with departments under growing pressure to use aid in support of mutual prosperity, there is a need for greater clarity about the appropriate uses of aid.

Follow-up findings (2023)

A follow-up was conducted of a recommendation in our Ghana country portfolio review on introducing clear guidance on how UK aid resources should be used in implementing mutual prosperity objectives.

During ICAI’s most recent follow-up review, more than three years after the review was published in 2020, FCDO stated in interviews that it was in the process of considering the case for guidance on secondary benefits being pursued through ‘mutual prosperity’ approaches. The more recent government response on the same issue in our aid for trade review indicated that they would action this by means of the business case template and the Programme Operating Framework guide to business cases. It remains to be seen whether this will be adequately addressed.

The UK's Preventing Sexual Violence in Conflict Initiative

(2020)

A review of the UK's flagship cross-government programme to tackle sexual violence in conflict zones.

Full review

Amber/Red

Key findings

- The Preventing Sexual Violence Initiative (PSVI) has contributed to making the UK a leading voice in the international effort to address conflict-related sexual violence.
- However, the government's level of effort and activities are not aligned with the objectives and pledges set out at the 2014 Global Summit, with PSVI's staffing and funding levels decreasing once William Hague was no longer foreign secretary.
- Interventions centred on the International Protocol on the Documentation and Investigation of Sexual Violence in Conflict have created a lasting impact.
- However, the government's PSVI has no overarching strategy or theory of change. Programming has been fragmented across countries and between the three main contributing departments (FCO, DFID and the Ministry of Defence), with no central oversight.
- Survivors call for long-term interventions that address the deep-rooted causes and effects of sexual violence, but most PSVI projects are subject to FCO's one-year funding cycles, often obliging implementing partners to focus on symptoms and short-term fixes.
- There is little room for meaningful inclusion of survivors in programme design, and inadequate ethics protocols and monitoring mechanisms pose risks that projects may cause inadvertent harm.
- Despite the lack of rigorous requirements and monitoring by PSVI, many projects run by implementing partners have been innovative and build on strong local networks.
- There is little monitoring and reporting on how outputs translate into lasting outcomes, making it difficult to assess the effectiveness of interventions and hindering learning in a field which suffers from a lack of evidence.

Follow-up findings (2022)

See the review directly below, the companion review on *Sexual exploitation and abuse by international peacekeepers*, as the two were followed up jointly.

Sexual exploitation and abuse by international peacekeepers

(2020)

A report accompanying the ICAI review of the Preventing Sexual Violence in Conflict Initiative. It examines the UK's efforts to tackle sexual exploitation and abuse (SEA) in international peacekeeping settings, including by soldiers, police and civilian personnel. SEA in peacekeeping is a form of conflict-related sexual violence (CRSV), but it is treated as a separate issue by both the UN and the UK government.

Supplementary review

Not scored

Key findings

- The UK's efforts to tackle SEA in international peacekeeping were supported by small-scale aid projects managed by the former FCO, mainly in the form of funding for UN reform initiatives and staff positions, and training programmes for international peacekeepers run by the Ministry of Defence (MOD).
- The UK has been a leading voice in tackling SEA in international peacekeeping, both in the UN Security Council and through the UK aid programme, working with the UN secretary-general to change the mandates of peacekeeping missions and promote a voluntary compact on SEA, which has been signed by 103 countries.
- An initiative funded through the Conflict, Stability and Security Fund has contributed to the introduction of a UN-wide 'Clear Check' system for tracking SEA allegations against UN staff. This means that people dismissed for SEA violations are no longer able to take up new jobs within the UN system.
- The MOD's British Peace Support Team in Nairobi trains over 10,000 African peacekeepers each year. Training includes modules on SEA and CRSV more broadly.
- UK aid has helped to raise the awareness of SEA challenges and to articulate the standards expected of international peacekeepers, but there is limited evidence available on how effective the UK's support for tackling SEA in peacekeeping has been.
- Given the climate of impunity, achieving changes in behaviour in peacekeeping missions is likely to be a long-term endeavour. Drawing on efforts to tackle CRSV more broadly, the focus should also be on protection and support to survivors. A survivor-centred approach has not been prioritised up to this point.
- With the merger of FCO and DFID into FCDO there is an opportunity for the UK government to better integrate its work on SEA in peacekeeping into its broader aid efforts to tackle conflict-related sexual violence.

Follow-up findings (2022)

ICAI's follow-up review of 2020-21 reports found considerable action by government that places the UK's efforts to tackle CRSV on a stronger and more strategic footing. This is underpinned by the new CRSV theory of change, which takes a survivor-centred approach. The merger has brought together FCO and DFID's contributions in one team under the Office for Conflict Stabilisation and Mediation. The MOD's work was found to have a much stronger survivor focus, while conduct and discipline in relation to peacekeepers remain central to UK efforts.

Two significant weaknesses nevertheless remain. First, while the Preventing Sexual Violence Initiative (PSVI) strategy states an ambition to develop a strong monitoring, evaluation and learning framework for PSVI, this is not yet in place. Second, there is insufficient transparency around PSVI/CRSV spending, with no programme documents available in the public domain.

The changing nature of UK aid in Ghana

(2020)

This country portfolio review looks at the changing nature of all UK aid to Ghana, including government departments and multilateral contributions.

Full (country portfolio) review

Green/Amber

Key findings

- The strategic priorities guiding the UK's Ghana aid portfolio in the 2011-19 period is aligned with the 2015 UK aid strategy and the Beyond Aid strategy of the Ghanaian government.
- DFID shifted its governance portfolio in Ghana from budget support and expenditure management to three new areas where it believed it could make a bigger difference: anti-corruption, tax policy and administration, and oil and gas revenue management. These three areas were found to be highly relevant.
- More than 92% of bilateral UK aid expenditure in the social sectors in Ghana was targeted in large part at groups who are at risk of being left behind.
- As the UK looked to reduce its bilateral aid spending, as part of transitioning its partnership with Ghana beyond aid, crucial decisions on reducing aid in the social sectors were made without a sound analysis of the implications for the most vulnerable.
- Citizen consultation is not a systematic part of programme design, monitoring or evaluation.
- As the UK has reduced its bilateral aid spending in Ghana it has been able to rely on multilateral partners, such as the World Bank, the International Monetary Fund, the African Development Bank and various UN agencies, to contribute to progress against UK aid objectives.
- However, DFID has not worked strategically with partners to influence multilateral partner programming.
- At programme level, UK aid programmes almost always achieved or exceeded their output targets measured in DFID reviews. But progress on outcomes was less common, and not reported for about a quarter of programmes.
- Out of the ten UK aid objectives for Ghana, it was found that there were strong contributions from UK bilateral aid for four objectives, and an essential contribution for two other objectives.
- However, there is a clear risk that key results delivered by UK aid between 2011 and 2019 will not be sustained.

Follow-up findings (2021, 2022 and 2023)

ICAI's 2021 follow-up, which followed the pandemic and the merger, produced very little documented evidence of progress. The 2022 follow-up found that FCDO had acknowledged the need to protect the development gains that it has contributed to in Ghana to the best of its ability within a constrained budget environment, taking into account the impacts of the pandemic. The UK's approach to aid spending in Ghana focused on supporting Ghana's transition beyond aid, with reductions in the budget taking place faster than expected because of successive UK ODA budget reductions.

The second follow-up found that progress on monitoring results at the country portfolio level had stalled, as this was no longer a priority in the merged department, but by the third follow-up, some country results monitoring was foreseen in the Programme Operating Framework (PrOF). The PrOF also mandated an adequate response to the recommendation that work should be done to elicit perspectives of citizens affected by UK aid as a systematic requirement.

Mapping the UK's approach to tackling corruption and illicit financial flows

(2020)

This information note describes how the UK government has been using aid to reduce corruption and illicit financial flows. It looks at the period since the 2016 anti-corruption summit, hosted by the then prime minister, David Cameron.

Information note

Not scored

Key findings

- Corruption and illicit financial flows are major obstacles to tackling national and international development challenges, such as the fight against climate change or the pursuit of sustainable peace and security.
- Multiple strategies, dedicated units and legislation have been put in place to tackle both corruption and illicit financial flows, involving ODA and non-ODA.
- As noted in the case study on Ghana, corruption needs to be solved through developing local incentives to follow rules, as well as with technical assistance to support rules-based institutions.
- Lines of future enquiry included whether FCDO development experts should regularly attend the Economic Crime Strategy Board; how law enforcement against trans-national economic crime is financed; and how transparency and anti-corruption standards are built into international trade agreements.

The UK's work with Gavi, the Vaccine Alliance

(2020)

This information note looks at the UK's relationship with Gavi, the Vaccine Alliance, which funds vaccines for almost half the world's children. It highlights that the UK has been a significant and influential donor to the organisation.

Information note

Not scored

Key findings

- The UK's contributions have amounted to a quarter of total contributions since Gavi's foundation in 2006.
- Gavi funds vaccines for almost half the world's children, playing a key role in shaping the global market for vaccines. In 2018 there were 17 manufacturers supplying quality-assured Gavi vaccines, compared to just five in 2001 (of which 11 were in Africa, Asia or Latin America). Between 2010 and 2018 the cost of immunising a child with pentavalent, pneumococcal and rotavirus vaccines fell by 55%.
- The UK's considerable funding role since Gavi's foundation has enabled the UK to promote its strategic priorities such as increasing support for fragile states, strengthening stockpiles in preparation for outbreaks of epidemic diseases, and reaching the poorest and most marginalised children.
- DFID's results against its child vaccination target from 2016-20 come entirely from Gavi.
- The COVID-19 response will inevitably compete for resources with Gavi's planned activities.
- Further lines of enquiry include the potential trade-offs if donor country immediate interests are placed more to the fore.

The UK's support to the African Development Bank Group

(2020)

This review assesses how well aligned the African Development Bank (AfDB) Group is with the UK's aid priorities in Africa, how effective the AfDB Group is at delivering the UK's priorities, and how well FCDO ensures value for money for its contributions.

Full review

Green/Amber

Key findings

- The Bank is one of the most effective multilateral banks, based on a number of independent comparative assessments, and has made satisfactory progress towards many of its priority objectives.
- The Bank is highly cost-effective relative to other comparable multilateral banks.
- However, the Bank is also still some way off achieving its potential, particularly in the areas of project preparation and implementation, engagement with the private sector, and leveraging third-party finance.
- The Bank's overarching objectives are well aligned with UK development goals, and the UK's position on the board of the Africa Development Fund gives it a central role in strategic decision-making, despite its relatively small shareholding.
- Contributing to the Bank enables the UK to deliver important development results that could not be achieved bilaterally, given the Bank's wider geographical coverage and expertise in areas such as financing large-scale cross-country infrastructure projects.
- The Bank generates good-quality research and policy advice, although it could do more to share its underlying data with the wider development community as a global public good.
- The Bank's progress in decentralising the allocation of staff and resources to regional and country offices, a strategic priority for DFID, has been especially positive, but it has struggled to recruit sufficient staff in key areas such as environmental and social safeguards and in fragile and conflict-affected states.
- After reduced ministerial engagement for some time, in 2017 DFID decided to place the Bank under what it termed a 'Performance Improvement Plan'. There was a widely shared view that holding the Bank accountable against this plan, independently of other board members, undermined the Bank's multilateral governance framework.
- Engagement between the UK government and the Bank on the ground was insufficient, especially on aligning DFID's strengths in the area of economic development with the Bank's focus on infrastructure.

Follow-up findings (2022)

ICAI found notable progress from the UK government in response to most of the recommendations in this review, especially pursuing a more multilateral approach to promoting improved Bank performance, supporting efforts to expand the Bank's core resources, and deepening strategic collaborations with the Bank on climate finance, crisis response and in the Sahel. The UK has strengthened its engagement on the Bank's environmental and social safeguards, but it could be engaging on these issues more consistently.

Assessing DFID's results in nutrition

(2020)

This review assesses results claimed by DFID in its nutrition work from 2015 to 2019, and the robustness of the methodology used to calculate these results. It assesses the extent to which the nutrition portfolio reaches the most vulnerable and the mechanisms used to understand their needs.

Full (results) review

Green/Amber

Key findings

- DFID surpassed its goal of reaching 50 million people with nutrition services between 2015 and 2020.
- The measurement of reach for DFID's reported nutrition results is innovative and drives an increased focus on quality programming, although it does not reflect all goals within UK aid's nutrition strategy.
- DFID made significant efforts to reach the most vulnerable households through its programmes, including in the most challenging environments.
- However, wider barriers to reaching the most vulnerable include a lack of reliable data and coordination mechanisms, a lack of systematic engagement with people expected to benefit, and capacity constraints on community workers and volunteers.
- DFID's portfolio is likely to deliver longer-term impacts reducing undernutrition, although recent progress on reducing stunting and wasting has been mixed.
- DFID was not addressing the double burden of malnutrition through nutrition-sensitive agriculture and private sector development.

Follow-up findings (2022)

FCDO responded clearly and positively to the majority of issues raised in the review, including through its Ending preventable deaths policy paper, funding commitments at COP26 on climate-resilient agriculture, and a funding commitment for nutrition of £1.5 billion for 2022-30. ICAI judged it to have made adequate progress on all of the review's recommendations, although there were delays in funding. There were also delays in implementing the nutrition policy marker to track progress, due to challenges with new IT systems following the merger, as well as uncertainty about whether guidance would be used and progress tracked in some areas. FCDO stakeholders highlighted that the review had been a catalyst for valuable new guidance aimed at strengthening the design and targeting of nutrition interventions, results systems and strategic approaches.

The UK's approach to tackling modern slavery through the aid programme

(2020)

This review looks at the UK's work to tackle modern slavery in developing countries – a “new and complex” issue for the aid programme that affects millions of people worldwide.

Full review

Amber/Red

Key findings

- The UK's work to tackle modern slavery in developing countries has had limited long-term impact, did not build on existing international efforts and experience, and failed to involve survivors adequately.
- The UK has yet to publish a statement on its objectives and approach for using aid to tackle modern slavery and the programme has neglected some dimensions of modern slavery.
- Most programmes have delivered their activities as planned and have produced a range of useful outputs, but little usable data has been generated about outcomes.
- Most programmes are not set up to generate robust data on ‘what works’ due to short project cycles, a lack of strong programme logic and underinvestment in monitoring and evaluation.
- The responsible departments in the UK government have recognised significant data and evidence gaps, but do not have a modern slavery research strategy.

Follow-up findings (2023)

ICAI found that there has still been no clear public statement of the UK government's approach to tackling modern slavery internationally.

There has been adequate progress from the government on two out of five of ICAI's recommendations and some progress on the other three areas. However, staff and budget constraints in 2021, as well as uncertainty about future budget allocations and strategic direction, mean that the positive steps have had limited impact on programme delivery. The government has prioritised a strong research agenda and taken important initial steps on survivor-centred engagement. There has also been some new evidence of country-level partnerships. However, the responses on neglected areas such as domestic servitude and trafficking within countries, mainstreaming and private sector engagement have been disappointing.

Management of the 0.7% ODA spending target (2020)

This rapid review examines how well the government managed the 0.7% target across departments between 2013 and 2019, though it does not assess whether the target itself, which was enshrined in law in 2015, is appropriate.

Rapid review

Not scored

Key findings

- The UK is one of only seven Organisation for Economic Cooperation and Development (OECD) countries to have reached the target of 0.7% of GNI being spent on aid to low- and middle-income countries, a target officially agreed at the UN General Assembly in 1970.
- The review finds that the spending target poses a complex set of financial management challenges for HM Treasury and aid-spending departments.
- The Senior Officials Group, co-chaired by HM Treasury and DFID, has become an effective cross-government structure for managing the target, and for sharing information and learning on this issue.
- Other departments vary in the quality of their governance arrangements for aid spending, but they have improved over time.
- The ODA target can create pressures to push the boundaries of what counts as aid, although instances of expenditure being inappropriately classified were not found in this review.
- Non-DFID departments have struggled with forecasting their ODA spending and HM Treasury financial year targets were not sufficiently tailored to reflect different departmental programme portfolios.
- DFID successfully fulfilled the main responsibilities of 'spender or saver of last resort' and carried the risk associated with the spending target, although it had no overall responsibility for ensuring the value for money of aid spent by other departments.
- The UK government noted concerns around the spending target encouraging a greater focus on inputs than on results, but this is partially mitigated by the scale of international poverty reduction needs.
- There is no evidence that rescheduling multilateral contributions across calendar years compromised value for money.
- Separate sub-targets for DFID's capital budget may have introduced value for money risks, although ODA 'reflows' or repayments have become less of an issue.
- The current management system is well suited for a typical level of variability and uncertainty, but larger shocks can pose significant risks.

- Changes to the international ODA definition can introduce uncertainty.
- A subsequent rapid review of the management of 0.7% ODA spending target in 2020 was later carried out by ICAI (see below).

Follow-up findings (2023)

Please see the below review as follow-up was conducted jointly with the second spending target review.

Management of the 0.7% ODA spending target

(2021)

This rapid review captures lessons from the management of the ODA spending target in the context of decreasing GNI in 2020, but does not comment on events in 2021, and therefore does not cover the impact of the 0.5% target decision itself.

Supplementary rapid review

Not scored

Key findings

- This review builds on ICAI's earlier rapid review of the management of the 0.7% ODA spending target (which covered the period from 2013 to 2019).
- The government's interpretation of the spending target as an exact ceiling as well as a floor made it more difficult to absorb shocks of the scale experienced in 2020. Other interpretations, such as working to a two- or three-year average or allowing less precision, were not pursued.
- Cross-government coordination was strengthened in a Star Chamber mid-year process chaired by the foreign secretary.
- In this process decision-making was centralised, and decisions were taken in a few days, with limited opportunities to feed in information from the frontline.
- The criteria used for reprioritisation were open to broad interpretation and inconsistently applied.
- Uncertainty in 2020 GNI forecasts could have been managed with less pessimism bias. For example, at the beginning of the year, GNI estimates suggested the aid budget should be £15.8 billion. The approach adopted by government at mid-year of pre-emptively planning a £2.94 billion (19%) in-year reduction resulted in more drastic bilateral aid cuts than were needed, even based on the Office for Budget Responsibility forecast available.
- In the event, government statistics recorded provisional UK ODA spend in 2020 as £14,471 million.
- Budget reductions were rightly distributed unevenly across departments.
- Budget reductions were concentrated in countries which the government identified as being most vulnerable to the impacts of COVID-19. This was partly due to their scale, as only sizeable programmes could make a significant contribution to the cuts.
- In the end, DFID/FCDO used flexibility in the timing of multilateral contributions to manage the year-end target.

Follow-up findings (2022, 2023)

After initial reluctance, the government has made progress on ICAI's recommendations related to taking a flexible approach to applying the aid-spending target. However, major challenges remain, especially on applying a floor to FCDO spending.

	<p>The government’s decision to allow FCDO to undertake additional spending over and above 0.5% in 2022-23 and 2023-24 (a result of pressures from domestic spending on refugees and asylum seekers) has set an important precedent in reducing value for money risks by applying aid targets more flexibly. In addition, some progress has been made on using broader GNI forecast information.</p> <p>The 2024 follow-up to our review of UK aid to refugees in the UK will pursue further engagement with FCDO on the recommendation for an FCDO spending floor, given that this review highlighted the same issue.</p>
<p>UK aid spending during COVID-19: management of procurement through suppliers (2020)</p> <p>This information note describes how the government set new priorities within the aid programme to meet the urgent health and humanitarian needs faced by developing countries as a result of the pandemic.</p> <p>Information note Not scored</p>	<p>Key findings</p> <ul style="list-style-type: none"> • Most of the UK’s response to the pandemic was directed through multilateral partners, with only relatively small amounts (£18 million) going directly to NGOs. A substantial amount also went to support scientific research. • Bilateral spend in many areas was put on hold and a reprioritisation process started, first to address COVID-19 and then to fit within the reduced aid target because of the fall in GNI. • A lack of transparency and communication around the prioritisation increased the uncertainty facing suppliers. • However, at the time of this information note, private sector and NGO suppliers were protected, and affected by only 11% of the cuts, even though they delivered 22% of DFID’s budget as of January 2020. • It was encouraging that DFID’s response to past ICAI recommendations on procurement had strengthened its capacity to respond to the uncertainties of 2020, although with scope for improvement.
<p>Tackling fraud in UK aid (2021)</p> <p>This review examines fraud prevention measures in the five biggest aid-spending departments. The review addresses external fraud involving individuals or organisations outside UK government departments, or involving both internal and external parties.</p> <p>Rapid review Not scored</p>	<p>Key findings</p> <ul style="list-style-type: none"> • The main ODA-spending departments have adequate systems, processes and structures in place to manage ODA fraud risk, albeit with differences and weaknesses. • Measures to prevent and investigate alleged fraud are operating as designed but detection levels are low. • Disincentives to look for and report fraud mean that even some known frauds are not being reported. • There are multiple whistleblowing and complaints mechanisms which vary in accessibility. • Outsourcing-related ODA fraud risks lack systematic scrutiny by third-line counter-fraud specialists, who tend to focus on risks down the delivery chain rather than at the top contract level where some of the biggest risks lie. • There are good examples of departments working with individual suppliers to address weaknesses, but limited widespread learning efforts down the delivery chain. <p>Follow-up findings (2023)</p> <p>ICAI’s most recent follow-up review found that the government is yet to take adequate action to address three outstanding recommendations</p>

from the original review. It has begun some internal reviews, for instance on whistleblowing mechanisms, but nothing has changed yet in practice. ICAI will return to the government's response to these recommendations in 2024.

The UK's aid engagement with China

(2021)

This information note provides a factual account of how UK aid has been spent by government departments supporting China's own development, partnering with China on global development challenges, and working with third countries on their engagement with China.

Information note

Not scored

Key findings

- DFID announced its intention to stop direct aid to China in 2011, and instead move towards a partnership in which it worked with China on global development issues.
- Meanwhile other departments and bodies, such as the Department for Business, Energy and Industrial Strategy, the Department of Health and Social Care, the Prosperity Fund and the British Council, have scaled up aid to China from 2015, primarily in areas such as research and innovation, educational and cultural partnerships, health and climate change.
- UK bilateral aid to China reached a record high of £68.4 million in grants in 2019. With the additional spend on working with China on global issues, the total reached nearly £82 million.
- However, 68.4% of spend went to UK research institutions or UK diplomatic efforts.
- In 2019, the imputed aid provided to China by the UK's core support to multilateral institutions (mainly through the Global Environment Facility) was £4.4 million, down from £11.2 million in 2015.
- Germany, which is the largest OECD donor, provides \$522 million in net ODA (with much in the form of loans with repayments).
- China's own aid to other countries is estimated to have reached \$5.9 billion.
- UK bilateral aid to China had a strong emphasis on promoting secondary benefits alongside the primary purpose of poverty reduction, with the Prosperity Fund claiming that it created £912 million worth of export orders for UK companies.
- The UK has made no plans to transition away from aiding China when, under OECD Development Assistance Committee (DAC) rules, China stops being eligible to receive ODA in the next four to six years.

Updates

July 2021 update: a week before the original information note was published, the then foreign secretary, Dominic Raab, announced that in China he had "reduced FCDO's ODA for programme delivery by 95% to £0.9 million (with additional ODA in this year only to meet the contractual exit costs of former programmes)". Media reports at the time assumed that Raab's statement meant that this applied to all UK aid. A few days later an FCDO minister described the statement as signalling an "almost complete" reduction in UK aid to China.

This update clarified that the category of FCDO 'ODA for programme delivery' referred only to spending through the Prosperity Fund and the International Programme (now the Open Societies Programme) and therefore applied to a limited part of total UK ODA to China. However, the update was not able to report on budgeted UK aid to China in 2021-22 across all relevant aid portfolios because of the limited information the government provided at that time.

July 2023 update: UK aid to China has fallen from £82 million in 2019 to £48 million in 2021-22 and is expected to fall further to around £10 million in 2023-24. While FCDO has reduced its own aid spend by 95%, the spend by its arm's-length body, the British Council, was reduced much less. The British Council's reporting on this spend lacks transparency. It involves support to English language, arts, culture and grassroots football in China, but little detail is available.

UK aid's approach to youth employment in the Middle East and North Africa

(2021)

This review assesses the relevance and effectiveness of UK aid programmes in promoting employment opportunities for young people across the Middle East and North Africa.

Full review

Amber/Red

Key findings

- ICAI found that the overall approach to promoting economic stability via the demand side (stimulating the economy) was relevant, but there was too much focus on the supply side (skills programmes).
- The portfolio has been less effective than planned in meeting job creation goals for young people.
- There was insufficient use of monitoring and evaluation.
- Policy dialogue with national governments was limited, as was donor coordination.
- Small schemes providing support to the private sector were successful, generating short-term jobs in crisis situations. Skill-building programmes achieved intended results, albeit in small numbers.
- However, the major economic reform programmes were not accompanied by complementary interventions to ensure impact for target groups.
- While women were commonly targeted by programmes, the results were limited, partly due to a bias towards male-dominated sectors of employment and insufficient attention to gender norms.
- There was no systematic consultation of young people to inform programmes.
- There was evidence of wide variation in the cost-effectiveness of programmes.
- The feedback from multilateral partners was that the UK preferred to focus narrowly on programme management, rather than enter into strategic partnerships which could have had greater impact.

Follow-up findings (2022, 2023)

ICAI returned to this review twice, most recently in 2023. The 2022 follow-up found that little action had been taken, other than work on a Jobs Measurement Framework to monitor employment creation. During ICAI's second follow-up, despite some good small examples of work in countries to improve the impact of employment-related programming, there remained significant gaps and weaknesses in the government's response. These could not fully be explained by the lack of budget for new programmes. ICAI found that substantive action had been taken only in relation to the use of gender and social inclusion analysis.

ICAI did not have reason to believe that a further follow-up in 2024 would see further progress, not least because FCDO, in view of the budget reductions, has no current plans to return to DFID's former leading role on economic development and employment programming in the region.

International Climate Finance: UK aid for halting deforestation and preventing irreversible biodiversity loss

(2021)

This review examines the effectiveness of UK aid in halting deforestation and preventing biodiversity loss.

Full review

Green/Amber

Key findings

- The UK spent £1.2 billion in aid on protecting forests and biodiversity between 2015 and 2020.
- There are a range of relevant and credible programmes tackling drivers of deforestation and biodiversity loss, but the portfolio is too widely spread geographically and thematically, lacking a strategic framework.
- Most programmes are delivering well at output level and there are some examples of excellent programming, especially on illegal logging.
- Given the major challenges in measuring results against efforts to protect forests and biodiversity, there is limited evidence of impact across the portfolio and the UK has not done enough to fill the measurement gap.
- FCDO, the Department for Business, Energy and Industrial Strategy (now the Department for Science, Innovation and Technology) and the Department for Environment, Food and Rural Affairs are coherent at the policy level, but at the country level often lack shared strategies, coordination arrangements and learning mechanisms.
- Some programmes are working well with forest communities, including indigenous peoples, but consultation with communities during programme design is inconsistent.
- In our citizen engagement, we heard widespread concerns that women, youth and poorer people are excluded from forest governance arrangements. UK programme documents acknowledge a need to work more with national governments to overcome barriers to these groups' participation.

Follow-up findings (2023)

ICAI found that the UK government has made valuable progress in addressing some key challenges raised in the original review, especially through launching an *International climate finance strategy*, meeting the pledge of at least £3 billion between 2021-22 and 2025-26 on development solutions that protect and restore nature, setting up a cross-departmental International Forests Unit (IFU), making use of more evaluation, and strengthening the approach taken to addressing gender across this portfolio.

Nevertheless, some notable issues still remain, including the need for more clarity over geographic and thematic priorities, challenges in making the IFU operate as a cross-departmental unit, delays in introducing new comprehensive monitoring indicators (especially for biodiversity programmes), and inconsistency in focusing on inclusion and poverty.

UK aid's alignment with the Paris Agreement

(2021)

This rapid review examines how the UK government is aligning all its ODA with the Paris Agreement on climate change, following its commitment to do so in 2019.

Rapid review

Not scored

Key findings

- In April 2021, 21 months after the commitment to Paris alignment of all aid was made, FCDO's Programme Operating Framework (PrOF) rule 5 mandated the use of four programme-level tools: climate risk assessment, shadow carbon pricing, fossil fuel policy, and alignment with country partners' own mitigation and adaptation plans at the design and development stage of new FCDO ODA and non-ODA programmes.
- However, there is no roadmap for full operationalisation of these commitments across other ODA-spending departments.
- There is no public means of monitoring progress on the Paris alignment.
- Given the planned scale-up of climate finance, gaps in capacity and capability to apply the PrOF rule 5 guidance are likely.
- A large amount of UK ODA either does not currently fall within the remit of PrOF rule 5 (or equivalent), or adherence relies on the tools of implementing multilateral organisations.
- The development of a government-wide fossil fuel policy is widely welcomed, but there is insufficient guidance on how to determine exemptions to this rule.
- Some developing countries have concerns that the pursuit of Paris alignment of aid will become a conditionality on the part of developed countries to access to ODA, at a time when developed countries are being seen to have failed to meet their commitment to mobilise at least \$100 billion per year of climate finance by 2020.

Follow-up findings (2023)

The government has committed to a 2023 deadline for ensuring that all new bilateral programmes are compliant with the Paris climate agreement in its *International development strategy*. Other government departments highlighted that they were now integrating PrOF rule 5 guidance into their programme documents. However, the ICAI PrOF review showed gaps in compliance by FCDO.

FCDO informed ICAI that the climate and environment cadre has been almost doubled over the last six months, from 64 accredited advisers (as of October 2022) to 113 (as of March 2023). However, it subsequently emerged that this included people from other departments.

ICAI found that action had been inadequate on reporting publicly on progress towards aligning all ODA with the Paris Agreement, and on deepening collaborative partnerships on Paris alignment with major developing countries.

The UK aid response to COVID-19

(2021)

This review examines the prioritisation and redirection of UK aid in response to the COVID-19 pandemic.

Rapid review

Not scored

Key findings

- The UK government set clear objectives for its international COVID-19 response, and took early action to inform itself and others on emerging risks and vulnerabilities for developing countries.
- Early decisions on reprioritising aid were well informed by the data and analysis available, and the value for money risk of reducing support for long-term development while responding to COVID-19 was flagged.
- However, the final round of budget reductions in 2021 did not always reflect the substantial evidence that had been collected.
- The UK aid response benefited from past contributions to preparedness for global health threats.
- The March 2020 mandatory return of UK aid staff from international postings (called a 'drawdown') hampered the UK aid response and resulted in the UK being out of step with implementing partners and some other donors.
- Centralised decision-making hindered flexibility in the continued COVID-19 response, taking decisions away from UK aid staff with detailed knowledge of programmes and operational context.
- The UK made an important contribution to developing vaccines, but delivery has been beset by delays.

Follow-up findings (2023)

Given the changed context with less virulent strains of COVID-19 and more widespread availability of vaccines, the UK had effectively pivoted its work on vaccines to focus on supporting supply chains, local production and capacity for rollout, including through engagement with Gavi, the Vaccine Alliance.

However, ICAI found little evidence of a move towards greater delegation to specialist staff close to delivery. FCDO's revised drawdown policy, unlike those of some other donors, still does not allow for consideration of individual staff preferences to remain in post in the case of future drawdowns.

Future follow-up will be done through the Programme Operating Framework follow-up.

The UK's approach to safeguarding in the humanitarian sector

(2022)

This review focuses on the humanitarian aid sector and examines the extent to which the UK government's safeguarding policies have been effective in preventing and responding to sexual exploitation and abuse (SEA) of affected populations, perpetrated by aid workers operating in humanitarian contexts.

Full review

Amber/Red

Key findings

- The UK has adopted a wide-ranging strategy of seeking change at both the international and the delivery level, with a particular focus on safeguarding. A disproportionate emphasis on systems may be resulting in slower change for affected people.
- FCDO approaches adopted a particular emphasis on accountability towards the department itself, rather than accountability towards affected people, particularly victims and survivors.
- FCDO's own investigations case management system was not calibrated to prioritise reports of SEA perpetrated against affected populations. ICAI found that there were gaps in FCDO's internal guidance, including on protecting whistleblowers and on ensuring due process and protection of the rights of the accused (improvements have since been made but the UK should review its approach).
- Those delivering UK humanitarian assistance believe the UK has a top-down approach which gives insufficient attention to local contexts and insufficient support to local initiatives to safeguard vulnerable people.
- Initiatives to prevent rehiring SEA perpetrators were insufficiently focused on staff recruited in countries of humanitarian response.
- ICAI's telephone survey of people affected by the humanitarian response in Uganda revealed a reluctance to use aid agencies' SEA reporting or referral mechanisms. The lack of robust timely data on confirmed incidents makes the task of reducing risks to vulnerable people much harder.
- Although there is some evidence to suggest that the culture of the humanitarian sector is starting to shift in relation to SEA, there is currently no system in place for measuring this change.

Follow-up findings (2023)

FCDO has responded to ICAI's recommendations to focus greater attention on in-country action, to develop systems for screening humanitarian workers recruited internationally, and to strengthen its investigations case management. The department needs to do more, however, to screen humanitarian workers recruited in-country, to promote the voice of affected people in debates on policy and practice on preventing sexual exploitation and abuse and sexual harassment (SEAH), and to invest further in filling gaps in the evidence base on the causes and solutions to SEAH.

Tackling fraud in UK aid through multilateral organisations

(2022)

This review assesses the extent to which the UK government ensures the effective management of fraud in its core funding to multilateral organisations.

Rapid review

Not scored

Key findings

- FCDO has appropriate processes in place to identify, assess and monitor multilateral organisations' fraud risk management frameworks.
- However, following the UK's exit from the EU, FCDO does not currently include the European Commission, where it had previously identified weaknesses, in its oversight of fraud risk frameworks across multilateral organisations.
- Fraud risk is managed on an organisation-by-organisation basis without oversight of risks across the whole multilateral portfolio.

- Although multilateral organisations see the UK as being among the leading donors pushing for strong counter-fraud measures, budget reductions may have affected FCDO’s leverage to influence multilateral organisations’ risk management systems.
- Reductions in funding may increase fraud risk in some areas.

Follow-up findings (2023)

ICAI found that FCDO has taken valuable action towards implementing the recommendations made in this report. FCDO has taken notable steps to reach out to like-minded donors to collaborate on fraud issues in the multilateral aid system, including through the Multilateral Organisation Performance Assessment Network and the boards of several multilateral agencies. The department has also made some efforts to develop a portfolio approach to fraud risk management, including through introducing peer review for Central Assurance Assessments (CAAs) of multilateral organisations, strengthened guidance and templates for CAAs, and improving the sharing of CAA findings across the department. However, action was inadequate in updating fraud risk assessment of UK aid spent through the European Commission.

The UK’s changing approach to water, sanitation and hygiene (2022)

This information note provides an account of the development of the UK’s water, sanitation and hygiene (WASH) portfolio between 2017 and the onset of the COVID-19 pandemic, how it has been adapted since, and how well the UK works with multilateral, NGO and private sector partners on WASH.

Information note

Not scored

Key findings

- The UK set and met ambitious targets for WASH programming, including reaching 62.6 million people in the 2015-20 period.
- There has been a fall of two-thirds in bilateral WASH expenditure since a peak of £206.5 million in 2018, to £70 million in 2021. The full effects of these reductions on programming are still emerging.
- This reduction in expenditure pre-dates the COVID-19 pandemic and has continued as a result of reductions in the UK aid budget in 2020 and 2021.
- The COVID-19 pandemic focused attention on WASH and especially on handwashing, with a new £50 million Hygiene and Behaviour Change Coalition match-funded partnership with Unilever on this reaching 1.2 billion people. This resulted in reductions and cancellations of grants to NGOs, as well as cutbacks to WASH-related research programmes, often at short notice.
- Implementing partners said that the cuts had damaged relationships with national partners and communities, and some reported the loss of experienced staff and additional financial issues such as sunk costs.
- In some cases the cuts may have undermined the sustainability of interventions.
- A new strategy for WASH was produced in 2018, focusing on system-building and mainstreaming WASH interventions into other programmes, and WASH was covered in the *Ending preventable deaths* strategy.
- Health impacts are not the only reason for investing in WASH – around the world girls and women are disproportionately impacted by inadequate access.
- At the time of publication new WASH programmes were said to be in the pipeline.
- Lines for further enquiry include adequacy of investment, technical capacity, fragile contexts, integrated programming, gender and climate change.

Assessing UK aid's results in education

(2022)

This results review assesses the impact, effectiveness and equity of UK aid on education, with a particular focus on girls' education.

Full (results) review

Green/Amber

Key findings

- The UK spent £4.4 billion on education through bilateral aid to education and an estimated £1.3 billion through core contributions to multilateral organisations in 2015-20.
- UK aid-funded programmes have been ambitious, mainly well implemented and relevant to the needs of marginalised children, especially hard-to-reach girls, and children with disabilities. However, there remain huge inequalities in access to school, exacerbated by the COVID-19 pandemic.
- The government's claim that it supported 15.6 million children in education is reasonable and probably an under-estimate. However, FCDO does not currently track learning achievements, which would provide a better measure of its support for good-quality or 'decent' education, often because of data limitations of partner governments.
- Out of 11 programmes which did collect such data, only six achieved their learning targets for children.
- ICAI's sample of bilateral and multilateral DFID/FCDO aid to education suggests that the programmes have achieved their overall goals.
- DFID/FCDO's knowledgeable education advisers add significant value at the country level and make bilateral and multilateral programming more effective.
- Girls' education has been a UK government priority over the review period. However, a quarter of activities targeting girls did not meet FCDO's expectations and the impacts of some interventions for girls were unlikely to be sustained over time.
- The focus on children with disabilities in DFID/FCDO programming has grown over the review period, with interventions in school infrastructure, social attitudes and teacher support, but there are deficiencies on results reporting in this area.
- Based on ICAI's sample of programmes, aid has reached children affected by conflict and humanitarian disasters effectively through various channels.
- Recent reductions in UK aid to education pose a potential risk to sustaining the UK's influence on education globally.

Follow-up findings (2023)

Despite continued constraints on resources available for education programming, FCDO has made significant progress in addressing ICAI's recommendations. ICAI found that FCDO has made some progress in developing interventions to benefit learning, supporting the generation of evidence on learning outcomes and promoting quality education for marginalised groups. However, FCDO still needs to target girls more consistently with its programming and more effectively support coherence of education programmes across delivery channels in-country.

The UK's support to the World Bank's International Development Association (IDA)

(2022)

This review, which focuses on the 2015-21 period, assesses the value for money of the UK's financial contribution to the World Bank's International Development Association (IDA) and how well the UK uses its position as the largest bilateral donor to shape IDA's policies and operations.

Full review

Green/Amber

Key findings

- In 2019 IDA, the world's largest source of grants and low-interest loans for low-income countries, disbursed \$10.6 billion in Africa, approximately equal to the amount of aid from France, Germany and the UK combined.
- The UK has been the top donor to IDA for most of the past decade – roughly £1 in every £12 of UK aid was received by IDA over the past five years. However, the UK announced that its contributions, starting from July 2022, will be 54% lower than for the previous 'replenishment', making its contributions less than those of the US and Japan.
- IDA's strategy and portfolio have been well aligned with the UK's international development priorities in IDA's emphasis on tackling poverty, fragility and crises and its focus on inclusion. Only on tackling climate change was there less alignment, but this was changing.
- National governments generally expressed satisfaction with IDA operations and practices.
- IDA is becoming more open to direct citizen engagement, but this remains a work in progress.
- There is significant room for improvement in implementing the latest version of environmental and social standards. Local implementation systems are not yet working adequately and there are concerns about capacity problems in the World Bank and local authorities responsible for oversight, made worse by the COVID-19 pandemic.
- IDA's response to COVID-19 has been rapid, large-scale and responsive, including protecting the most vulnerable, demonstrating its ability to perform a unique global role.
- IDA's funding model also enables it to mobilise a multiple – currently 3.5 times – of the sums contributed by its donors, by utilising internal World Bank Group resources and (since 2018) borrowing from financial markets. This means that UK taxpayers get good value for money for their investment in IDA.
- However, there is persistent pressure to hit ever-higher IDA commitment levels in countries with weak national systems, under strict conditions and safeguards, which may strain capacity for reducing fiduciary risk to the limit.

Follow-up findings (2023)

ICAI's follow-up found that the department has been ambitiously engaging IDA management on its response to climate change. FCDO has also been active in collaborating with the World Bank on environmental and social safeguards in some areas and has been challenging the Bank to pursue a more politically informed approach to addressing public financial management challenges in IDA countries. However, the department has only made limited progress in strengthening country-level partnerships with IDA programmes and is yet to demonstrate much effort on operationalising the Bank's 'shared prosperity' goal.

The UK's humanitarian response to COVID-19

(2022)

This review assesses emergency UK aid support for populations in humanitarian need as a result of the COVID-19 pandemic.

Full review

Green/Amber

Key findings

- The UK's rapid humanitarian response to the COVID-19 pandemic has saved lives and built resilience, but could have done more to ensure inclusion of some vulnerable groups.
- During the COVID-19 response, learning from earlier epidemics, including the 2014-16 West Africa Ebola outbreak, was not systematically captured and shared, leaving DFID/FCDO dependent on the tacit knowledge of a small number of experienced staff members.
- However, the UK government was quick to recognise the likely impacts of the pandemic in developing countries, and to mobilise a response at both global and national levels, although successive budget reductions later hampered the UK response.
- While there was no new funding for the COVID-19 response at country level, the UK worked systematically to identify opportunities to adapt programmes and support national responses.
- This included community awareness raising, hygiene promotion, isolation and treatment centres (especially for refugees) and medical supplies. In some instances, the UK supported COVID-19 treatment, including in the world's largest refugee camp, in Cox's Bazar, Bangladesh.
- The UK also funded social protection payments for groups which were especially vulnerable to lockdown measures, including the urban poor, informal sector and migrant workers, people with disabilities and female-headed households.
- The UK's reliance on existing programming channels meant that some groups made newly vulnerable by the pandemic were not always given priority in the response.
- The UK's support was most effective where DFID had made previous investments in building the resilience of local systems, particularly health systems, national social protection mechanisms and disaster resilience.
- Despite COVID-19 demonstrating the advantages that local responders have in accessing vulnerable people during emergencies, only a small proportion of UK and international assistance was channelled through local responders.
- The UK's response was coherent and coordinated and it made an important contribution to national coordination and information-sharing mechanisms.

Follow-up findings (2023)

ICAI's follow-up review found that FCDO has been working to protect programming on social protection from aid reductions and has been encouraging multilateral development banks to expand their activities on social protection. However, FCDO has not undertaken a formal after-action review of its COVID-19 response, instead relying on informal learning, which heightens risks that lessons will not be captured to inform future crisis responses. In addition, ICAI is yet to see robust evidence that FCDO has expanded its support directed to local delivery partners.

The UK's work with the Global Fund

(2022)

This information note provides a description of the UK's work with the Global Fund since 2019.

Information note

Not scored

Key findings

- The UK is a founding member and long-time partner of the Global Fund. It is the third-largest donor, with total contributions of £4.18 billion to date.
- The Global Fund's organisational effectiveness, impact and value for money are highly rated by external bodies.
- The Global Fund has long been challenged over whether its short-term investments, which have to be spent within its three-year funding cycle, do enough to help strengthen national health systems.
- The COVID-19 pandemic has had a severe impact on the Global Fund's ability to tackle HIV/AIDS, tuberculosis and malaria, as well as its impact on broader health systems.
- The new *International development strategy* mentions the Global Fund, alongside Gavi, the Vaccine Alliance, as two initiatives through which the UK will work towards ending preventable deaths of mothers, babies and children. However, the strategy also commits the UK to a relative reduction in funding through multilateral channels such as the Global Fund.
- In June 2019 the then UK prime minister, Theresa May, pledged up to £1.4 billion to the sixth replenishment in 2019, an increase of 15% on the UK's previous commitment, as requested by the Global Fund. As a result, the UK maintained its status from the fifth replenishment as the Global Fund's second-largest donor after the US.
- Since 2020, the payments for some tranches of the UK's sixth replenishment pledge have been partially rescheduled, causing cash flow concerns for the Global Fund.
- In the wake of the COVID-19 pandemic, global health was named as one of seven priority areas for UK aid. The Global Fund is a key partner in this area, with the UK investing an additional £60 million in its work to combat the pandemic.
- Despite being a long-time key partner to the Global Fund, the UK's contribution to the Fund's seventh replenishment, which had a target of \$18 billion, was still delayed at the time of the review's publication.

Transparency in UK aid

(2022)

This rapid review examines transparency in UK aid and what has been learned about good practice on aid transparency.

Rapid review

Not scored

Key findings

- Aid transparency plays a fundamental role in the UK's commitment to providing high-quality and accountable development assistance.
- However, a recent decline in aid transparency risks sending a signal that the UK's commitment to excellence in development cooperation is waning.
- The former DFID was the most transparent major bilateral donor agency during 2012-20, and also took a leading role in promoting aid transparency globally and in the UK.
- DFID published detailed corporate information and applied a presumption of disclosure to programme information, with clear and coherent criteria applied for withholding this information.
- The former FCO's aid transparency performance was much more modest. It did, however, improve over the review period, largely due to more timely reporting.

- FCO did not pursue a clear and coherent approach to aid transparency, which led to diverse practices across its aid portfolio and challenges for usability.
- The merged FCDO's performance in the 2022 Aid Transparency Index was lower than DFID's, even though more than 90% of the activities assessed were previously managed by DFID. This indicates a less favourable culture on aid transparency in the new department.
- Information on UK aid is widely used to undertake scrutiny of UK aid spending, but recent transparency weaknesses have hindered this scrutiny.

Follow-up findings (2022)

Not yet followed up. Details on further scrutiny will be published on the ICAI website in due course.

UK aid to Afghanistan

(2022)

Afghanistan has consistently ranked among the top recipients of UK aid since the beginning of the international military intervention in 2001. This review examines the relevance, coherence and effectiveness of the UK's aid investment in Afghanistan since 2014.

Full (country portfolio) review

Amber/Red

Key findings

- UK aid has provided valuable health, education and livelihoods support to people in Afghanistan, but failed to achieve its primary goal of promoting stability through building a viable Afghan state.
- The Afghan state failed because it was not built on a viable and inclusive political settlement.
- The UK's support for basic services and livelihoods through the Afghanistan Reconstruction Trust Fund responded to some of Afghanistan's acute development needs but overloaded the capacity of the Afghan government.
- UK aid helped empower Afghan women and girls, but progress on tackling gender inequality remained at an early stage, and further work is now needed to retain the legacy as much as possible.
- The payment of salaries of Afghan National Police officers conducting paramilitary operations against the insurgency was a questionable use of UK aid under the rules.
- The UK scaled up its humanitarian support as conditions deteriorated, but was slow to invest in building resilience to future crises and climate change.
- UK development assistance failed to adapt sufficiently to a deteriorating security situation.

Follow-up findings

Not yet followed up. Details on further scrutiny will be published on the ICAI website in due course.

UK aid to Afghanistan

(2023)

This information note provides a factual account of the UK's humanitarian response to the Afghanistan crisis since August 2021, including its pledge of £286 million in aid per year for 2021-22 and 2022-23. It complements ICAI's country portfolio review of UK aid to Afghanistan, published in November 2022.

Information note

Not scored

Key findings

- Nearly two years on from the Taliban's takeover of Kabul, the economic and humanitarian situation in Afghanistan remains dire.
- The flow of aid is proving insufficient to respond to growing humanitarian needs.
- The UK has been an active and significant donor to Afghanistan, including through co-hosting a high-level pledging conference and using its presidency of the G7 to lead international discussions.
- However, UK funding has been reduced to £100 million (of which £75 million is for humanitarian assistance) in 2023-24.

Follow-up findings

ICAI sets out several lines of further enquiry, including how the UK and others should maximise the impact of humanitarian assistance while minimising the benefits for the de facto authorities, how the UK can move beyond a crisis response, how to preserve the rights and opportunities which women and girls won before 2021, whether the international community should engage more with the Taliban without implying recognition, and the advantages and disadvantages of the UK re-establishing a physical presence within Afghanistan.

The UK's approaches to peacebuilding

(2022)

The UK has made sustained investments to address drivers of conflict and help build peace in fragile and conflict-affected regions. This review examines how relevant, coherent and effective the UK's approaches to peacebuilding have been.

Full review

Green/Amber

Key findings

- Given how elusive success in this field is, this review focused on lessons from the most promising peacebuilding efforts in three countries.
- The UK's efforts made meaningful contributions to peacebuilding, but the results would have been improved by a more reliable and long-term approach to funding.
- The UK government played a key role in the establishment and development of the UN peacebuilding architecture.
- The UK government's understanding of conflict contexts and the priorities of affected communities is good and is used when developing and adapting theories of change, strategies and interventions.
- The UK government's peacebuilding endeavours are largely aligned to its Women, Peace and Security commitments. However, poor donor practice in budget reductions increased the risk of doing harm to women.
- The UK government's approach to travel in Nigeria which, as seen in other countries such as Afghanistan where security is an issue, is risk-averse compared to the approach of almost all other donors, means that UK staff often manage programmes they are unable to visit.
- The UK is not systematically encouraging accountability towards affected communities.
- Where relationships are strong, the UK adopts the niche position of close cooperation with the host government – even when the latter's commitment to peace is limited. Close cooperation with host governments is rooted in a deliberate long-term choice to take high risks in order to achieve important results.

- The newly established FCDO-based Office for Conflict, Stabilisation and Mediation could potentially guide the UK's efforts in the broad field of peacebuilding, but it does not have strong senior backing across relevant UK government departments and its counterparts outside FCDO appear to have little incentive to cooperate.

Follow-up findings

Not yet followed up. Details on further scrutiny will be published on the ICAI website in due course.

The UK's approach to democracy and human rights

(2023)

This review explores how effectively the UK aid programme has responded to the emergence of new threats to democracy and human rights.

Full review

Green/Amber

Key findings

- The UK's £1.37 billion programming from the 2015-21 period is generally relevant, as a result of good levels of staff expertise, technical guidance, the use of evidence, and the ability to adjust activities to changes in context.
- Programmes were able to document useful results, including in difficult political contexts, especially when they operated over longer timeframes.
- However, UK aid programmes were not always able to address key challenges such as assisting journalists, human rights defenders and CSOs under threat from government repression – in part because of the fear of damaging the UK's relationships with partner country governments. Some other donor countries were more willing to tolerate this risk.
- Combining aid programming with diplomatic interventions often proved to be particularly effective, but the merged FCDO has not yet realised its potential in this area.
- Disruptions to UK aid since 2020 have affected the relevance and effectiveness of the portfolio, and undermined the promise of greater development and diplomacy coherence since the merger.
- High policy ambition is not matched by sufficient or predictable budgets. UK expenditure for democracy and human rights was reduced by 33% in 2020 and stayed at a similar level in 2021.
- Support for civic space has also been affected by the UK's insistence on funding specific activities, rather than offering core funding which is more useful in helping CSOs withstand pressure from their governments.
- Project management challenges which reduced effectiveness include the short funding cycles and poorer results measurement of the Magna Carta Fund and the Conflict, Stability and Security Fund, and long delays in moving from design to implementation for large DFID programmes.
- The UK government could improve the links between its central programmes and its country programmes, a weakness which undermined some centrally funded Westminster Foundation for Democracy interventions.
- A considerable amount of expertise has been lost since the merger, and the UK government's reputation as a reliable leader and global actor on democracy and human rights has declined.

Follow-up findings

Not yet followed up. Details on further scrutiny will be published on the ICAI website in due course.

UK aid to India

(2023)

This country portfolio review examines how the UK's aid programme in India has developed since the former DFID stopped providing direct financial aid to the Indian government in 2015.

Full (country portfolio) review

Amber/Red

Key findings

- The former DFID stopped providing direct financial aid to the Indian government in 2015 but the UK, including other government departments, shifted to other aid modalities such as technical assistance and development capital to private sector companies.
- UK aid to India is now largely focused on climate, infrastructure and economic development, rather than the provision of basic services such as health and education to the poorest states in India.
- The UK provided around £2.3 billion in aid between 2016 and 2021, including £441 million in bilateral aid, £129 million in development investment via FCDO in Indian enterprises, £749 million through multilateral channels, and £1 billion in investments through British International Investment (BII).
- While the UK's India portfolio reflects the shared interests of both the UK and Indian governments, it is fragmented across activities and spending channels, and lacks a compelling development rationale.
- Successive budget reductions have undermined the coherence of the UK's portfolio within India.
- Like many (but not all) other donors, the UK no longer works closely with Indian civil society and there is little UK support for Indian democracy and human rights, despite negative trends in these areas.
- Investments made through FCDO DevCap and BII have supported economic growth and job creation.
- BII invests 28% of its global portfolio by value in India, but much of its portfolio lacks strong 'financial additionality' (given India's relatively mature financial markets) and does not have a clear link to inclusive growth and poverty reduction.
- The UK is also delivering finance and innovative approaches to tackling climate change, showing the value of combining support for policy reforms with well-targeted development investments.
- UK aid has built research partnerships between UK and Indian institutions on global development challenges, but the research is weakly integrated with the rest of the portfolio.
- The UK's support to India's emerging role as an aid donor lacks a strong focus on results.

Follow-up findings

Not yet followed up. Details on further scrutiny will be published on the ICAI website in due course.

UK aid funding for refugees in the UK

(2023)

This review assesses the use of international aid to fund expenses related to hosting refugees and asylum seekers within donor countries (referred to as ‘in-donor refugee support’), the costs of which have sharply risen in the UK since 2014.

Rapid review

Not scored

Key findings

- The UK’s method for calculating in-donor refugee costs seems to be within the OECD-DAC rules but does not follow their guidelines on a conservative approach.
- There is no cap on how much of the UK aid budget can be spent on in-donor refugee support, and spending has continued to increase, unaffected by the budget reductions imposed across most of the UK’s aid programming.
- The UK’s management of in-donor refugee costs creates little incentive for departments spending this aid to control their expenditure.
- Cross-government oversight and cooperation arrangements to manage in-donor refugee costs are not transparent and are inadequate.
- The rise in in-donor refugee costs has led to dramatic reductions in the UK’s bilateral humanitarian aid, at a time of large-scale global displacement crises and humanitarian emergencies.
- In-donor refugee costs at this scale are a highly inefficient response to global crises, as this is an expensive form of ODA, compared to supporting crisis-affected people in their place of origin or displaced within their own region.
- The Home Office’s response to the UK’s asylum and refugee accommodation crisis has not gone beyond short-term fixes.
- The Home Office is not effectively tracking value for money achieved from its commercial suppliers. Key performance indicators for commercial suppliers are outdated and contract management is not to the standards set by government for contracts of this magnitude.
- Charities, community groups, hotel management and concerned individuals have often provided additional support to fill key gaps.
- The processes to ensure safeguarding within initial and bridging accommodation for asylum seekers and resettled refugees are inadequate.
- Home Office learning from previous scrutiny reports and recommendations on value for money of accommodation and support services has been limited and lacks transparency.

Follow-up findings

Not yet followed up. Details on further scrutiny will be published on the ICAI website in due course.

The FCDO’s Programme Operating Framework

(2023)

This rapid review assesses the effectiveness of FCDO’s Programme Operating Framework (PrOF) established following the merger of FCO and DFID.

Rapid review

Not scored

Key findings

- FCDO’s rapid development and deployment of the PrOF is commendable, especially given the significant internal and external challenges facing the department following its creation.
- The PrOF has helped to create stability for FCDO programme staff and has ensured that good programme management practice, developed within former DFID- and former FCO-managed aid programmes, has been retained, in particular the concept of ‘empowered accountability’.
- While the PrOF’s overall approach is credible, and the principles and rules that form the centre of the PrOF are relatively concise, much of the remainder of the document is not clearly written, making it harder for readers to find and absorb the most important information.

- The PrOF was not fully adapted to the FCDO landscape of reducing budgets and smaller programmes.
- The PrOF has struggled to gain traction with those not already familiar with DFID’s programme management, and in particular with more senior staff. This has led to inefficiencies in its implementation and has contributed to many programme staff feeling undervalued.
- High levels of non-compliance were found, including with the new Paris alignment rule, which aims to integrate climate considerations.
- Systems integration following the merger is still not complete due to delays in implementing a new finance system.
- There has been no engagement with other donors to learn from their programme management approaches, although there has been an effort to reach cross-government standards and levels of good practice set by the UK’s Infrastructure and Projects Authority.

Follow-up findings

Not yet followed up. Details on further scrutiny will be published on the ICAI website in due course.

UK aid for trade

(2023)

This review assesses the extent to which UK aid for trade programmes address binding constraints to trade and promote poverty reduction and inclusion.

Full review

Amber/Red

Key findings

- UK programmes broadly align with UK and partner country priorities, as well as with available evidence on ‘what works’, and contribute to economic growth.
- The UK’s support has contributed to positive results, including delivering significant reductions in the time to trade across borders and contributing to increases in trade, although who benefits is less clear.
- The UK is not doing enough to ensure that its aid for trade interventions benefit the poor, such as smallholder farmers, small businesses and employees in developing countries.
- While there are systemic challenges in assessing the wider impacts of many aid for trade programmes, given the length of time for results to materialise and the long and complex results chains, efforts to address these challenges are lacking and have deteriorated further as a result of the aid budget reductions.
- ICAI found that UK aid budget reductions have left the portfolio spread thinly across priorities and countries, and reduced UK support for the international rules-based trading system.
- There are risks that the pursuit of secondary benefits to the UK may compromise the quality of programming and the focus on poverty reduction, but currently there is no guidance on this.

Follow-up findings

Not yet followed up. Details on further scrutiny will be published on the ICAI website in due course.

UK aid to agriculture in a time of climate change

(2023)

This review assesses all UK ODA support to agriculture between 2016 and 2021, with a specific focus on climate change.

Full review

Green/Amber

Key findings

- The UK spent an estimated £2.6 billion in bilateral aid to agriculture between 2016 and 2021. This included funding for programmes delivering direct development interventions, agricultural research programmes and aid-funded investments in agricultural businesses, mainly from British International Investment (BII).
- In case study countries, FCDO managed sophisticated, innovative and ambitious programmes that supported agricultural development while reducing poverty, with many helping smallholders by improving their access to markets.
- The climate relevance of the UK's work on agriculture has increased dramatically over the review period, albeit starting from a very low baseline.
- The agriculture portfolio's inclusion of nutrition has improved modestly, but the focus on commercialisation makes positive nutritional outcomes more challenging.
- BII's statutory requirement to realise a return on investment meant that it tended to reduce risk by investing in the growth of large, well-established firms, although evidence for job creation is variable and evidence for other development benefits is limited.
- Until recently BII had few incentives to address gender, climate change or nutrition in its investments in the agriculture sector.
- Senior-level coordination between BII, FCDO and AgDevCo (a specialised investor in Africa's agriculture sector funded by DFID/FCDO), and other donors, improved over time. However, there were missed opportunities for greater impact, even when coordination had been built into business cases.
- The 2015 Conceptual framework on agriculture provided DFID/FCDO with a clear approach for an agricultural development portfolio focused primarily on supporting commercial opportunities for smallholder farmers. The departments' reorganisations, leadership churn and successive crises have eroded this strategic clarity.
- Some technical capacity has been lost in recent years and while international partners still value the UK's thought leadership, the UK is drawing upon a dwindling reputation.
- FCDO focuses on downstream translational research and innovation for greater development impact, using the expertise of advisers and international bodies, regional agricultural organisations, other donors and academia.
- The Global Challenges Research Fund's (GCRF) funding mechanisms were built for research reflecting the interests of UK academics rather than the interests of developing countries. Changes, following an ICAI review in 2017, improved the development relevance of later awards, but by the time these changes came into effect, most of the GCRF's funding had already been committed.

Follow-up findings

Not yet followed up. Details on further scrutiny will be published on the ICAI website in due course.



This document can be downloaded from www.icaei.independent.gov.uk.

For information about this report or general enquiries about ICAI and its work please contact:

Independent Commission for Aid Impact
Gwydyr House
26 Whitehall
London SW1A 2NP

icaei-enquiries@icaei.independent.gov.uk