

# **ICAI follow-up review of 2020-21 reports**

**June 2022**

**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.

### Individual review scores and what they mean



**An adequate score means:**

- Enough progress has been made in the right areas and in a sufficiently timely manner in order to address the core concerns underpinning ICAI's recommendations.



**An inadequate score results from one or more of the following three factors:**

- Too little has been done to address ICAI's recommendations in core areas of concern (the response is inadequate in scope).
- Actions have been taken, but they do not cover the main concerns we had when we made the recommendations (the response is insufficiently relevant).
- Actions may be relevant, but implementation has been too slow and we are not able to judge their effectiveness (the response is insufficiently implemented).



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# Letter from the chief commissioner

This is the third year that I have led the Follow-up review looking at what has happened with issues we reviewed in the previous year (2020-21). This process of following up our recommendations to maximise the chances of implementing them has always been an important part of ICAI's efforts to improve UK aid, but in the context of the turbulence we have seen in the last two years, it is more important than ever.

This period, like the one before it, has been affected by the pressures resulting from COVID-19, although their impact was less during the time the government had to implement our recommendations. In addition, the crises in Afghanistan and Ukraine have inevitably diverted many officials from their normal jobs. But it was the merger of the Foreign and Commonwealth Office and the Department for International Development and successive budget reductions, this year in the context of the reduction of the spending target to 0.5% of gross national income, which have had an even bigger impact across the board. In effect the merger is still under way, with structures and IT systems still being worked through, and priorities not clear until very recently, even though the Foreign, Commonwealth and Development Office began life as a merged department in September 2020. In the interviews we undertook in this review, officials often mentioned the merger and the delay in setting out the new priorities as a reason why the implementation of our recommendations had been slowed.

The lack of clarity about priorities can best be described as strategic drift. While the *Integrated review* did provide a high-level framework, to give direction for resource allocation in the aid programme, the first *International development strategy* since 2015 was awaited. The strategy finally came out in May, as this report was being finalised. It is to be hoped that clarity on the way forward will enable better implementation of ICAI's recommendations next year.

Meanwhile, we did see some improvements in using our work. There was better cooperation in the process of follow-up, and we saw some strong learning, especially in relation to the area of conflict-related sexual violence, and in relation to maternal health. These benefited from a clearer strategic direction. However, as last year, significantly fewer recommendations were adequately implemented compared to the follow-up to ICAI's 2018-19 reports.

Moreover, there remain concerns about proper record-keeping and transparency. Given concerns that transparency is seen as less of a priority since the merger, ICAI is carrying out a review examining this important issue for UK taxpayers and other stakeholders, to be published later this year.



A handwritten signature in black ink, appearing to read 'T. Barton', written over a white background.

Dr Tamsyn Barton  
Chief Commissioner

# Executive summary

This report presents the results of our follow-up exercise to assess progress made by aid-spending government departments and funds on addressing recommendations made by the Independent Commission for Aid Impact (ICAI). It covers 11 ICAI reviews in total: we follow up on seven reviews published in the last annual review cycle from July 2020 to July 2021 (the two reviews on the government's official development assistance (ODA) spending target are followed up together), and we return again to four reviews published in previous cycles to address outstanding issues from last year's follow-up exercise. **Table 1** gives an overview of the follow-up exercises conducted this year.

Table 1: Review questions

Review title	Publication date
<b>Follow-ups</b>	
<a href="#">The UK's support to the African Development Bank Group</a>	31 July 2020
<a href="#">Assessing DFID's results in nutrition</a>	16 September 2020
<a href="#">Sexual exploitation and abuse by international peacekeepers</a>	30 September 2020
<a href="#">The UK's approach to tackling modern slavery through the aid programme</a>	14 October 2020
Management of the 0.7% ODA spending target, <a href="#">Part 1</a> and <a href="#">Part 2</a>	24 November 2020 & 20 May 2021
<a href="#">Tackling fraud in UK aid</a>	8 April 2021
<a href="#">UK aid's approach to youth employment in the Middle East and North Africa</a>	8 July 2021
<b>Outstanding issues</b>	
<a href="#">Assessing DFID's results in improving maternal health</a>	30 October 2018
<a href="#">How UK aid learns</a>	12 September 2019
<a href="#">The UK's Preventing Sexual Violence in Conflict Initiative</a>	9 January 2020
<a href="#">The changing nature of UK aid in Ghana</a>	12 February 2020

## Scoring the government's progress

Each ICAI review we follow up for the first time is given a score, designating the response to ICAI's recommendations as adequate or inadequate, illustrated by a tick or a cross. An inadequate score results from one or more of the following three factors:

- Too little has been done to address ICAI's recommendations in core areas of concern (the response is inadequate in scope).
- Actions have been taken, but they do not cover the main concerns we had when we made the recommendations (the response is insufficiently relevant).
- Actions may be relevant, but implementation has been too slow (the response is insufficiently implemented) and we are not convinced by the reasons for the slowness.

We will return to issues where the government response has been inadequate, either as outstanding issues in the next follow-up or through future reviews. Outstanding issues from previous years are not scored, but a decision is made on whether we need to return to them again.

## Overview of the response to ICAI's recommendations

Overall, the government response to ICAI's recommendations this year has been mixed and progress on recommendations continues to be affected by the institutional, strategic and budget uncertainties following the merger of the Department for International Development (DFID) and the Foreign and Commonwealth Office (FCO) into the Foreign, Commonwealth and Development Office (FCDO) and the reduction of the aid spending target from 0.7% to 0.5% of gross national income (GNI). The response to the follow-up process has nevertheless been stronger than last year, which saw the follow-up exercise hampered by a lack of access to documentation to assess the relevance and effectiveness of government actions. However, access to evidence remains a problem compared with the years before the FCDO merger.

The positive highlights of this year's follow-up exercise, which show that ICAI's recommendations have been well used, include the following:

- For the Preventing Sexual Violence in Conflict Initiative (PSVI), we found that the new 'theory of change' on conflict-related sexual violence (CRSV), the PSVI strategy and country plans with key performance indicators are a strong, if delayed, response to ICAI's concerns about a lack of strategic direction and oversight of the cross-government efforts in this area of UK aid. The theory of change and strategy explicitly address ICAI's concerns and problem statements.
- We found across the follow-up of three different reviews that the UK government has taken on board ICAI's recommendation on entrenching a survivor-centred approach to all aspects of its programming related to CRSV and sexual exploitation and abuse, including modern slavery.
- A range of important guidance has been produced for nutrition programming, to guide improved approaches to reaching those most at risk, support the development of healthier diets, integrate nutrition into social protection programming and undertake adequate monitoring and evaluation. The government has also committed to applying an internationally recognised approach to tracking nutrition-related impacts across sectors.
- After lengthy delays, the *Ending Preventable Deaths approach paper* and the *Health Systems Strengthening position paper* have been published. Both are of good quality, respond to concerns raised by ICAI in its 2018 review assessing DFID's results in maternal health, and set a path for the strategic direction for FCDO work on maternal health through to 2030.
- The government has taken a strategic approach to bridging evidence gaps on 'what works' in ending modern slavery, through funding the production and dissemination of a range of high-quality research projects. This should support UK and international efforts to combat modern slavery.

There are signs that the merged FCDO has had a positive impact on the response to some of ICAI's recommendations, while the merger process continues to pose challenges for FCDO's response in other cases. Looking at the positives first:

- Revisiting the two companion reviews of *The UK's Prevention of Sexual Violence in Conflict Initiative and Sexual exploitation and abuse by international peacekeepers*, this year's follow-up review found a considerably more joined-up approach to addressing the challenges of CRSV.
- African Development Bank Group officials noted in interviews that they welcomed the UK's stronger engagement and more joined-up approach in their engagement with the Bank, which seems to have been influenced by the merger.

For other reviews, the picture was less positive. For instance:

- **Management of the 0.7% ODA spending target, Part 1 and Part 2:** The government engaged with ICAI's recommendations, including by exploring ways in which to manage the spending target more flexibly. However, few concrete changes to policy or practice have been proposed that would address the value for money risks identified in the two reviews.

- **How UK aid learns:** FCDO continued to be absorbed by the process of developing its own systems, policies and strategies, which limited its ability to support efforts to develop a more coherent and joined-up approach to monitoring and evaluation, learning and transparency across the UK aid programme.
- **Tackling fraud in UK aid:** The demands of the merger, together with continued uncertainty about resourcing while strategic decisions are being made, have contributed to capacity shortages in the FCDO Control and Assurance (counter-fraud) team, which has constrained its ability to respond to ICAI's recommendations.
- **UK aid's approach to youth employment in the Middle East and North Africa:** Interviewees explained that the slow response to addressing ICAI's recommendations was partly due to the merger, because there was no new relevant programming in which to implement recommendations.

## Cross-cutting issues

The period covered by this follow-up review was characterised by great change and uncertainty in UK aid. The FCDO merger processes, which started in September 2020, are still under way. Large-scale international crises in Afghanistan and Ukraine, as well as the considerable effort involved in responding to the reduction of the UK aid spending target from 0.7% to 0.5% of GNI, have meant less time available to spend on aid programme design and delivery. We discuss two cross-cutting issues that have affected the government's response to ICAI's recommendations this year:

- **Institutional, budgetary and strategic uncertainties.** The restructuring of FCDO is still not complete. Delays in setting the strategic direction for UK aid through the long-awaited *International development strategy*, published on 16 May 2022, have had knock-on effects on thematic and sector strategies, which cannot be completed if the overall direction and priorities are not set. While waiting for thematic and sector strategies, the planning of new aid portfolios and programmes has often been put on hold. The period since the merger has also seen significant reductions in UK aid spending, resulting from contractions in the UK economy and the decision to reduce the UK's aid budget temporarily from 0.7% to 0.5% of GNI from 2021. This has led to major cutbacks across UK aid and ongoing resource uncertainty as budgets for future programming remained undecided. We found in many of our follow-up exercises that staff and budget constraints have meant that tough choices have had to be made, with negative impacts on the implementation of some of our recommendations. The aid allocations for the 2022-23 financial year could not be finalised until the UK *International development strategy* had been launched in mid-May 2022.
- **Problems of monitoring, record-keeping and transparency.** Based on the experience of ICAI reviews, including this one, there has been a reduction in the comprehensiveness of record-keeping and documentation of the UK aid programme since the merger. Although FCDO transparency requirements mean that all programmes should retain and publish key programme documents, such as business cases and results reporting, this has not always been done. If record-keeping is not consistent, FCDO's ability to assess value for money, learn and build on previous experience is compromised. Retaining institutional memory through good record-keeping is particularly important in periods of great flux, such as the one UK aid is currently undergoing. ICAI found examples in this year's follow-up exercises of current FCDO teams not having sight of the history of ICAI reviews, leading to a lack of background knowledge, misunderstandings and a sense that there has been less engagement with the reviews' findings, concerns and recommendations. Linked to this problem of record-keeping, there has been a deterioration in the transparency of UK aid spending since the merger. Aid programme documentation is no longer systematically available for public scrutiny. Whereas ICAI could previously expect to find business cases and annual reports on UK aid programmes available in the public domain, these now often need to be requested from government, and the evidence provided on request varies in its comprehensiveness.

The value of ICAI's annual follow-up exercises is even greater in a context of institutional flux and strategic drift in FCDO, as these exercises contribute to institutional memory and learning. However, ICAI's role in supporting institutional memory is limited to the aid areas covered by its review programme. It is therefore crucial that FCDO strengthens its approach to monitoring and record-keeping, to maintain institutional memory for learning. It is also crucial for FCDO to ensure that records are open and accessible, to enable public scrutiny of UK aid spending.


## Outstanding issues we will return to again next year

In addition to following up a new set of ICAI reviews next year, we will come back to the following reviews as outstanding issues:

- **Management of the 0.7% ODA spending target, Part 1 and Part 2:** The government engaged with ICAI's recommendations, including by exploring ways in which to manage the spending target more flexibly. However, few concrete changes to policy or practice have been proposed that would address the value for money risks identified in the two reviews. The government could do more to explore different options in relation to Part 1, Recommendations 2, 3 and 4, which suggest exploring ways of lessening value for money risks and introducing greater flexibility into the management of the 0.7% target; and Part 2, Recommendations 1 and 2, on the use of GNI forecasting and building options for flexing spend into country portfolios and plans. We will therefore be returning to these recommendations.
- **Tackling fraud in UK aid:** We will return to Recommendations 2, 3 and 4, to assess the extent to which the strains on staff and budgets continue to hinder the government in addressing ICAI's concerns.
- **UK aid's approach to youth employment in the Middle East and North Africa:** We will return to all the recommendations after finding limited actions taken to address ICAI's concerns. Some important work to develop a methodology for assessing job creation, as well as work on gender inclusion, is taking place, but it is currently too early to tell what impact this work may have.
- **The changing nature of UK aid in Ghana:** We will return to Recommendation 6 on stronger guidance to ensure the prioritisation of development objectives when ODA is used for initiatives aimed at benefiting both the UK and developing country partners. As the priorities of the new *International development strategy* start to be implemented, it is crucial that the risks to development objectives and value for money entailed in the government's integrated approach to aid, trade and investment are addressed as well as the opportunities.
- **The UK's approach to tackling modern slavery through the aid programme:** Since the planned *Modern slavery strategy* has not yet been published, we will return next year to assess how it addresses ICAI's recommendations, including whether it gives sufficient attention to ODA-funded international work to reduce modern slavery in origin, transit and destination countries.
- **How UK aid learns:** We will return to this review next year, since the recommendations have not received adequate attention as part of the FCDO merger process.

## Summarising progress on recommendations per review

Table 2: Overview of progress and scoring for individual reviews

Our assessment of progress on ICAI recommendations	Score
<b>The UK's support to the African Development Bank Group</b>	
<p>ICAI's full review of The UK's support to the African Development Bank Group was published in July 2020, and was scored green-amber. It found that UK aid funding for the African Development Bank Group is good value for money, allowing the UK taxpayer to influence development across Africa. ICAI offered a set of recommendations to help the government evolve its approach to engaging the Bank on issues such as performance management, core resources, environmental and social safeguards, trust fund management and in-country collaboration. There has been notable progress from the UK government in response to most of the recommendations, especially in 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, although it could be engaging on these issues more consistently. Interviewees from the Bank noted that the merged FCDO was followed by renewed engagement and a more joined-up approach.</p>	



## Our assessment of progress on ICAI recommendations

Score

### Assessing DFID's results in nutrition

ICAI's review *Assessing DFID's results in nutrition* was published in September 2020, and was scored green-amber. It found that FCDO had exceeded its commitment to reach 50 million pregnant and lactating women and children under five between 2015 and 2020. It also set out recommendations to improve the depth and breadth of the impact of its nutrition work, including through increasing the emphasis on cross-cutting interventions, local systems building and targeting the most marginalised. FCDO has responded clearly and adequately to most of the issues raised in the review. We judge it to have made adequate progress on all of the review's recommendations. FCDO stakeholders highlighted that the review has been a catalyst for valuable new guidance aimed at strengthening the design and targeting of nutrition interventions, results systems and strategic approaches. FCDO should now prioritise implementing these new approaches to nutrition, ensuring sufficient capacity across the organisation to integrate nutrition-related outcomes and indicators, build local systems and strengthen engagement with people expected to benefit from its programmes.



### Sexual exploitation and abuse by international peacekeepers

ICAI's review of *Sexual exploitation and abuse by international peacekeepers* was published in September 2020, as a short report accompanying the January 2020 review of *The UK's Preventing Sexual Violence in Conflict Initiative*. It found that the UK government was a leading actor in international efforts to tackle sexual exploitation and abuse (SEA) but noted missed opportunities to join up closely related areas of work, in terms of both support to survivors and the sharing of learning on 'what works'. Since the FCDO merger, cross-departmental collaboration between FCDO and the Ministry of Defence (MOD) on tackling SEA by international peacekeepers has improved considerably. The government's work in this area now has a stronger strategic focus, with the development of a cross-government theory of change on conflict-related sexual violence (CRSV), which includes SEA by peacekeepers. The strategy sets out a survivor-centred approach, which is also showing in practice, with FCDO contributing funding to the UN Trust Fund in Support of Victims of Sexual Exploitation and Abuse. The MOD is in the final stages of creating its own SEA policy, grounded in the CRSV theory of change. There remains an opportunity to strengthen this cross-departmental strategic approach further as the ground has been prepared for the implementation of a survivor-centred SEA approach across all UK aid activities to tackle SEA in peacekeeping missions.



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

ICAI's review of *The UK's approach to tackling modern slavery through the aid programme* was published in October 2020 with an amber-red score. The review found that the UK government played a prominent role in raising the profile of the issue globally but concluded that its work within developing countries was not well positioned to achieve impact, did not build on existing international efforts and experience, and failed to involve survivors adequately.

The follow-up found that initial positive steps have been taken. However, staff and budget constraints in 2021, as well as uncertainty about future budget allocations and strategic direction, mean that these have as yet only had a limited impact on programme delivery. The government has prioritised a strong research agenda and taken important initial steps on survivor engagement. There has also been some new evidence of country-level partnerships. However, the responses on mainstreaming, neglected areas, and private sector engagement have been disappointing. The new *Modern slavery strategy*, which is still under development, will be key to setting the direction and scale of future UK aid initiatives to tackle modern slavery. With the strategy still unpublished, we score the government's response as inadequate. We will return to this review next year to assess how the strategy addresses ICAI's recommendations, including whether it gives sufficient attention to ODA-funded international work to reduce modern slavery in origin, transit and destination countries.



Our assessment of progress on ICAI recommendations	Score
<b>Management of the 0.7% ODA spending target, Part 1 and Part 2</b>	
<p>ICAI's two rapid reviews of <i>Management of the 0.7% ODA spending target</i> were published in November 2020 and May 2021. Both were unscored. The reviews found that the UK government, and in particular DFID/FCDO as spender or saver of last resort, had successfully managed spending to hit the 0.7% target. However, they also noted that a lack of flexibility in the government's interpretation and pursuit of the target opened up several value for money risks, particularly when there is significant uncertainty about the level of ODA spend required to meet the target.</p> <p>We recognise the effort from the government to engage constructively with ICAI's recommendations. However, we have seen few changes to the way in which the government manages the spending target in response to the main thrust of our recommendations and the value for money risks identified in the ICAI reviews. As a result we will be following up the recommendations again next year.</p>	
<b>Tackling fraud in UK aid</b>	
<p>ICAI's rapid review of <i>Tackling fraud in UK aid</i> was published in April 2021 and assessed the extent to which the UK government takes a robust approach to tackling fraud in its ODA expenditure. It reviewed how five departments prevent, detect, investigate, sanction and report on fraud in their aid delivery chains, and how they manage fraud risk within portfolios, programmes and projects. The follow-up found that the government's response, led by FCDO, to ICAI's recommendations has led to important changes, including the establishment of a cross-government ODA Counter Fraud Forum. However, severe resource shortages following the FCO-DFID merger in both the fraud investigations team and the Control and Assurance (counter-fraud) team have hampered the implementation of plans. We therefore judge that the government's response to Recommendations 2, 3 and 4 is inadequate, despite some initial promising signs.</p>	
<b>UK aid's approach to youth employment in the Middle East and North Africa</b>	
<p>The Middle East and North Africa (MENA) is a region of considerable strategic interest to the UK. With one of the youngest populations in the world, a key challenge is youth unemployment, which averages 23% among 15- to 24-year-olds in the Arab states, compared with 14% globally. In response to this context, ICAI examined how effectively UK aid had addressed the challenge of promoting youth employment in the MENA region over the period since 2015. This review was published in July 2021.</p> <p>The government response to the review was limited and tangible actions were largely modest in nature. The limited response seems to have been driven by FCDO's continued stance that it does not have an explicit youth employment strategy in MENA, as well as ongoing challenges facing the department, especially from the merger, reductions to the aid budget and staff changes. Our 2021 review found that the portfolio of work, including youth employment objectives, was sufficiently large to warrant the review, and the findings remain relevant to the broader macroeconomic work of the department, encompassing employment. We will return to all five recommendations next year.</p>	

Table 3: Overview of progress on outstanding issues from earlier reports

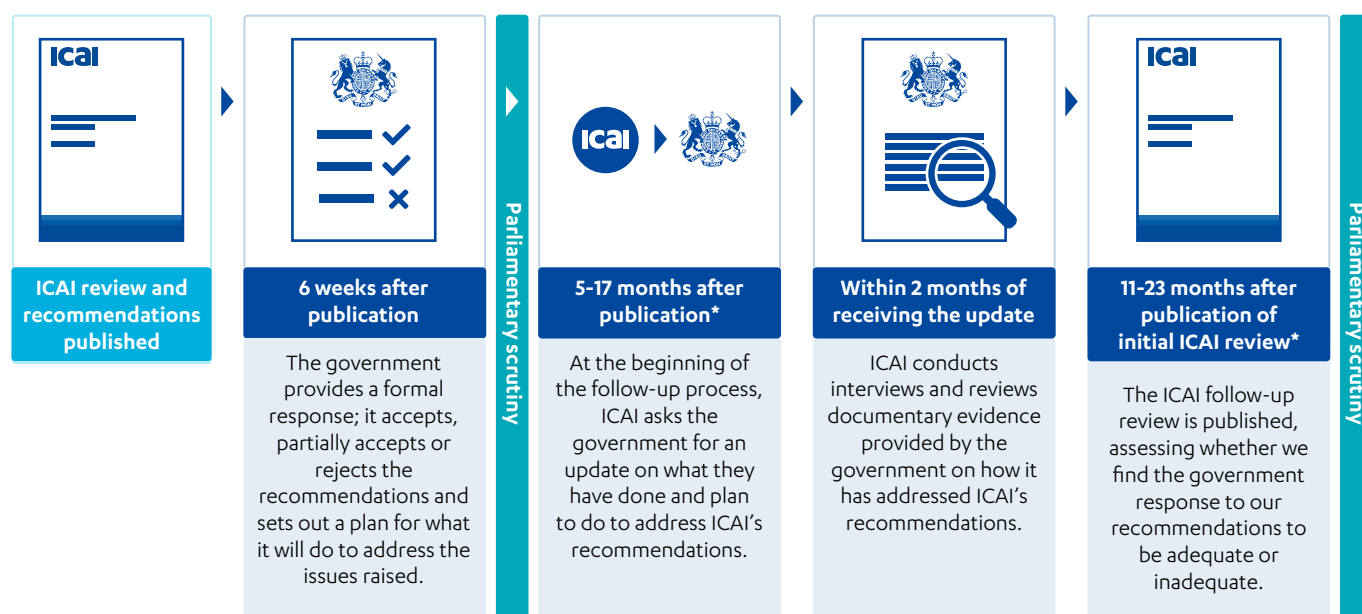
Outstanding issue	Our assessment of progress since last year
<b>Assessing DFID's results in improving maternal health</b>	
<p>This is the third time that ICAI has returned to this review, originally published in October 2018, due to the delays in publishing the <i>Ending Preventable Deaths approach paper and Health Systems Strengthening position paper</i>.</p>	<p>Two long-awaited documents, the <i>Ending Preventable Deaths approach paper</i> and the <i>Health Systems Strengthening position paper</i>, were finally published in December 2021. Their publication represents an important milestone and sets the strategic direction for FCDO work on maternal health through to 2030. The latter paper in particular was long overdue, as it had already been in development for several years at the time of ICAI's maternal health review (2017-18). Both documents are of good quality and respond to ICAI's concerns, with a strong emphasis on cross-sectoral work, equity, rights and quality of care, and a new commitment to ensuring respectful maternity care.</p> <p>Recent reductions in UK aid have had a dramatic impact on maternal health programming since the ICAI review. Although the uncertainties around future maternal health programming raise concerns about the response to ICAI recommendations, we will not return to this review next year.</p>
<b>How UK aid learns</b>	
<p>This is the second time that ICAI has returned to this review, originally published in September 2019. The first follow-up concluded that there had been limited progress, largely because the recent departmental merger had created significant uncertainty regarding the new department's role in cross-government work, thereby disrupting efforts to implement the recommendations.</p>	<p>Only limited action has been taken to date on the recommendations from this review, despite their continued relevance and the amount of time (two and a half years) 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 limited work to support broader learning on good development practice across departments. FCDO has focused on developing its own evaluation policy, and is not working to develop common monitoring, evaluation and learning standards across government. FCDO's ongoing work to develop its new aid management and finance systems is also not taking into account the need to complement the systems being used in other aid-spending departments, or the need to generate similar forms of data.</p> <p>This lack of progress can partly be explained by the FCDO merger, which has led to the department focusing on its own institutional development and created uncertainty about organisational structures and processes. However, it is also clear that these recommendations are not receiving adequate attention as a part of the merger process, which could have been used as a vehicle for taking them forward. We will therefore be returning to the recommendations next year.</p>

Outstanding issue	Our assessment of progress since last year
<b>The UK's Preventing Sexual Violence in Conflict Initiative</b>	
<p>Last year's follow-up found that important strategic work was under way and that the commitment to the initiative was strong. However, ICAI was not given sight of the PSVI draft strategy, key performance indicators or the monitoring, evaluation and learning framework, and did not receive programme documents or information on the budget for PSVI-related activities.</p>	<p>There is now improved oversight and direction of cross-government activities related to the Prevention of Sexual Violence in Conflict Initiative (PSVI). FCDO has produced a theory of change for addressing conflict-related sexual violence and a PSVI strategy accompanied by detailed plans for five focus countries with key performance indicators. FCDO has also moved to multi-year funding cycles for PSVI-funded projects. This is a strong improvement. The original ICAI review had criticised the PSVI's use of one-year funding cycles as inappropriate for programming on sexual violence, since it posed an impediment to the meaningful participation of survivors and heightened the risk of inadvertently doing harm.</p> <p>ICAI finds that the overall action by government is considerable and places the UK's efforts to tackle conflict-related sexual violence on a stronger, more strategic footing. We will not return to this review next year, but two significant weaknesses nevertheless remain. First, while the PSVI strategy states an ambition to develop a strong monitoring, evaluation and learning framework for the PSVI, this is not yet in place. Second, there is insufficient transparency around PSVI spending, with no programme documents available in the public domain. The issue of transparency in UK aid is the subject of a separate ICAI review, which we expect to publish later this year.</p>
<b>The changing nature of UK aid in Ghana</b>	
<p>Last year's follow-up found that responses to four out of the six recommendations were inadequate, partly based on the insufficient relevance of the response and partly due to the lack of evidence made available to ICAI, which made the assessment of progress impossible.</p>	<p>The UK's approach to aid spending in Ghana remains focused on supporting Ghana's transition, with reductions in the ODA budget taking place faster than expected. FCDO now acknowledges the need to protect the development gains that it has contributed to, to the best of its ability within a constrained budget environment. The FCDO Programme Operating Framework (PrOF) has been established. 'Beneficiary engagement' is now a standard requirement for all country strategy and programme development and the PrOF guide on monitoring and scoring programmes also incorporates consultation with people expected to benefit from the intervention. Delivery framework guidance on programme development now requires full theories of change and articulates outcomes at an appropriate level.</p> <p>However, ICAI's recommendation on ensuring the centrality of development objectives when ODA is spent, as part of an integrated approach to aid, trade and investment, has not been sufficiently addressed. This recommendation goes beyond the context of Ghana. As the priorities of the new <i>International development strategy</i> start to be implemented, it is crucial that the risks to development objectives and the value for money entailed in the government's integrated approach to aid, trade and investment are addressed as well as the opportunities. We will return to this issue in next year's follow-up exercise.</p>

# 1. Introduction

- 1.1 The Independent Commission for Aid Impact (ICAI) provides robust, independent scrutiny of the UK's official development assistance, to assist the government in improving the effectiveness and impact of its interventions and to assure taxpayers of the value for money of UK aid spending. Our main vehicle for this scrutiny is the publication of reviews on a broad range of topics of strategic importance in the UK's aid programme. A vital part of these reviews is our annual follow-up process, where we return to the recommendations from the previous year's reviews to see how well they have been addressed.
- 1.2 This report provides a record for the public and for Parliament's International Development Committee (IDC) of how well the UK government has responded to ICAI recommendations. The follow-up process is also an opportunity for additional interaction between ICAI and responsible staff in aid-spending departments, offering feedback and learning opportunities for both parties. The follow-up process is central to our work to support learning and improvements in UK aid delivery and to ensure maximum impact from reviews.

Figure 1: Timeline of ICAI's annual follow-up process



\*We conduct our follow-up assessment on an annual basis, starting in January and publishing in the summer. The follow-up covers a number of reviews which are selected according to their publication date (if a review is only published a few months prior to the follow-up process then it will be covered in the following year). If we are unsatisfied with the government's progress on any of our recommendations, we then follow up on those areas again during the next year's assessment.

- 1.3 The follow-up process is structured around the recommendations provided in each ICAI review (see **Figure 1** above for an illustration of the process). Soon after the original ICAI review is published, the government provides a formal response (within six weeks). The response sets out whether the government accepts, partially accepts or rejects ICAI's recommendations and provides a plan for addressing the issues raised. This is typically followed by a hearing, either in the ICAI sub-committee of the IDC or as part of the work of the main committee. The formal follow-up process this year took place between five and 18 months after the publication of the original reviews, the results of which are presented in this follow-up review. The exact time gap between review and follow-up depends on how early in ICAI's annual review cycle the relevant report was published, but also on other factors such as the timing of other closely related ICAI reviews.
- 1.4 To start the follow-up exercise, in December 2021 ICAI asked aid-spending departments for an update on what they have done and plan to do. This was followed by evidence gathering in January and February 2022, in which we investigated the extent to which the government had done what it promised

and determined if this was an adequate response. The findings are reported and scored in this follow-up review. After publication, there will be parliamentary scrutiny of the follow-up review's findings.

## Scoring the follow-up exercises

- 1.5 Each review we follow up for the first time is scored using a tick or a cross, depending on whether we find the overall progress adequate or inadequate. The score takes into consideration the wider context, including external constraints, in which government actions have taken place. It also considers the time the relevant government department or organisation has had to plan and implement changes.
- 1.6 An inadequate score results from one or more of the following three factors:
- Too little has been done to address ICAI's recommendations in core areas of concern (the response is inadequate in scope).
  - Actions have been taken, but they do not cover the main concerns we had when we made the recommendations (the response is insufficiently relevant).
  - Actions may be relevant, but implementation has been too slow and we are not able to judge their effectiveness (the response is insufficiently implemented).
- 1.7 The third factor – the adequacy of implementation – is not a simple question of checking if plans have been put into practice yet. We take into consideration how ambitious and complicated the plans are, and how realistic their implementation timelines are. Some changes are 'low-hanging fruit' and can be achieved quickly, while others demand long-term dedicated attention and considerable resources. An inadequate score due to slow implementation will only be awarded if ICAI finds the reasons provided for lack of implementation insufficient.
- 1.8 This year's follow-up review covers seven ICAI reviews with a total of 33 recommendations.<sup>1</sup> The two reviews on the UK aid spending target (Part 1 and Part 2) are followed up together. After briefly setting out our methodology, we discuss cross-cutting issues affecting how ICAI's recommendations have been addressed in the past year. We look at challenges with monitoring, reporting and record-keeping and the risks these pose to institutional memory in the period of upheaval following the merger of the Department for International Development and the Foreign and Commonwealth Office into the Foreign, Commonwealth and Development Office. Linked to this, we also discuss what can be described as strategic drift in UK aid in a turbulent period characterised by great uncertainty in the drawn-out post-merger realignment of priorities, plans, budgets and teams. This section also provides two short case studies of learning journeys seen through the lens of the ICAI review and follow-up cycle, one for the two linked reviews on UK aid's Preventing Sexual Violence in Conflict Initiative and its work to tackle sexual exploitation and abuse in international peacekeeping operations, and a second on strengthening the reporting on and strategic direction of FCDO's work on maternal health. The section on cross-cutting issues is followed by an account of progress on the seven reviews and four outstanding issues covered by this year's follow-up review. We sum up with a brief conclusion and a list of the reviews and recommendations we plan to return to again next year.

<sup>1</sup> 22 were accepted, 11 partially accepted, and none rejected by the government.



## 2. Methodology

- 2.1 When we follow up on the findings and recommendations of our past reviews, we focus on four aspects of the government response:
- Whether the actions proposed in the government response are likely to address the recommendations.
  - Progress on implementing the actions set out in the government response, as well as other actions relevant to the recommendations.
  - The quality of the work undertaken and how likely it is to be effective in addressing the concerns raised in the review.
  - The reasons why any recommendations were only partially accepted (none of the recommendations were rejected).
- 2.2 We begin by asking the relevant government department or organisation to prepare a brief note, accompanied by documentary evidence, summarising the actions taken in response to our recommendations. We then check that account through interviews with responsible staff, both centrally and in country offices, and by examining relevant documentation, such as new strategic plans, annual reviews, etc. Where necessary or useful, we interview external stakeholders, including other UK government departments, multilateral partners and implementers. To ensure that we maintain sight of broader developments, we also assess whether ICAI's findings and analysis have been influential beyond the specific issues raised in the recommendations, as well as whether changes in the environment have affected the relevance and/or urgency of individual recommendations.
- 2.3 The follow-up process for each review concludes with a formal meeting between a commissioner and the senior civil service counterpart in the responsible department. At the end of the follow-up process, we identify issues that warrant a further follow-up the following year. The decision takes into account the continuing strategic importance of the issue, the action taken to address it, and whether or not there will be other opportunities for ICAI to pursue the issue through its future review programme.
- 2.4 We also use the follow-up process to inform internal learning for ICAI about the impact of our reviews on UK aid and how we communicate our findings and recommendations to achieve maximum traction with the government.

### Box 1: Limitations to our methodology

The follow-up review addresses the adequacy of the government response to ICAI's recommendations. Its findings are based on checking and examining the government's formal response, and its subsequent actions in relation to the recommendations from the review. The time and resources available for this evidence gathering exercise are limited, and not comparable to a full ICAI review.

### 3. Cross-cutting issues

#### Introduction

- 3.1 The period covered by this follow-up review continues, like last year, to be characterised by great change and uncertainty in UK aid. The system alignments, structural changes and resource allocations following the merger of the former Department for International Development (DFID) and Foreign and Commonwealth Office (FCO) into the Foreign, Commonwealth and Development Office (FCDO) in September 2020 are still under way. Large-scale international crises in Afghanistan and Ukraine, as well as the considerable work involved in the reduction of the UK aid spending target from 0.7% to 0.5% of gross national income (GNI) have meant less time available to spend on aid programme design and delivery. This is evident in the findings from individual follow-up exercises presented in **Section 4**, which in many cases conclude that government teams have not had the time and resources to address ICAI’s recommendations adequately.
- 3.2 Institutional changes continue to unfold within the new FCDO. While a range of strategic work to set the direction for future aid delivery has been completed in recent months or is in the late stages of completion, such work is often arriving after long delays, as discussed below. The long-awaited *International development strategy* was launched on 16 May 2022, after being announced in the March 2021 *Integrated review*. The detailed budgets for the 2022-23 financial year are still being finalised at the time of writing. In this section we discuss two cross-cutting issues that have affected the government’s response to ICAI’s recommendations. We first look at institutional, budgetary and strategic uncertainties that have posed major challenges for the delivery of UK aid. We then turn to problems of monitoring, record-keeping and transparency, which constitute a particular risk for institutional memory and learning in a time of flux.

Figure 2: Timeline of key events affecting the direction and delivery of UK aid after the FCDO merger





## Institutional, resourcing and strategic uncertainty in a turbulent year

- 3.3 The significant institutional, resourcing and strategic uncertainty facing the UK aid programme during 2020-21 has posed major challenges for efforts to deliver a strong response to ICAI recommendations during this period.
- 3.4 Although the FCDO merger process began in mid-2020, the process of developing its structures and merging legacy systems continues. This is illustrated by an additional restructuring of the department announced by the foreign secretary in March 2022. The restructuring was primarily in response to the Ukraine crisis, but it contributes to the ongoing restructuring processes since the merger and highlights the fact that the two departments' legacy project and financial management systems, as well as broader IT systems, are still being run concurrently.
- 3.5 These continuing institutional changes emerged as important contextual factors in the follow-up to several reviews. First, in relation to the *How UK aid learns* review, which is an outstanding issue from last year's follow-up exercise, we were told that FCDO has been fully absorbed by the continued process of developing its own systems, policies and strategies. This has limited its ability to support efforts to develop a more coherent and joined-up approach across government to monitoring and evaluation, learning and transparency in other government departments that spend official development assistance (ODA) (24.2% of all ODA spend in 2021).<sup>2</sup> Second, in relation to the review of *UK aid's approach to youth employment in the Middle East and North Africa*, we were told that the lack of new projects in the Middle East and North Africa portfolio, through which the recommendations could be pursued, was partly due to the continued demands of completing the process of the merger.
- 3.6 The period since the FCDO merger has also seen significant reductions in UK aid spending, resulting from contractions in the UK economy and the decision to reduce the UK's aid spending target from 0.7% to 0.5% of GNI from 2021. In 2021, UK aid spending was almost £3 billion lower than in 2020,<sup>3</sup> which has led to major cutbacks across the aid programme and ongoing resource uncertainty. The follow-up to the two *Management of the 0.7% ODA spending target* reviews identified budget uncertainty as a key factor which prevented FCDO from providing convincing assurance to ICAI that it had allocated future aid spending in a way that limited value for money risks resulting from an inflexible approach to managing the target, and making insufficient use of multilateral instruments to dilute impacts on the ground.
- 3.7 The follow-up to ICAI's review of *Tackling fraud in UK aid* found that due to the loss and non-replacement of staff, the FCDO Control and Assurance (counter-fraud) team operated at significantly reduced capacity.
- 3.8 In addition to the recent crises in Afghanistan and Ukraine, a key factor that seems to have added to the institutional and resourcing uncertainty facing the aid programme was the delay in publishing the *International development strategy*. Following the completion of the delayed Integrated review (first announced in December 2019 and published in March 2021) and the multi-year *Comprehensive spending review* (October 2021), the new *International development strategy* (first announced in March 2021) was finally published on 16 May 2022. This year's second follow-up of the ICAI review of *How UK aid learns* identified delays to the *International development strategy* as having constrained more ambitious cross-government coordination on development.
- 3.9 Delays first to the *Integrated review* and then to the *International development strategy* have had knock-on effects on other thematic or sector strategies. In the lengthy periods during which such thematic and sector strategies have been under development, uncertainty around priorities and direction has hampered the planning of aid portfolios and programmes. In the case of the reviews followed up by ICAI this year, the theory of change on conflict-related sexual violence, the strategy for the Preventing Sexual Violence in Conflict Initiative (PSVI), the *Ending Preventable Deaths approach*

2 *Statistics on international development: provisional UK aid spend 2021*, FCDO, April 2022, p. 3, [link](#).

3 *Statistics on international development: provisional UK aid spend 2021*, FCDO, April 2022, p. 8, [link](#).

*paper*, the *Health Systems Strengthening position paper* and the forthcoming cross-government *Modern slavery strategy* have all faced lengthy delays.

- 3.10 This challenging context, and its impact on the reforms required to make UK aid more effective and impactful, highlight the urgency of avoiding further strategic drift. The long timespan for developing strategies, whether for UK aid as a whole or for individual sectors or themes, also poses a value for money concern, as each delay will entail the need for rewrites and updates.

### Monitoring, reporting, record-keeping and institutional memory

- 3.11 Based on ICAI's experience from this year's and last year's follow-up exercises, as well as our ongoing review programme, we assess that there has been a reduction in the comprehensiveness of record-keeping of the UK aid programme since the merger. Although FCDO transparency requirements mean that all programmes should retain and publish key programme documents, such as business cases and results reporting, this has not always been done. For instance, our review of *UK aid's approach to youth employment in the Middle East and North Africa* found a case where there was no programme documentation at all, although FCDO was able to provide more documentation on the relevant programme in this year's follow-up exercise. While ICAI could previously expect to find business cases, with objectives stated, and annual reports on UK aid programmes in the public domain, these now often need to be requested from government. Although this is now improving, the government's record of providing the necessary documentary evidence on request has been patchy.
- 3.12 Inconsistent record-keeping – and reduced public access to those records – could be seen as a temporary problem during a transition period of merging two departments with different reporting approaches. However, 18 months into this transition period, ICAI is concerned that the expectation of a comprehensive and public account of how UK aid is spent is being eroded. It is notable that the new *International development strategy*, published in May 2022, does not include an explicit commitment to greater transparency and public scrutiny in the way that the previous 2015 *UK aid strategy* did.<sup>4</sup> However, in a subsequent response to a written parliamentary question, FCDO stated that it remains committed to the aid transparency standards set out in the 2015 *UK aid strategy*<sup>5</sup> and it is in discussion with the Cabinet Office to further develop the transparency commitment through revisions to the UK's *Open government national action plan*, which will be agreed by August 2022.<sup>6</sup> For instance, in our follow-up of the ICAI review of *The UK's Preventing Sexual Violence in Conflict Initiative* both last year and this year, we found no programme-related documents in the public domain (a detailed overview of programmes, but without results data, was provided to ICAI on request this year). We returned to our Ghana country portfolio review as an outstanding issue this year due to a lack of documentary evidence provided in last year's follow-up exercise. This year's response was more detailed, but ICAI nevertheless did not receive the requested Ghana country programme budget and expenditure information, which would have helped in verifying that actions were being implemented.
- 3.13 To conclude, if records are not comprehensively kept and accessible to internal users and public scrutiny, FCDO's ability to assess value for money, learn and build on previous experience and practice is compromised. Retaining institutional memory through good record-keeping is particularly important in situations of flux. This is pertinent considering the past two years, with the merger of the FCO and DFID, and the restructuring of departments, teams and individuals within FCDO. ICAI found examples in this year's follow-up exercises of current FCDO teams not having sight of the history of ICAI reviews, leading to a lack of background knowledge, misunderstandings and a sense in those cases that there has been less engagement with the reviews' findings, concerns and recommendations.

4 *UK aid: tackling global challenges in the national interest*, HM Treasury and DFID, November 2015, p. 21, [link](#).

5 This commitment is to achieve an Aid Transparency Index rating of 'Good' or 'Very Good' on its ODA expenditure. The commitment is set out in *UK aid: tackling global challenges in the national interest*, HM Treasury and DFID, November 2015, [link](#).

6 Answer from Amanda Milling MP (minister for Asia, FCDO) in response to a written parliamentary question from Preet Kaur Gill, 6 June 2022, [link](#).

## Box 2: Learning journey: UK aid programming on conflict-related sexual violence (CRSV)

This year, ICAI followed up on the review of Sexual exploitation and abuse by international peacekeepers and returned again to its review of *The UK's Preventing Sexual Violence in Conflict Initiative* as an outstanding issue. The two companion reviews were published separately, due to the government at the time treating sexual exploitation and abuse (SEA) by peacekeepers as separate. ICAI noted that such compartmentalisation was not warranted, since the government's PSVI and SEA work cover different aspects of the same broader challenge of CRSV.

Both reviews found a lack of strategic direction and cross-government coordination. The PSVI review concluded: "Each department and in-country team is left to interpret the Initiative in line with their own strategic priorities rather than through a unified cross-departmental strategy and concrete objectives". Both reviews also expressed concern that although the government stated its objective of a survivor-focused approach to its programming, ICAI did not see this objective consistently followed through in the design and implementation of programming.

This year's follow-up exercise reveals a strong learning journey, led by FCDO, to address ICAI's concerns. This has placed the government's programmes to tackle CRSV on a much stronger evidence-based footing and in line with global best practice. Highlights of the learning journey include:

- The creation of a well-evidenced and comprehensive CRSV theory of change which, among other sources, draws on ICAI's literature review accompanying the PSVI and SEA reviews<sup>7</sup> and steers the government's approach in the direction ICAI has urged.
- The creation of a cross-government PSVI strategy that builds on the CRSV theory of change and includes comprehensive (but not yet implemented) plans for monitoring, evaluation and learning that directly mentions and addresses ICAI's recommendation on this.
- The commitment to a survivor-centred approach is more strongly embedded across CRSV-related programming. The survivor-centred approach is central to the PSVI strategy and CRSV theory of change. At the practical level, there has been an increase in focus on using funds to support survivors, such as contributing funding to the UN Trust Fund in Support of Victims of Sexual Exploitation and Abuse. FCDO has also now adopted multi-year funding allocations as the norm for its central PSVI projects, which will increase opportunities for sustainable impact and allow more meaningful engagement with survivors.

### Box 3: Learning journey: Strategic direction for and results reporting of UK aid on improving maternal health

After returning for a third time to ICAI's recommendations in its 2018 review *Assessing DFID's results in improving maternal health*, we are pleased to see the results of a clear, if somewhat slow, learning journey within FCDO on the importance of long-term planning and strategic direction in this area, and of improved results reporting. The review was originally scored amber-red. The initial reactions from DFID were not all positive, as in the case of the fourth recommendation on more rigorous results reporting, which the government said it was already partly implementing. However, ICAI's first follow-up in 2019 did see many positive developments in relation to ensuring greater impact, equity and sustainability in maternal health programmes. ICAI decided to keep open the option of returning to the review the following year if two central but not yet finalised strategic documents were not published. This turned out to be a good decision. In a time of great change for UK aid, ICAI's attention over subsequent years helped to maintain the focus on the importance of finalising and publishing the *Ending Preventable Deaths (EPD) approach paper* and *Health Systems Strengthening (HSS) position paper*, both of which were launched in December 2021.

The *EPD approach paper* provides a more realistic approach to reporting, shifting away from short-term outputs to UK aid's contribution to long-term impact in countries.

The *HSS position paper* helps to ensure that work on maternal health is integrated into a cross-sectoral approach focused on equity, rights and the quality of care.

However, the significant reductions in programming on maternal health since the 2019-20 financial year and the uncertainty around future funding make it more important than ever that funding priorities are set on a sound basis. Without the *EPD approach paper* and the *HSS position paper* in place, this would be an even more challenging task.

## Conclusion on cross-cutting issues

- 3.14 The value of ICAI's annual follow-up exercises is even clearer in a context of institutional flux and strategic drift in FCDO, as these exercises contribute to institutional memory and learning. However, ICAI's role in supporting this is limited to the aid areas covered by its review programme. It is therefore crucial that FCDO strengthens its approach to monitoring and record-keeping and ensures that such records are open and accessible, both to maintain institutional memory for learning and to enable public scrutiny of UK aid spending. Some of the issues raised in this discussion will be addressed through ICAI's forthcoming review of transparency in UK aid.<sup>8</sup>

8 Transparency in UK aid: Approach summary paper, ICAI, 2022, [link](#).

## 4. Findings from individual follow-ups

- 4.1 This section presents the results of our follow-up assessments of the government's responses to ICAI's recommendations. Each review we have followed up on is presented individually, with a focus on the most significant results and gaps in the government response.
- 4.2 We begin by presenting the findings for the eight reviews we are following up on for the first time since their publication. The follow-up exercises are presented chronologically, starting with the review with the earliest publication date, *The UK's support to the African Development Bank Group*. For each review, we assess government progress recommendation by recommendation, before summing up and scoring the overall response to ICAI's recommendations as adequate or inadequate.
- 4.3 We then turn to the four outstanding issues from last year's follow-up process. None of the outstanding issues are scored, but a decision is set out on whether we will return to them again next year.

### The UK's support to the African Development Bank Group

**There has been notable progress from the UK government in response to most of the recommendations, 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. Interviewees from the Bank noted that the merged FCDO was followed by renewed engagement and a more joined-up approach.**



- 4.4 ICAI's full review of *The UK's support to the African Development Bank Group* was published in July 2020, and was scored green-amber. This follow-up review covers a period of almost a year and a half since the government published its response. In addition to a document review, this follow-up incorporated insights gathered from interviews with Foreign, Commonwealth and Development Office (FCDO) staff centrally and in Uganda, as well as engagement with a select group of senior Bank officials.
- 4.5 The main recent contextual change that has helped shape the government's response is the formation of FCDO. This is reported to have stimulated greater engagement with the Bank, in a more joined-up way, which has been welcomed by senior Bank officials. There has been more ministerial involvement in the Bank since the FCDO merger, beginning with the minister for Africa at the time, James Duddridge, attending the Bank's annual meetings. There has also been greater engagement to support the Bank's level of financing (including through the UK's 'Room to Run' guarantee, which will unlock up to \$2 billion of Bank finance, with half for climate adaptation), crisis response and in relation to the Sahel. Bank staff who were interviewed had valued this renewed engagement.

Subject of recommendation	Government response
FCDO should minimise unilateral reform interventions – such as the 2017 Performance Improvement Plan – that could undermine the multilateral nature of the Bank’s governance structure as well as the UK’s reputation as an honest broker.	Partially accepted
FCDO should take a broader view of value for money than cost-to-income ratios, and focus on ensuring that key areas of understaffing, such as fragile and conflict-affected states and safeguards, are addressed.	Accepted
FCDO should pay particular attention to ensuring that the Bank’s environmental and social safeguards are implemented on the ground.	Accepted
If FCDO is to channel more resources to the Bank via Bank-managed trust funds, it should help to build the Bank’s capacity to manage such funds, including technical assistance to strengthen fiduciary and results management.	Accepted
Government country teams could do more to identify synergies with Bank investments, thus encouraging closer working, better information flows and better-informed oversight.	Accepted

**Recommendation 1: FCDO should minimise unilateral reform interventions – such as the 2017 Performance Improvement Plan – that could undermine the multilateral nature of the Bank’s governance structure as well as the UK’s reputation as an honest broker**

- 4.6 Following a second consecutive unsatisfactory Department for International Development (DFID) annual review, in December 2017 DFID decided to place the Bank under a Performance Improvement Plan (PIP) – the standard tool used by the department to improve programme performance. ICAI’s original review confirmed the Bank’s view that the PIP was a unilateral intervention by the UK which ran counter to the multilateral nature of the Bank. It highlighted the risks that if other countries started to promote their own reform conditionality, this would raise the transaction costs of Bank reform to unsustainably high levels. The review also considered that the PIP could damage the relationship between senior management at the Bank and the UK. It therefore recommended that the UK minimise unilateral reform interventions.
- 4.7 In its response to this recommendation, FCDO accepted that the bilateral nature and timing of the PIP posed challenges for its relationship with Bank management. It also noted that through the ADF-15 negotiations<sup>9</sup>, concluded in December 2019, it had pursued an alternative approach to incentivising stronger performance, which involved agreeing a performance tranche of £102 million for the final year of the funding round, to be disbursed if ADF-15 reform commitments were implemented. The UK was the only donor to apply a performance tranche to ADF-15.
- 4.8 In interviews carried out for this follow-up, FCDO noted that it did not currently have plans to apply a performance tranche to its forthcoming pledge to ADF-16, partly due to its view that the Bank’s performance has improved. It was clear that its approach to engaging the Bank on performance is now couched in more multilateral terms. However, the UK has not formally ruled out linking part of its future contributions to performance in the Bank.

9 The African Development Fund (ADF) is the Bank’s concessional arm. Its last replenishment exercise was called ADF-15.

**Recommendation 2: FCDO should take a broader view of value for money than cost-to-income ratios, and focus on ensuring that key areas of understaffing, such as fragile and conflict-affected states and safeguards, are addressed**

- 4.9 The original review found that, although the Bank is relatively small compared with other multilateral development banks and cannot achieve the same economies of scale in core functions, its cost-to-income ratio is lower than that of its peers. The review concluded that this context risks damaging the Bank's effectiveness, and that there was a particular need to invest in the Bank's core functions for preparing, appraising, supervising and delivering programmes effectively. It also noted that UK priorities such as increasing capacity in fragile states and leveraging private finance would be hard to promote while continuing to push the Bank's core costs down. It therefore recommended that the UK should promote a broader perspective on value for money at the Bank, which recognised that this would require adequate core capacity to support operations.
- 4.10 In interviews for this follow-up, FCDO noted that following its acceptance of this recommendation, it had been focused on trying to ensure that the Bank has sufficient personnel in core functions. It also noted that it had clearly stated that if the Bank can make the value for money case for extra resources it could and should do so. The Bank also acknowledged that the UK had approved additional positions for key functions each year, which had helped to facilitate the recruitment of ten new positions in fragile states and 21 new environmental and social (E&S) safeguards positions.
- 4.11 While progress in expanding staffing in fragile states and on safeguards has been modest, it should be noted that the UK has limited influence over the resourcing decisions made by the Bank's Board, and that the UK's representation at board level is shared with Italy and the Netherlands.

**Recommendation 3: FCDO should pay particular attention to ensuring that the Bank's environmental and social safeguards are implemented on the ground**

- 4.12 The original review found that, although the Bank's E&S safeguard policies are broadly fit for purpose, there was a severe shortage of specialist staff at headquarters and in country offices available to implement these policies. Moreover, it found that a culture of ensuring respect for E&S safeguards was not sufficiently embedded in the organisation, creating the risk that pressures would emerge to cut corners.
- 4.13 In accepting the review's recommendation to support development of the Bank's E&S standards implementation better, the government noted that the FCDO Minister for Africa had re-emphasised the importance of institutional reforms, including improved safeguarding capacity, at the African Development Bank Group (AfDB) annual meeting in August 2020. It also noted that it would be monitoring the outcomes of a skills audit that was ongoing at the time, to ensure that timely progress was made on aligning the Bank's skills and competency needs, including in relation to E&S safeguards. While not assuming a leading role among development partners on this issue, the UK government has taken important steps to support and monitor the Bank's progress in E&S safeguards.
- 4.14 In the period since its response, Bank staff noted that, while the UK had not been a leading voice in strengthening E&S standards, it had worked alongside others to ensure that safeguards standards are high and, at the same time, were implemented proportionately and on a risk-adjusted basis. UK efforts to secure greater core resourcing for the Bank and reduce staff vacancy levels (as discussed under Recommendation 2 above) have also been helpful for ensuring that there is adequate capacity to uphold strong E&S standards. The UK is engaging closely on the process of developing the AfDB's new E&S safeguards policy, which is scheduled for approval later in the year.



**Recommendation 4: If FCDO is to channel more resources to the Bank via Bank-managed trust funds, it should help to build the Bank’s capacity to manage such funds, including technical assistance to strengthen fiduciary and results management**

- 4.15 The original review noted that the lack of trust fund activity might reflect a lack of confidence on the part of partners in the Bank’s management capabilities. This in turn could create a vicious circle where the Bank was unable to strengthen its skills through lack of trust fund management opportunities. It was therefore recommended that, if the UK were to contribute to Bank trust funds, it should help build its capacity to manage them.
- 4.16 The government’s response to the original review noted that the AfDB was being considered as a possible delivery partner for several programmes that were being developed, and that it would review the need for additional technical assistance to support management of these programmes as part of each proposal.
- 4.17 FCDO’s principal contribution to addressing this recommendation over the last 18 months has been to support the design of the Bank’s new trust fund policy, approved by the Bank’s board in 2021, which the UK executive director was reportedly active in shaping. However, this policy does not address reforms to fiduciary, safeguards and monitoring and evaluation systems – the principal concern of the review’s finding on trust funds.

**Recommendation 5: Government country teams could do more to identify synergies with Bank investments, thus encouraging closer working, better information flows and better-informed oversight**

- 4.18 The original review found that information flows between the Bank and the UK were minimal at country level, which was impeding effective decision-making by the UK and opportunities for collaboration with the Bank in regions such as the Sahel and in key sectors (for example to combine UK investments in rural market access with the Bank’s investments in community road building). The review did, however, note that UK country teams had tight administrative budgets, which posed challenges for monitoring the AfDB on behalf of headquarters. It therefore recommended that FCDO country teams did more to develop synergies with the Bank. FCDO accepted this recommendation.
- 4.19 Through this follow-up review, FCDO staff noted that a mailing list for staff working in all FCDO country offices had been initiated for sharing information about the Bank’s policies, projects and other activities. This type of information-sharing reportedly helped stimulate engagement between FCDO staff in Sierra Leone and in headquarters to use central-level interventions with the Bank to address local delivery problems.
- 4.20 FCDO officials interviewed in Uganda confirmed that they had attended a recent training session organised by FCDO’s International Financial Institutions Department on the work of the multilateral and regional development banks. Insights shared in these interviews also suggested that overall there had been the right level of engagement between FCDO and the Bank in Uganda, although COVID-19 had constrained this engagement.

**Conclusion**

- 4.21 FCDO’s response to this review has been adequate. The FCDO merger has been accompanied by a more joined-up approach and stronger senior engagement with the Bank. This renewed engagement is valued by the Bank’s staff. The most important recommendation, Recommendation 1 on multilateral working, has clearly been taken on board by the government, and there is satisfaction about this in the Bank. FCDO has been active in developing deeper collaborations with the Bank centrally and in strategically important countries and regions on a range of issues (Recommendation 5). FCDO’s contribution to the issues around value for money (Recommendation 2) and implementation of safeguards on the ground (Recommendation 3) have been less tangible; improvements have taken place but the UK has not taken a leading role among development partners on this issue.



## Assessing DFID's results in nutrition

FCDO has responded clearly and adequately to the majority of issues raised in the review. We judge it to have made adequate progress on all of the review's recommendations. 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. FCDO should now prioritise implementing these new approaches to nutrition, ensuring sufficient capacity across the organisation to integrate nutrition-related outcomes and indicators, build local systems and strengthen engagement with people expected to benefit from programmes.



- 4.22 ICAI's results review *Assessing DFID's results in nutrition* was published in September 2020, and was scored green-amber. This review reported that FCDO had exceeded its commitment to reach 50 million pregnant and lactating women and children under 5 between 2015 and 2020. It also set out six recommendations for improving the depth and breadth of the impact of its nutrition work, including through increasing the emphasis on cross-cutting interventions, local systems building and targeting the most marginalised. These were all accepted by the government.
- 4.23 This follow-up review examines the progress made in addressing these recommendations, and the challenges still to be met in fully implementing them. The analysis is informed by an extensive document review and interviews with 11 FCDO officials. It also takes into account the extensive changes in context since the government responded to the review, including how the emergency response to the COVID-19 pandemic and reductions to the UK aid budget have diminished the level of resources available to strengthen the nutrition portfolio and caused disruption to the mechanisms used to report against progress.

Subject of recommendation	Government response
FCDO should capture and communicate progress against all goals in its nutrition strategy, including strengthening systems and leadership for improved nutrition.	Accepted
FCDO should strengthen statistical capacity and quality assurance in-country and centrally, to support more accurate measurement of programme coverage and convergence, and to use the data to improve nutrition programming.	Accepted
FCDO should strengthen systems for identifying and reaching the most marginalised women and children within its target groups.	Accepted
FCDO should gather citizen feedback more consistently to help improve and tailor its nutrition programmes.	Accepted
FCDO should scale up its work on making sustainable and nutritious diets accessible to all, to help address the double burden of malnutrition, through nutrition-sensitive agriculture and private sector development.	Accepted
FCDO should work more closely with its partners to achieve the convergence of nutrition interventions, by aligning different sector programmes to focus on those communities most vulnerable to malnutrition.	Accepted

## **Recommendation 1: FCDO should capture and communicate progress against all goals in its nutrition strategy, including strengthening systems and leadership for improved nutrition**

- 4.24 The original review noted that because the tracking and communication of results from DFID's nutrition work placed a strong emphasis on the goal of reaching 50 million women and children between 2015 and 2020 through nutrition interventions, it failed to address results on other goals vital to global progress on nutrition. Neglected areas of reporting were identified as building national systems for promoting nutrition, progress in nutrition-sensitive programming in other sectors, pursuing global leadership on nutrition and effectively leveraging the private sector's role.
- 4.25 The government's response to this recommendation noted the importance of its developing approaches to tracking and reporting on a wider set of results, and stated that work to achieve this was ongoing. Through this follow-up we reviewed four interlinked guidance documents on nutrition programming produced by FCDO through the Technical Assistance to Strengthen Capacities (TASC) project, as part of the Technical Assistance for Nutrition (TAN) programme, one of which aimed to promote a multi-sectoral approach to addressing malnutrition. This multi-sectoral approach is also being promoted by the emphasis on nutrition in FCDO's new approach for ending the preventable deaths of mothers, newborn babies and children, as well as through a commitment to apply the Organisation for Economic Cooperation and Development's (OECD) nutrition policy marker for tracking nutrition interventions across all of FCDO's official development assistance (ODA) programmes. However, due to work on updating IT systems in FCDO following the merger, and linked technical challenges, it was expected that the UK will only be fully reporting against this marker in 2024. It will also be important for FCDO to share the now-published TASC guidance<sup>10</sup> externally and to undertake external engagement on it.
- 4.26 FCDO has also made progress in ensuring that there is improved and more systematic monitoring of the impact of its flagship centrally managed TAN programme in supporting UK global leadership on nutrition, promoting global financing of nutrition and expanding the coverage of nutrition services.

## **Recommendation 2: FCDO should strengthen statistical capacity and quality assurance in-country and centrally, to support more accurate measurement of programme coverage and convergence, and to use the data to improve nutrition programming**

- 4.27 The original review found that capacity to adhere to DFID's methodology for tracking quantitative results in terms of the reach of nutrition programmes was not coherent across country offices, which had led to inconsistencies in results reporting across countries. It also found that results data was not systematically used to guide programme design, to drive a greater focus on the most marginalised or to inform advocacy and systems building work. The review therefore recommended that DFID strengthen its statistical capacity and quality assurance of results reporting.
- 4.28 In response to this recommendation, the government stated that it would reassess the current methodology for monitoring the reach of its nutrition-related programmes, develop a tool to help country teams apply a multi-sector results methodology, develop guidance for effective monitoring of programmes and undertake a review of nutrition data to identify where FCDO could add most value to strengthen government data systems for nutrition targeting and tracking.
- 4.29 To date, FCDO has made notable progress in delivering on these ambitions. The TASC project has developed guidance to strengthen reporting on nutrition outcomes across sectors, and it has produced a monitoring and evaluation toolkit to provide practical support in implementing this guidance. The introduction of the OECD's nutrition policy marker will also help to deepen the tracking of cross-sector interventions, and the UK is working to promote a coherent and consistent approach to using the nutrition policy marker and embedding it within data systems across donors. In addition, FCDO's TASC project has supported the development of 13 National Nutrition Plans, and the Strengthening Data for Nutrition programme has supported nutrition-related data collection in nine countries, and early

<sup>10</sup> See: *Monitoring and evaluation of nutrition-relevant programmes*, [link](#); *How to promote better nutrition through social assistance*, [link](#); *Improving how to reach those most-at-risk of malnutrition*, [link](#); *Aligning food system activities with healthier diets for low-income households*, [link](#).

reporting of nutritional crises in over 31 countries. There are, however, still questions about how effectively FCDO is supporting the development of country data systems.

### **Recommendation 3: FCDO should strengthen systems for identifying and reaching the most marginalised women and children within its target groups**

- 4.30 The original review found that there were weaknesses in DFID's targeting of groups of women and children to identify which were most at risk of undernutrition. These weaknesses were partly driven by a lack of disaggregated targets, limited data on the needs of different groups and a lack of guidance on how to engage with the hardest-to-reach groups. The review highlighted that leveraging existing poverty targeting mechanisms, such as social protection systems, could help to identify and reach the most acutely vulnerable households. It therefore recommended that DFID strengthen its systems for identifying and reaching the most marginalised women and children.
- 4.31 In responding to this recommendation, the government agreed that further steps should be taken to make sure no one is left behind. It committed to undertaking new analysis to determine who remains most vulnerable to malnutrition in the regions where the UK works, and to re-evaluate the effectiveness of different strategies to reach the most vulnerable. It also promised concrete guidance on targeting for country teams and identification of potential synergies with social protection programmes, thereby helping to reduce reliance on community health volunteers to identify the most vulnerable.
- 4.32 FCDO has made reasonable progress in realising the ambitions it set out in its response. The first TASC guidance note, *Reaching those most at risk*, provides detailed information on how to identify and reach vulnerable groups at risk from malnutrition, and on approaches to monitoring the impact of these efforts. However, this guidance needs to be implemented and it is not clear how FCDO will be taking forward work to support the strengthening of local systems for targeting the most marginalised.

### **Recommendation 4: FCDO should more consistently gather citizen feedback to help improve and tailor its nutrition programmes**

- 4.33 The original review found that the voices of citizens did not always inform the design or delivery of nutrition programmes, and therefore more could be done to tailor UK nutrition programmes to the needs of people expected to benefit and to address the underlying causes of vulnerabilities in their nutritional status. It therefore recommended that FCDO should gather citizen feedback more consistently to help improve and tailor its nutrition programmes.
- 4.34 In responding to this recommendation, the government committed to integrate new FCDO guidance on 'beneficiary engagement' (developed earlier in 2020) into its guidance on the development and delivery of nutrition programmes. It also committed to promote awareness of a new online learning module on citizen feedback, to share experiences of citizen feedback within nutrition programming and to work with external technical assistance partners to enhance their understanding of best practice in this area.
- 4.35 FCDO has made adequate progress in implementing this recommendation, with some room for improvement. The four interlinking TASC guidance documents seek to integrate feedback mechanisms and provide information on how to improve gathering citizen feedback. In particular, the *Reaching those most at risk* guidance note strongly encourages 'beneficiary' engagement and feedback throughout the project cycle, and the corresponding monitoring and evaluation guidance emphasises the importance of community monitoring. However, incorporating feedback from those expected to benefit is not mandatory for programmes and it is not clear how progress in this area will be monitored.

### **Recommendation 5: FCDO should scale up its work on making sustainable and nutritious diets accessible to all, to help address the double burden of malnutrition, through nutrition-sensitive agriculture and private sector development**

- 4.36 The original review concluded that DFID had insufficiently engaged on nutrition-sensitive approaches to agriculture, and noted that there was limited coordination across country governments, donors, small and medium-sized enterprises, and other partners on increasing the production, distribution and affordability of nutritious foods. It therefore recommended that FCDO should scale up its work on making sustainable and nutritious diets accessible to all through supporting nutrition-sensitive agriculture and private sector development.
- 4.37 In responding to this recommendation, the government committed to ensuring that FCDO teams better understand how investments in agricultural and private sector development can boost the availability and affordability of nutritious foods. It also committed to ensuring that its new results framework helps to monitor the impact of programmes on the diets of target groups, to better tracking of nutrition outcomes in its commercial agriculture portfolio, and to continuing to leverage UK science to support the transition to climate-resilient and nutrition-sensitive agriculture and food systems.
- 4.38 FCDO has made adequate progress in relation to this recommendation. Pillar 3 of the new *Ending Preventable Deaths approach paper*<sup>11</sup> focuses on supporting healthier lives and safe environments, including working with the private sector to tackle malnutrition and promoting sustainable food systems that make nutritious diets more affordable, accessible and climate-resilient. The TASC guidance note on *Aligning food system activities with healthier diets for low-income households* provides systematic guidance for promoting a focus on food systems. In addition, during COP26, the UK announced funding commitments to the Gilbert Initiative and the Policy Action Agenda, both of which aim to address issues in the areas of climate change, food systems and agriculture. However, it is not clear how FCDO will ensure that there is adequate collaboration across relevant sector teams to focus on food system development.

### **Recommendation 6: FCDO should work more closely with its partners to achieve the convergence of nutrition interventions, by aligning different sector programmes to focus on those communities most vulnerable to malnutrition**

- 4.39 The original review concluded that DFID could be doing more to ensure that there was an increased focus on coordination between actors to converge nutrition interventions on the most vulnerable communities, and recommended that it takes action to address this gap.
- 4.40 In responding to this recommendation, the government committed to capturing learning from its approaches to convergence, to develop best practice guidance on where convergence is most valuable and how it can be achieved, and promote a greater emphasis on convergence through its work to end the preventable deaths of mothers, newborn babies and children.
- 4.41 FCDO is making good progress in relation to this recommendation, given the timeframe and challenges involved. A nutrition network has been established within the department, which will serve as a technical assistance forum where best practice can be shared and convergence encouraged. The TASC guidance documents clearly indicate that convergence is a priority and are useful tools to help teams integrate nutrition outcomes across the organisation. Introducing the OECD nutrition policy marker will also be critical for convergence to be achieved. Finally, the TAN programme has also supported the development of toolkits to support more effective approaches to convergence.
- 4.42 However, stakeholders highlighted that a sustained focus will be required to ensure that these initiatives are fully and widely used by the organisation and partners. It is also the case that, unless the UK exceeds its £1.5 billion nutrition funding commitment for 2022-30, this would represent a funding reduction, which could undermine the UK's efforts to address the significant challenges of reaching the most vulnerable communities and people.

11 *Ending preventable deaths of mothers, babies and children by 2030: approach paper*, FCDO, December 2021, [link](#).

**Conclusion**

4.43 Overall, FCDO’s response and actions to the recommendations and problem statements included in the ICAI review have been positive. FCDO has responded clearly and adequately to most of the issues raised and FCDO stakeholders highlighted that the review had been a catalyst for progress in several important areas. Most significantly, the movement away from a focus on the number of those reached by nutrition interventions has enabled FCDO to focus on nutrition outcomes and the integration of nutrition across the organisation. The introduction of new guidance, outcome tracking systems and strategies is a key element of the progress achieved, and therefore the full potential of these emerging approaches will depend on sustaining efforts to implement them. Significant attention still needs to be placed on building local nutrition systems, promoting engagement with people expected to benefit and adequately resourcing convergence efforts.

**Sexual exploitation and abuse by international peacekeepers**

Since the FCDO merger, cross-departmental collaboration between FCDO and the Ministry of Defence (MOD) on tackling sexual exploitation and abuse by international peacekeepers has improved considerably. The government’s work in this area now has a stronger strategic focus, with the development of a cross-government theory of change on conflict-related sexual violence (CRSV), which includes sexual exploitation and abuse (SEA) by peacekeepers. The strategy sets out a survivor-centred approach, which is also showing in practice, with FCDO contributing funding to the UN Trust Fund in Support of Victims of Sexual Exploitation and Abuse. The MOD is in the final stages of creating its own SEA policy, grounded in the CRSV theory of change. There remains an opportunity to strengthen this cross-departmental strategic approach further as the ground has been prepared for the implementation of a survivor-centred SEA approach across all UK aid activities to tackle SEA in peacekeeping missions.



- 4.44 ICAI’s review of *Sexual exploitation and abuse by international peacekeepers* was published in September 2020 as a short report accompanying the January 2020 review of *The UK’s Preventing Sexual Violence in Conflict Initiative*, which is assessed as an ‘outstanding issue’ later in this follow-up review. The review was not scored, due to the relatively low level of expenditure and the difficulty of attributing specific results to activities of this kind.
- 4.45 The original ICAI review found that the UK government was a leading actor in international efforts to tackle SEA. However, it noted that the UK’s decision to treat SEA in peacekeeping separately from the Preventing Sexual Violence in Conflict Initiative (PSVI), mirroring the approach taken by the UN itself, resulted in missed opportunities to join up two closely related areas of work in terms of both support to survivors and the sharing of learning on ‘what works’. The review expressed hope that the merger of the Foreign and Commonwealth Office (FCO) and DFID into FCDO would present an opportunity for better integration of the work on SEA in peacekeeping into broader aid efforts to tackle CRSV. The review made two recommendations, set out in the table below, both of which were accepted by the government.

Subject of recommendation	Government response
The UK government should aim for closer integration and sharing of learning between its efforts to tackle sexual exploitation and abuse in international peacekeeping and its wider work on conflict-related sexual violence.	Accepted
The UK government should ensure that efforts to improve discipline among peacekeeping personnel are balanced with measures to promote the interests and welfare of survivors.	Accepted

## **Recommendation 1: The UK government should aim for closer integration and sharing of learning between its efforts to tackle sexual exploitation and abuse in international peacekeeping and its wider work on conflict-related sexual violence**

- 4.46 Both the review of SEA in international peacekeeping and the PSVI review it accompanied expressed concern at the lack of a structured approach to learning and filling evidence gaps on ‘what works’. In both cases, the government also fell short on ensuring that an evidence-led approach to survivor well-being was the guiding principle of interventions. While SEA, the PSVI and related UK aid programming on CRSV faced many of the same challenges, the institutional links between these areas of programming were weak. The ICAI review found that this was inhibiting the UK government’s ability to build an integrated body of evidence available across UK departments and that it undermined the government’s ability to contribute to systematic learning efforts on how best to overcome the entrenched cultural and bureaucratic barriers to preventing SEA in international peacekeeping and achieving justice for survivors. For instance, the FCO’s activities to tackle SEA were not informed by DFID’s large portfolio of programmes on violence against women and girls, including CRSV. The limited learning activities initiated by the MOD took place separately from those of both the FCO and DFID.
- 4.47 The government’s response to this recommendation has been strong. SEA in peacekeeping has been integrated into the strategic work led by FCDO, most importantly in the new cross-government theory of change on CRSV. The theory of change offers a clear and expansive understanding of CRSV, illustrating the overlapping categories of gender-based violence, violence against women and girls, SEA and other forms of CRSV. This is an important step towards the more integrated approach sought by ICAI.
- 4.48 Building on the new theory of change, the MOD is in the process of developing its own SEA policy in consultation with a range of stakeholders including FCDO, with drafting at an advanced stage. There is a range of evidence showing improved cooperation and sharing of learning between the MOD and FCDO, although there is still some room for improvement on how well informed FCDO’s Office for Conflict, Stabilisation and Mediation is about the MOD’s activities tackling SEA. Examples of learning activities and outputs include:
- FCDO and the MOD co-commissioned an important new learning product on how to reduce and respond to sexual exploitation, abuse and harassment, with inputs from the Gender & Children in Conflict team, the UN Peacekeeping Joint Unit, and the Safeguarding Unit in FCDO. This review is shared and used across relevant teams in FCDO and the MOD.
  - FCDO commissioned a comprehensive and good-quality literature review focused on the impact and effectiveness of providing reparations for survivors of CRSV, which covered SEA by both aid workers and members of international peacekeeping missions.
  - The UK has encouraged nine other donors to share data on their sexual exploitation, abuse and harassment cases for reporting in 2020-21. The UK government has also made progress on its drive to harmonise data collection and reporting on SEA across the humanitarian aid sector.
- 4.49 While both FCDO and the MOD still consider SEA in peacekeeping missions primarily as a conduct and discipline issue, they have broadened the focus and are increasingly sharing learning (1) between teams working on SEA in peacekeeping and teams working on safeguarding in aid and (2) between FCDO and the MOD. The increased sharing of learning and best practice across the two departments and across diplomatic and development functions within FCDO is a significant positive step forward. It will be important to keep up the momentum through continuing to commission joint learning products and by further strengthening a cross-government strategic approach to learning as part of the implementation of the new CRSV theory of change. (This will be discussed further in the section on the PSVI under ‘Outstanding issues’.)



## Recommendation 2: The UK government should ensure that efforts to improve discipline among peacekeeping personnel are balanced with measures to promote the interests and welfare of survivors

- 4.50 The original ICAI review found that FCDO and the MOD had mainly focused efforts to tackle SEA in peacekeeping on funding UN staff, programmes and training efforts to improve conduct and discipline within UN peacekeeping missions. Effective mechanisms for change at the institutional level are important, but the report found that survivors, their communities and their welfare were largely absent from these efforts.
- 4.51 While conduct and discipline are still central to UK efforts, there is now a much stronger survivor focus. This is underpinned by the new CRSV theory of change, which takes a survivor-centred approach. This is also likely to be reflected in the forthcoming MOD SEA policy. The MOD policy will apply to all MOD personnel, both military and civilian.
- 4.52 The stronger survivor focus is evidenced in programming and funding. For instance, since ICAI's review, the UK has provided:
- A £5 million Supporting Survivors and Victims of Sexual Exploitation and Abuse and Sexual Harassment Programme, announced by FCDO in March 2021. This includes a UK contribution of £800,000 to the UN Trust Fund in Support of Victims of SEA, making the UK the largest contributor to the Trust Fund. This is a significant shift because at the time of ICAI's review, the UK had not made any contributions to the Trust Fund. The programme also includes support to the UN Office of the Victims' Rights Advocate.
  - £1.4 million in funding to the Global Survivors Fund, including securing a seat on its board. This funding helps provide redress for survivors of sexual violence in conflict across the world, for example through the provision of compensation, livelihood packages, education and healthcare.
  - Support for the development of the UN's Victims' Rights statement and technical notes, and training to support the implementation of the UN Victim Assistance Protocol.

## Conclusion

- 4.53 SEA in peacekeeping continues to be an area of relatively modest spending by the UK government. It has also become somewhat less discrete as a thematic area since the publication of ICAI's review. This is, to a large degree, the result of better integration of UK aid spending on all aspects of CRSV, which is a positive development. While activities tackling SEA in peacekeeping missions receive less attention and budget relative to work on safeguarding in the aid sector (see the recent ICAI review of safeguarding),<sup>12</sup> cross-departmental collaboration and the sharing of learning between FCDO and the MOD have improved and significant new research has been commissioned. Since the FCDO merger, a lot of effort has gone into creating a stronger strategic focus for the government's work on CRSV across the board, most notably through the theory of change on CRSV, the PSVI strategy (discussed below under 'Outstanding issues') and a safeguarding strategy covering all development and humanitarian activities funded by UK aid.<sup>13</sup> The survivor-centred approach is also showing in practice, with FCDO contributing funding to the UN Trust Fund in Support of Victims of Sexual Exploitation and Abuse.
- 4.54 To sum up, there has been an adequate response to the concerns underpinning ICAI's recommendations, with a positive direction set by the CRSV theory of change and increased cross-departmental coherence and collaboration. There remains an opportunity to strengthen this strategic approach further as the ground has been prepared for the implementation of a survivor-centred SEA strategy.

<sup>12</sup> *The UK's approach to safeguarding in the humanitarian sector*, ICAI, February 2022, [link](#).

<sup>13</sup> *UK strategy: safeguarding against sexual exploitation and abuse and sexual harassment within the aid sector*, HM government, September 2020, [link](#).

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

There has been adequate progress from the UK government on two out of five of ICAI's recommendations and some progress on the other three areas. Initial positive steps have been taken. However, staff and budget constraints in 2021, as well as uncertainty about future budget allocations and strategic direction, mean that these have as yet only had limited impact on programme delivery. The government has prioritised a strong research agenda and taken important initial steps on survivor engagement. There has also been some new evidence of country-level partnerships. However, the responses on mainstreaming, neglected areas, and private sector engagement have been disappointing. The new *Modern slavery strategy*, which is still under development, will be key to setting the direction and scale of future UK aid initiatives to tackle modern slavery. With the strategy still unpublished, we score the government's response as inadequate. We will return to this review next year to assess how the strategy addresses ICAI's recommendations, including whether it gives sufficient attention to ODA-funded international work to reduce modern slavery in origin, transit and destination countries.



- 4.55 ICAI's review of *The UK's approach to tackling modern slavery through the aid programme* was published in October 2020 with an amber-red score. The review found that the UK government had played a prominent role in raising the profile of the issue globally but concluded that its work within developing countries was not well positioned to achieve impact, did not build on existing international efforts and experience, and failed to involve survivors sufficiently. The review made five recommendations, set out in the table below. Three of these were accepted by the government, while the other two were partially accepted.
- 4.56 Since the publication of the ICAI review, major events and changes have affected the UK's work on modern slavery, including the reduction of ODA from 0.7% to 0.5% of gross national income (GNI) with resulting closures and reshaping of programmes; a reduction of the number of staff working on modern slavery; short-term redeployment of staff to handle the crisis in Afghanistan; and disruption due to COVID-19. Following the merger of DFID and the FCO, FCDO's modern slavery work was brought under the Human Rights and Rule of Law Department. FCDO and the Home Office, the two main departments in charge of aid spending to tackle modern slavery, were in a period of planning during the evidence gathering stage for this follow-up, and there were no departmental budgets or allocations for spending on modern slavery during this period, either for the 2022-23 financial year or for the spending review period as a whole.

Subject of recommendation	Government response
Responsible departments should develop a more systematic approach to filling knowledge and evidence gaps, including sex-disaggregated and sector-specific data, gender analysis and more comprehensive evaluations, to guide the choice of interventions.	Accepted
Responsible departments should do more to draw on survivor voices, in ethical ways, with a particular focus on inputs to policy and programme design, and to deepen understanding of lifetime experiences and gender dimensions of modern slavery.	Accepted
The UK government should publish a clear statement of its overall objectives and approach to using UK aid to tackle modern slavery internationally.	Accepted
Responsible departments should increase the future impact of programming by examining the scope for more interventions in neglected areas of modern slavery, and mainstreaming modern slavery into other development programmes, including in the COVID-19 response.	Partially accepted



Subject of recommendation	Government response
Responsible departments should strengthen partnerships on modern slavery, including deepening engagement with the private sector and working with partner governments to develop locally owned action plans covering origin, transit and destination countries.	Partially accepted

**Recommendation 1: Responsible departments should develop a more systematic approach to filling knowledge and evidence gaps, including sex-disaggregated and sector-specific data, gender analysis and more comprehensive evaluations, to guide the choice of interventions**

- 4.57 The original review found that the government had conducted significant data gathering and research, but that this was not systematic and there was no solid basis underpinning the choice of interventions to address modern slavery. Programmes often lacked well-supported evaluation components to help determine ‘what works’ and what is worth scaling up, and analysis of the role of modern slavery in sectors such as education and health was not strong. The report also found that there was a lack of sex-disaggregated data and that gender analysis was weak throughout the government’s modern slavery work.
- 4.58 The government accepted this recommendation and has responded with a range of relevant activities, prioritising the funding of research within the limited budgets available for modern slavery work since the publication of the ICAI report. The coordination of research efforts and synthesis of research findings have also been strengthened. The Modern Slavery Policy and Evidence Centre (MS PEC) has established itself both nationally and internationally as a credible research actor and has commissioned a significant range of research including on the impact of COVID-19, how to support long-term victim and survivor outcomes and recovery, and effective approaches to survivor engagement and empowerment.
- 4.59 We have seen examples of systematic analysis to fill research gaps and develop evidence-based policy guidance. The UK is a key supporter of the work of Delta 8.7, a global knowledge platform working to achieve Sustainable Development Goal (SDG) Target 8.7 to eradicate forced labour, modern slavery, human trafficking and child labour. The Home Office funded three evidence reviews,<sup>14</sup> as well as the work by Delta 8.7, to develop international policy guides to help identify the mix of multilateral and national policies needed to accelerate progress towards SDG 8.7. After public consultations and subsequent revision, the three guides were published in March 2021.<sup>15</sup> The United Nations University Centre for Policy Research also published a UK-funded pivotal report, *Developing freedom*, which established a strong case for understanding modern slavery as a development issue.<sup>16</sup> These activities are meaningful steps towards meeting ICAI’s call for a more systematic review of evidence on ‘what works’.
- 4.60 We are not yet able to see how this research and guidance will feed into new UK programming. The development of a new modern slavery strategy is delayed and there has been very little programmatic activity in the period since ICAI published its review. As the government moves from its current extended planning phase to the implementation of new programmes and initiatives, it will need to build a range of theories of change backed by research to guide its interventions and to provide a framework within which to understand the impact of its work to tackle modern slavery. We conclude that the government response to this recommendation has been adequate. We do, however, plan to assess as part of next year’s follow-up exercise how well the new modern slavery strategy, when it is

14 The three evidence reviews were on the topics of justice, markets and crisis. See: *What works to end modern slavery? A review of evidence on policy and interventions in the context of justice*, Katarina Schwarz et al., The Rights Lab, December 2020, [link](#); *What works to end modern slavery? A review of evidence on policy and interventions in the context of markets*, Hannah Lerigo-Stephens and Katarina Schwarz, The Rights Lab, January 2021, [link](#); and *What works to end modern slavery? A review of evidence on policy and interventions in the context of crisis*, Deanna Davy et al., The Rights Lab, December 2020, [link](#).

15 The policy guides are available at the Delta 8.7 website, [link](#).

16 *Developing freedom: the sustainable development case for ending modern slavery, forced labour and human trafficking*, United Nations University Centre for Policy Research, 2021, [link](#).

published and implementation starts, includes a systematic approach to the application of research to guide future interventions.

**Recommendation 2: Responsible departments should do more to draw on survivor voices, in ethical ways, with a particular focus on inputs to policy and programme design, and to deepening understanding of lifetime experiences and gender dimensions of modern slavery**

- 4.61 ICAI's original review found that the voices of survivors were not being adequately heard throughout the project cycle of modern slavery programmes, especially in policy development and programme design. This was particularly the case for programming run by the former FCO. The government accepted the recommendation and committed, as a matter of priority, to doing more to draw on survivor voices and to deepening understanding of the lifetime experiences of survivors and the gender dimensions of modern slavery.
- 4.62 There is a clear commitment to engaging more with survivors, and this commitment has been backed up by FCDO's commissioning of MS PEC research specifically on how best to include and empower survivors in interventions. In January 2022, the Home Office commissioned research to inform the new *Modern slavery strategy*. This work sought survivors' views on their experiences of modern slavery support, engagement with the criminal justice system and the most appropriate ways to engage survivors in future policy-making and international programmes. The department's Modern Slavery Fund has generated a range of research products focused on the experiences of survivors. Sex-disaggregated data is accepted as standard and the need for enhanced gender analysis is recognised. The Home Office has committed to ensuring that bidders and partners in any future international modern slavery programming funded by the department must draw on survivor voices to inform interventions.
- 4.63 While these are highly relevant and positive steps in response to ICAI's recommendation, neither FCDO nor the Home Office are yet at the stage where they are implementing a more survivor-focused approach. The new *Modern slavery strategy* is delayed and not yet published. ICAI has been told that the strategy will include survivor consultation and engagement as a key theme, but will not be able to confirm this until it is published. The new *International development strategy* also commits to putting survivors at the heart of the government's approach.<sup>17</sup> We score the response to this recommendation as adequate. However, in the context of considerable barriers to survivors' direct interaction with the Home Office, it is crucial that these first steps are converted into meaningful survivor engagement in future policy and programming.

**Recommendation 3: The UK government should publish a clear statement of its overall objectives and approach to using UK aid to tackle modern slavery internationally**

- 4.64 The original ICAI review found that the UK aid approach to modern slavery had developed considerably since its *Modern slavery strategy* was published in 2014. This strategy was mainly focused on the UK, and there has been no clear statement of the government's objectives and approach to addressing modern slavery internationally through the aid programme. The government accepted ICAI's recommendation and announced in March 2021 that it would publish a new *Modern slavery strategy*, based on broad engagement and consultation across government and with civil society both nationally and internationally. The new strategy is also intended to include a review of activities undertaken since the 2014 strategy. It was originally planned to be published in 2021, but has been delayed. While drafting is at an advanced stage, the strategy was not yet approved by ministers when this follow-up review was published. The drafting is led by the Home Office, with FCDO involved in the international dimensions of the strategy.
- 4.65 While the delay is unfortunate, the uncertainties and instability of UK aid funding and direction in 2021 would have provided a difficult environment for publishing a new strategy. The strategy will now be

<sup>17</sup> *The UK government's strategy for international development*, Foreign, Commonwealth and Development Office, May 2022, p. 12, [link](#).

launched in the context of a new financial settlement for UK aid in the next three years, which will potentially allow it to form an effective platform for future work.

- 4.66 The drafting process has been informed by significant consultation during 2021, including round tables with civil society and business stakeholders but no public consultation. Drafting has also been supported by a substantial desk review drawing together evidence from UK aid programmes and broader research.
- 4.67 While we expect the strategy to be published soon, we are not yet able to comment on how it will treat issues of research, survivor engagement, neglected areas, mainstreaming and partnerships, all of which will have significant impact on our judgements under the other recommendations. We are also not able to assess whether the strategy will give sufficient attention to addressing modern slavery internationally through the aid programme. We have therefore scored this response as inadequate, and will return to this recommendation next year.

**Recommendation 4: Responsible departments should increase the future impact of programming by examining the scope for more interventions in neglected areas of modern slavery, and mainstreaming modern slavery into other development programmes, including in the COVID-19 response**

- 4.68 The original ICAI review found that the UK modern slavery portfolio was not systematically planned, and that there was limited evidence of the impact of UK aid in this area. The review found gaps in the portfolio, due to both the neglect of vital dimensions of modern slavery such as internal trafficking and an approach that treated modern slavery as a homogenous phenomenon, thus neglecting context- and sector-specific drivers of different forms of exploitation. It also noted how the programmes run by the former FCO were too small and short-term to have an impact. The government only partially accepted this recommendation and has not addressed it in a comprehensive way. ICAI recognises that the recommendation included two distinct points that might have been better raised separately: one on focusing attention on neglected areas and one on mainstreaming the issue of modern slavery across sectoral programming. The government's reason for only partially accepting the recommendation was that some modern slavery projects were already part of wider sectoral programmes. However, this is not what the recommendation suggested, which was to ensure that a modern slavery lens is always applied when developing programmes within sectors such as health, education and justice.
- 4.69 The government did not address the first part of the recommendation, on the issue of neglected areas, arguing that the UK government could not cover everything. This is of course correct, but it does not preclude a systematic analysis of the issues before deciding where to intervene.
- 4.70 While the government had promised to consider the best way to mainstream modern slavery in FCDO and across government, the new *International development strategy*, launched in May 2022, does not put mainstreaming of this issue on the agenda. There has been no attempt to raise wider staff awareness or provide inputs into sectoral programmes. This partly reflects the more challenging context and the constraints on resources and staff compared to two years ago when the original ICAI review was conducted.
- 4.71 The exception is in the COVID-19 response, where there has been significant research bringing together work in the health sector and modern slavery, although we have seen little specific evidence of this being reflected in programming. We also found some research done in South Asia on the links between modern slavery and climate change. We conclude that this response has been inadequate.

**Recommendation 5: Responsible departments should strengthen partnerships on modern slavery, including deepening engagement with the private sector and working with partner governments to develop locally owned action plans covering origin, transit and destination countries**

- 4.72 The original ICAI review found that the UK had launched its own international initiatives to end modern slavery, rather than working with others and with pre-existing approaches. FCO influencing activities were focused at the global level, with very little work on joint country-level strategies with partner governments and inadequate action on transit and destination countries for trafficking. The review also found that the government was missing opportunities to work more strategically with the private sector. Most of the worst forms of exploitation are occurring in the informal sector, and this was not being adequately addressed in the UK approach. These issues led ICAI to formulate a recommendation focused on strengthening partnerships both with the business community and with other governments.
- 4.73 The recommendation was only partially accepted by the government, which noted that it saw working with the private sector as integral to its modern slavery work, including at country level. It also suggested that ICAI did not sufficiently recognise the collaborative work with partner governments taking place at country level. The Home Office and FCDO provided more evidence to ICAI during the follow-up exercise on activities at country level, including significant engagement with developing country governments through the Modern Slavery Fund, which goes some way to back up this claim.
- 4.74 There is nevertheless more to be done to deepen partnerships at country level, with both governments and the private sector, within countries of origin, transit and destination on trafficking routes. FCDO's Better Regional Migration and Management Programme, which looks at migration from Ethiopia to the Middle East, is a good example of such an approach. Other examples of working in transit and destination countries are the Work in Freedom programme and Innovation Fund projects. Strong strategic partnerships with key actors at local and national levels are crucial to improve the potential for impact of modern slavery interventions.
- 4.75 The government has expressed its desire to work more with the private sector, but its approach has not moved beyond a focus on transparency in supply chains towards more strategic partnerships. Domestically, the government has developed a repository for companies to submit modern slavery statements and has stepped up compliance by strengthening potential penalties for companies that do not submit statements. The government has also consulted private sector companies in preparation for the new *Modern slavery strategy* and engaged on non-supply chain issues such as financial services. We found little evidence in terms of a more strategic engagement with business actors since the original ICAI review took place.
- 4.76 There is better evidence of partnerships with other OECD governments and of engagement in developing policies with partner governments through the Modern Slavery Fund as well as through a range of FCDO interventions. The UK government has engaged internationally on transparency in supply chains, including using its role as chair of the G7 to introduce this as a theme in the G7 trade track.
- 4.77 The merged FCDO creates an opportunity to combine modern slavery programming with the necessary diplomatic approaches to achieve impact. This could enable improved relations with partner countries and a better understanding of countries' priorities. However, we do not know if the new *Modern slavery strategy*, once published, will provide the basis for more collaborative working. We also do not yet know the extent to which FCDO and the Home Office will work together in a joined-up UK approach to working with partners.
- 4.78 While recognising that the original ICAI review did not adequately reflect the work going on at country level in some cases, we have not seen much action to address this recommendation and regard the response, on balance, to be inadequate. The response has been particularly limited on building private sector partnerships.

## Conclusion

- 4.79 The government is committed to positive action on the first three of ICAI's five recommendations, and has prioritised research with a wide range of research projects completed and some early signs of synthesising results. This includes important initial steps on survivor engagement. We have also seen some improvements in strengthening country-level partnerships with donors and developing countries. However, the responses on mainstreaming the issue of modern slavery into sector programming, paying attention to neglected but significant areas, and strengthening private sector engagement have been disappointing.
- 4.80 Constrained by a lack of staff and budgets in 2021, as well as uncertainty about future budget allocations and strategic direction, initial positive steps have as yet only had limited impact on programme delivery. The direction and scale of UK aid initiatives to tackle modern slavery will depend on the forthcoming financial settlements and *Modern slavery strategy*. The *International development strategy* mentions modern slavery as part of the priority to end violence, but does not put mainstreaming of this issue on the agenda. With the *Modern slavery strategy* still unpublished, we score the government's response as inadequate. We will return to this review next year to assess how the strategy addresses ICAI's recommendations, including whether it gives sufficient attention to ODA-funded international work to reduce modern slavery in origin, transit and destination countries.

## Management of the 0.7% ODA spending target, Part 1 and Part 2

**We recognise the effort from the government to engage constructively with ICAI's recommendations. However, we have seen few changes to the way in which the government manages the spending target in response to the thrust of our recommendations and the value for money risks identified in the ICAI reviews. As a result, we will be following up the recommendations again next year.**



- 4.81 *The Management of the 0.7% ODA spending target* rapid review was published in November 2020. The review examined how the UK government managed the 0.7% ODA spending target during the period from 2013 to 2019. The review found that the system for managing the target was well suited to handling the typical level of variability experienced in most years since 2013. However, larger shocks – such as major fluctuations in UK GNI forecasts of the kind that occurred during the COVID-19 pandemic – can pose significant value for money risks. A subsequent rapid review – *Management of the 0.7% ODA spending target in 2020* – was undertaken and published in May 2021, to capture lessons from the management of the ODA spending target in this context.
- 4.82 Both rapid reviews were unscored. They found that the UK government, and in particular DFID/FCDO as spender or saver of last resort, had successfully managed spending to hit the 0.7% target. However, they also noted that a lack of flexibility in the government's interpretation and pursuit of the target opened up several value for money risks, particularly in the context of significant uncertainty about the level of ODA spend required to meet the target.

Subject of recommendation	Government response
<b>Part 1</b>	
HM Treasury should consider assigning spending targets for the first three quarters of the financial year to ODA-spending departments and cross-government funds that better reflect the structural nature and spending profile of their programme portfolios and reduce negative effects for suppliers.	Partially accepted
The UK government should lessen the value for money risks associated with managing the 0.7% target by establishing a spending floor for FCDO (as the new spender or saver of last resort) that gives it a degree of certainty over its share of UK ODA spending.	Partially accepted
The UK government should ensure that a sufficient share of the UK's ODA portfolio is allocated as multilateral aid, so that ministers have the flexibility they need to manage the target at calendar year end, without compromising value for money or adversely impacting programme delivery (or supplier operations).	Accepted
The UK government should explore ways of introducing greater flexibility into the management of the 0.7% target, including, for example, introducing a 'tolerance range' for hitting the target of between 0.69% to 0.71% of GNI, or specifying the target as a three-year rolling average.	Accepted
<b>Part 2</b>	
To inform decision-making on ODA spend throughout the year, departments responsible for managing UK ODA should use a range of GNI forecasts, calculated by a range of methods and provided by a number of reliable economic commentators (including, though not limited to, the Office for Budget Responsibility).	Accepted
FCDO should build options for flexing spend into country portfolios and plans, incorporating programme activities that could be scaled up or down in response to external shock, with minimal impact on value for money.	Accepted

**Part 1, Recommendation 1: HM Treasury should consider assigning spending targets for the first three quarters of the financial year to ODA-spending departments and cross-government funds that better reflect the structural nature and spending profile of their programme portfolios and reduce negative effects for suppliers**

- 4.83 HM Treasury sets targets for the proportion of their aid allocations that departments should spend in the first three quarters of the financial year, to enable FCDO to play its role effectively as the spender or saver of last resort (more detail in Recommendation 2 below). In 2015 this target was initially set at 90%, but it was reduced to 85% (for 2017-19) and then to 80% (for 2020) for departments other than DFID, as they were struggling to meet previous targets. The original review did however note that, despite these adjustments, some ODA-spending departments continued to have difficulties with these one-size-fits-all targets, creating value for money risks. We therefore recommended that HM Treasury should apply spending targets for departments that better reflected the structural nature and spending profile of their programme portfolios.
- 4.84 In response, the government partially agreed with recommendation, and stated that departmental spending targets would be considered and determined by HM Treasury as part of the 2021 Spending Review. HM Treasury informed us that while differentiated targets had been considered as part of this review, it concluded that retaining the existing targets is the most expedient way of managing ODA spending across government. We heard that, as in previous years, in practice HM Treasury was also able



to provide flexibility, where appropriate, to ODA-spending departments that were not able to achieve their targets.

- 4.85 ICAI recognises that the flexibility which HM Treasury has afforded to departments goes some way towards responding to this recommendation. This flexibility is applied selectively when it is required by departments. Several departments reported concerns on the lack of clarity, including on the application of penalties for missing their targets. ICAI therefore continues to believe that a more formal process for applying tailored spending targets would be appropriate, including through more formal communication.

**Part 1, Recommendation 2: The UK government should lessen the value for money risks associated with managing the 0.7% target by establishing a spending floor for FCDO (as the new spender or saver of last resort) that gives it a degree of certainty over its share of UK ODA spending**

- 4.86 DFID was the designated ‘spender or saver of last resort’ for the overall aid budget, which means that it was responsible for adjusting its spending upwards or downwards to ensure the UK hit the aid spending target. Since the merger, FCDO now plays that role. The original review highlighted concerns that, as the share of UK ODA spent outside of DFID was being increased, the potential spending adjustments DFID would need to make to fulfil its role of spender or saver of last resort were growing. This, in turn, heightened the potential value for money risks related to unplanned DFID spending. As a result, ICAI recommended that DFID be assigned a spending floor, to ensure a degree of certainty over its share of ODA spending.
- 4.87 In its response, the government only partially agreed with this recommendation. HM Treasury stated that it was in practice already applying some form of spending floor for FCDO when determining budget allocations and that a fixed spending floor would not be practical as it would not allow adjustments to be made in FCDO’s spending in response to changes to spending plans in other areas of the aid budget.
- 4.88 In interviews for this follow-up review, the government noted that while the recommendation would be reasonable in a context where there is a reducing proportion of ODA being allocated to the spender or saver of last resort, following the formation of FCDO this is no longer the case. However, provisional ODA spending statistics for 2021 suggest that FCDO’s share of ODA spend actually fell marginally from 73.7% in 2020 to 72.3% in 2021,<sup>18</sup> a similar figure to DFID’s share of ODA in 2019 (73.1%). It is notable that the proportion of aid allocated to the Home Office has been increasing considerably in recent years, as the number of refugees arriving in the UK increases. It is also the case that a proportional spending floor will need further consideration if the UK returns to 0.7% as planned, as budgets are allocated across government departments. The May 2022 *International development strategy* confirmed the UK’s commitment to the 0.7% target and stated that the government would review and confirm each year whether a return to the target was possible.<sup>19</sup>

**Part 1, Recommendation 3: The UK government should ensure that a sufficient share of the UK’s ODA portfolio is allocated as multilateral aid, so that ministers have the flexibility they need to manage the target at calendar year end, without compromising value for money or adversely impacting programme delivery (or supplier operations)**

- 4.89 Analysis carried out for both reviews highlighted that one of the most effective strategies for managing the spending target has been adjusting multilateral payments at year end, either to bring future payments forward, or to delay payments to the next calendar year, in order to hit the target. Importantly, the first review also found no evidence that this practice had any serious negative effect on value for money. ICAI therefore recommended that the UK government should ensure a sufficient share of the UK’s ODA portfolio be allocated as multilateral aid to continue enabling the rescheduling of payments to hit the target by the end of the calendar year without adversely affecting value for money, as happens with major changes to bilateral programmes in many cases.

<sup>18</sup> *Statistics on international development: provisional UK aid spend 2021*, Foreign, Commonwealth and Development Office, April 2022, p. 3, [link](#).  
<sup>19</sup> *The UK government’s strategy for international development*, FCDO, May 2022, p. 29, [link](#).

- 4.90 The government agreed with this recommendation, although it stated that decisions on which spending instrument to use for channelling aid are taken on a case-by-case basis, determined by business cases. In response to this follow-up review, the government reiterated its commitment to using multilateral funding as part of a flexible portfolio and commented on the important role this funding had played in making major adjustments to UK aid spending over the last two years.
- 4.91 In interviews for this follow-up review, the government confirmed to ICAI that it would continue to remain a major partner to multilateral organisations. It further noted that the share of UK ODA delivered through multilateral organisations had increased from 34% in 2020 to 38% in 2021. However, the new *International development strategy*, published on 16 May 2022, announced a significant reduction in the amount going to multilateral organisations: “FCDO will substantially rebalance its ODA investments from multilateral towards bilateral channels. By 2025 FCDO intends to spend around three-quarters of its funding allocated at the 2021 Spending Review through country and bilateral programmes”.<sup>20</sup>

**Part 1, Recommendation 4: The UK government should explore ways of introducing greater flexibility into the management of the 0.7% target, including, for example, introducing a ‘tolerance range’ for hitting the target of between 0.69% to 0.71% of GNI, or specifying the target as a three-year rolling average**

- 4.92 While the first part of the review concluded that the UK government had been able to hit the 0.7% target successfully and precisely, it found that the rigidity of the UK system compared to other donors entailed some value for money risks, particularly in periods of larger shocks. ICAI therefore recommended that the government should explore ways of managing the spending target more flexibly – for instance by using a tolerance range for hitting the target or by applying a three-year rolling average. Part 2 reaffirmed these findings, and noted that treating the target as both a ceiling and a floor introduced serious value for money risks, particularly when there was acute economic volatility. The National Audit Office<sup>21</sup> and the OECD Development Assistance Committee (DAC)<sup>22</sup> have made similar recommendations to the UK government.
- 4.93 In response, the government agreed with the principle of the recommendation and committed to review potential approaches to applying greater flexibility. The government has since undertaken technical work to explore the potential of applying a three-year rolling average target, although this option was ultimately rejected because: (i) it was judged only to allow for flexibility in the first two years of its operation; (ii) the existing approach already allows approximately £100 million in flexibility above and below the target; and (iii) the government believes that the level of annual precision currently applied in managing the target is most consistent with the requirements of the 2015 spending target legislation and reporting to the OECD-DAC with regard to harmonisation with domestic ODA reporting and compliance with the Code of Practice for Statistics.<sup>23</sup>
- 4.94 ICAI judges that, while the government has engaged actively on this recommendation, its response is inadequate for a number of reasons. First, the government only seriously explored one approach to applying a flexible target. ICAI suggested that the government also engage with a relevant approach applied by Denmark, which is also a member of the OECD-DAC.<sup>24</sup> The government tells us that it finds there are key differences between the UK and Denmark, which it aims to explore further. We will therefore come back to this in next year’s follow-up. Second, work on this recommendation took place at the technical level with options reviewed by the senior civil servant in charge of ODA management. However, we did not receive evidence of this piece of analysis being considered more formally as part of existing senior government officials’ coordination. Third, the OECD-DAC told us that monitoring allows for a more flexible approach to reporting on the aid target than that currently applied by the UK government. Most importantly, in light of the value for money risks, we believe there is scope for the

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

21 *Managing the official development assistance target*, National Audit Office, HC 950 SESSION 2014-15 16 January 2015, p. 8, [link](#).

22 *United Kingdom – DAC peer review of development co-operation*, OECD, 12 November 2020, p. 18, [link](#).

23 See *Code of practice for statistics*, Office for Statistics Regulation, [link](#).

24 The OECD’s report concluded that Denmark’s three-step budget balancing mechanisms running over three years enabled the country to consistently hit the 0.7% target while protecting commitments and allowing flexibility. *Hitting the 0.7% ODA/GNI target while protecting funding commitments: development co-operation tips – tools, insights, practices*, OECD, 2021, [link](#).



government to continue to explore ways of pursuing a more flexible approach to meeting the target. Although the government told us that legal advice has been sought on this issue, it has not been shared with ICAI as part of this follow-up exercise. This recommendation to increase flexibility has become even more important since ICAI first offered it, as was shown by the findings of ICAI's second spending target review. As the discussion below notes, ICAI found that major budget reductions to aid spending in mid-2020 disproportionately affected bilateral spending, with significant value for money implications.

**Part 2, Recommendation 1: To inform decision-making on ODA spend throughout the year, departments responsible for managing UK ODA should use a range of GNI forecasts, calculated by a range of methods and provided by a number of reliable economic commentators (including, though not limited to, the Office for Budget Responsibility)**

- 4.95 A central finding of the second review was that the government had approved reductions of £2.94 billion to ODA programmes in mid-2020 based on what it called a 'reasonable worst-case scenario', which utilised a single GNI forecast produced by the Office for Budget Responsibility (OBR) some months before.<sup>25</sup> This forecast had projected that the 0.7% GNI target could fall by £2.5 billion from the pre-COVID-19 forecast. Although the OBR revised its GNI projection upwards just days after these large ODA reductions had been approved, the reductions were nevertheless implemented. We therefore judged that these initial reductions were more substantial than required, and had a disproportionate impact on bilateral programmes. At the end of 2020, £1.25 billion was restored to multilateral programming after spending had to be revised upwards when it became apparent that the UK economy had contracted much less substantially than the OBR's initial projection. A much smaller amount of £38 million was restored to bilateral programmes.<sup>26</sup> In response to these findings, ICAI recommended that in the future the government should review planned aid spending levels throughout the year using a wider range of GNI forecasts, calculated using different methods and provided by several reliable economic commentators.
- 4.96 In response, the UK government agreed with ICAI's recommendation and stated that as standard HM Treasury and FCDO did consider a range of GNI forecasts and outturn data to inform decision-making on ODA spend throughout the year. Statistical experts from FCDO and HM Treasury have collectively determined the appropriate methodology for doing so. A presentation was also made to the review team illustrating various GNI projections that were being monitored by FCDO and HM Treasury. In an interview, FCDO officials noted that a lesson they have learnt is to use forecast and outturn data to make decisions on spending levels as late in the year as possible so as to use the most advanced national income projection data possible.
- 4.97 However, overall, we assess that the government's response to this recommendation has been inadequate. Three sources of official data are used to inform critical decision-making: the Office for National Statistics (ONS) quarterly GNI outturn data, OBR forecasts and ONS monthly gross domestic product data. But FCDO and HM Treasury officials have not responded to what we feel is the crux of the recommendation, that is, whether or not critical decisions about spending plans are actually based on the range of forecast information. We were unable to verify whether or not the UK government has made any changes to its decision-making process to ensure that a scenario similar to what happened in mid-2020 is not repeated. In addition, in an interview HM Treasury clarified that it had not accepted the original recommendation because it felt it had considered a range of external forecasts in 2020.

**Part 2: Recommendation 2: FCDO should build options for flexing spend into country portfolios and plans, incorporating programme activities that could be scaled up or down in response to external shock, with minimal impact on value for money**

- 4.98 Our review noted that most bilateral programme portfolios lack options for flexible spending in response to resource fluctuations and therefore have few choices other than to reduce programme spend and absorb any associated value for money hits when faced with in-year budget reductions.

25 *Management of the 0.7% ODA spending target in 2020: a rapid review*, ICAI, May 2021, p. 14, [link](#).

26 Figures derived from *Management of the 0.7% ODA spending target in 2020: a rapid review*, ICAI, May 2021, Table 5, p. 27, [link](#).

We therefore recommended that bilateral programmes consider building in flexible spending arrangements that can be scaled up or down in response to shocks, without compromising value for money.

- 4.99 In response, the government agreed with this recommendation, noting that it does build flexibility into country plans and portfolios, including through large-scale humanitarian programmes. It also noted that it was developing ways to increase flexibility in other types of spend.
- 4.100 In the written response to our follow-up, FCDO shared guidance that it had developed to adapt programmes in response to changing contexts. The FCDO Commercial Department presented evidence that efforts to develop more flexible and adaptive approaches to contract management were ongoing. Although ICAI felt that this was somewhat relevant to dealing with some of the issues raised in relation to this recommendation, it does not engage with the broader point about enabling the flexing of spend at the country portfolio and programme level in response to resourcing decisions linked to the aid target.
- 4.101 The government also noted that further progress in this area has been delayed due to prioritising other areas of business, coupled with the impact of aid budget reductions and the FCDO merger. We will return to this recommendation in next year's follow-up.

## Conclusion

- 4.102 Overall, ICAI is satisfied that in some cases there is evidence that the government, particularly at a working and technical level, has actively engaged with ICAI's recommendations. However, there are few examples of action to change policy and practice in response to the main emphasis of our recommendations. For some recommendations (particularly Part 1, Recommendations 2, 3 and 4; and Part 2, Recommendations 1 and 2), we consider the government response inadequate. We will return to this review as an outstanding issue next year.

## Tackling fraud in UK aid

**The government, led by FCDO, engaged positively with the review, and the responses to its recommendations have led to important changes, including the establishment of a cross-government ODA Counter Fraud Forum. However, severe human resource shortages following the FCDO merger in both the fraud investigations team and the Control and Assurance (counter-fraud) team have hampered the implementation of plans. We therefore judge that the government's response to Recommendations 2, 3 and 4 is inadequate, despite some initial promising signs.**



- 4.103 The *Tackling fraud in UK aid* rapid review was published in April 2021, and assessed the extent to which the UK government takes a robust approach to tackling fraud in its ODA expenditure. It reviewed how five departments which were allocated more than £100 million of ODA in 2019-20 prevented, detected, investigated, sanctioned and reported on fraud in their aid delivery chains, and how they managed fraud risk within portfolios, programmes and projects. The departments covered included the former DFID and FCO, the Department for Business, Energy and Industrial Strategy (BEIS), the Home Office and the Department of Health and Social Care.

Subject of recommendation	Government response
Consideration should be given to establishing a centralised ODA counter-fraud function to ensure good practice and consistency of the ODA counter-fraud response and share intelligence across all ODA spend.	Partially accepted
ODA-spending departments should review and streamline external whistleblowing and complaints reporting systems and procedures, and provide more training to delivery partners down the delivery chain on how to report safely.	Accepted
Counter-fraud specialists should increase independent oversight of ODA outsourcing, including systematically reviewing failed or altered procurements and advising on changes to strengthen the actual and perceived integrity of ODA procurement.	Accepted
To aid understanding and learning, ODA counter-fraud specialists should invest in collecting and analysing more data, including on who bears the cost of fraud, and trends in whistleblowing and procurement.	Accepted

**Recommendation 1: Consideration should be given to establishing a centralised ODA counter-fraud function to ensure good practice and consistency of the ODA counter-fraud response and share intelligence across all ODA spend**

- 4.104 The original review noted that a lack of central oversight of fraud risks related to ODA had resulted in differing approaches to fraud risk management on ODA spending across departments and limited sharing of good practice and intelligence on addressing these issues. We therefore recommended that consideration be given to introducing a centralised ODA counter-fraud function, to help coordinate and improve fraud risk management across government.
- 4.105 In response, the government partially accepted this recommendation, stating that creating a separate ODA counter-fraud function would not represent value for money and would duplicate the efforts of the Counter Fraud Centre of Expertise hosted in the Cabinet Office. The government did, however, commit to strengthening ODA fraud governance, facilitating the sharing of good practice and increasing consistency of approach for counter-fraud activity across ODA-spending departments, including through creating an ODA Counter Fraud Forum led by FCDO and managed through existing institutional infrastructure.
- 4.106 The ODA Counter Fraud Forum has now been established and met for the first time in November 2021 (and again in March 2022), after delays caused by resource constraints in FCDO and the prioritisation of bringing former FCO staff up to speed on FCDO’s counter-fraud practices in relation to managing ODA, which are based on DFID’s approach. Although counter-fraud oversight for ODA is not independent from FCDO, as intended by our recommendation, the forum does have the potential to address the key part of our recommendation by helping to ensure good practice and consistency of the ODA counter-fraud response and share intelligence across all ODA spend. While the forum is led by FCDO, we noted that other departments’ forum members were all consulted in developing its terms of reference, the forum is designed to deliver practical results and not just to share knowledge, and there are already examples of learning being applied from the first meeting. However, it is too early to tell whether the FCDO-led forum will be effective in addressing all aspects of this recommendation.

## **Recommendation 2: ODA-spending departments should review and streamline external whistleblowing and complaints reporting systems and procedures, and provide more training to delivery partners down the delivery chain on how to report safely**

- 4.107 The original review found that there were multiple and varied external whistleblowing mechanisms within and across ODA-spending departments and delivery partners, which were confusing and varied in their accessibility and anonymity. A survey of over 400 stakeholders with a role in the UK aid delivery chain also found that three-quarters of respondents were afraid or disincentivised to report fraud. ICAI therefore recommended that ODA-spending departments should address these issues by reviewing and streamlining whistleblowing mechanisms, and should provide training to delivery partners on how to report fraud safely.
- 4.108 In response, the government accepted this recommendation and noted that more could be done to promote safe whistleblowing. FCDO therefore committed to lead a review of external whistleblowing and complaints reporting systems; a review and update of the range of communication channels to partners on reporting expectations; a review and update of public statements on confidentiality applied to whistleblowing; strengthening the scrutiny of partners' whistleblowing procedures; and a review of tendering documentation to ensure clear and independent reporting processes for delivery partners.
- 4.109 To date, FCDO has undertaken a range of actions to begin delivering on these commitments. It has updated due diligence guidance for partners to include oversight of partners' whistleblowing mechanisms; updated and increased its messaging internally and externally on whistleblowing protections, with further work planned; and planned a partner capacity review, to include a focus on whistleblowing. However, there is no plan to collate or analyse data emerging from due diligence work and the review of partner capacity has been delayed until 2023-24 due to severe understaffing within FCDO's investigations team.
- 4.110 ICAI therefore judges that, although the actions that have been taken in response to this recommendation may contribute to achieving it, they are currently insufficient and additional measures and resourcing are required for implementation.

## **Recommendation 3: Counter-fraud specialists should increase independent oversight of ODA outsourcing, including systematically reviewing failed or altered procurements and advising on changes to strengthen the actual and perceived integrity of ODA procurement**

- 4.111 The original review noted the fact that FCDO's disputes and risk team was not independent of its Procurement and Commercial Department and that there was limited proactive, independent scrutiny of FCDO procurement by counter-fraud specialists. ICAI concluded that these factors fuelled stakeholders' perceptions that there were weaknesses in the fraud risk management of outsourced contracts in the department.
- 4.112 In response, the government accepted this recommendation and noted that independent reviews of procurement systems, undertaken by the Internal Audit Department, would include consideration of fraud risks associated with procurement. It also stated that commercial advisors would consider strengthening the process for systematically reviewing failed or altered procurements. ICAI did not consider that this response had properly addressed the central concern of this recommendation: that there is no proper independent scrutiny of procurement by counter-fraud specialists.
- 4.113 In response to this follow-up review, FCDO has made further relevant commitments. First, it has informed ICAI that the Internal Audit Department will undertake a fraud assurance review of procurement. Due to resource constraints this review has, however, been delayed and is now expected to take place in the first quarter of 2023-24. Second, it is important to note that the emergence of plans to move FCDO's newly merged Internal Audit and Investigations Department into the Government Internal Audit Agency may help to address ICAI's concerns about the independence of FCDO's counter-fraud teams. However, this restructuring could further hinder implementation of our recommendations if there is not sufficient focus on ODA within the restructured teams.

4.114 Overall, while the initial government response to this recommendation was poor, additional actions decided on since are positive and relevant. However, as a result of delays to implementing these actions, ICAI judges that progress in addressing this recommendation is inadequate.

#### **Recommendation 4: To aid understanding and learning, ODA counter-fraud specialists should invest in collecting and analysing more data, including on who bears the cost of fraud, and trends in whistleblowing and procurement**

- 4.115 The original review found that only a limited amount of data is gathered by fraud specialists working on ODA to guide and inform their work. ICAI therefore recommended that ODA counter-fraud specialists should invest in collecting and analysing more data, including on who bears the cost of fraud, and trends in whistleblowing and procurement.
- 4.116 In response, the government accepted this recommendation and acknowledged the need for further investment in the collation and analysis of data. It also committed to seek out opportunities to build on this, including by analysing data to target future investigations, capacity-building and awareness-raising based on risk factors and emerging threats.
- 4.117 A range of actions have been taken to respond to these commitments. First, FCDO's Investigations team is now providing more data to the Counter Fraud Function – such as monthly reports on closed cases – although the Counter Fraud Function has not been able to fully utilise this data due to resource constraints. Second, FCDO is in the process of contracting work to revisit its earlier Fraud Measurement and Assurance exercises and look at who bears the cost of fraud. Finally, while a country engagement exercise has been completed FCDO has deprioritised further work in this area to focus on other urgent work in the short term.
- 4.118 Overall, we conclude that without additional capacity, FCDO is not in a position to make use of this good practice, information and data. As a result, while the plans that have been developed for responding to this recommendation are relevant, the lack of capacity for implementation means that we judge progress as inadequate.

#### **Conclusion**

- 4.119 The government, led by FCDO, engaged positively with the review. The responses to its recommendations have led to important changes, including the establishment of a cross-government ODA Counter Fraud Forum, better access to data within FCDO's Control and Assurance (counter-fraud) team, inclusion of fraud assurance of procurement in internal audit plans and increased focus on whistleblowing in partner due diligence and communications.
- 4.120 However, severe resource shortages following the FCDO merger in both the fraud investigations team and the Control and Assurance (counter-fraud) team have hampered the implementation of plans, pushing back the partner review and internal audit of fraud assurance in procurement. As a result, despite the initial positive government response to our original review, we judge that government action to address Recommendations 2, 3 and 4 is inadequate, as fraud teams have had to prioritise other activities, especially fraud investigations and training of FCDO staff, given their limited capacity. ICAI will therefore be following up again on these recommendations next year.

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

**There was a limited response to this review, as FCDO was able to identify tangible actions only in relation to three of the five recommendations. These actions were largely modest in nature and some were not directly motivated by the review. The limited response seems to have been driven by FCDO's continued stance that it does not have an explicit youth employment strategy, as well as ongoing challenges facing the department, especially from the merger, aid budget reductions and staff changes.**



- 4.121 The Middle East and North Africa (MENA) is a region of considerable strategic interest to the UK. With one of the youngest populations in the world, a key challenge that needs to be tackled in the MENA region is youth unemployment, which averages 23% among 15- to 24-year-olds in the Arab states, compared with 14% globally. In response to this context, ICAI decided to undertake a review of *UK aid's approach to youth employment in the Middle East and North Africa*. The review examined how relevant the UK's work in the area was, how coherently it was delivered and how effectively UK aid had addressed the challenge of supporting youth employment in the MENA region over the period since 2015. This review was published in July 2021.
- 4.122 After initial agreement with DFID on launching this review in early 2020, the outbreak of the COVID-19 pandemic led to its formal launch being delayed, and subsequently prevented engagement with the government during the planning phase. When ICAI was able to re-engage government on the review there were new staff in the relevant teams in DFID, with further staff changes taking place during the review. The merger of DFID and the FCO was announced ahead of the publication of this review, and was initiated shortly after the government responded to the review's recommendations. This context created significant challenges for undertaking this review and has affected the level of traction on the recommendations in FCDO.

Subject of recommendation	Government response
Employment-related programmes should articulate clearly how they expect to contribute to job creation and economic development or address fragility, and ensure that these outcomes are monitored and evaluated.	Accepted
When promoting employment through economic reform, FCDO should undertake complementary interventions to tackle the specific barriers to employment faced by target groups.	Partially accepted
Employment-related programmes should be shaped by gender and social inclusion analysis, including of cultural barriers to the employment of women.	Accepted
FCDO should routinely consult with young people expected to benefit from its MENA programmes and use the feedback to shape programme design and implementation.	Partially accepted
FCDO should strengthen its in-country partnerships with multilateral organisations by ensuring consistent strategic-level engagement.	Partially accepted

**Recommendation 1: Employment-related programmes should articulate clearly how they expect to contribute to job creation and economic development or address fragility, and ensure that these outcomes are monitored and evaluated**

- 4.123 The original review identified 115 DFID and FCO programmes in the MENA region with objectives that were directly or indirectly related to youth employment. However, ICAI's analysis of these programmes found that job creation was often not adequately addressed in programme design, and that it was often not captured in monitoring indicators or testable causal results chains. Even where job creation was monitored, reported impacts of programmes relied on questionable assumptions linking job creation to fragility and economic development. Our review of the literature found only weak evidence in this area. We also found that there was inadequate attention to evaluation across the portfolio. As a result of these issues, ICAI therefore recommended that employment-related programmes should articulate clearly how they expected to contribute to job creation and economic development or address fragility, and ensure that these outcomes were monitored and evaluated.
- 4.124 In response, FCDO agreed with this recommendation, and noted that relevant programmes would be using a Jobs Measurement Framework (JMF) which it had developed in early 2021 to inform a



more consistent and robust approach to tracking job creation metrics. The JMF is technically sound, straightforward to apply and likely to improve the design of programmes on employment and reporting of jobs results over the medium term. However, the implementation of the JMF has been delayed due to the demands of the FCDO merger, aid budget reductions and COVID-19, and it has not yet been used in MENA countries, as no new programmes have been designed since the ICAI review.

- 4.125 FCDO told us, in interviews, that since the ICAI review it had expanded monitoring and evaluation (M&E) capacity in the MENA team by recently recruiting an M&E specialist. FCDO did acknowledge that this step had not yet led to improved M&E on job creation programmes because this capacity had only been available for a limited time.

**Recommendation 2: When promoting employment through economic reform, FCDO should undertake complementary interventions to tackle the specific barriers to employment faced by target groups**

- 4.126 In the original review ICAI concluded that, in general, business cases for relevant UK aid programmes made overly optimistic assumptions linking support for macroeconomic and other reforms to their desired impact on job creation, and that there was insufficient attention to monitoring actual impacts. We also found that there was limited emphasis on implementing the types of accompanying measures to tackle barriers to employment that the literature suggests are required to ensure that jobs are created for specific target groups, such as young people, women and refugees. ICAI therefore recommended that when aid programmes promoted employment through economic reform, FCDO should undertake complementary interventions to tackle the specific barriers to employment faced by target groups.
- 4.127 In response, the government partially agreed with this recommendation. It justified this by stating that FCDO does not have an explicit focus on youth employment in the MENA region. The department argued that it attempted to address youth employment only indirectly through focusing on tackling economic reforms and other wider issues that can improve economic stability and foster an environment for job creation – and therefore it did not have plans for significant programming to tackle barriers to employment for particular groups. FCDO acknowledged that some programmes would benefit from complementary programming to improve the local environment, but argued that, given the limited UK resources, it was not always possible to design complementary interventions and it would not be a good use of taxpayers' money.
- 4.128 This follow-up review found that FCDO has not taken forward this recommendation in new programming, largely because no new interventions have yet been launched and the programming portfolio for the next spending review period is still under design. Its response to this review highlighted some existing complementary measures which we had already explored during the original review and found to be limited. Consequently, we do not consider that these actions are likely to be effective in addressing this recommendation.

**Recommendation 3: Employment-related programmes should be shaped by gender and social inclusion analysis, including of cultural barriers to the employment of women**

- 4.129 The original review found that FCDO country teams and partners such as the World Bank frequently conduct good analytical or diagnostic work on youth employment issues. However, it also noted that this analysis was not commonly used to inform programme design, which had in turn contributed to programmes failing. For example, most of the programmes ICAI reviewed demonstrated only limited understanding of cultural barriers, but the review found that where analysis of these gendered social norms had informed programme design, those programmes had been effective. As a result of these findings, ICAI recommended that employment-related programmes should be shaped by gender and social inclusion analysis, including of cultural barriers to the employment of women.
- 4.130 In response, the government agreed with this recommendation and acknowledged the need for consistent attention to gender and social inclusion analysis as a key element of programme design and implementation. It also noted that it was already pursuing such approaches in its programming, for example in Jordan, but did not commit to any additional actions in this area.



4.131 Through this follow-up review FCDO noted that, in response to its endorsement of the MENA Gender Charter in 2021, the department had undertaken gender and social impact analysis in Egypt and Jordan in the last 12 months. It was planning additional analysis in Tunisia and Lebanon, and would use the outcome of the analyses in future programme portfolio planning. However, the crux of this recommendation was on the application of relevant analysis to shape programmes. FCDO did not provide any evidence of analytical work being used to inform existing programmes. While the lack of new interventions explicitly targeting women's unemployment since the review is a factor, ongoing programmes could be strengthened in this regard.

#### **Recommendation 4: FCDO should routinely consult with young people expected to benefit from its MENA programmes and use the feedback to shape programme design and implementation**

4.132 The original review noted that the UK's portfolio of programmes relevant to youth employment in MENA included only a few examples of direct consultations with young people to understand their needs, despite a commitment to consultation in DFID's 2016 Youth Agenda. It also found that where consultations had been held, there was little evidence that young people's voices had influenced programme design, and that the UK had not fed back to those consulted on how their views were taken into consideration. ICAI therefore recommended that the UK should routinely consult young people in the MENA region on relevant programmes and use their views to inform programme design and implementation.

4.133 In response, the government partially agreed with this recommendation, because it claimed that it had already conducted youth consultation and because it wanted to maintain flexibility for how it takes forward consultations in the future. However, this response failed to identify specific commitments about how the government would address the recommendation.

4.134 In responding to this follow-up review, the government also failed to identify many actions addressing the recommendation that post-dated the original review or which were relevant to the MENA region. The only substantive example shared was the work being done in Jordan, including developing a new Gender and Social Inclusion (GESI) Strategy and Action Plan with an advisory board that will include youth representation. However, it is too early to tell what impact the strategy and action plan will have, and the advisory board has not yet met.

#### **Recommendation 5: FCDO should strengthen its in-country partnerships with multilateral organisations by ensuring consistent strategic-level engagement**

4.135 The original review found that, when contributing funding to multilateral programmes at country level, FCDO did not always identify what it will contribute at a strategic or technical level, or provide sufficient resources for its engagement. Some of the UK's multilateral partners that we consulted raised concerns about being treated as implementers rather than strategic partners. In response to these findings, ICAI recommended that FCDO should strengthen its in-country partnerships with multilateral organisations by ensuring consistent strategic-level engagement.

4.136 In response, the government partially agreed with this recommendation, as it believed it already had consistent and sufficient engagement with multilateral partners at country and headquarters levels. As a result, it did not commit to any specific actions to implement the recommendation. Its response to this follow-up review acknowledged that there was always scope to enhance work with multilateral partners, but failed to identify any substantive recent action of relevance to the recommendation in the region.

4.137 In January 2022, at the International Development Committee session where the government appeared to discuss this review, FCDO explained that multilaterals were both strategic partners and also implementers in some of its programmes, chosen specifically for their own technical experience, which was there to ensure that programmes achieved their intended outcomes. Despite partially accepting this recommendation, there has been no action to address it. FCDO has stated that it did not agree with the evidence underpinning the recommendation.

## Conclusion

- 4.138 The government's brief, partial and largely non-committal response to the original review has been the prelude to a largely modest set of actions taken to address the recommendations since the review's publication. There has been some important work to develop a methodology for assessing job creation, and the ICAI review has helped ensure that this is taken seriously. FCDO published the MENA Gender Charter and new gender analysis has been undertaken. Also, a MENA M&E advisor was recruited and there are plans to engage youth in Jordan on the GESI Strategy and Action Plan, but it is too early to tell if these efforts will have an impact.
- 4.139 There seem to be two main reasons for the limited action in response to the recommendations from this review. First, and most importantly, FCDO continues to state that it does not have an approach or strategy to tackle youth employment in MENA, but rather to tackle unemployment in general through focusing on economic stability. However, our review found a large number and value of programmes claiming to tackle youth employment more directly. We also focused the recommendations on broader programming themes identified through the analysis, helping to promote their continued relevance. Second, we were informed that the FCDO merger, aid budget reductions, demanding business planning processes and staff losses meant that officials had little time to work on programme issues and had not developed any new programmes in the last year in MENA. We will therefore return to all five recommendations as outstanding issues in next year's follow-up exercise.

## Outstanding issues

- 4.140 We returned to four outstanding issues this year, covering DFID's results in maternal health, how UK aid learns, the Preventing Sexual Violence in Conflict Initiative, and the Ghana portfolio. We present the findings for each in turn.

### Assessing DFID's results in improving maternal health

- 4.141 This is the third time ICAI has returned to the October 2018 review *Assessing DFID's results in improving maternal health*. In the first follow-up exercise, we found that the government response had been positive. However, initiatives were at an early stage, and risked stalling unless the delayed *Ending Preventable Deaths (EPD) action plan* and *Health Systems Strengthening (HSS) position paper* were published. We therefore decided to return to two of the review's recommendations to government:
- Recommendation 1: Develop a long-term approach to improving maternal health, planning through to 2030 in focus countries with high maternal mortality, and focusing on improved quality and continuity of care, cross-sectoral interventions and efforts to empower women and girls.
  - Recommendation 2: Clarify the approach to health systems strengthening, prioritising improvements in the availability and accessibility of good-quality, respectful care for women and their babies.
- 4.142 Key to both these recommendations was the awaited publication of the EPD and HSS papers. However, at the time of publication of the 2021 follow-up review, these key documents had still not been finalised. Meanwhile, FCDO budget reductions meant that flagship programmes on maternal health were being significantly scaled back. ICAI therefore decided to come back to the two recommendations yet again this year.
- 4.143 Both the *EPD approach paper* (renamed from the EPD action plan) and the *HSS position paper* were finally launched in December 2021. The publication of this combination of papers represents an important milestone. The latter paper in particular was long overdue, having already been in development for several years when ICAI's maternal health review was undertaken (2017-18). Both papers respond to concerns raised by the ICAI review and echo its recommendations, with a strong emphasis on cross-sectoral work, equity, rights and quality of care, and a new commitment to ensuring respectful maternity care. Consistent with ICAI Recommendations 1 and 2, the *EPD approach paper* sets a direction of travel through to 2030, with UK efforts focused on a small group of EPD flagship

countries,<sup>27</sup> while the *HSS position paper* clarifies the FCDO and wider government approach to health systems strengthening.

- 4.144 However, recent reductions in UK aid have had a dramatic impact on maternal health programming since the ICAI review. For example, UK expenditure on essential commodities through the Reproductive Health Supplies programme is far below original commitments: expenditure of £65 million in 2019-20 was followed by less than £6 million in 2020-21, with £20 million budgeted and disbursed in 2021-22. This was a reduction of around 90% from 2019-20 to 2020-21.<sup>28</sup> The Women's Integrated Sexual Health (WISH) programme had an original overall budget of £260 million from 2017 to 2021. In 2020 it was given a no-cost extension to March 2022 based on an overall budget of £238 million. The stretching out of the budget resulted in the closure of some service delivery channels and policy activities and a reduction in the number of countries supported (from 27 to 18) in the WISH programme's final year.
- 4.145 An FCDO equalities impact assessment in March 2021 flagged that proposed reductions to gender interventions, including women's sexual and reproductive health and rights programmes, would "reduce services available to women and girls who are subject to sexual violence, including sexual exploitation and abuse and sexual harassment (SEAH), and our ability to progress safeguarding objectives and championing of a survivor-centred approach".<sup>29</sup> The scale of reductions nevertheless went ahead as planned. It seems likely that when new FCDO programming finally emerges from current business planning, it will look quite different to the pre-2020 DFID portfolio, and will most likely be considerably smaller. The *International development strategy* states that the government intends to restore funding for work supporting women and girls, but it is not clear to what extent this covers maternal health programming. Furthermore, the strategy's commitment to reduce FCDO's multilateral spend could have a strong impact on FCDO's work on maternal health with multilateral partners.
- 4.146 Critically, the *EPD approach paper* signals a move to a more realistic approach to results measurement and reporting, with a shift "from attribution of short-term results to contribution to long-term impact in countries".<sup>30</sup> Nevertheless, the same paper claims that FCDO saved 8,100 women's lives through its family planning programming during 2019-20. Whether or not such figures will be reported in future remains unclear, although FCDO has indicated that headline data for EPD Flagship Countries will be included in the department's Outcome Delivery Plan.
- 4.147 In conclusion, the two long-awaited papers on ending preventable deaths and health systems strengthening have been published and are of good quality, addressing ICAI's main problem statements and setting the strategic direction for FCDO work on maternal health through to 2030. While the uncertainty around future maternal health programming is a concern, we will not return again to this review next year.

## How UK aid learns

- 4.148 This is the second time we return to the ICAI rapid review of *How UK aid learns*, which was published in September 2019. The first follow-up concluded that there had been limited progress on three of the review's four recommendations (Recommendations 1, 3 and 4). This was largely because the recent merger of DFID and the FCO to form FCDO had created significant uncertainty as to the role of the new department in cross-government work, thereby disrupting efforts to implement the recommendations. ICAI therefore decided to return in 2022 in the hope that the new department's priorities and cross-government structures would be better established, thereby allowing action to be taken on the recommendations.
- 4.149 The context of this second follow-up is that many of the same challenges remain. Although FCDO has now formally been in operation for more than a year and a half, the structures of the new department are still developing and the *International development strategy*, which will be central to guiding the

27 The list of flagship countries had not yet been finalised when this follow-up review was written.

28 Figures are from DevTracker, [link](#), accessed on 3 May 2022. These have not been updated since January 2022.

29 The equalities assessment was provided to the International Development Committee as written evidence. *Flag I Equalities Assessment*, FCDO, 25 March 2021, [link](#).

30 *Ending preventable deaths of mothers, babies and children by 2030: approach paper*, FCDO, December 2021, p. 22, [link](#).

department's future work and role across government, was only published in May 2022, having been awaited since March 2021 when the *Integrated review* was published. The strategy was therefore not available to direct actions in the period covered by this follow-up review. These factors once again constrained implementation of the recommendations.

- 4.150 FCDO informs us that resource constraints have meant it has not been able to play as significant a role in supporting and influencing aid management across government as at the time of the original review, and at the time of the first post-review follow-up. We also heard evidence that this role was seen as less of a priority by some leaders in the department. Only modest action has been taken to implement the recommendations of this rapid review over the last year.

### Recommendation 1

- 4.151 In response to the original review, DFID was allocated funds by HM Treasury in 2020-21 to support learning on development across departments. However, no such funds were allocated to FCDO for this specific role in 2021-22, although FCDO had flexibility within its wider budget to fund this. We were informed that FCDO had only taken modest action on this recommendation. This took the form of leading coordination in the development of the *International development strategy*, organising an ODA learning day on ODA rules and reporting in May 2021 and convening a meeting of the Senior Officials Group to track progress towards the 0.5% target in September 2021.
- 4.152 We were informed that FCDO might play a leadership role in permanent structures to be formed for guiding implementation of the *International development strategy*. However, such decisions are only likely to be made following the publication of the strategy, which took place too recently for any impact to be noticed at the time of writing this follow-up review.

### Recommendation 3

- 4.153 As indicated in last year's follow-up, as a result of the formation of FCDO, the emphasis of this recommendation has changed to focus on FCDO's role in supporting the development of common monitoring, evaluation and learning (MEL) standards for ODA being managed across government.
- 4.154 Since the first follow-up, FCDO has been working to develop a new evaluation policy to succeed the current 2013 version, partly in response to the Cabinet Office's requirement for each government department to develop such a policy. We were informed that FCDO has been focused on developing its own evaluation policy and was not involved in any formal effort to develop common MEL standards for ODA across government. The evaluation of ODA managed by each government department will therefore be guided by MEL standards set out in its departmental evaluation policy.
- 4.155 With regard to the Conflict, Stability and Security Fund (CSSF), there are a number of MEL frameworks being used, including a global framework (mainly to support Fund-level MEL), as well as eight regional-level frameworks. However, a number of recent developments have supported a more joined-up approach to MEL across these frameworks. First, over the last year the Joint Funds Unit, which manages the CSSF, has organised a fortnightly peer exchange group for CSSF MEL advisors, to support the sharing of new tools and methodologies, as well as to address emerging Fund-level priorities better. Second, the emergence of a Fund-level results monitoring framework has required some standardisation of indicators reported on and methodological approaches across regions. Finally, the CSSF is developing an evaluation strategy, which could support further coherence in the future.

### Recommendation 4

- 4.156 We are not aware of any ongoing work to ensure that data can be brought together to support learning across the knowledge and information systems being used by different government departments as part of their aid management. During the last year, FCDO has been working intensively to develop its own new aid management and finance systems, which will bring together the legacy systems of both DFID and the FCO, and allow the sharing of information within the new department. However, we were informed that the approach to developing these systems was not being driven by the need to ensure

complementarity and information-sharing with systems being used to support aid management in other departments.

4.157 There has only been very limited cross-government collaboration on aid transparency over the last year. There is no general commitment to transparency in UK aid in the new *International development strategy*, in contrast to the previous 2015 *UK aid strategy* which committed to introduce greater transparency in UK aid and to “insist that every government and organisation we fund meets global transparency standards”.<sup>31</sup> We were informed that the demands of responding to the global COVID-19 pandemic had led to the work of the cross-government Transparency Community of Practice being paused during most of 2021, with engagement being maintained through informal networks. However, in November 2021, FCDO reconstituted this group, with a virtual meeting which brought together officials from nine government departments. They mainly discussed the forthcoming bi-annual Aid Transparency Index produced by Publish What You Fund, which assesses the level of transparency displayed by ODA-spending organisations globally (including FCDO and BEIS for the UK). The departments also shared updates on policy developments, and FCDO led a short workshop on using the International Aid Transparency Initiative dashboard. The group had planned to meet again in February 2022, but this meeting was delayed until April because of limited capacity in the transparency team in FCDO.

## Conclusion

4.158 There has only been limited action taken to date on the recommendations from this review, despite their continued relevance. This can partly be explained by the FCDO merger, which has led to the department focusing on its own development and created uncertainty about institutional structures and processes. However, it is also clear that these recommendations are not being given adequate attention. We will therefore be returning to the recommendations next year.

## The UK’s Preventing Sexual Violence in Conflict Initiative

4.159 *The UK’s Preventing Sexual Violence in Conflict Initiative (PSVI)* was first reviewed by ICAI in January 2020 and given an amber-red score. Last year’s follow-up found that important strategic work was under way and that the commitment to the initiative was strong. While the work under way potentially amounted to a strong response to ICAI’s recommendations and underlying concerns, ICAI was not given sight of the PSVI draft strategy, key performance indicators or MEL framework, and did not receive programme documents or information on the budget for PSVI-related activities. We were therefore unable to conclude that the government response had been adequate. We discussed the issue of transparency in UK aid as a cross-cutting issue last year, since receiving documentary evidence had been difficult for several reviews, including this one. Due to the lack of evidence, we decided to return to all four recommendations, that the government should:

- ensure that an institutional home for the PSVI has full oversight and direction while maximising the strengths and contributions of each department
- embed programming activities on preventing sexual violence in conflict within a structure which supports effective design, monitoring and evaluation, and enables long-term impact
- ensure that work on preventing conflict-related sexual violence is founded on survivor-led design, with clear protocols in place founded in ‘do no harm’ principles
- build a systematic learning process into programming to support the generation of evidence of ‘what works’ in addressing conflict-related sexual violence and ensure effective dissemination and uptake across its portfolio of activities.

The discussion below covers progress on all four recommendations.

4.160 The government’s work on the important issue of preventing sexual violence in conflict, much of which falls under the PSVI, now has a home in the FCDO Office of Conflict, Stabilisation and Mediation. ICAI’s original review had found that oversight and direction were lacking, with no repository of programming

31 *UK aid: tackling global challenges in the national interest*, HM Treasury and DFID, November 2015, p. 11, [link](#).



– including budgets, reporting and learning – on the government’s PSVI-related activities across departments and through both centrally managed PSVI programmes and country-based projects managed from embassies. This now falls more clearly under the PSVI team in the Office for Conflict, Stabilisation and Mediation.

- 4.161 ICAI received an account of PSVI programmes and spending in the 2021-22 financial year, as well as relatively detailed plans for a set of five focus countries for PSVI interventions for the same period. Oversight and reporting therefore seem stronger, although ICAI is concerned that none of the PSVI programme documents have been logged on the DevTracker website and none are publicly available.
- 4.162 The PSVI’s allocation for the 2021-22 financial year was £4.2 million. Highlights from the account provided to ICAI include:
- **Global Survivors Fund:** £1.4 million to enhance access to reparations for survivors of CRSV around the globe, responding to a gap long identified by survivors.
  - Support to the **UN Team of Experts** on Rule of Law and Sexual Violence in Conflict, which assists national authorities in strengthening the rule of law to ensure criminal accountability for perpetrators of CRSV: around £800,000 to fund interventions in the Democratic Republic of the Congo and the Central African Republic.
  - Support to the Institute for **International Criminal Investigations:** around £200,000 to develop the Murad Code.
- 4.163 The strategic work under way last year is now in place and is of good quality. FCDO has produced a theory of change for addressing CRSV and a PSVI strategy accompanied by focus country plans with key performance indicators (KPIs). The CRSV theory of change and PSVI strategy are in advanced draft form, awaiting ministerial approval, but ICAI was able to review the drafts as well as the focus country plans.
- 4.164 The CRSV theory of change has drawn on stakeholder consultations and is based on a comprehensive review of evidence, including the literature review produced by ICAI as part of its review of the PSVI.<sup>32</sup> The theory of change addresses two important issues raised by ICAI, by being rooted in a survivor-centred approach and adopting a clear but appropriately broad understanding of CRSV to include the overlapping categories of gender-based violence, violence against women and girls and conflict-related sexual violence. The theory of change’s overall intended impact is that “women, men, girls, boys and people of diverse sexual orientation, gender identity/expression, and sexual characteristics (SOGIESC) are not at risk of conflict-related sexual violence and those who experience it are able to access quality support, services, and justice”. Five outcomes are listed:
- **Outcome 1:** CRSV is understood as a violation of international criminal, human rights and humanitarian law and is unacceptable within communities, institutions and society.
  - **Outcome 2:** An environment exists that reduces the risks, effects and perpetration of CRSV.
  - **Outcome 3:** Survivors can access justice according to their needs and preferences.
  - **Outcome 4:** Survivors are able to demand their rights and access quality support and services.
  - **Outcome 5:** Increased data and evidence are available and used to inform efforts to address CRSV and strengthen standards and practice on prevention and response.
- 4.165 The theory of change forms the foundation for the draft FCDO *Preventing Sexual Violence in Conflict Initiative strategy* for the 2022-23 and 2023-24 financial years (the PSVI strategy). The strategy promises a multi-pronged and highly collaborative approach, both with international partners to strengthen the global response and across UK government teams and departments. The strategy has three key objectives, which combine the government’s ambition to retain a leadership role in international advocacy with a more strongly survivor-centred approach, as recommended by ICAI:
- **Objective 1:** Strengthening the global response to CRSV, including by exploring a new international convention.

32 Conflict-related sexual violence and sexual exploitation and abuse: Literature review, ICAI, September 2020, [link](#).

- **Objective 2:** Strengthening pathways to quality justice for all survivors of CRSV and holding perpetrators to account.
- **Objective 3:** Enhancing support available to survivors and children born of sexual violence in conflict, including tackling the stigma they face within their communities.

- 4.166 The *PSVI strategy* is accompanied by focus country plans and KPIs for Bosnia and Herzegovina, Colombia, the Democratic Republic of the Congo, Iraq and South Sudan. The plans set out clear deliverables. The KPIs are mainly at output level, and many consist of simple targets for populations reached, such as X number of community members reached through awareness programmes, or X number of non-governmental organisation staff attending training. There are no outcome-related goals linked to these KPIs that would help programme teams assess whether the outputs have any impact on the PSVI objectives (such as whether the training has led to changes in perception or actions of those trained). Other KPIs, however, are more substantial, such as the set of KPIs in Colombia of supporting the Women's Initiative for Gender Justice to implement the Hague Principles on Sexual Violence in Colombia through: (i) developing contextualised *Bogotá Guidelines*; (ii) developing strategies for awareness-raising on these guidelines; and (iii) strategic engagement with key government stakeholders on best practice for using the guidelines.
- 4.167 The focus country plans are only for one year (financial year 2021-22). ICAI has not seen similar plans for the current financial year, but FCDO told us that it has changed to three-year funding cycles for central PSVI-funded projects for the 2021-22 to 2023-24 financial years. This is a significant improvement. The previous one-year funding cycles used by the PSVI were criticised by ICAI as inappropriate for programming on sexual violence, which requires long-term approaches. Multi-year programme cycles will improve the potential for longer-term sustainable impact, particularly considering the current uncertain funding environment after the reduction of ODA from 0.7% to 0.5% of GNI. Longer programme cycles are also necessary for a truly survivor-centred approach, allowing enough time to incorporate survivors' voices and interests in the design and implementation of programmes. ICAI is therefore pleased to hear that the government is now taking a longer-term approach to the funding of central PSVI programmes.
- 4.168 The CRSV theory of change, PSVI strategy, focus country plans and the shift towards multi-year funding cycles are a strong improvement that addresses many of the concerns underpinning ICAI's recommendations. However, two significant weaknesses remain.
- 4.169 First, while the PSVI strategy, referencing ICAI's review, states an ambition to develop a strong MEL framework for PSVI, this is not yet in place. The drafting of the CRSV theory of change is a strong starting point for such a MEL framework, and the country-level KPIs provide a year-by-year basis for monitoring. But it will be crucial that the rest of the MEL architecture is developed. Second, there is insufficient transparency around PSVI spending, with no programme documents available in the public domain. Monitoring and reporting processes need to be robust and transparent and, crucially, the data gathered from these should be available on DevTracker or otherwise made publicly available. ICAI was given access to the focus country plans and KPIs but has not seen annual reviews reporting on how the programmes implemented these plans.
- 4.170 While urging further attention to these two issues, ICAI finds the overall action by government to be considerable and to place the UK's efforts to tackle CRSV on a stronger, more strategic footing. We will not return to this review next year but will be able to address the broader issue of transparency in UK aid through our forthcoming programme of reviews.

### The changing nature of UK aid in Ghana

- 4.171 ICAI's review of *The changing nature of UK aid in Ghana* was published in February 2020. Last year's follow-up review identified four outstanding issues, where responses to four out of the six recommendations were deemed to be inadequate, partly based on the insufficient relevance of the response and partly due to the lack of evidence made available to ICAI, which made the assessment of progress impossible. The four recommendations we return to are addressed in turn.



## Recommendation 1

- 4.172 Last year's follow-up review found that the government had not engaged with ICAI's finding that Ghana's tax collection capacity and its fiscal pressures were such that its government was not yet able to take over the full funding of basic social services delivery for the poorest and most vulnerable as the UK withdrew from bilateral aid spending on service delivery. ICAI's recommendation that, in transition contexts, the UK should ensure that the pace of ending the bilateral financing of service delivery in areas of continuing social need needed to be grounded in a realistic assessment of whether the gap left would be filled, had not been addressed. The recommendation was not a criticism of the transition of the UK's relationship 'beyond aid', which is also the objective of the Ghanaian government, but a warning against winding down support so fast that past development gains would be lost.
- 4.173 The outstanding issue was to understand (with evidence, which was not provided last year) whether FCDO's country programme in Ghana, in the context of a likely further UK aid budget reduction, had considered the ICAI recommendation, which had been partially accepted. The update and evidence provided by government this year show that there is an even more constrained ODA budget for Ghana than in 2020-21, and that the reduction has taken place faster than expected. The Ghana strategy remains focused on supporting Ghana's transition, but FCDO now acknowledges the need to protect the development gains that it has contributed to, to the best of its ability within a constrained budget environment. The proposed actions garner all sources of support to maintain human development gains, including continuing to finance direct delivery where other sources of support are not available; leveraging global funds; assisting the relevant ministries to optimise their existing resources; leveraging central programmes and regional funds; and working with other UK government departments. This is a reasonable series of steps within the current constraints. It should, however, be noted that FCDO did not share the Ghana country programme budget and expenditure with ICAI, as requested, which made it difficult to verify how actions were being implemented.

## Recommendation 2

- 4.174 ICAI recommended that DFID should require portfolio-level development outcome objectives and results frameworks for its country programmes. This recommendation was accepted and DFID was already progressing well on developing a portfolio results framework for the Ghana office when the original ICAI review was published. However, in the 2021 follow-up exercise, it was not clear that progress had continued under FCDO, especially considering the reductions to the aid budget and uncertainties at the time. ICAI was not given access to the draft Ghana country plan, delivery framework or any guidance provided to country programmes on preparing their strategies and results frameworks.
- 4.175 Since last year's follow-up exercise, FCDO's Programme Operating Framework (PrOF) has been established. The new delivery framework guidance on programme development now requires full theories of change and articulation of outcomes at an appropriate level, to provide a portfolio results framework. The guidance has been translated into notes and presentations and we saw evidence of its implementation in programme documents.

## Recommendation 5

- 4.176 ICAI's original review found that although DFID's Ghana team had consulted with citizens for many programmes, it was concerned that DFID did not have as a standard requirement the eliciting of citizens' perspectives to inform country portfolio or programme design and diagnostics. ICAI therefore recommended that, to strengthen the relevance of its aid programming and accountability to the people expected to benefit, DFID should include information on citizen needs and preferences, especially for the most vulnerable, as a systematic requirement for portfolio and programme design and management.
- 4.177 In last year's follow-up exercise, which took place between January and early March 2021, we did not receive evidence to assess whether this recommendation had been addressed. A 'beneficiary engagement' PrOF guide was issued in March 2021, but the draft had not been shared with ICAI. Returning to the issue this year, we find that the establishment of the PrOF is an adequate response

to the recommendation. The guide establishes ‘beneficiary engagement’ as a standard requirement for all country strategy and programme development. The PrOF guide on monitoring and scoring programmes also incorporates ‘beneficiary’ consultation. The guidance is in line with global best practice and is sufficiently detailed. Documentation shared with ICAI shows that the response has been implemented, but implementation at country level is less clear since ICAI did not receive information on country-level programming.

### Recommendation 6

- 4.178 ICAI’s last recommendation was not only addressed to the Ghana context, but asked the government to provide clear guidance on how UK aid resources should be used in implementing mutual prosperity to minimise risks and maximise opportunities for development. The original report concluded that the closer cooperation between UK trade, investment and aid instruments could help DFID manage the risk to development objectives and ensure the proper use of official development assistance, but noted that this depended heavily on country leadership giving priority to development objectives and having sufficient capacity.
- 4.179 The UK government’s integrated approach to trade, investment and economic growth objectives – previously termed ‘mutual prosperity’ – has become even more central than when ICAI’s Ghana portfolio review was published. FCDO’s PrOF Rule 2 makes it clear that “ODA can only be spent on activities which have the economic development and welfare of an eligible country as the main objective” and that secondary benefits to the UK are only acceptable if the activity primarily benefits developing countries.<sup>33</sup> FCDO’s PrOF rules are, however, at the programmatic spending level and are less suited to addressing strategic risks of distortion and poor development value for money in a context where UK aid is expected also to “deliver for people here in the UK”<sup>34</sup> through, for example, export opportunities or opportunities for UK business. While FCDO has guidance for its programmes through the PrOF, this guidance does not cover other UK actors in the whole-of-government approach to aid, trade and investment. FCDO’s PrOF Rule 18 on risk management leaves the management of risks to development objectives within country plans to development directors. In the case of Ghana, we saw examples of FCDO acting to protect ODA-funded initiatives from pressure to serve UK commercial interests. It will be important to ensure that FCDO is able to play this role effectively as the UK government’s new *International development strategy* is implemented.

### Conclusion

- 4.180 Overall, the government response to the three recommendations we revisited pertaining to Ghana has been relevant and reasonable, considering the budget constraints. However, we did not find Recommendation 6, which applies beyond Ghana, to be addressed sufficiently. As the priorities of the new *International development strategy* begin to be implemented, it is crucial that the risks to development objectives and the value for money entailed in the government’s integrated approach to aid, trade and investment are addressed as well as the opportunities. We will return to this issue in next year’s follow-up exercise.

33 FCDO Programme Operating Framework, FCDO, June 2021, p. 19, [link](#).

34 The UK government’s strategy for international development, FCDO, May 2022, p. 8, [link](#).

## 5. Conclusion

- 5.1 Overall, the government response to ICAI's recommendations has continued to be mixed and progress on recommendations continues to be affected by the institutional, strategic and budget uncertainties following the merger of the Department for International Development and the Foreign and Commonwealth Office into the Foreign, Commonwealth and Development Office (FCDO) and the reduction of the aid budget from 0.7% to 0.5% of gross national income. Cooperation has been significantly better than last year, when the follow-up exercise was hampered by a lack of access for ICAI to information and documentation to assess and validate the relevance and effectiveness of government actions. However, access to documentary evidence remains a problem compared with the years before the FCDO merger.
- 5.2 In addition to following up a new set of ICAI reviews next year, we will come back to the following reviews as outstanding issues:
- **Management of the 0.7% ODA spending target, Part 1 and Part 2:** The government engaged with ICAI's recommendations, including by exploring ways in which to manage the spending target more flexibly. However, few concrete changes to policy or practice have been proposed that would address the value for money risks identified in the two reviews. The government could do more to explore different options in relation to Part 1, Recommendations 2, 3 and 4, and Part 2, Recommendations 1 and 2. We will therefore be returning to these recommendations.
  - **Tackling fraud in UK aid:** We will return to Recommendations 2, 3 and 4 to assess to what extent the strains on staff and budgets continue to hinder the government in addressing ICAI's concerns.
  - **UK aid's approach to youth employment in the Middle East and North Africa:** We will return to all the recommendations after finding a largely modest set of actions taken to address ICAI's concerns. Some important work to develop a methodology for assessing job creation and on gender inclusion is taking place, but it is currently too early to tell if these initiatives will have any impact.
  - **The changing nature of UK aid in Ghana:** We will return to Recommendation 6 on stronger guidance to ensure the prioritisation of development objectives when ODA is used for initiatives aimed at benefiting both the UK and developing country partners. As the priorities of the new *International development strategy* start to be implemented, it is crucial that the risks to development objectives and value for money entailed in the government's integrated approach to aid, trade and investment are addressed as well as the opportunities.
  - **The UK's approach to tackling modern slavery through the aid programme:** Since the planned *Modern slavery strategy* had not been published at the time of writing this review, we will return next year to assess how it addresses ICAI's recommendations, including whether it gives sufficient attention to ODA-funded international work to reduce modern slavery in origin, transit and destination countries.
  - **How UK aid learns:** We will return to this review next year, since the recommendations have not received adequate attention as part of the FCDO merger process.



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