

# **ICAI follow-up: UK aid's alignment with the Paris Agreement**

A summary  
**July 2023**

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

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

## 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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# Executive summary

ICAI's follow-up review is an important element in the scrutiny process for UK aid. It provides parliament and the public with an account of how well the government has responded to ICAI's recommendations to improve spending. It is also an opportunity for ICAI to identify issues and challenges facing the UK aid programme, which helps to inform subsequent reviews. For each of the reviews included in the follow-up, we provide a score of adequate or inadequate, illustrated by a tick or a cross.

This document is a summary focused only on the results of the follow-up of our review of *UK aid's alignment with the Paris Agreement*. The full follow-up report of all 2021-22 reviews, including overall conclusions from the process and details of our methodology and scoring, can be found on our website.

## Findings

### UK aid's alignment with the Paris Agreement

As recommended in the original review, the UK government has committed to a deadline (2023) for aligning bilateral aid with the Paris Agreement, and has significantly increased its capacity and capabilities on promoting Paris alignment. It has also been actively engaging multilateral development banks on their Paris implementation efforts. However, this follow-up review also found that the government is not yet reporting publicly on its progress in achieving Paris alignment and it is not clear how government departments other than FCDO are planning to secure Paris alignment of their aid, which raises questions about action to deliver on the 2023 commitment. In addition, the government is yet to establish deeper partnerships with developing countries to address key issues on implementing the Paris Agreement. Overall, ICAI judges the government's response to this review to be inadequate. It will be returning to this review in 2024 to follow up on outstanding issues and assess delivery of the 2023 Paris alignment commitment.



ICAI's rapid review on *UK aid's alignment with the Paris Agreement* was published in October 2021. The review examined the government's progress in implementing its 2019 commitment to ensure that all of its aid is delivered in a way that is consistent with the Paris Agreement's commitments on limiting global warming and strengthening partner countries' ability to deal with the adverse impacts of climate change.

The review found that the four tools<sup>1</sup> the UK government had developed to promote Paris alignment reflected good donor practice and had been integrated into FCDO's PrOF (in rule 5). However, it also noted that the significant time taken to introduce this rule and these tools means that there had been little time to implement them. In addition, the review identified major strategic, capacity and accountability gaps in operationalising PrOF rule 5 and Paris alignment in general.

<sup>1</sup> These include: i) climate risk assessment, ii) shadow carbon pricing, iii) fossil fuel policy, and iv) alignment with country partners' own mitigation and adaptation plans.

Table 1: ICAI’s recommendations and the government response

Subject of recommendation	Government response
The UK should ensure that a commitment to align ODA to the Paris Agreement, with timebound milestones, is embedded at the heart of the forthcoming <i>International development strategy</i> .	Accepted
The UK needs to develop a cross-government reporting and accountability process for Paris alignment of UK ODA that ultimately allows public scrutiny of progress.	Partially accepted
The government should urgently build appropriate capacity and capabilities across its ODA-spending teams in order to design and deliver alignment of UK aid to the Paris Agreement.	Accepted
The UK should work with other leading countries, including developing countries, and institutions to establish and promote international best practice on Paris alignment of ODA.	Accepted

**Recommendation 1: The UK should ensure that a commitment to align ODA to the Paris Agreement, with timebound milestones, is embedded at the heart of the forthcoming *International development strategy***

The original review noted that despite the welcome progress in introducing the Paris alignment tools and PrOF rule 5, no targets or milestones had been set to guide implementation.<sup>2</sup> Other than FCDO, no departments had developed relevant guidance and there was not yet an adequate approach to promoting positive climate programming (for example ensuring consideration of low emission and climate-resilient development options). ICAI therefore recommended that the government should include a commitment to Paris alignment, with timebound milestones, in its *International development strategy* (IDS). The government accepted this recommendation, noting that the IDS would reflect its approach to Paris alignment and that it was working to progress timebound implementation milestones across all ODA-spending departments.

In responding to this follow-up review, FCDO shared evidence that it was moving forward with its departmental work on Paris alignment, and other government departments highlighted that they were integrating PrOF rule 5 guidance into their programme documents. Most importantly, the IDS also presented a deadline for aligning all new UK bilateral aid programmes with the Paris Agreement by 2023. In addition, a cross-government working group on Paris alignment has been established and has met three times to date. However, ICAI’s recent review of FCDO’s PrOF<sup>3</sup> identified examples of programmes not being assessed for their Paris alignment (as required by PrOF rule 5), with officials simply noting that they were not environmental programmes. Furthermore, outside FCDO there are no concrete plans guiding Paris alignment, and a dedicated technical assistance facility (the CLEAN help desk) to support implementation is yet to be launched, although some resources have been allocated for this type of support – through the Climate Mainstreaming Facility – while waiting for the CLEAN help desk to be launched.

Despite continued concerns about the pace and breadth of work on Paris alignment across the UK aid programme, in view of the key milestone in the *International development strategy* in particular, ICAI judges government action on this recommendation to be adequate.

**Recommendation 2: The UK needs to develop a cross-government reporting and accountability process for Paris alignment of UK ODA that ultimately allows public scrutiny of progress**

The original rapid review identified concerns about reporting and transparency on Paris alignment both within government and externally. ICAI could not identify lines of reporting through relevant FCDO committees

2 This situation contrasts with UK requirements for multilateral development banks, which have been required to agree such targets or milestones.  
 3 The FCDO’s *Programme Operating Framework: a rapid review*, Independent Commission for Aid Impact, April 2023, [link](#).

and boards. It also concluded that FCDO embassies and other government departments did not have a clear idea of responsibilities for reporting, and that there was little information in the public domain on the UK approach to Paris alignment. ICAI therefore recommended that a cross-government reporting and accountability process for Paris alignment of UK ODA be developed. The government only partially accepted this recommendation, since it objected to the proposal to develop additional accountability processes to those being applied within each department. However, the government did note that there was more it could do to accelerate action on the Paris alignment of UK aid and to report on the progress it was making.

In responding to this follow-up review, FCDO highlighted a number of actions they have taken forward in engaging other departments on Paris alignment. FCDO has developed a cross-government Support Plan on Paris Alignment Implementation; is making progress on holding meetings with each department involved on changes they could make to their own processes; is developing metrics for tracking the IDS commitment on achieving Paris alignment by 2023; and has undertaken its own internal review of progress on Paris alignment.

However, four years after the commitment to Paris alignment for UK aid, there remains a lack of clarity on how government departments other than FCDO will report on their achievement of Paris alignment commitment, and there remains little information in the public domain on the UK's progress on Paris alignment. ICAI therefore judges the response to this recommendation to be inadequate.

### [Recommendation 3: The government should urgently build appropriate capacity and capabilities across its ODA-spending teams in order to design and deliver alignment of UK aid to the Paris Agreement](#)

The original rapid review expressed concern that there was no sign of additional capacity being mobilised to support the significant challenge of achieving Paris alignment. FCDO teams were already stretched and other departments and overseas teams had variable capacities and capabilities to deliver on PrOF rule 5. ICAI therefore recommended that the UK government should urgently build the capacity and capabilities required to achieve Paris alignment. The government accepted this recommendation, but noted that its first priority was to make best use of the extensive expertise that already existed across ODA-spending departments. The government also noted that it was developing a broader learning and development offer for all officials to embed Paris alignment approaches across all international work.

In responding to this follow-up review, the government highlighted that a cross-departmental working group on Paris alignment and a technical assistance facility (CLEAN help desk) available to all departments are both in the process of being set up, although their launch has been delayed. It also provided an update that the climate and environment cadre in FCDO has been almost doubled over the last six months, from 64 accredited advisers (as of October 2022) to 113 (as of March 2023), and this cadre has been increasingly reaching out to other professional cadres in the department to engage them on Paris alignment issues.

Notable action has been taken by the government to add to its professional capacity on Paris alignment and to begin reaching out to other professional cadres on required action across sectors, and we therefore judge the government's response to this recommendation to be adequate. We note, however, that relevant teams still reported constraints on Paris alignment to us, and it therefore seems that capacity expansion efforts need to continue.

### [Recommendation 4: The UK should work with other leading countries, including developing countries, and institutions to establish and promote international best practice on Paris alignment of ODA](#)

The original rapid review found that the UK had been effectively influencing the multilateral development banks (MDBs) to develop clear implementation plans for their Paris alignment commitments and a target date for implementation. However, the review also concluded that the UK could have been doing more to engage on Paris alignment with other leading countries, including developing countries (in particular to address concerns about Paris alignment becoming a new form of conditionality). ICAI therefore recommended that the UK government should pursue this broader engagement to establish and promote international best practice on Paris alignment of ODA. The government accepted this recommendation and noted that it was

in the process of sharing tools, strategies, policies and case studies on Paris alignment with fellow donors, including through the Organisation for Economic Cooperation and Development (OECD). It also noted its ongoing collaborations with the multilateral system, but did not mention any commitments to deepen engagement with developing countries.

In its response to this follow-up review, the government noted that it had recently ‘masterminded’ a joint position paper on MDB Paris alignment (signed by nine like-minded countries), and that it is continuing to work with the OECD’s Development Assistance Committee (DAC) and ‘high-spending’ bilateral donors to share lessons and best practice on Paris alignment. However, the government did not provide any evidence that it is intensifying engagement with developing countries to discuss challenges around Paris alignment, which was a key element of the recommendation. ICAI therefore judges the government’s response to this recommendation to be inadequate

## Conclusion

The recent commitment to secure Paris alignment for all new UK bilateral aid by 2023, emerging cross-departmental guidance on Paris alignment requirements, and the notable work taking place in FCDO and with MDBs on this agenda are all signs that the government is taking aligning the UK’s aid with the Paris Agreement seriously. However, a number of significant gaps identified in the original review remain unaddressed, including limited planning for required action in departments other than FCDO, the absence of a cross-government system for tracking and reporting on progress, and a failure to deepen engagement on key issues with developing countries. ICAI therefore judges the government’s response to this review to be inadequate, and we will return for a further assessment in 2024.



This document can be downloaded from [www.icaei.independent.gov.uk](http://www.icaei.independent.gov.uk).

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