



National Audit Office

Foreign, Commonwealth & Development Office 2025-26

October 2026

OVERVIEW



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C&AG introduction

In 2025, we set out our [new five-year strategy](#). In delivering our statutory responsibilities, we aim to maximise our contribution to two outcomes – more productive and resilient public services and better financial management and reporting in government.

Our overviews summarise the key information and insights from our examinations of departments and from their annual report and accounts, and explore departments' progress against these crucial outcomes, highlighting positive examples and opportunities to improve.

If you would like more information about our work, or to arrange a briefing with me or one of my teams, please contact our Parliamentary Relations team at parliament@nao.org.uk.

Financial management and reporting

Total spending in 2025-26

In 2025-26, the Foreign, Commonwealth & Development Office (FCDO) spent a total of £11.6 billion against a budget of £12.3 billion, a decrease of £0.9 billion total spending compared with the previous year.

Official Development Assistance (ODA) spending across departments

FCDO is the largest spender of ODA, the UK's overseas aid budget. It spent £9.1 billion of the UK's £13.1 billion ODA in 2025, 69% of the total UK ODA spending.

The British Council's financial sustainability

The British Council continues to face financial challenges following the COVID-19 pandemic, and FCDO has been providing loan support for six years. The current value of the outstanding fixed-term loan is £197 million.

Productivity

Efficiency targets

As part of the 2025 Spending Review, FCDO committed to delivering £85 million of net efficiency savings per year from 2028-29 onwards, equivalent to 4.3% of FCDO's 2025-26 day-to-day spending.

Headcount reduction

FCDO has reported that by 2029 it will need to make a 15% to 25% reduction in its overall headcount due to reduced budgets.

Risk and resilience

Limited assurance opinion

FCDO's internal audit has provided a limited assurance opinion for three years in a row over its governance, risk management and control framework.

Reduced ODA budget

In February 2025, the government announced UK ODA spending would reduce from 0.5% of Gross National Income (GNI) to 0.3% by 2027. In 2025, UK ODA spending was 0.44% of GNI, a larger reduction for 2025 than FCDO had previously indicated.

FCDO ODA programme spending

FCDO plans to spend £6.2 billion on ODA programmes in 2028-29, down from £8.7 billion in 2025-26.

International Climate Finance

The government has published its new International Climate Finance strategy, committing to spend around £6 billion of ODA between 2026-27 and 2028-29. This is alongside £6.7 billion of additional public finance to tackle climate change and nature loss.

About the Foreign, Commonwealth & Development Office (FCDO)

FCDO leads the UK's diplomatic, development and consular work around the world.

Development

FCDO delivers UK development objectives through spending Official Development Assistance (ODA), the UK's overseas aid budget. The overall size of FCDO's budget is reducing, reflecting the UK government's decision to reduce ODA spending to 0.3% of Gross National Income (GNI) by 2027.

FCDO's overseas network

FCDO's global network is central to delivering its diplomatic, development and consular objectives. The network consists of 280 posts in 180 countries and territories around the world (as at February 2026), including Embassies, High Commissions, delegations, Missions and Consulates. Across these posts, FCDO manages around 6,500 properties. Its global network of posts is supported by regional directorates and central UK teams, such as its Crisis Management Department.

One HMG Overseas

FCDO provides the One HMG Overseas platform, which delivers services including HR, transport, accommodation, finance and procurement, and hosts and supports around 5,000 staff members from 35 other UK government departments, devolved administrations and other bodies requiring a presence overseas.

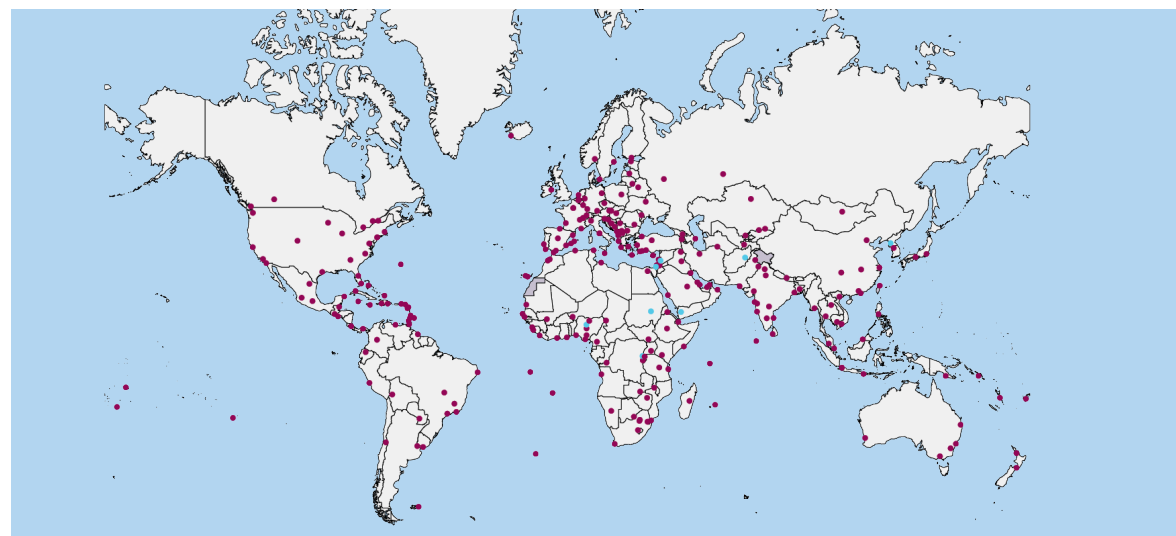
Workforce

As of 31 March 2026, FCDO employed 16,611 staff members, a decrease from 17,326 in March 2025, partly due to the FCDO2030 transformation programme (see page 16). Of these, 7,618 (46%) were UK staff, of which 29% were located overseas, and 8,993 (54%) were country-based staff employed locally in different countries.

Figure 1

The Foreign, Commonwealth & Development Office's (FCDO's) global network of overseas posts, February 2026

FCDO manages 280 posts in 180 countries and territories



- Posts
- Temporarily suspended posts
- Disputed territories

Notes

- 1 This map does not necessarily represent the views of the UK government on boundaries or political status. It has been designed for information purposes only and should not be used for determining the precise location of places or features, or be considered an authority on the delimitation of international boundaries.
- 2 Some posts are in the same location: for example, international organisation delegations may be located in the same place as Embassies.
- 3 Posts are UK Embassies, High Commissions, delegations, Missions and Consulates.
- 4 This figure shows posts as of February 2026, from FCDO's published data available at: [List of Foreign, Commonwealth & Development Office posts abroad](#).

Source: National Audit Office analysis of Foreign, Commonwealth & Development Office data 2026

FCDO is reducing aid spending and undertaking a significant transformation programme of its workforce, systems and overseas network in an increasingly volatile international environment. FCDO will need to manage these pressures while maintaining the capability, controls and resilience needed to deliver its objectives.

Strategic priorities

FCDO updated its six priorities in 2025-26. These priorities focus on protecting UK security, promoting UK prosperity and upholding UK values (see page 6).

FCDO describes the global context as increasingly volatile, contested and unstable. It says its six priorities are intended to advance the UK's long-term national interests, using diplomacy, international partnerships and economic opportunities to support security and prosperity in the UK.

Reduction in ODA spending to 0.3% of GNI

ODA is funding that promotes and specifically targets the economic development and welfare of developing countries.

The UK reduced ODA spending from 0.7% to 0.5% of GNI in 2021 and maintained spending around 0.5% in 2022 and 2023. In February 2025, the UK government announced a further reduction from 0.5% to 0.3% of GNI by 2027, stating that it is committed to restoring ODA spending to 0.7% of GNI as soon as fiscal circumstances allow.

FCDO is also no longer 'spender and saver of last resort'. This means it no longer has to adjust its own spending during the year to ensure that the UK meets, but does not exceed, the government's ODA budget.

Changing approach to development

Alongside a reduced aid budget, the government has introduced what it calls a 'modern development approach'. This is intended to align development activity more closely with partner needs, UK interests and the areas where FCDO considers it can have greatest impact. In July 2026, the government published more detail on its '[modern development approach](#)'. This sets out four fundamental shifts to UK development:

- **Donor to investor**, using investments to help developing economies attract finance and support growth.
- **Service delivery to system support**, supporting countries to strengthen their own institutions and public services.
- **Grants to expertise**, placing greater emphasis on UK technical and professional expertise.
- **International interventions to local leadership**, helping local partners design and deliver programmes that meet local needs.

In a [speech in September 2026](#), the new Minister for International Development highlighted the importance of partnerships, multilaterals, and shared interests.

Leadership

In July 2026, a ministerial reshuffle led to changes to FCDO's ministers, including the Foreign Secretary. On his appointment, the new Foreign Secretary emphasised that his aims included:

- strengthening relations with the EU and other partners;
- support for Ukraine;
- working to address conflicts in the Middle East;
- tackling the climate crisis;
- strengthening international development partnerships; and
- reforming international institutions.

The table below sets out FCDO's six priorities in 2025-26, before the change in Foreign Secretary in July 2026, and examples of the activities it reported against them in its [Annual Report and Accounts](#).

Priorities	Examples of reported activities in 2025-26
Security: Protecting Euro-Atlantic security, strengthening NATO, supporting Ukraine and addressing hybrid threats to the economy, democratic processes and institutions.	● Mobilised international support for Ukraine and helped to deliver a NATO commitment of €40 billion in military aid in 2025. ● Reset security relationships with Europe, supporting major new security agreements with France, Germany, Norway and the EU.
Growth and resilience: Prioritising high-value economic partnerships to deliver growth and jobs in the UK. Securing new trade and investment to strengthen the economy and increase economic security and resilience.	● Established the Diplomatic Advisory Hub to provide UK businesses with geopolitical and market-access support. ● Developed enhanced growth and investment partnerships with South Africa, Pakistan, Vietnam and the Philippines.
Migration: Reducing small boat arrivals, deterring illegal migration through return agreements, improving law enforcement cooperation against people smugglers and reforming global migration systems.	● Designed a sanctions regime targeting irregular migration and organised immigration crime. ● Secured strengthened immigration returns cooperation with countries including Nigeria, the Democratic Republic of the Congo, and Namibia.
Development and climate: Reducing poverty, humanitarian need and conflict, and accelerating the global clean energy transition. Reforming global development architecture and modernising the UK's development approach.	● Implemented a new development model and reprioritised ODA around new development partnership categories, aligning allocations with UK interests and partner needs. ● Launched a Roadmap for High-Quality Energy Investment Planning and agreed clean energy action plans to unlock private investment in partner countries.
Women and girls: Championing the rights of women and girls to live in a world free from violence. Promoting women's economic and political participation within societies. Working internationally to tackle new tech-enabled threats to women and girls.	● Co-founded 'All In', an initiative bringing together former heads of state, activists, survivor advocates and public figures to prevent violence against women and girls. ● Announced £20 million of support for survivors of conflict-related sexual violence in Sudan.
Agile alliances: Pursuing resilient, pragmatic partnerships with states with shared priorities. Minimising dependencies, diversifying alliances and making Britain a partner of choice in a contested and competitive world.	● Secured political agreement on the UK-EU Treaty on Gibraltar. ● Signed new agreements, including the UK-US Economic Prosperity Deal, a bilateral cooperation agreement with Germany, and strategic partnerships with India, Vietnam, Indonesia and Brazil.

FCDO is led by the Permanent Under-Secretary (PUS) and the Second Permanent Under-Secretary.

The PUS is the Head of the Diplomatic Service, responsible for the management of FCDO.

In 2025-26, FCDO reorganised its structure from nine Director General (DG) areas to seven. FCDO stated that the change was designed to create clearer accountabilities, reduce duplication and better align resources with strategic priorities. **Figure 2** shows the new structure and the spending across each DG area.

FCDO also reorganised its boards and committees in 2025-26. The Supervisory Board remained FCDO's departmental board and is chaired by the Foreign Secretary. A new Management Committee was established under the Supervisory Board to replace the previous Management Board, focusing on performance and risk management.

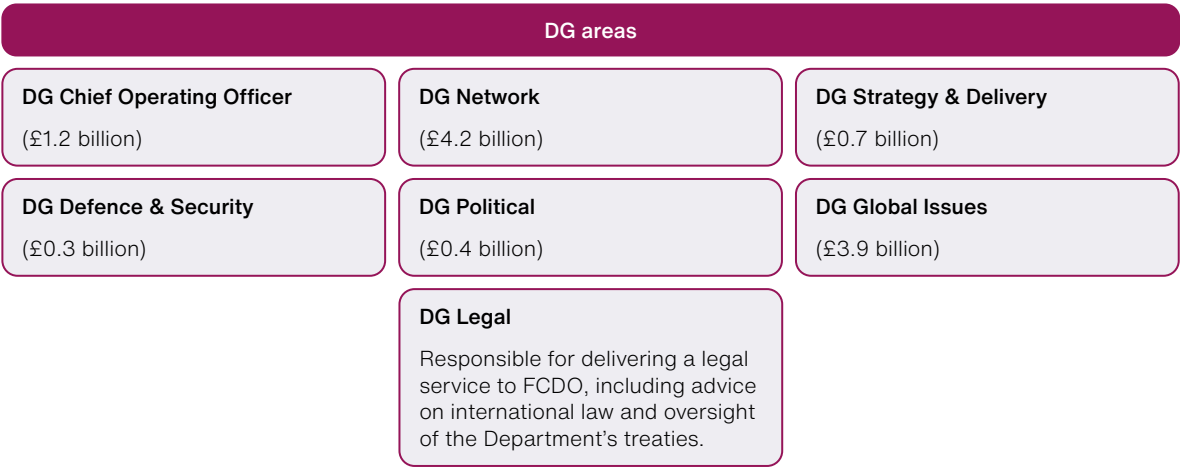
Executive decision-making was led by the Executive Committee, chaired by the PUS. The Executive Committee is supported by a number of sub-committees, including a new Planning Committee, a new Portfolio Committee and a revised Corporate Committee.

Other boards and committees feed into the Supervisory Board, including the Audit and Risk Assurance Committee and the Senior Appointments Committee.

Figure 2

The Foreign, Commonwealth & Development Office's (FCDO's) organisational structure, 2025-26

In 2025-26 FCDO had seven Director General (DG) areas, with spending on DG Network being the highest at £4.2 billion



Notes

1 The expenditures shown are net expenditure for 2025-26 and are taken from Note 2 to the accounts – Statement of Operating Expenditure by Operating Segment.

2 Expenditure for DG Legal is included within the 'Other' category in the 2025-26 Annual Report and Accounts.

FCDO's departmental group consists of nine organisations, in addition to the core department.

FCDO's relationship with each organisation is agreed and set out in a published framework document.

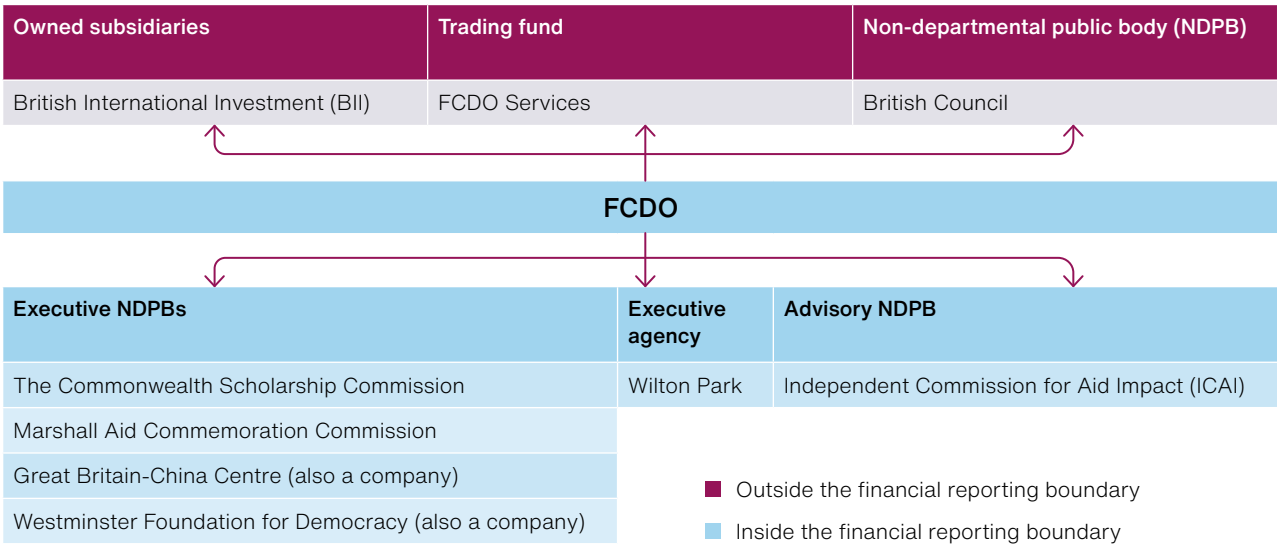
British International Investment (BII) plc is wholly owned by FCDO and invests in private sector businesses in emerging economies. Its investment portfolio was valued at £6.6 billion at 31 December 2025, £650 million less than the previous year. BII operates at arm's length from FCDO, with responsibility for day-to-day operations and investment decisions. FCDO agrees BII's strategic framework and can provide additional capital.

FCDO Services provides a range of integrated services worldwide to support diplomacy, development and defence for the UK government, and operates as a trading fund of FCDO. **The British Council** is the UK's international organisation for cultural relations and educational opportunities. It aims to promote a wider knowledge of the UK and the English language. Both sit outside FCDO's financial reporting boundary, so their expenditure, assets and liabilities are not consolidated into FCDO's group accounts. However, FCDO retains sponsorship and oversight responsibilities for both organisations and provides grant-in-aid to the British Council.

Executive agencies and non-departmental public bodies (NDPBs): FCDO's PUS is also responsible for one executive agency, four executive NDPBs and one advisory NDPB. This includes the Independent Commission for Aid Impact (ICAI), which provides independent evaluation and scrutiny of the impact and value for money of UK government ODA.

Figure 3
The Foreign, Commonwealth & Development Office's (FCDO's) departmental group structure 2025-26

FCDO's departmental group comprises nine organisations, in addition to the core department



- Notes**
- 1 FCDO also provides grant funding to the BBC World Service (which is part of the BBC). The BBC is an independent public corporation, sponsored by the Department for Digital, Culture, Media & Sport.
 - 2 Entities within the financial reporting boundary are included in FCDO's group accounts. Entities outside the financial reporting boundary are not, but they produce their own accounts. BII: [BII Annual Report and Accounts 2025](#), FCDO Services: [FCDO Services Annual Report and Accounts 2025 to 2026](#) and British Council: [British Council 2024-25 Annual Report and Accounts](#).
 - 3 The British Council is also a public corporation and charity, and is the UK's international organisation for cultural relations and educational opportunities.
 - 4 FCDO Services is a trading fund of FCDO and provides a range of integrated services worldwide to support diplomacy, development and defence for the UK government.
 - 5 FCDO was created with the merger of the Foreign & Commonwealth Office and the Department for International Development in 2020.

Source: National Audit Office analysis of Foreign, Commonwealth & Development Office, [Annual Report and Accounts 2025-26](#)

In 2025-26, FCDO spent £11.6 billion against a £12.3 billion budget, an underspend of £0.7 billion. FCDO stated this underspend was due to volatility in its operating environment and costs. Total spending, including ODA and non-ODA, was £0.9 billion lower than 2024-25.

Regional bilateral, centrally managed, and core multilateral programmes (£7.6 billion). Spending on programmes delivering health, energy and climate, and humanitarian aid objectives. This decreased from £8.2 billion in 2024-25. Regional bilateral programmes were £2.9 billion, core multilateral programmes were £2.8 billion, and centrally managed programmes were £1.9 billion.

Operating costs, frontline diplomacy and overseas network (£2.2 billion). Administration and network costs. This increased from £1.4 billion in 2024-25 due to the addition of operating expenditure that had previously been included in programme budgets.

UK Integrated Security Fund (ISF) (£0.6 billion). A cross-government fund for activity to prevent instability and conflicts. This decreased from £0.7 billion in 2024-25. In April 2026, ISF management moved from FCDO to the Cabinet Office.

British International Investment (£0.5 billion). Capital investment in the UK's development finance institution. This decreased from the £0.9 billion investment in 2024-25.

EU attributed aid (£0.2 billion). Outstanding commitments under the EU-UK Withdrawal Agreement. This decreased from £0.3 billion in 2024-25.

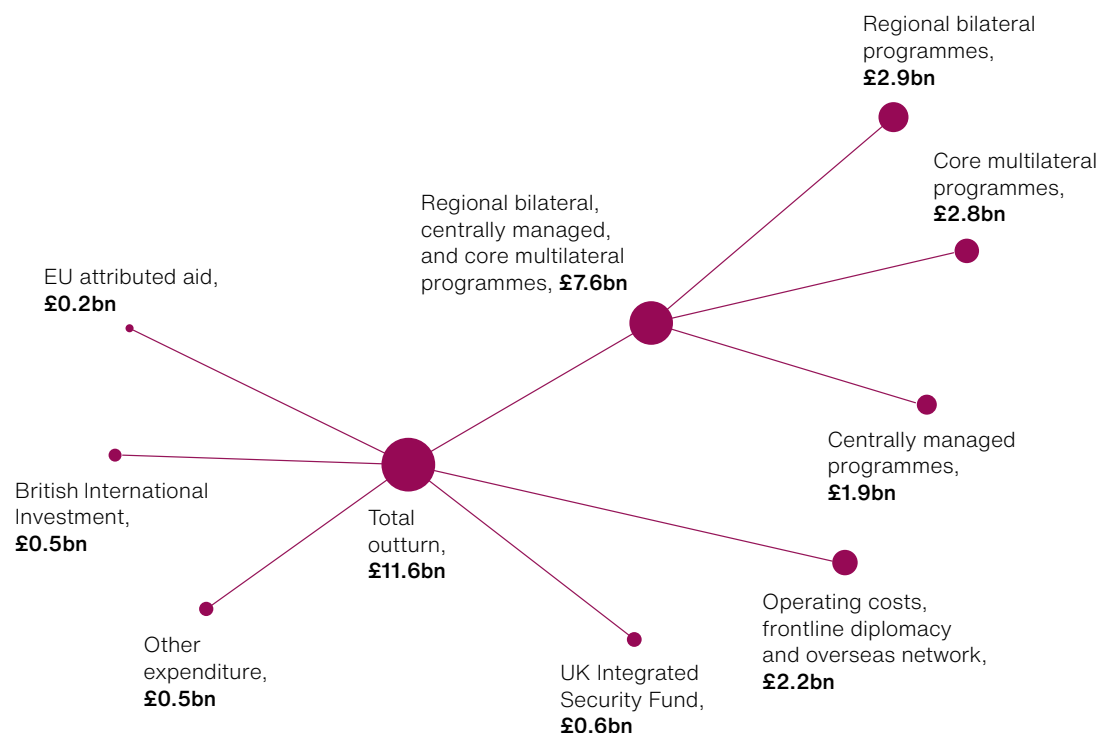
Other expenditure (£0.5 billion). Other areas of FCDO spending. This decreased from £0.9 billion in 2024-25 and includes:

- international subscriptions and the BBC World Service (£423 million);
- the British Council (£181 million);
- non-departmental public bodies (£43 million); and
- a £129 million surplus for other central programme and technical costs.¹

Figure 4

Foreign, Commonwealth & Development Office (FCDO) total spending, 2025-26

In 2025-26, FCDO spent £11.6 billion, including £7.6 billion through its programmes



Note

- 1 'Other expenditure' includes international subscriptions, the BBC World Service, the British Council, funding for non-departmental public bodies and other central programme and technical costs.

Source: National Audit Office analysis of Foreign, Commonwealth & Development Office, [Annual Report and Accounts 2025-26](#)

1 This relates to loan repayments and returned funds.

Financial management and reporting – FCDO programme spending

FCDO delivers many of its objectives through programmes. In 2025-26, it spent £9.5 billion on programmes, down from £10 billion in 2024-25. £8.7 billion of this was ODA spending.

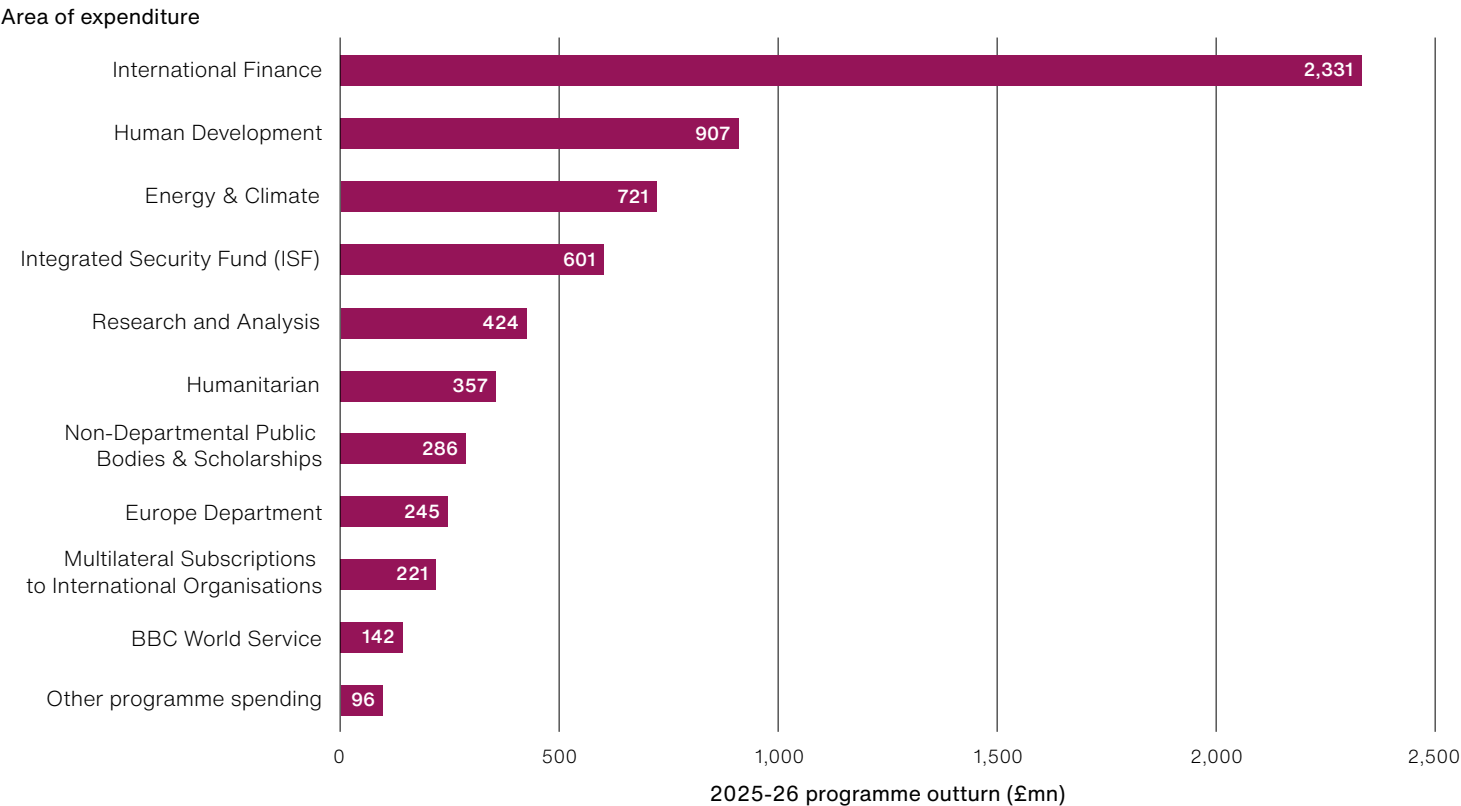
FCDO splits its programme spending between:

- **policy priorities, international organisations and humanitarian programmes**, examples of these include Energy & Climate, Growth, Human Development, International Finance, Multilateral and Research and Analysis (£5.2 billion);
- **regional programmes**, which is spending in specific regions and countries (£3.2 billion); and
- **other FCDO programme spending** on areas including the BBC World Service, the Crisis Fund and Non-Departmental Public Bodies & Scholarships (£1.1 billion).

These data are taken from FCDO's 2025-26 accounts and show FCDO expenditure during the 2025-26 financial year. These are not directly comparable with the UK development statistics, discussed on page 11, which are published each calendar year for all government departments and are measured and categorised differently.

Figure 5
Breakdown of the Foreign, Commonwealth & Development Office's (FCDO's) programme spending, excluding regional programmes, 2025-26

In 2025-26, International Finance accounted for £2.3 billion of programme spending, more than twice the next largest area of spending



Notes

- 1 This does not include regional programme spending. These are areas of spending in FCDO's accounts as set out in Annex A of the Annual Report and Accounts.
- 2 'Other programme spending' includes eight areas of spending. One of these is 'Other Central Programmes', which had a negative total of –£124 million in 2025-26 due to loan reflows and returned funds, and the expenditure is offset elsewhere.

Source: National Audit Office analysis of Foreign, Commonwealth & Development Office, [Annual Report and Accounts 2025-26](#)

Financial management and reporting – UK ODA spending

In 2025, the UK government spent £13.1 billion ODA, a decrease of £1 billion compared with 2024.

FCDO is consistently the largest spender of ODA, but other government departments also spend ODA. In 2025, FCDO spent £9.1 billion of ODA, 69% of the UK’s total ODA spending, up from 67% in 2024.

The Home Office is the second-largest spender, spending 16% of UK ODA in 2025, mostly on supporting asylum seekers and refugees in the UK. Total UK ODA supporting asylum seekers and refugees in the UK decreased from £2.8 billion in 2024 to £2.4 billion in 2025.

Spending ODA across multiple departments requires effective coordination to align priorities, manage trade-offs and ensure that funding collectively supports the government’s development objectives. ICAI has highlighted a lack of a consistent cross-government approach to prioritising ODA, and no shared cross-government metrics for assessing value for money.

ODA spending channels

There are two main channels of ODA spending.

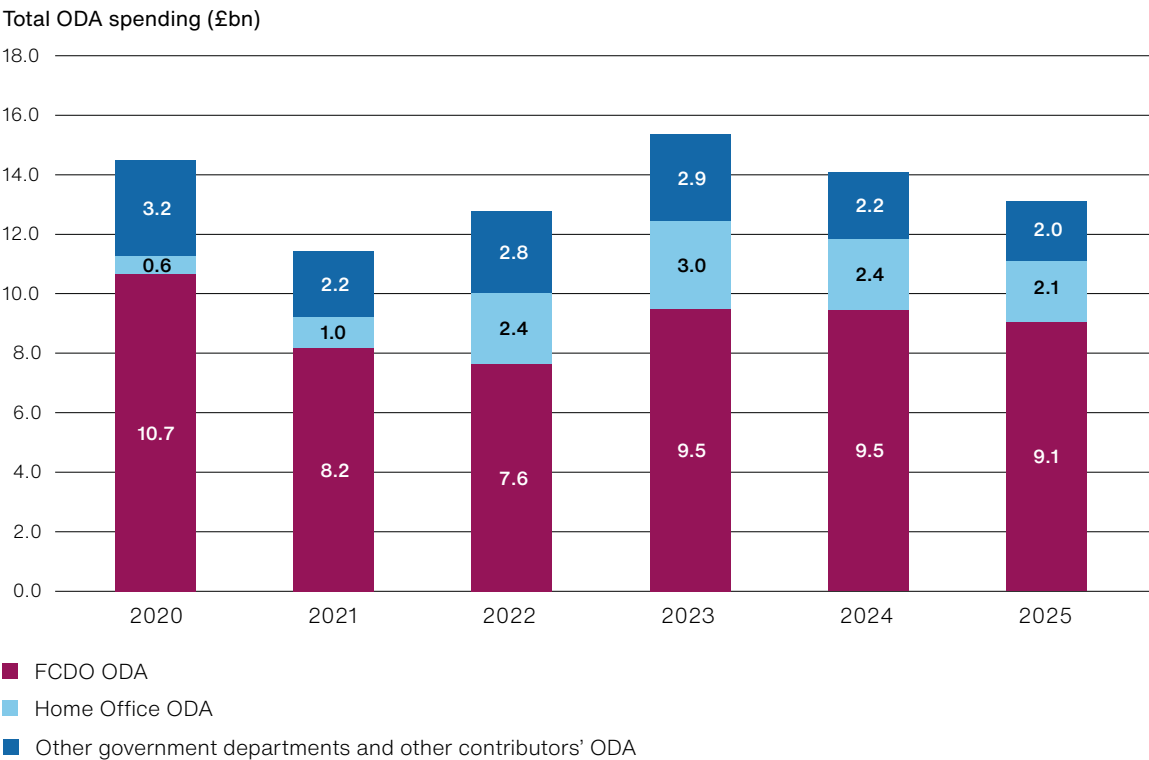
- Bilateral ODA is provided for a specified country, region, programme or purpose. It may be delivered directly or through implementing partners, including multilateral organisations.
- Multilateral ODA comprises contributions to the core budgets of multilateral organisations, such as the World Bank or United Nations agencies.

The proportion of multilateral ODA in 2025 was 20%, similar to the previous year, but lower than the 37% in 2021, reflecting the previous strategy of prioritising bilateral partnerships.

The [GOV.UK Development Tracker](#) site shows details of ODA programmes.

Figure 6
UK Official Development Assistance (ODA) spending by department, 2020 to 2025

The Foreign, Commonwealth & Development Office (FCDO) has spent the majority of the UK’s ODA since 2020



Notes

- 1 FCDO ODA expenditure up to September 2020 combines spending by the former Foreign & Commonwealth Office and Department for International Development, to represent FCDO.
- 2 Data are based on calendar years; data published in FCDO’s Annual Report and Accounts 2025-26 are based on the financial year.
- 3 This figure shows net ODA expenditure. Expenditure has not been adjusted for inflation, to ensure that figures are consistent with published Statistics on International Development.
- 4 Other contributors include, for example, gift aid, the BBC World Service and the devolved governments.

Source: National Audit Office analysis of [UK Statistics on International Development, 2025](#)

FCDO is exposed to significant and sometimes long-term financial risks through its guarantees and investments, alongside fraud risks from delivering programmes through complex global supply chains and in challenging environments.

For the year ending 31 March 2026, the Comptroller and Auditor General (C&AG) gave an unqualified opinion on FCDO’s financial statements and regularity of expenditure. This means the financial statements give a true and fair view and were properly prepared, FCDO did not exceed its Parliamentary control totals, and it applied its income and expenditure to the purposes intended by Parliament.

Financial guarantees

FCDO often uses financial guarantees to unlock affordable finance for partner countries. Single country guarantees enable multilateral development banks to lend beyond their usual limits, and portfolio guarantees enable governments to secure financing for specific objectives such as climate finance. If the borrower defaults, FCDO may be required to make payments under the terms of the guarantee.

As of 31 March 2026, the total value of guaranteed amounts outstanding was £7.6 billion, a decrease from £8.2 billion in 2024-25. This represents FCDO’s maximum exposure under the guarantees. Calls on guarantees can be difficult to predict, and FCDO may have to manage costs years after they are issued. Where payments count as ODA, they could reduce funding available for other priorities, making effective monitoring, valuation and budget planning important.

FCDO calculates a fair value for its guarantees. This is an estimate of how much its guarantees could cost over the lifetime of the agreements (which can be over decades), based on the likelihood of them being called. The fair value of guarantees as of 31 March 2026 was £1 billion.

	Guaranteed amount outstanding	Fair value
	(£bn)	(£bn)
31 March 2026	7.6	1.0
31 March 2025	8.2	1.1
31 March 2024	7.9	0.7
31 March 2023	4.5	0.5
31 March 2022	0.9	0.2

Financial investments

As of 31 March 2026, FCDO held £16 billion of investments, an increase of £0.5 billion from 2024-25. This primarily consisted of:

- £9.9 billion in British International Investment (BII), an increase of £0.2 billion from 2024-25; and
- £5.4 billion in International Finance Institutions (IFIs), an increase of £0.2 billion from 2024-25.

The scale and long-term nature of these investments expose FCDO to valuation, market and foreign exchange risks. FCDO needs sufficient information and expertise to oversee financial performance, development impact and value for money across the portfolio.

Fraud risks

Fraud is a key risk for FCDO, with increased complexity and risk from the variety and nature of its programmes, supply chains and global workforce.

The value of FCDO’s total detected fraud before recovery in 2025-26 was £1.3 million, a decrease from £2.2 million in 2024-25. After recovery, the total net losses in 2025-26 were £0.4 million. Detected losses do not represent the full scale of fraud, as some fraud may remain unidentified or unreported.

FCDO has invested in counter-fraud activity and is delivering a counter-fraud action plan, informed by engagement with the Public Sector Fraud Authority. FCDO spent almost £2.2 million on counter-fraud activity in 2025-26, mainly on staff and investigations.

	Gross fraud losses	Net fraud losses
	(£mn)	(£mn)
2025-26	1.3	0.4
2024-25	2.2	1.3
2023-24	1.3	0.3
2022-23	3.1	2.1
2021-22	2.1	0.2

In its report on tackling fraud in UK aid, published in 2024, ICAI found that FCDO had good processes for preventing and investigating fraud and was regarded as taking fraud seriously. However, it needed to adapt its counter-fraud capability more effectively to evolving risks. In its follow-up review published in 2026, ICAI found evidence FCDO had made progress against all four of the original review’s recommendations. At the same time, ICAI cautioned that it will be important to maintain sufficient counter-fraud capability and sustain the progress made to date as FCDO undergoes restructuring.



The British Council

In June 2026 our report *Investigation into the financial sustainability of the British Council* highlighted its financial difficulties following the COVID-19 pandemic. Since 2020, FCDO has provided loan support to the British Council, with the amended and extended loan now valued at £197 million. In 2025-26, FCDO also provided £163 million of core grant funding and a £15 million one-off payment.

The British Council is seeking to restore its commercial income while reducing costs. By January 2026, it had reduced its workforce by 2,100 full-time equivalent staff, and expected further workforce reductions and office closures.

FCDO wanted a solution that enabled repayment of the loan, while the British Council saw no viable path to repayment in the foreseeable future. At a *Committee of Public Accounts session* in July 2026, Committee members questioned whether decisions driven by cost savings could affect the UK’s influence in strategically important countries. FCDO responded that maintaining impact under fiscal constraints would be challenging but possible. In September 2026, FCDO, the British Council and HM Treasury formally agreed to restructure the loan for a 15-year term until 2041, with a pause on capital repayments for a five-year period.

BBC World Service

FCDO provides grant funding to the BBC World Service. This was £137 million in 2025-26 compared with £223 million from the BBC licence fee.²

Our report, *The BBC World Service’s savings programmes* highlighted its role providing trusted, independent news internationally while managing financial pressures.

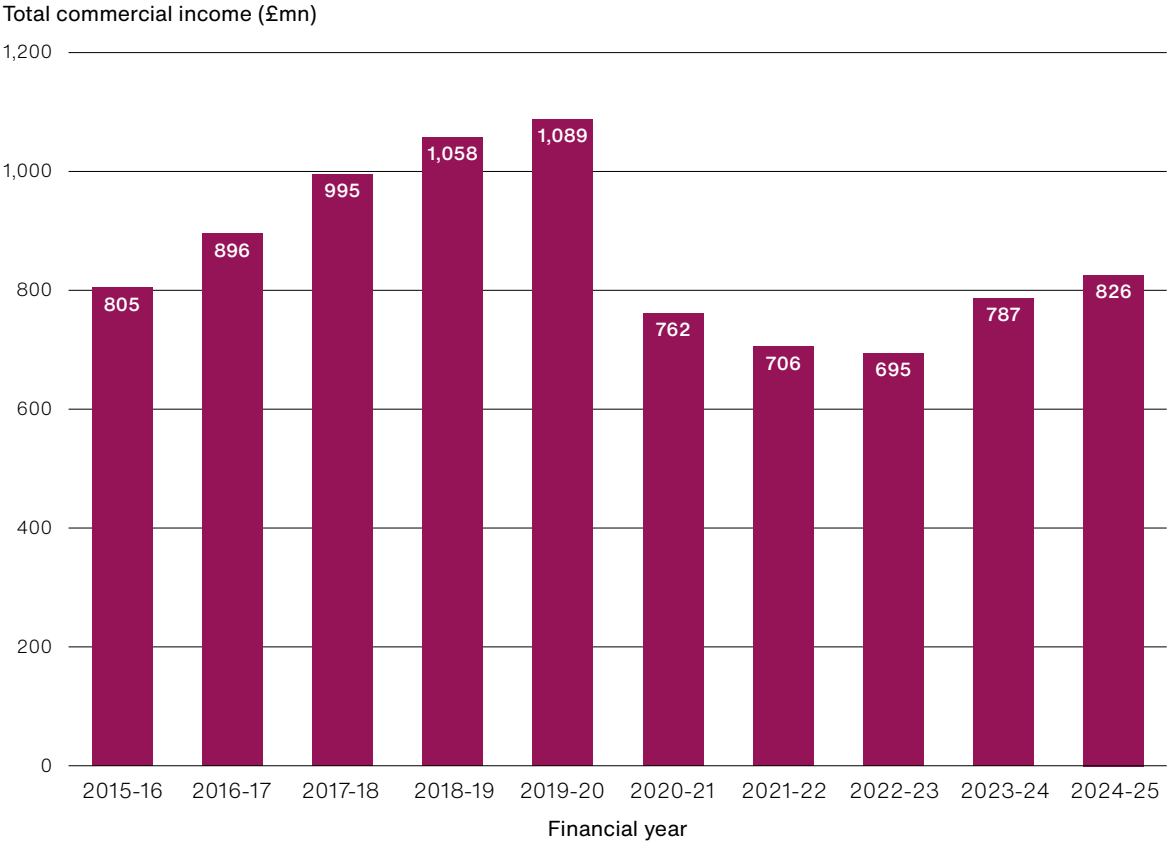
We found that its funding fell 21% in real terms between 2021-22 and 2025-26. It had a clear rationale for its savings programmes and delivered most planned savings in the first two phases, but the third phase was behind schedule at the time of our report. We recommended it update its cost and monitoring systems to better link costs to outputs and audience outcomes.

2 FCDO provided an additional one-off payment of £5 million to the BBC World Service in March 2026. Our report published in November 2025 used a budgeted figure of £221 million from the licence fee.

Figure 7

The British Council’s commercial income, 2015-16 to 2024-25

The British Council has not recovered its commercial income to pre-pandemic levels



Notes

- 1 Commercial income includes all income except grant-in-aid, other donations received and income from trading activities, investments, foreign exchange gains and profit on disposal of fixed assets.
- 2 The British Council restated its 2015-16 income figures in its 2016-17 accounts; we have used the revised figures.

Source: National Audit Office analysis of British Council data

As part of the 2025 Spending Review, FCDO committed to delivering £85 million of net efficiency savings per year from 2028-29 onwards. This is alongside delivering its transformation programme, FCDO2030 (see page 16).

These savings are equivalent to 4.3% of FCDO's 2025-26 day-to-day spending. FCDO expects savings to come from four key areas, with over two-thirds (£57 million) expected to come from arm's-length bodies and public bodies:

	2026-27 (£mn)	2027-28 (£mn)	2028-29 (£mn)
Workforce reform	5	9	12
Digital reform	5	6	7
Arm's-length bodies and public bodies	9	47	57
Integrated Security Fund	6	9	10
Total efficiencies per year (net of investment)	25	71	85

Workforce reform

To generate workforce efficiencies, FCDO is ensuring roles are graded appropriately and is reducing the number of staff in flexible resource pools. It is also simplifying and modernising its Overseas Employment Framework, which sets out pay and allowances for staff working overseas. FCDO intends to launch a new Overseas Employment Framework in 2026-27.

Digital reform

To deliver digital reform efficiencies, FCDO is removing legacy IT systems and reducing reliance on outsourced services by increasing in-house expertise.

It has completed its Osprey programme to deploy a new IT platform, which it previously forecast would deliver annual savings of £5.4 million.

As part of its digital transformation, FCDO has stated that 16,000 of its staff are now using artificial intelligence (AI) tools regularly.

Arm's-length bodies and public bodies

FCDO expects its arm's-length bodies and public bodies to deliver efficiencies through investing in automation, AI and digital tools. Its plans include the British Council delivering a professional services transformation programme, transforming customer management support and exam delivery, and updating IT contracts.

The British Council continues to face a challenging financial situation, however, and relies on a £197 million loan provided by FCDO on commercial terms (see page 14).

Integrated Security Fund (ISF)

FCDO's efficiency plan expected savings of £10 million from the ISF by 2028-29 through workforce and digital reforms. This included reducing costs from programme management and administrative tasks, making the workforce more flexible, and investing in automation, AI and digital tools.

In April 2026, management of the ISF moved from FCDO to the Cabinet Office, to simplify the Fund's leadership and delivery structures. FCDO still retains responsibility for some programmes within the ISF.

FCDO will need to ensure organisational resilience while it delivers these efficiencies. Our good practice guide [Financial management in government: allocating resources](#) highlights the need for departments to:

- use information intelligently to identify where savings can be made using cost, performance and activity data;
- prioritise effectively, using clearly defined and measurable goals, strategic objectives and outcomes to understand how to find efficiencies; and
- avoid short-term savings that increase future costs or reduce capability.

FCDO is undertaking a significant transformation programme, FCDO2030, which aims to create a more strategic and adaptable organisation, develop an empowered, skilled and high-performing workforce, and provide modern digital tools that enhance delivery.

FCDO2030: FCDO’s transformation programme

FCDO received a £290 million transformation fund from HM Treasury in the 2025 Spending Review to fund workforce reform, capability building and digital transformation across 2026-27 and 2027-28.

The FCDO2030 programme focuses on three goals.

- **Strategic and adaptable:** Realising a clear, long-term strategy focus and effective, flexible resource allocation behind real-world impact.
- **High performance:** Driven by an empowered, delivery-focused, high-performing workforce.
- **Technology-enabled:** Enabled by advanced digital tools for diplomatic, development and delivery impact.

Workforce

FCDO expects it will need to make a 15% to 25% reduction in its overall headcount by 2029 due to reduced budgets. It has already completed a voluntary exit scheme, resulting in 400 staff departures from November 2025 to March 2026, and is conducting another discretionary exit scheme in 2026-27. As part of FCDO2030, FCDO is restructuring its UK headquarters, renewing its capability framework, updating its learning and development offer and developing a workforce strategy.

Changes to Official Development Assistance (ODA) delivery models, including greater emphasis on investment, mobilisation of finance and locally led delivery, could create challenges for effective programme management. FCDO will need to ensure it has the right expertise and capabilities to deliver

its programmes. The International Development Committee warned that cuts due to the FCDO2030 transformation programme may include a reduction in expertise that could affect the department’s ability to deliver transparent and effective programming, and unions have expressed concerns about the department’s approach.

Lessons for FCDO

We previously highlighted lessons for FCDO in our report, [Progress with the merger of the FCO and DFID](#), including ensuring a manageable scope within the given timeframe and resources, a clear vision, realistic transition planning, an understanding of the impact on delivery capacity, the wider costs of change, and capacity pressures. FCDO will need to demonstrate that the programme delivers sustainable savings and improved ways of working while retaining the specialist capability, controls and resilience needed to deliver its objectives. Key lessons from NAO good practice guides and insight work that FCDO should draw on as it progresses its transformation programme are below.

A clear and prioritised transformation portfolio	Organisations need to set realistic objectives, prioritise activity, and sequence change programmes in a way that matches available resources and delivery capacity. Overly ambitious portfolios increase delivery and value-for-money risks. (see Making public money work harder)
Strategic workforce planning and capability management	Workforce changes need to be aligned with long-term workforce planning, ensuring organisations retain critical skills and the capability needed to deliver priorities and respond to future challenges. (see Government exits and redundancies and Government workforce planning – audit framework)
Robust baselines and transparent reporting of costs, benefits and risks	Organisations should establish clear baselines and monitor costs, benefits, risks and operational impacts. Transparent reporting and good-quality data are important for informed decision-making and value for money. (see Lessons learned: a planning and spending framework that enables long-term value for money)

FCDO is operating in a volatile external environment that includes conflict, geopolitical instability and shifting international priorities. Effective risk management and resilience are therefore important to FCDO’s ability to respond to crises, support British nationals overseas, manage its global network and deliver development objectives while securing long-term value for money.

In 2025-26 FCDO introduced seven principal risks. FCDO stated that these risks are dynamic and likely to change over time. As it did not publish an equivalent set of risks in 2024-25, changes in risk exposure cannot be compared over time. FCDO’s internal audit provided a limited assurance opinion in 2025-26, the third consecutive year, over its governance, risk management and control framework, identifying similar weaknesses to 2024-25. The internal audit identified controls that were not operating effectively to manage risk within appetite, highlighting:

- gaps in accountability and oversight;
- systems and information not adequately supporting oversight and control;
- inconsistent risk management;
- weaknesses in the design or implementation of corporate controls and policies; and
- ongoing prioritisation challenges.

A key part of FCDO’s response is a review and redesign of its risk management and assurance arrangements. This informed the new principal risks and actions to reduce risk exposure, and FCDO is updating its approach to risk

management. FCDO assessed itself as only partially compliant with four of HM Treasury’s principles of risk management as it did not meet them consistently across the organisation. These principles state that risk management:

- should be an essential part of governance and leadership;
- should be part of organisational activities to support decision-making;
- should be collaborative and informed by the best available information; and
- should include identification, assessment, treatment options and monitoring.

FCDO assessed itself as fully compliant with the fifth principle, that risk management should be continually improved through learning and experience.

Inconsistent risk management may make it more difficult to identify emerging risks, escalate issues and ensure decisions are informed by reliable risk information. Our good practice guide [Overcoming challenges to managing risks in government](#) highlights the importance of clear ownership and accountability, appropriate responses for significant risks in line with risk appetite, clear escalation criteria, and assurance over the effectiveness of risk management processes.

Principal risk	Description	Risk management actions in 2025-26
Crisis preparedness	The risk FCDO is not ready to respond effectively to crises.	Development of crisis identification and escalation triggers, specialist training for crisis responders, and the use of technology for crisis early-warning.
Cyber security	The risk of a significant cyber breach, data leakage or system compromise.	Changes to policies and systems governing how information is accessed and used alongside improved detection and recovery measures.
Estates	The risk of health and safety or operational failures in buildings across the global network.	Improved estates surveys and the development of preventative maintenance plans.
Fraud	The risk of FCDO not adequately protecting public funds from fraud and misuse.	Mandatory fraud training for staff, an increase in specially trained fraud liaison officers, and established reporting mechanisms.
Insider threat	The risk that some employees could intentionally or accidentally release sensitive information or compromise FCDO’s systems or properties.	Changes to policies and systems governing how information is accessed and used, alongside improved detection and recovery measures.
Sexual exploitation, abuse and harassment	The risk of inadequately preventing, detecting or responding to incidents of sexual exploitation, abuse and harassment.	Internal training and awareness campaigns, clear reporting channels, and capacity building with delivery partners.
Safety of people overseas	The risk that FCDO cannot fully anticipate, mitigate and respond to major health, safety and security incidents involving FCDO staff overseas.	Health and safety policies and procedures, enhanced support to staff in crisis environments, and regular horizon scanning and business continuity planning.

FCDO is planning a substantial reduction and reprioritisation of its ODA programme budget. Programme ODA spending fell from £9.3 billion in 2024-25 to £8.7 billion in 2025-26, and planned programme allocations are expected to reduce further to £6.2 billion by 2028-29.

FCDO intends to concentrate spending on fragile and conflict-affected states, selected humanitarian crises and priority multilateral organisations. Regional ODA allocations are expected to fall from £3.1 billion to £1.8 billion, resulting in significant reductions and the withdrawal of bilateral funding for many countries.

Planned ODA allocations for 2026-27 to 2028-29 reflect the government's 'modern development approach' and a shift away from traditional development programmes.

These reductions and the shift in the government's approach will create a range of risks for FCDO. It will need to manage programme closures and transitions carefully, understand the effects on beneficiaries and partners, and demonstrate that the remaining portfolio delivers value for money.

Bilateral and multilateral spending

FCDO stated that it would:

- focus bilateral ODA spending in areas with the most humanitarian needs, with the proportion spent in fragile and conflict-affected states to increase to over 70% of all country and regional spending by 2028-29;
- maintain bilateral ODA allocations to Ukraine, Palestine, and Sudan;
- limit reductions to crises in the Middle East & North Africa and South Asia & Afghanistan; and
- phase out bilateral allocations to G20 countries.³

FCDO is prioritising multilateral spending in areas where it considers the international system needs to deliver at scale and reform: the climate and nature crisis, global health, and humanitarian emergencies. It aims to increase the share of FCDO ODA spent through multilaterals, directing funding to the most impactful organisations.

FCDO will provide an increased contribution to the International Development Association. Contributions to funds like Gavi (the Vaccine Alliance), and the Global Fund to fight AIDS, Tuberculosis and Malaria will reduce.

Both bilateral and multilateral spending have been reduced, but multilateral spending is being reduced by 22%, compared with a 31% reduction in total FCDO ODA programme spend.

FCDO's equality impact assessment

FCDO's March 2026 [equality impact assessment](#) concluded that reductions in ODA will have negative impacts for many programme beneficiaries. While it assessed that overall reductions in multilateral spending were not expected to have disproportionate impacts across protected or relevant characteristics, it identified that safeguarding spending would be disproportionately reduced, with women and children particularly affected. It also stated that the government has avoided disproportionate reductions to centrally managed spend targeted on equalities and the social sector.

Managing ODA spending

In its 2026 report on the management of the ODA spending target, ICAI found that ODA allocations were not always based on shared strategic priorities or evidence of value for money. It noted a lack of transparency and clear objectives in allocations processes. The government accepted ICAI's recommendations and stated it was taking steps to address these issues, including a more strategic approach to allocations, greater budget stability and multi-year allocations.

³ FCDO has explained this does not include Turkey, as the UK is helping to "share the burden on account of their hosting of refugees".

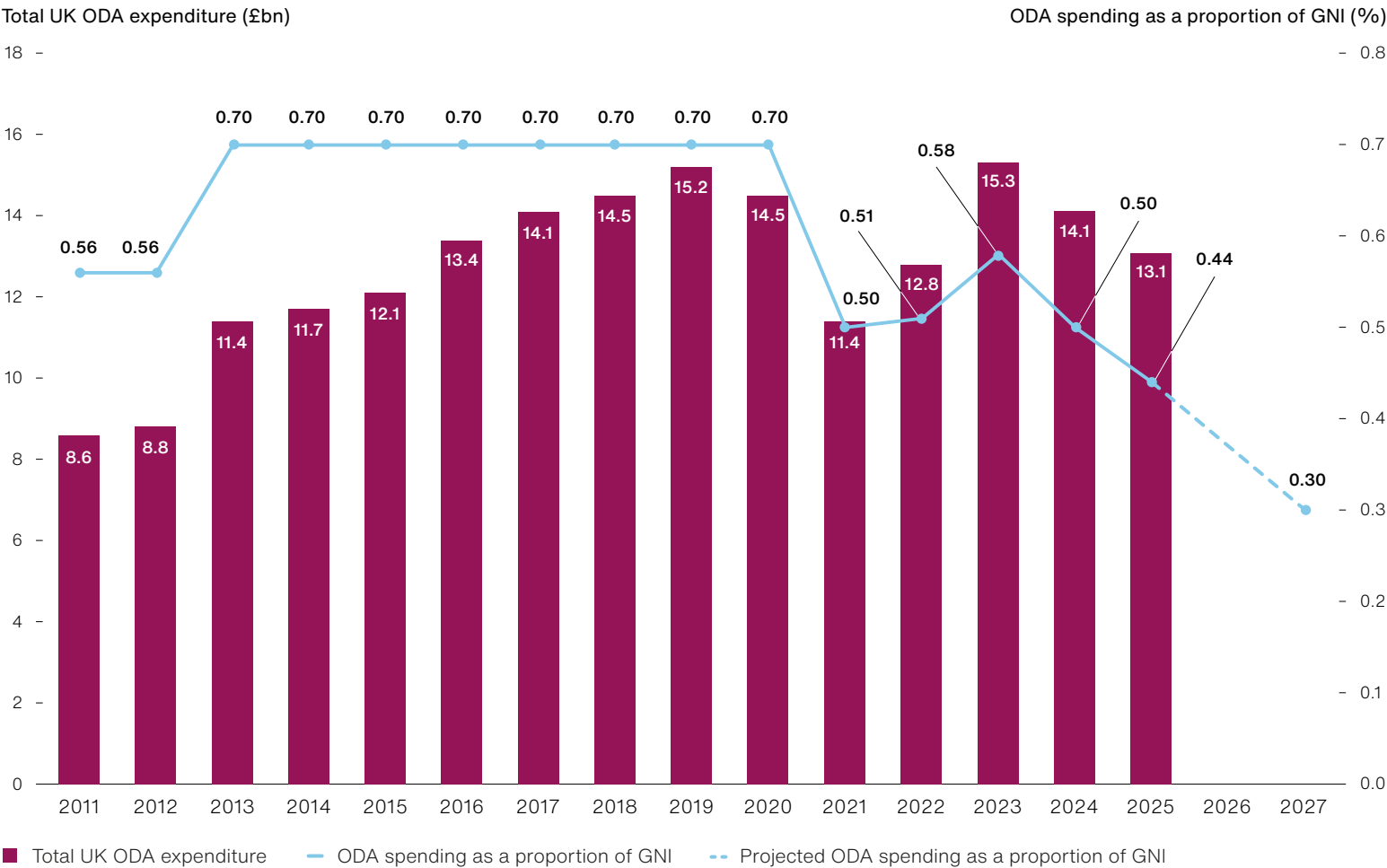
ODA spending as a proportion of Gross National Income (GNI)

In 2025 UK ODA spending was 0.44% of GNI, lower than the 0.48% of GNI FCDO indicated would be spent in 2025.

Bond, the UK network for organisations working in international development, reported in August 2026 that FCDO attributed this to higher-than-expected GNI, FCDO no longer being ‘spender and saver of last resort’, reduced costs of supporting refugees and asylum seekers in the UK, and reallocations between calendar and financial year.

Figure 8
Total UK Official Development Assistance (ODA) spending, 2011 to 2027

The ODA budget as a proportion of Gross National Income (GNI) was reduced from 0.7% in 2021, and faces a further reduction to 0.3% by 2027



- Notes**
- 1 Data are based on calendar years; data published in FCDO's Annual Report and Accounts 2025-26 are based on the financial year.
 - 2 The UK government announced in 2025 that the ODA budget would reduce from 0.5% of GNI to 0.3% by 2027. Actual data are shown up to 2025. Projected ODA spending as a proportion of GNI shows the drop to 0.3% by 2027 but will not reflect actual spending in 2026.
 - 3 This figure shows net ODA expenditure. Expenditure has not been adjusted for inflation, to ensure that figures are consistent with published Statistics on International Development.

Source: National Audit Office analysis of UK Statistics on International Development, 2025

Risk and resilience – Reductions in ODA allocations

Regional ODA allocations

Regional ODA allocations are expected to reduce from £3.1 billion in 2025-26 to £1.8 billion in 2028-29, with all regions except the Overseas Territories seeing a reduction. By value, Africa faces the largest drop, from £1.4 billion in 2025-26 to £0.7 billion in 2028-29.

Stakeholders have raised concerns that cuts in bilateral spending will affect those most in need and may affect the UK's ability to maintain relationships, influence and technical engagement in partner countries.

In our 2022 report on [managing reductions in ODA spending](#), we found that rapid reductions led to disproportionate cuts to bilateral programmes and required well-performing programmes to be considered for closure. The scale of planned reductions in bilateral ODA means FCDO will need to manage programme closures effectively, drawing on lessons from previous reductions.

Monitoring, evaluation and learning

ODA cuts have previously led to monitoring, evaluation and learning being cut from programme budgets, reducing oversight. Portfolio-level assessment of effectiveness and value for money will become increasingly important as FCDO balances trade-offs and prioritises its resources.

In March 2026, FCDO published an [updated evaluation strategy from 2026 to 2030](#), aiming to address uneven expertise, evidence gaps, and limited integration of evaluation into decision-making. We highlighted the importance of monitoring and evaluation in our good practice guide, [Evaluating government spending: an audit framework](#). Organisations need to ensure that evaluation strategies are aligned with strategic objectives, and that they understand whether there are gaps in evaluation capability and the extent to which previous interventions have worked.

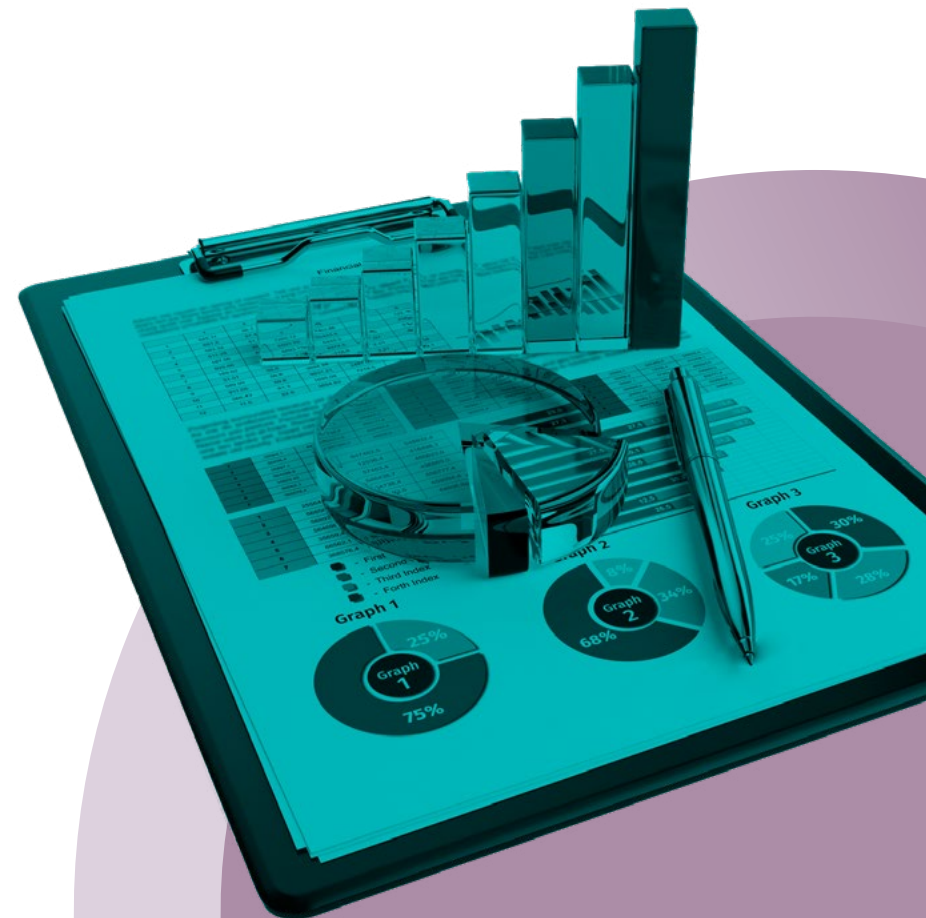
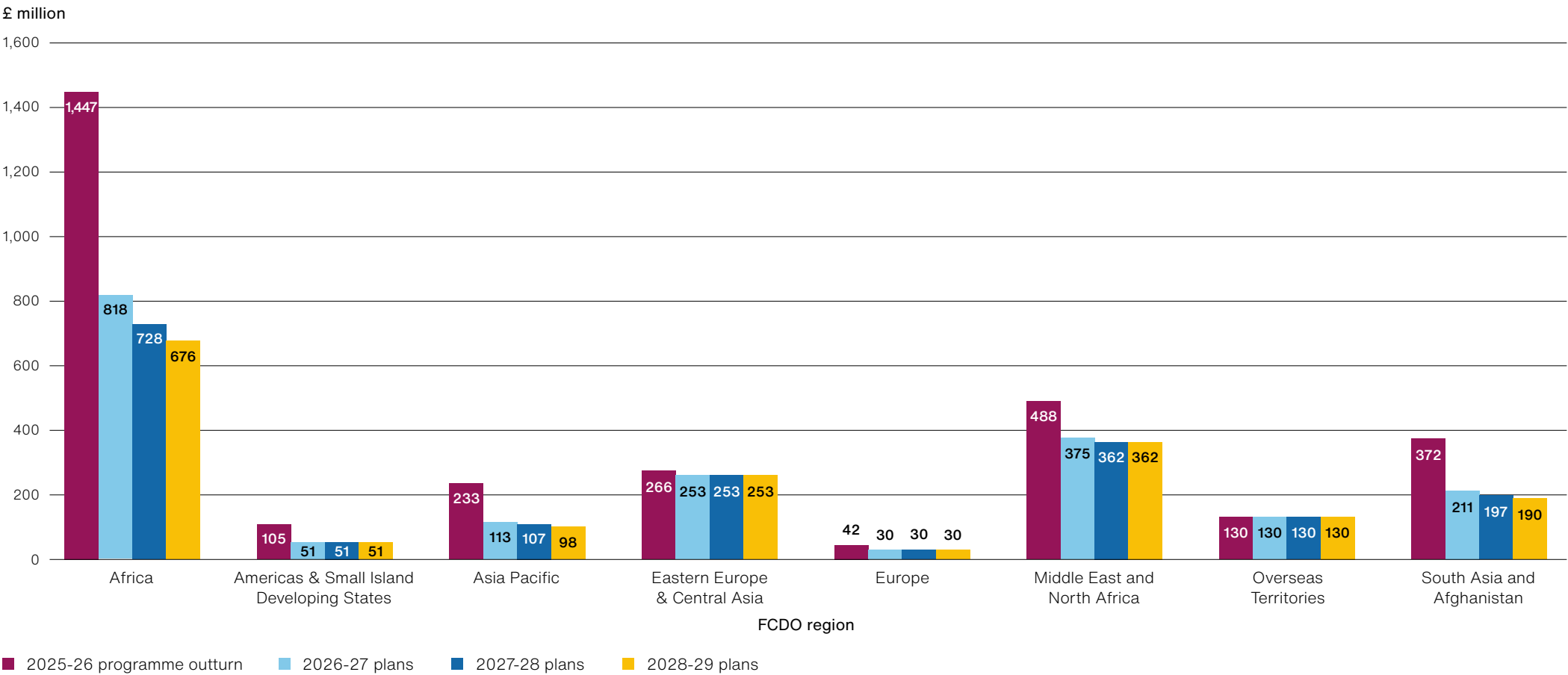


Figure 9
Official Development Assistance (ODA) allocations by Foreign, Commonwealth & Development Office (FCDO) region, 2025-26 to 2028-29

Almost all FCDO regions will see a reduction in ODA allocations between 2025-26 and 2028-29



Note
1 Data published in FCDO's Annual Report and Accounts 2025-26 are based on the financial year.

Risk and resilience – Reductions in ODA country allocations

Reductions in Africa

By 2028-29, at least 13 African countries are expected to see ODA reductions of 50% or more compared with 2025-26 (not including countries classified under 'Other African countries').

Kenya, Malawi, Mozambique and Tanzania, countries with historically significant UK programmes, are facing reductions of 90% or more. FCDO bilateral ODA spending in South Africa will stop as it is a G20 country.

FCDO has stated that, despite these reductions, it expects the share of ODA to sub-Saharan Africa to stay approximately the same due to multilateral spending.

Reductions in other regions

Countries in other regions are also seeing significant ODA reductions. Between 2025-26 and 2028-29, FCDO ODA spending in Indonesia will reduce by 100% since it is also a G20 country, and spending in Nepal will drop by 89%. Bangladesh and Pakistan both face a reduction of 50% or more.

Regional teams and centrally managed regional programmes are also facing substantial reductions, with ODA funding for FCDO's Africa Programmes and Expertise Department reducing by 83%, funding for the Middle East and North Africa team reducing by 100%, and funding for the Caribbean Development Team reducing by 54%.

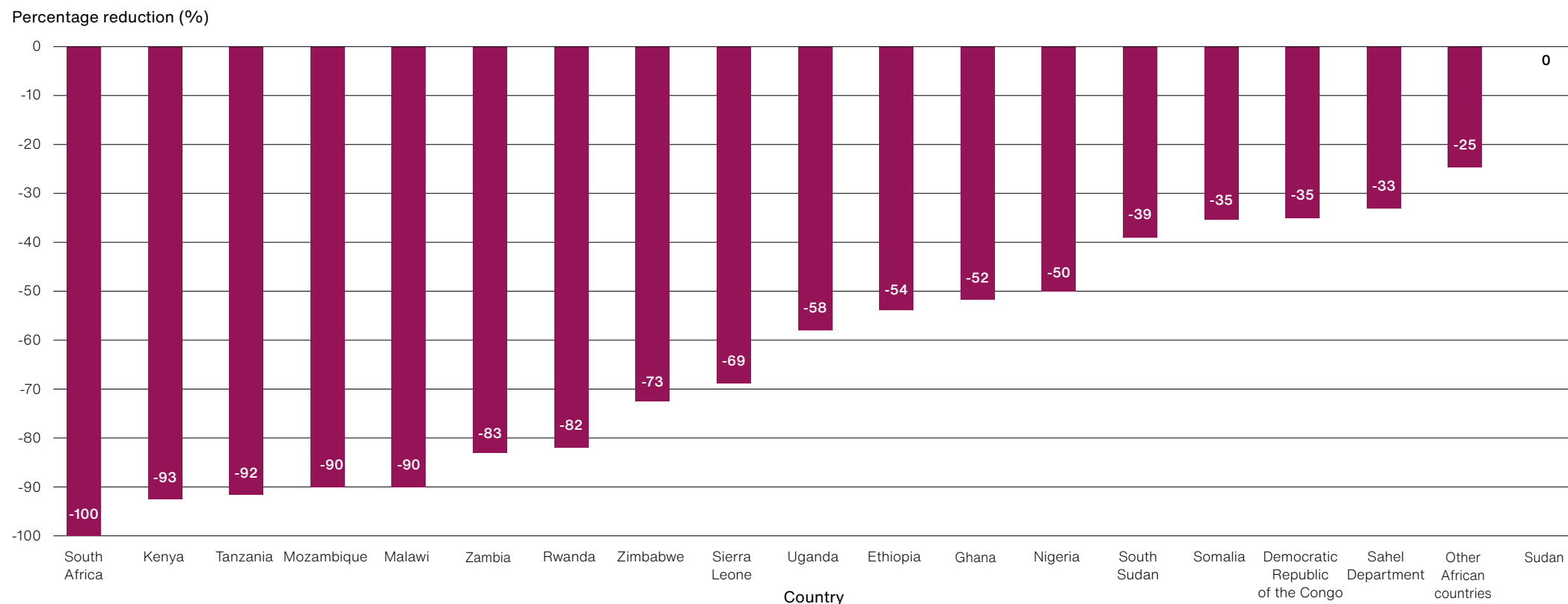
Planned ODA allocations for 'Other South East Asia Pacific countries', which includes countries like Tonga and Vanuatu, will fall to zero by 2028-29.



Figure 10

Percentage reductions in Official Development Assistance (ODA) allocations by country in Africa, 2025-26 to 2028-29

Planned reductions in ODA range from 0% to 100% across countries in Africa



Notes

- 1 Data published in FCDO's Annual Report and Accounts 2025-26 are based on the financial year.
- 2 This figure does not include the Africa Programmes and Expertise Department.
- 3 'Other African countries' includes Cameroon, Chad, Côte d'Ivoire, Eritrea, Eswatini, Guinea, Lesotho, Liberia, Madagascar, Mali, Mauritius, Namibia, Niger, Senegal, Seychelles, the Gambia and the West Africa Department.
- 4 The Sahel Department includes regional programmes.

Risk and resilience – Reductions in ODA country allocations

Continued

Figure 11

Largest Official Development Assistance (ODA) programme reductions in each region by value, 2025-26 to 2028-29

The largest regional ODA programme reductions are expected in Africa and Asia, with reductions of over £90 million

Regional Programmes	2025-26 outturn	2028-29 plans	Reduction	Reduction
	(£mn)	(£mn)	(£mn)	(%)
Africa				
Africa Programmes and Expertise Department	141.5	24.0	117.5	83%
Ethiopia	175.5	80.5	95.0	54%
Nigeria	136.6	68.0	68.6	50%
Americas & Small Island Developing States				
Caribbean Development Team	98.5	45.5	53.0	54%
Other American countries	1.0	0	1.0	100%
Colombia	5.5	5.0	0.5	8%
Asia Pacific				
Other South East Asia Pacific countries	92.3	0	92.3	100%
Myanmar	92.8	55.3	37.5	40%
Indonesia	24.3	0	24.3	100%
Eastern Europe & Central Asia				
Central Asia	17.0	0	17.0	100%
Eastern Neighbourhood	10.5	0	10.5	100%
Other Eastern European & Central Asian countries	0.5	0	0.5	100%
Europe				
Turkey	32.7	23.4	9.3	28%
Western Balkans	8.5	6.5	2.0	24%
Albania	0.8	0	0.8	100%
Middle East and North Africa				
Yemen	148.1	104.3	43.8	30%
Syria	104.1	67.9	36.2	35%
Jordan	51.7	30.9	20.8	40%
South Asia and Afghanistan				
Afghanistan	156.5	105.0	51.5	33%
Pakistan	102.5	51.4	51.1	50%
Nepal	45.8	5.0	40.8	89%

Notes

- 1 Data published in FCDO's Annual Report and Accounts 2025-26 are based on the financial year.
- 2 This does not include the Overseas Territories.
- 3 'Other American countries' includes Argentina, Bahamas, Barbados, Belize, Bolivia, Chile, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Panama, Paraguay, Peru, Trinidad and Tobago, and Uruguay.
- 4 'Other South East Asia Pacific countries' includes Australia, Fiji, New Zealand, Papua New Guinea, Samoa, Solomon Islands, Tonga and Vanuatu.
- 5 'Eastern Neighbourhood' includes Armenia, Azerbaijan, Georgia and Moldova.
- 6 'Other Eastern European and Central Asian countries' includes Belarus and regional spend which cannot be attributed to a single country.

Source: National Audit Office analysis of Foreign, Commonwealth & Development Office, [Annual Report and Accounts 2025-26](#)

Risk and resilience – The overseas network and estate

FCDO's overseas network comprises 280 posts in 180 countries and territories, supported by an estate of around 6,500 properties, and UK and locally based staff. This includes Embassies, High Commissions, residences and associated facilities.

The overseas estate supports 35 government departments and bodies and is essential for delivery of the UK government's global objectives, helping to facilitate diplomacy and promote UK industry abroad. Managing the overseas estate is complex, with additional challenges not experienced in the government's UK estate. Each post is subject to host nation laws and has different exposure to risks. The overseas network enables FCDO to provide consular assistance to British nationals abroad. In 2025-26, it provided consular assistance to over 27,200 British nationals, issued over 28,300 Emergency Travel Documents and coordinated the evacuation of 765 people during the Spring 2026 Middle East crisis.

Overseas Network Review

As part of its FCDO2030 transformation programme, FCDO launched the Overseas Network Review (ONR) in January 2026, which will inform how FCDO rationalises the overall size and shape of the overseas estate, including identifying land and properties it no longer needs.

FCDO intends to use the ONR's recommendations to reconfigure its estate in line with its requirements for FCDO2030. The review is intended to align the size, location and condition of the estate with future diplomatic, development and cross-government

priorities. Since FCDO hosts around 5,000 staff from other government bodies, FCDO will need to consult partners and stakeholders across the network as part of the review.

Maintaining the overseas estate

In May 2025, our report [*Managing FCDO's overseas estate*](#) found that much of the overseas estate was in poor condition. We found that FCDO estimated the cost of addressing the maintenance backlog for its overseas estate, as of November 2024, to be £450 million, and that it had not set out the estate it needed to deliver UK government objectives. We highlighted challenges FCDO needed to address, including poor and incomplete data, capability issues and the need to develop a coherent strategy and delivery plan for its future estate.

The Committee of Public Accounts published its report [*Cost of maintaining the FCDO's overseas estate*](#) in November 2025. This highlighted similar challenges, and the Committee made recommendations to FCDO to address performance issues. FCDO accepted the recommendations and is taking steps in response, such as implementing a new Global Asset Management Plan informed by the ONR, establishing a new Estates Committee, investing in improvements to estates data and systems, and developing an estates capability and workforce plan.

Ensuring a whole-system approach

Our good practice guide [*Overcoming challenges to managing risks in government*](#) highlights the importance of taking a whole-system approach to effectively manage interdependent and interconnected risks. Understanding how risks interact and affect organisations across organisational and departmental boundaries will be important for FCDO as it conducts the ONR.

Property lease liabilities

As part of its estate portfolio, FCDO leases properties, both overseas and in the UK, including residences, offices and other operational buildings. A lease liability represents the present value of committed future lease payments. As of 31 March 2026, FCDO held 3,267 leases in the UK and overseas for residential properties and 378 for non-residential properties, with a total liability of £612 million. The most significant leases were:

- King Charles Street – liability of £298 million, held with the Government Property Agency (GPA);
- UK Mission New York – liability of £33 million;
- Abercrombie House – liability of £12 million, held with the GPA;
- UK Embassy Beijing – liability of £8 million; and
- Abuja compound, Nigeria – liability of £8 million.

FCDO leads the UK's response to international crises through diplomacy, humanitarian assistance and consular support to British nationals. Conflict and climate shocks are causing more frequent and complex crises. The United Nations estimated that the number of people requiring urgent humanitarian assistance and protection as a result of crises increased from 168 million in 2020 to 239 million by the end of 2025.

Responding to sudden-onset humanitarian crises

Some crises occur suddenly, such as earthquakes, and are known as sudden-onset crises. In June 2026 our report, [Responding to sudden-onset humanitarian crises](#), found that FCDO's Humanitarian Crisis Response Department (HCRD) supported the overseas network in responding to 19 sudden-onset humanitarian crises between late-2021 and 2025.⁴ HCRD support included relief items, deploying experts and rapid funding through the Humanitarian Crisis Fund (HCF).⁵ The cost of HCRD-supported responses between 2023-24 and 2025-26 was £86.8 million, including funding for delivery partners.

FCDO has strong operational arrangements for responding rapidly to a range of humanitarian crises and could quickly mobilise expertise and relief items. However, the changing humanitarian context means it will increasingly have to prioritise its responses.

While FCDO has a high-level vision for its rapid response capabilities, it lacks a strategic assessment of its future needs for humanitarian capabilities and consolidated cost and performance information. Without addressing these limitations, FCDO risks undermining its ability to maximise long-term effectiveness and value for money of its crisis response functions.

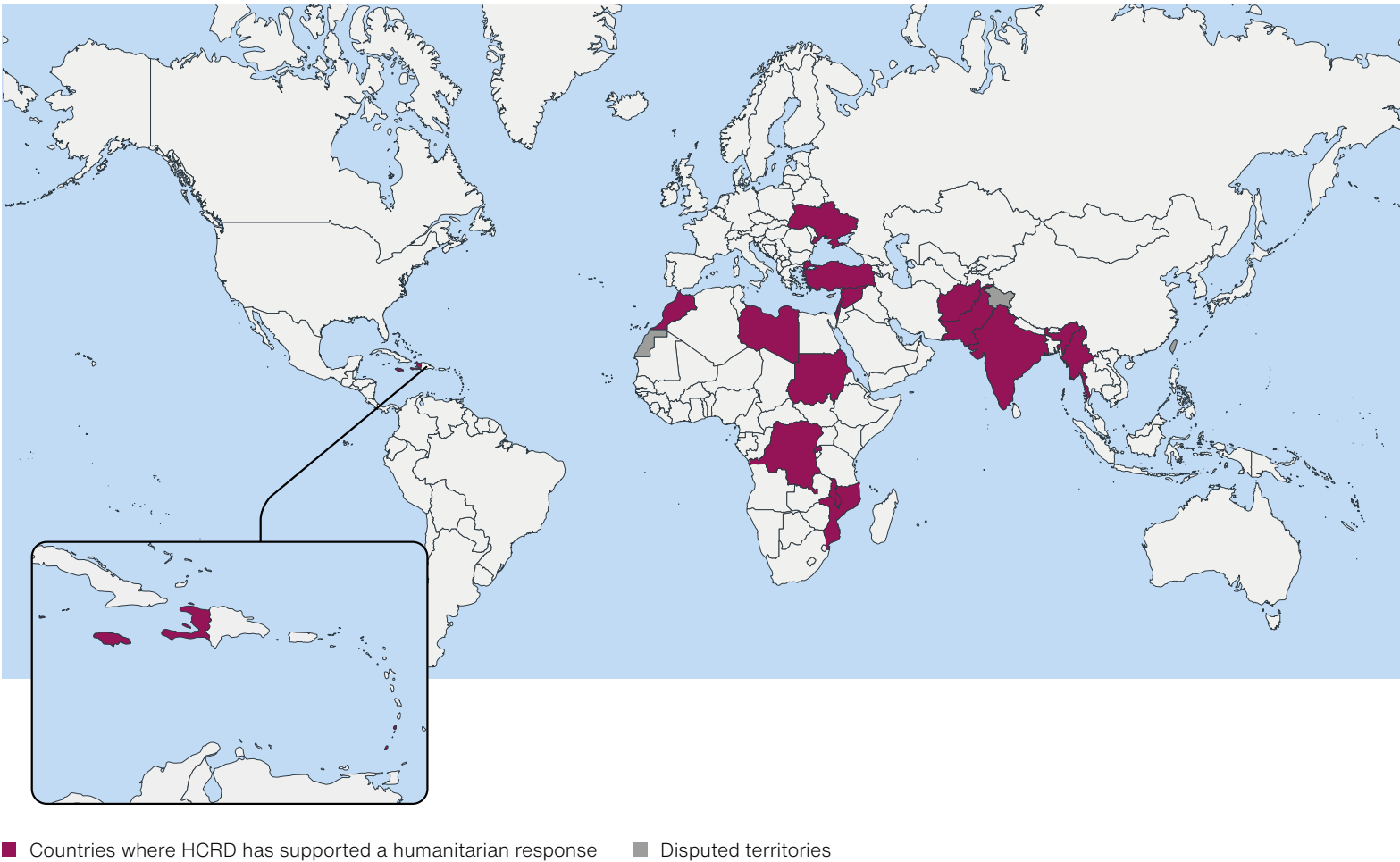


⁴ HCRD is now the Conflict and Humanitarian Operations and Response Department.

⁵ The HCF was £100 million in 2025-26 and is £75 million from 2026-27.

Figure 12
Countries where the Humanitarian Crisis Response Department (HCRD) supported responses to sudden-onset humanitarian crises, 2021 to 2025

HCRD has supported 19 sudden-onset humanitarian responses across the world since December 2021



- Notes**
- 1 This map does not necessarily represent the views of the UK government on boundaries or political status. It has been designed for information purposes only and should not be considered an authority on the delimitation of international boundaries.
 - 2 HCRD is a team within the Foreign, Commonwealth & Development Office (FCDO) that leads on UK responses to sudden-onset humanitarian crises.
 - 3 This figure does not include small- and medium-scale crises responded to directly by posts using their own resources.
 - 4 The 19 crises supported between December 2021 and October 2025 were: the Afghanistan crisis (2021), the Tonga volcanic eruption and tsunami (2022), the Ukraine conflict (2022), the Pakistan floods (2022), Cyclone Freddy in Malawi (2023) and in Mozambique (2023), the Turkey–Syria earthquake (2023), the Sudan conflict (2023), the Morocco earthquake (2023), the Libya floods (2023), the Israel–Occupied Palestinian Territories crisis (2023), Hurricane Beryl (affecting Saint Vincent and the Grenadines, Grenada, and the Cayman Islands) (2024), the Israel–Lebanon conflict (2024), the Marburg virus disease outbreak in Rwanda (2024), the Vanuatu earthquake (2024), conflict escalation in the Democratic Republic of the Congo (2025), the Myanmar earthquake (2025), India–Pakistan escalation (2025) and Hurricane Melissa (Haiti and Jamaica) (2025).

Source: National Audit Office analysis of Foreign, Commonwealth & Development Office data 2026

Although not one of FCDO’s principal risks, climate change is a significant cross-cutting risk and a priority in FCDO’s development work. The UK’s new International Climate Finance strategy commits around £6 billion of ODA alongside an additional £6.7 billion of public finance between 2026-27 and 2028-29 to tackle climate change and nature loss.

FCDO considers a joined-up approach to development and climate essential. In 2025-26, the UK’s international climate action focused on accelerating the global clean energy transition, strengthening resilience, and mobilising climate finance at scale, particularly in developing and climate-vulnerable contexts. An example of existing programming with this approach is the Transforming Energy Access platform, which improved clean energy access for 6.7 million people, leveraged £230 million in investment, and created or supported 57,000 green jobs.

International Climate Finance (ICF)

ICF is UK government finance to support developing countries to prevent and address challenges caused by climate change, biodiversity loss and environmental degradation, or to reduce emissions. It contributes to the UK’s international commitments under the 2015 Paris Agreement. In 2025-26 four government departments, FCDO, the Department for Energy Security & Net Zero, the Department for Environment, Food & Rural Affairs and the former Department for Science, Innovation & Technology had responsibility for delivering ICF.

The previous ICF commitment period

In its previous commitment period, the UK committed to spending £11.6 billion of ICF from 2021-22 to 2025-26, with programmes worldwide using a mix of grants, loans, technical assistance, guarantees and multilateral funding.

Cumulative estimated ICF results between 2011 and 2025 were:

Total programmes	395 programmes reported results
Climate adaptation	137 million people supported to better adapt to climate change
Finance mobilisation	£21 billion public and private finance mobilised
Emissions reduction	145 million tonnes of greenhouse gas emissions reduced or avoided
Land management	12 million hectares of land under sustainable management practices
Access to clean energy	89 million people with improved access to clean energy

The new ICF strategy

In June 2026, the UK published a [new ICF strategy](#), placing greater emphasis on mobilising public and private capital and benefits to the UK and partner countries. The UK committed to spend around £6 billion ODA, alongside £6.7 billion of additional public finance including through British International Investment, UK Export Finance and guarantees to multilateral development banks from 2026-27 to 2028-29. Intended benefits for the UK include improved energy security, resilience to global shocks, and the protection of ecosystems that contribute to the UK’s prosperity and security. The strategy is organised around four priorities.

- Mobilise public and private capital at scale.
- Transform the global energy system to deliver clean and affordable energy for all.
- Accelerate a transition to climate-resilient communities, economies and ecosystems.
- Safeguard and sustain nature.

In 2025 ICAI's review of UK aid for energy transition found that the UK had made a significant contribution to supporting energy transition in developing countries but highlighted a need for better portfolio management and a more systematic approach to assessing value for money.

Climate disclosures

From 2025-26, all UK government departments include disclosures aligned with the Taskforce for Climate-related Financial Disclosures (TCFD) in their annual report. This framework is intended to improve transparent disclosure of climate-related risks. FCDO has not yet achieved full compliance with TCFD disclosures around strategy, risk management and metrics and targets. This means that in 2025-26 it could not articulate its exposure and response to specific material climate-related risks. However, it is making progress including commissioning an external review to inform work that could strengthen climate risk governance, metrics and reporting. In 2025-26, FCDO reported 17,501 tonnes of carbon dioxide equivalent greenhouse gas emissions from international air travel by staff in the UK. FCDO is not currently able to report on its emissions from its overseas estate but aims to report this in future years.



The National Audit Office (NAO) is the UK's independent public spending watchdog and is responsible for scrutinising public spending for Parliament. We audit the financial accounts of all departments, executive agencies, arm's-length bodies, some companies and charities, and other public bodies. We also examine and report on the value for money of how public money has been spent.

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About this report

This report has been produced to provide an overview of the NAO's examination of the spending and performance of the Foreign, Commonwealth & Development Office (FCDO).

It is intended to support the Foreign Affairs Committee, International Development Committee and members across the House in their examination of FCDO.

This report updates our previous report, [An Overview of the Foreign, Commonwealth & Development Office 2024-25](#) published on 4 December 2025.

How we have prepared this report

The information in this report draws on the findings and recommendations from our financial audit and value-for-money work, including the annual report and accounts of FCDO and its partner organisations. In some cases, to provide the most up-to-date information, we have drawn on information from publicly available documents. We have cited these sources throughout the guide to enable readers to seek further information if required.

Where analysis has been taken directly from our value-for-money or other reports, details of our audit approach can be found in the Appendix of each report, including any evaluative criteria and the evidence base used. Other analysis in the guide has been directly drawn from publicly available data and includes the relevant source as well as any appropriate notes to help the reader understand our analysis.