



GREEN CITIES, INFRASTRUCTURE AND ENERGY PROGRAMME (GCIEP)

The commercial and development case for combining ODA and non-ODA in FCDO programming

GCIEP's ability to combine official development assistance (ODA) and non-ODA funds has enabled a dynamic response to partner government requests. While the majority of GCIEP spend has been ODA, focused on development objectives, which are explored in the examples below, GCIEP has deployed non-ODA in a number of cases, with a focus on assessing and enabling commercial opportunities for UK businesses. This learning note sets out learning from a number of examples, with the objective of informing the design of future FCDO programmes.

Implemented between 2023 and 2026, the £70 million FCDO-funded Green Cities Infrastructure and Energy Programme (GCIEP) was a demand-driven initiative focused on sustainable green cities and climate-resilient infrastructure in lower-income countries. As the flagship programme of the UK's Centre of Expertise for Green Cities, Infrastructure and Energy, GCIEP has supported the UK Government's mission to accelerate investment in, and delivery of, infrastructure and urban development that is responsible, reliable, inclusive, low-carbon and climate-resilient. Among many other results, the programme has contributed to more than 33 adopted policy or regulatory changes and mobilised £988 million in infrastructure financing.

Definitions: ODA and non-ODA funding

Official Development Assistance (ODA): Financial flows provided by UK government bodies for technical assistance in countries on the OECD development assistance committee (DAC) list or recognised multilaterals, aimed primarily at promoting inclusive economic development and poverty alleviation in developing countries.

Non-ODA funding: UK government international spending that does not meet DAC ODA criteria, such as support not targeted at DAC listed countries, activities without development as the primary objective, or finance that is non concessional (e.g., export credits, guarantees).

The rationale for delivering non-ODA alongside ODA

With UK ODA set to fall to around 0.3 per cent of GNI, the UK's development impact increasingly depends on what its aid can mobilise and on the capability UK business can supply.

Where UK strategic and commercial gains flow from ODA-funded work they are described as secondary benefits, but the spend remains ODA. Non-ODA is different: funding deployed directly in pursuit of UK strategic and commercial objectives, whether standalone or as a discrete work package alongside ODA programming.

There are several important benefits of combining non-ODA and ODA:

- **Integrated problem-solving for mutual benefit:** Non-ODA lets the programme leverage its enabling-environment and finance-mobilisation work for UK benefit, and inform ODA programming with insights into the barriers and opportunities facing international business, including UK firms. This can contribute to better-focused ODA-supported reform, and positions UK capability to compete.
- **Protecting the integrity of ODA:** Delivering the UK commercial activity through non-ODA, with its own activities, deliverables and funding, keeps the ODA budget directed at its primary poverty-reduction objective. The two run alongside each other without ODA being drawn into work it should not fund.
- **Lower costs:** A standalone non-ODA work package carries procurement, mobilisation and governance overheads. When integrated into a large programme, such as GCIEP, these can be reduced and managed more cost-effectively.

GCIEP's experience is that enabling environment work is best funded as ODA, since it benefits the partner country and international business generally, with non-ODA reserved for the UK-specific opportunity: government-to-government pipeline development, commercial diplomacy and the targeted support that helps UK firms convert ODA-created openings into business.

Knowing when to apply non-ODA funding

Clear scoping of projects and assessment of market readiness are needed in a particular country or city context, before designing opportunity-focused work packages and determining whether a non-ODA or ODA approach is appropriate. Non-ODA is best directed where there is a large and recognised opportunity for UK business and finance, with credible UK commercial interest and a commitment to pursue it. For example, in Malaysia, GCIEP applied non-ODA funding to identify 10 projects that could represent "win-wins" for the Malaysian Government's progress towards Net Zero and Green Transport goals and for UK business opportunity. However, most of these projects required additional TA and a blended finance approach, suggesting that future projects would likely benefit from using non-ODA funding to assess government needs before progressing to ODA funded collaboration.

Similarly, in Nigeria, the original objective to advance projects and mobilise UK investment assumed a level of commercial readiness that was not present when the team conducted its market assessment and gauged UK interest. A phased approach, starting with market assessment and barrier analysis, would support more realistic and effective delivery design.

The right skill set for non-ODA work

GCIEP's experience has also provided learning on the skills required by delivery teams, to make effective use of non-ODA funded work streams. It requires a distinct skillset spanning commercial framing, UK supplier identification and business-to-business (B2B) engagement. Strong familiarity with the objectives and ways of working of the UK Department for Business and Trade (DBT) is also necessary and delivery teams should engage with relevant DBT staff before and during implementation to ensure alignment. This mix of skills needs to be resourced explicitly from the outset.

Examples from Vietnam, Malaysia and Nigeria

Vietnam: Rail sector visits between Vietnam and UK to complement ongoing urban rail technical assistance

In Vietnam, limited non-ODA funding deployed alongside GCIEP's ODA-funded work connected UK firms directly to procurement opportunities generated by enabling environment reform work, delivering more for less. GCIEP's ODA support is an important contributing factor to unlocking a forecast US\$84 billion in downstream investment in TOD projects, as forecast by the Government of Vietnam.¹

GCIEP has made strong progress in supporting national and city governments partners to advance Vietnam's transit-oriented development (TOD) agenda from concept to implementation. This included the development and review of a range of TOD-related resolutions and policy frameworks in Vietnam's two largest cities, Hanoi and Ho Chi Minh City (HCMC). It also provided recommendations and capacity building to strengthen Hanoi MRB's ability to establish and operationalise a dedicated TOD Office, delivered a TOD diagnostic, land value capture (LVC) financing mechanisms, and a TOD strategic framework. In addition, CI has led the UK support to the Government of Vietnam in establishing a Centre of Expertise for BIM in Vietnam's Rail sector.

Beside this ODA work, structured non-ODA engagements have strengthened partnerships and support UK commercial and trade objectives. Outward and inward visits of UK rail sector stakeholders and Vietnamese city officials were facilitated in January and March 2026, respectively, and resulted in enhanced implementation of the UK-Vietnam Comprehensive Strategic Partnership and strengthened engagement with TOD, BIM implementation agencies, and city departments. This strengthened connections between the UK's public and private sector TOD and rail sector expertise and Vietnam's rail and TOD market and fostered longer-term partnerships and investment opportunities.

¹ TBC

Malaysia: Strengthening UK–Malaysia collaboration in green mobility

In Malaysia, GCIEP integrated climate-impact assessment and climate-finance eligibility guidance into a multi-criteria analysis that shaped a shortlist of ten priority green transport projects aligned with Malaysia's NDC 3.0 and Net Zero 2050 ambition. The aim of this work package was to support Malaysia's transition towards a more sustainable, integrated and low-carbon transport system, aligned with national policy priorities and Malaysia's longer-term net zero ambitions, by leveraging UK expertise and strengthening UK–Malaysia collaboration in green mobility. The projects were identified in collaboration with government and DBT, and assessed using the Five Case Model and Green Book principles, ranging from large infrastructure investments to more “simple and pragmatic” service and integration improvements.

The UK–Malaysia Green Transport Dialogue, held in February 2026, then brought together over 120 participants, including senior policymakers, transport authorities, private sector stakeholders, and UK and Malaysian experts, helping to align on practical steps to accelerate green transport delivery. The work package also identified entry points for UK support, particularly in advisory and systems integration, and proposed follow-on engagement, including a potential UK–Malaysia working group.

Nigeria: Advancing priority waste-to-value (W2V) opportunities while also expanding commercially viable opportunities for UK firms

It is estimated that Nigeria is missing out on access to the global circular economy market – valued at US\$10 billion – due to underdeveloped

recycling and waste-to-value initiatives. GCIEP conducted a comprehensive analysis of waste-to-value opportunities across the states of Lagos, Ogun, Kano and Abia. The project was originally designed as an ODA initiative, and the opportunity proved to be primarily developmental rather than commercial at this early stage. However, given limited near-term commercial appetite from UK companies, the focus shifted from identifying a pipeline of bankable projects to enable priority waste-to-value initiatives, towards strengthening the UK Government's understanding of the sector and identifying structural constraints to investment.

In line with the non-ODA element of the project, the work package assessed 12 sub-sectors across the four states, identifying the top five aligned with UK capabilities. Findings were synthesised into two additional outputs: one tailored to UK businesses, highlighting commercially viable entry points and market opportunities, and another targeted at Nigerian government stakeholders, outlining key regulatory, operational and investment barriers alongside recommended actions to strengthen the enabling environment for investment. The work also facilitated initial links between a UK firm and Kano State, with further engagement supported by DBT.

Learning from GCIEP:

- Combining non-ODA with ODA funding can create powerful and complementary opportunities for UK trade and growth, alongside development objectives.
- Non-ODA programming works best when treated as a strategic multiplier on ODA investment, through a ‘bolt-on’ approach, rather than a standalone commercial offer.
- Delivering non-ODA work packages requires a distinct skillset spanning commercial framing, UK supplier identification and business-to-business (B2B) engagement that needs to be resourced explicitly from the outset.
- Clear scoping of projects and assessment of market readiness are needed before designing opportunity-focused work packages and determining whether a non-ODA or ODA approach is appropriate. If not clear, it is less likely to deliver for development or for UK growth.
- Non-ODA budget should be focused on opportunities with a large and recognised potential for UK business and finance, where there is credible UK commercial interest and a commitment to pursue it. There should be a high-bar for proving this and a strategic role for DBT to prioritise among competing opportunities – e.g. sector teams and/or trade commissioners.
- Where the opportunity is less clear, a phased approach is recommended, beginning with a proportionate market assessment – including UK business engagement – before committing to a larger intervention. This will deliver better value for money.

GCIEP is a demand-driven initiative focused on sustainable green cities and climate-resilient infrastructure in lower-income countries. As the flagship programme of the UK's Centre of Expertise for Green Cities, Infrastructure and Energy, GCIEP supports the UK Government's mission to accelerate investment in, and delivery of, infrastructure and urban development that is responsible, reliable, inclusive, low-carbon and climate-resilient.

A significant proportion of GCIEP's work is carried out in seven priority countries: Ethiopia, Ghana, Indonesia, Philippines, Mozambique, Vietnam and Zambia, where a Deep Offer programme provides long-term, systemic interventions focused on transformative change and infrastructure financing.

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The UK's Green Cities, Infrastructure and Energy Programme accelerates the delivery of sustainable green cities and climate-resilient infrastructure – tackling climate change and extreme poverty.