

Department for International Development Mid-Year Report to Parliament

April to September 2013

Mark Lowcock, Permanent Secretary

Contents

Executive Summary	3
Financial Performance	5
Major Projects	9
People	10
Annex A- Input and Impact Indicators	
Annex B- Expenditure by Key Programme/ major policy area	
Glossary	

Executive Summary

The Department continues to make progress against its six key priorities. The table below tracks progress and risk associated with the achievement of these objectives in 2013-14.

Coalition Priority	Key Achievements and Challenges April to September 2013
<p>G</p> <p>1. Boost economic development by supporting programmes for growth and poverty reduction in developing countries</p> <ol style="list-style-type: none"> 1.1 Build support for open markets and economic development 1.2 Collaborate more closely with the private sector on development 1.3 Implement CDC (formerly Commonwealth Development Corporation) Business Plan 1.4 Harness new technology for development 1.5 Advance higher education as an enabler for growth and development 	<ul style="list-style-type: none"> • Introduced new web-based tools so people in the developing world better understand how trade policy affects them. • Worked with Cabinet Office to deliver a UK G8 Presidency event to increase international awareness of the social impact investment market. • Worked closely with other government departments to develop and launch the DEFRA/BIS-led Agritech Strategy, developing mechanisms by which UK science can have a greater impact on international development objectives. • Led a delegation of 18 UK and international businesses to Tanzania, launching the UK/Tanzania Prosperity Partnership and announcing a scale up of DFID's economic development programming including 4 planned new DFID co-investments using equity or returnable capital, a new strategic partnership with the London Stock Exchange Group to support capital market development in East Africa and a Logistics for Trade Challenge Fund through TradeMark East Africa.
<p>G</p> <p>2. Honour international commitments</p> <ol style="list-style-type: none"> 2.1. Honour UK commitment to spend 0.7% of gross national income as official development assistance from 2013, enshrine this commitment in law and encourage other countries to fulfil their aid commitments 2.2. Maintain momentum on actions to achieve the Millennium Development Goals (MDGs) with a focus on services for poor people. 2.3. Shaping the future: Leading international thinking on development 	<ul style="list-style-type: none"> • Based on latest estimates, DFID remains on track to ensure 0.7% of gross national income is spent as ODA by end of December 2013 • Ensured the MDG Countdown event 2013 effectively drew international attention to MDG successes and lessons learned - particularly in relation to delivering for girls and women.
<p>G</p> <p>3. Drive transparency, value for money and open government</p> <ol style="list-style-type: none"> 3.1. Build open societies and institutions in our partner countries 3.2. Increase the effectiveness of DFID's approach to anti-corruption and counter fraud 3.3. Focus DFID's programmes on results 3.4. Use transparency to drive development and increase the involvement of poor people in development worldwide 3.5. Implement a new Digital Strategy to improve transparency and efficiency 	<ul style="list-style-type: none"> • DFID has supported a number of partner countries to join the Open Government Partnership. Malawi has joined and three other partner countries have also stated an interest/ intention to join. • Ensured all Governance advisers and key finance posts are certified to the level required on the anti-corruption and counter-fraud accreditation framework. • A follow-up report to the Multilateral Aid Review was published in December 2013. • A Digital advisory panel has been created to review and challenge how we deliver our Digital Strategy. • Under the Aid Transparency Challenge, traceability pilots with civil society organisations and DFID suppliers are on track – multilateral pilots remain challenging. UK Development Tracker has been launched. • DFID's inaugural supplier conference was held on 17th July 2013 at the BIS Conference Centre, London. Over 30 of DFID's key suppliers, including private sector companies, NGOs and SMEs attended the conference alongside senior DFID representatives for a series of presentations and workshops focussing on the theme Supplying Value.

<p>G 4. Strengthen governance and security in fragile and conflict-affected countries and make UK humanitarian response more effective.</p> <ol style="list-style-type: none"> 4.1. Increase the effectiveness of DFID's approach to governance reform in fragile and conflict-affected countries 4.2. Improve DFID and UK Government effectiveness in conflict prevention, including through support to the Strategic Defence and Security Review (SDSR) in the National Security Council 4.3. Improve effectiveness of DFID investments in fragile and conflict-affected countries 4.4. Improve effectiveness of UK and international humanitarian response and preparedness 	<ul style="list-style-type: none"> • New security and justice programmes already being implemented in Jamaica, Sierra Leone, Afghanistan, Ethiopia, Pakistan, Malawi, Kenya, Nigeria and Libya. • DFID coordinates closely with the FCO on the six-monthly Friends of Yemen meetings to provide effective political support to transition including implementation of key reforms. • In a challenging environment, supporting the Federal Government of Somalia to develop and deliver their priorities for Somalia; robust public financial management, building political stability and improved security and justice.
<p>G 5. Lead international action to improve the lives of girls and women</p> <ol style="list-style-type: none"> 5.1. Lead international action to empower girls and women 5.2. Lead international action to improve maternal health and access 	<ul style="list-style-type: none"> • Assessed progress of international organisations on delivering for girls and women where this was identified as a reform priority following the Multilateral Aid Review (MAR) – analysis of the outcomes are presented in the follow-up report to the MAR published in December 2013. • A briefing paper has been issued to all staff working in countries affected by emergencies to ensure risk assessments for violence against women and girls are undertaken in all UK funded humanitarian support. • Business cases have been prepared for a programme of support to implement the UK's commitments to contribute to helping 120 million additional women access family planning. • A programme has been set up to reduce the practice of female genital mutilation. • Mid-term review of the Reproductive, Maternal and Neonatal Health Framework for Results was completed in December 2013. • Eliminating violence against women and girls is a strategic priority for DFID Afghanistan. In November 2013 an additional £18.5m funding was announced to support women's involvement in the political process, and to help to address the root causes of violence against women through strengthening access to justice for women victims of violence in Afghanistan. • Worked in partnership with the Nike Foundation to bring private sector expertise into DFID's strategy on gender equality.
<p>G 6. Combat climate change</p> <ol style="list-style-type: none"> 6.1. Support developing countries' climate adaptation and low-carbon growth 6.2. Make DFID more responsive to climate change and resource scarcity 	<ul style="list-style-type: none"> • Enhanced developing countries' access to private finance by attracting new private sector investors or sovereign wealth funds to the climate public-private partnership programme. • Implemented projects and programmes in six countries to help at least one million people cope with the effects of climate change. • Progress is being made to ensure that climate change risks and opportunities are identified and addressed across DFID's country programmes and other major policy and spending through implementation of Strategic Programme Reviews, which were completed to a minimum standard by the December 2013 deadline. • The design of the Green Climate Fund is moving ahead in line with UK aims for a clear focus on innovation, effectiveness and results. • Supported the establishment of the Climate Innovation Centre (CIC) in Kenya, with the second CIC due to launch in Ethiopia in early 2014.

Financial Performance

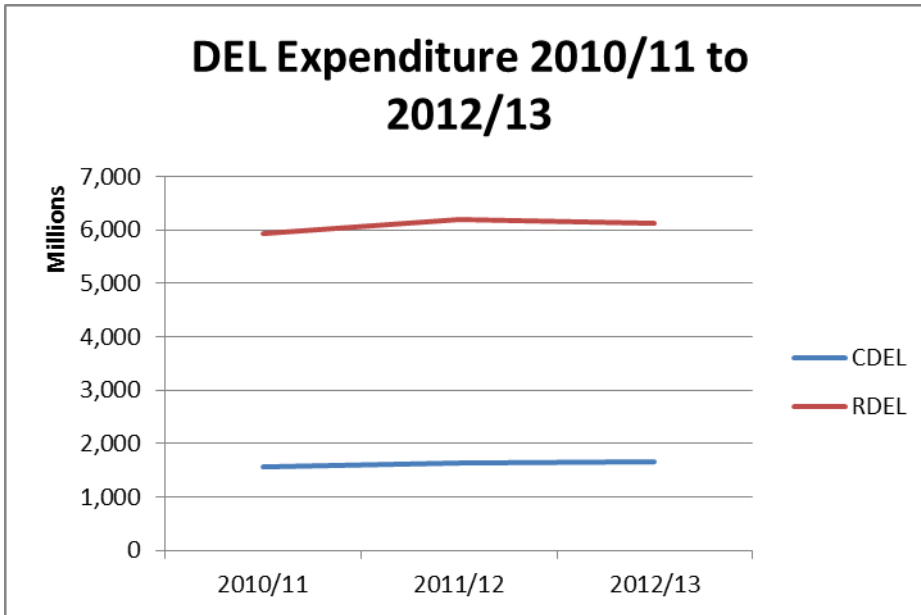
Financial Performance	Resources (£'000)			Capital (£'000)		
	Annual Plan 2013/14	Actual to September 2013	Actual to September 2012	Annual Plan 2013/14	Actual to September 2013	Actual to September 2012
Total Departmental Expenditure Limit (DEL)- Voted	7,666,500	2,788,686	2,137,591	1,925,000	712,612	664,246
Africa, South & East Asia & Western Hemisphere	2,960,470	1,039,687	941,197	291,102	87,932	84,587
Corporate Performance & Central Department	145,920	44,362	31,282	-13,840 ¹	14,293	610
Policy & International	3,031,321	1,161,166	953,331	1,701,098	601,532	573,851
West Asia, Middle East, Security and Humanitarian	1,335,856	533,790	204,585	20,014	8,855	5,198
Permanent Secretary	4,047	1,959	1,915	0	0	0
Conflict Pool	28,850	7,722	5,281	0	0	0
Contingency	160,036			-73,374		
Total Departmental Expenditure Limit (DEL)- Non Voted	910,000	0	0	0	0	0

- DFID are planning to make a resource to capital switch at the supplementary estimate to fund an increase in non-fiscal capital spending, off-setting a reduction in fiscal spending. This budget is held within contingency RDEL, with a corresponding negative budget within contingency CDEL. The balance within contingency RDEL relates to unallocated funds which are expected to be utilised in full by financial year end.
- DFID's non-voted budget is solely for DFID's share of EC Attribution which is recorded annually in December. EC Attribution for 2013/14 is likely to be lower than the £910m budget. Non-voted funding cannot be used for voted expenditure unless this budget is re-assigned as voted budget during the estimate process. HM Treasury has not approved DFID to switch this budget during the 2013/14 supplementary estimate.
- DEL spend in the 6 months to 30 September 2013 was 33% of the full year budget and on track. Many of DFID's larger payments to multilateral organisations such as European Development Fund and International Development Association are scheduled in the second half of the year, along with the scoring of EC Attribution in December.
- There are increases in year to date spend from 2013 in most areas as DFID scales up to deliver 0.7% Official Development Assistance (ODA) : Gross National Income (GNI). In addition to planned scale up, West Asia, Middle East, Security and Humanitarian increased expenditure reflects the Department's increasing response to the Syria crisis.

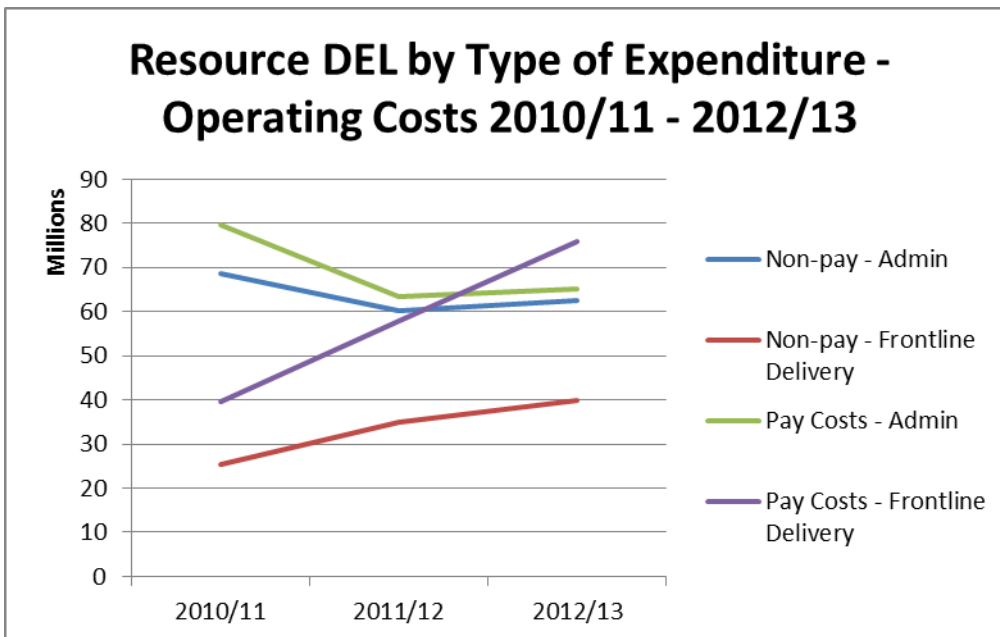
¹ Negative value relates to loan receipts

Financial Performance	Resources (£'000)			Capital (£'000)		
	Annual Plan 2013/14	Actual to September 2013	Actual to September 2012	Annual Plan 2013/14	Actual to September 2013	Actual to September 2012
Total Annually Managed Expenditure (AME)- Voted	291,600	-78,756	-38,956	0	0	764
Africa, South & East Asia & Western Hemisphere	-1,492	-583	-627	0	0	0
Corporate Performance & Central Department	259,092	-34,619	-26,986	0	0	764
Policy & International	34,000	-43,554	-11,343	0	0	0
Total Annually Managed Expenditure (AME)- Non Voted	0	0	0	0	0	0

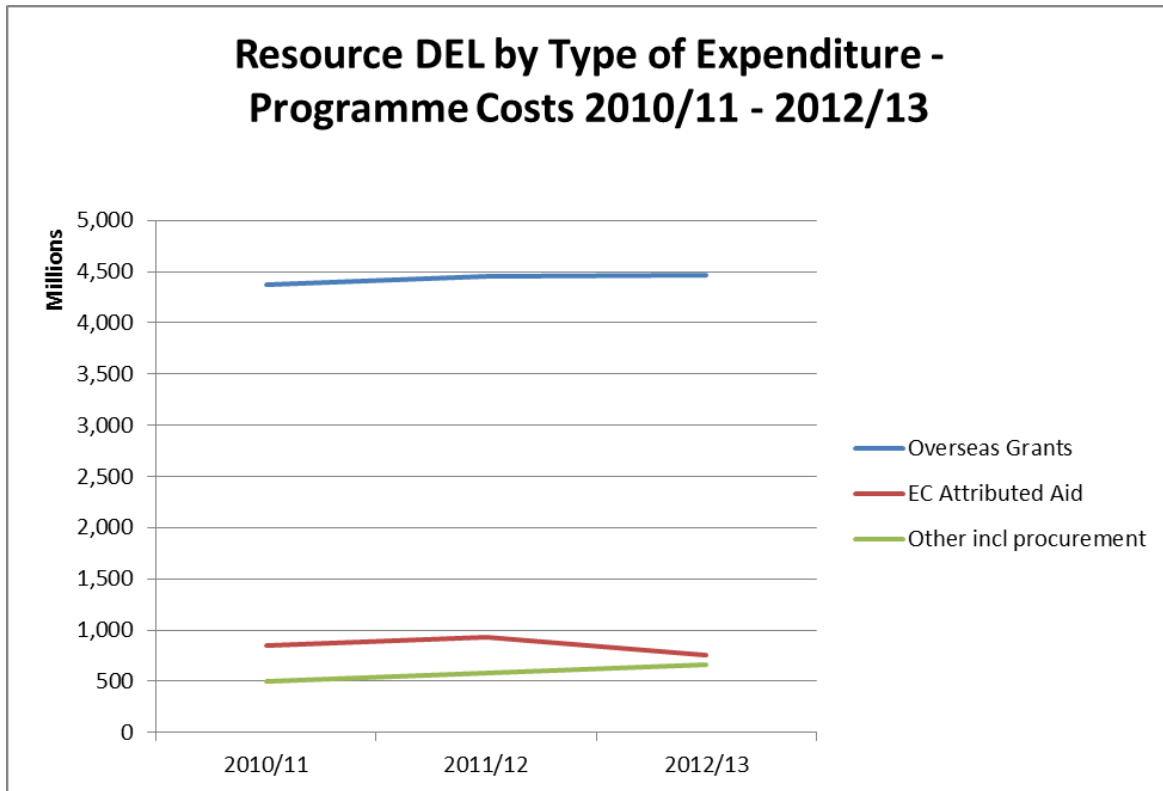
- AME in the 6 months to 30 September 2013 was solely non cash transactions relating to the utilisation of existing provisions (credits) in relation to vaccination development programmes managed by International Finance Facility for Immunisations (IFFIM) and Advanced Market Commitment (AMC). While DFID expect to make additional provisions in the next 6 months to cover further bond issues, this will be less than had been originally anticipated and a corresponding reduction in AME will be made at the supplementary estimate.



DFID's RDEL and CDEL budgets were set in the 2010 Spending Round on the basis of delivering ODA of 0.56% of GNI in calendar years 2011 and 2012. 2013 is the first year that the UK Government will deliver 0.7% ODA / GNI and DFID's 2013/14 RDEL and CDEL budgets increase to enable this.



DFID's total operating costs fall into two categories – those that directly support frontline delivery of programmes and those that provide indirect administrative support. DFID's core administration costs will reduce by one third reduction by 2014/15 from a 2010/11 baseline. Frontline delivery costs increased in 2011/12 and 2012/13 to ensure the department built a strong pipeline of good quality programmes as the programme budget increased.



The majority of DFID's Resource DEL comprises grants through a variety of channels including partner governments, non-government organisations (NGOs) and multilateral organisations.

Approximately one third of 2012/13 overseas grants was bilateral aid (sector or country specific) delivered through multilateral organisations. Circa 25% were core contributions to multilateral organisations including Global Fund for Aids, TB and Malaria (GFaTM), European Development Fund (EDF) and Global Alliance for Vaccines and Immunisation (GAVI) and circa 20% was assistance to partner governments, either through budget support or other development assistance.

Major Projects

Details of the St Helena Airport project can be found at the Major Projects Authority Annual Report [here](#):

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/203203/gmpp-data-DfID-q2-2012-13a.csv/preview

People

Whole Department Family Workforce Size ²	30-9-2013			30-9-2012		
	London	East Kilbride	Overseas	London	East Kilbride	Overseas
HCS	728	560	509	690	512	470
HCS (not in Headcount)	106	6	33	112	10	24
Fast stream	38	14	28	45	12	22
Fast stream (not in Headcount)	7	1	4	9	1	1
SAIC	0	0	971	0	0	895
Parliamentary (not in Headcount)	17	0	0	13	0	0
Graduate Programme (not in Headcount)	24	28	0	30	22	0
DFID Entry Scheme for Advisors (DESA) (not in Headcount)	8	13	0	0	0	0
Totals	3,095			2,868		
Average Annualised HCS Payroll Staff Costs per FTE	£61,653			£63,979		

		30-9-2013	30-9-2012
Contingent Labour	Department and Agencies	81	53
	Non departmental public bodies		
	Department Family		
Average Contingent Labour Staff Costs (average per head per month)		£6,470	£6,976

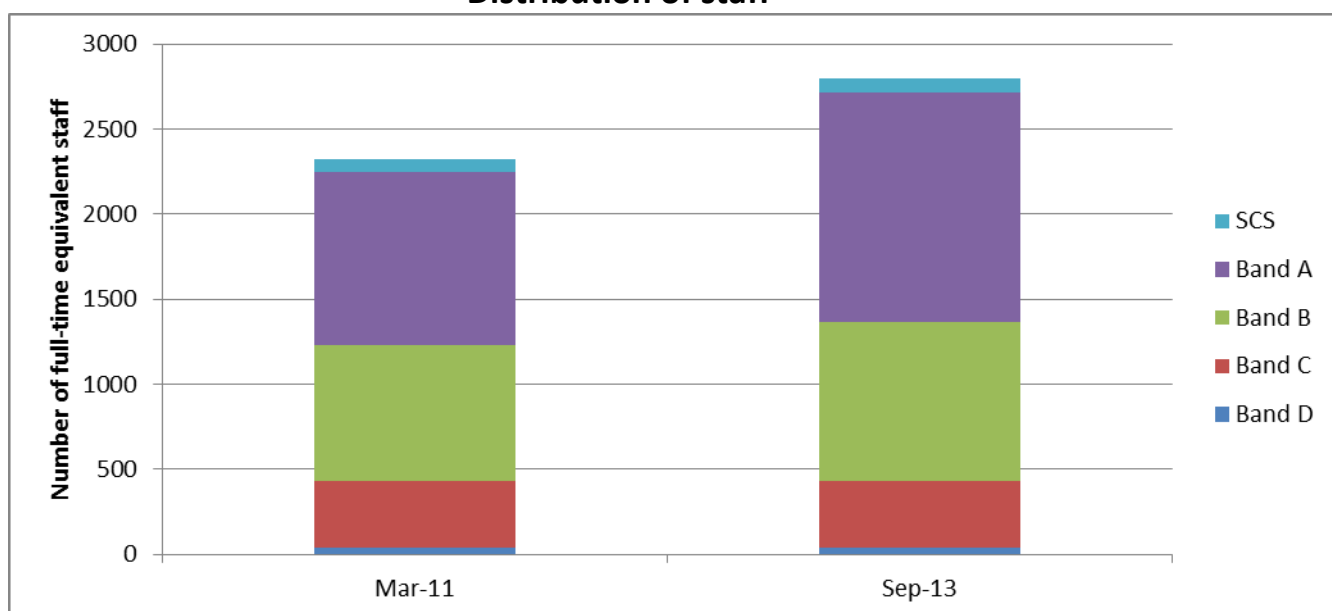
Department and Agencies Only		31-3-2013	31-3-2012	31-3-2011
Workforce Shape – HCS Numbers Only	Administrative Assistants and Officers	98	103	124
	Executive Officers	181	177	196
	Higher and Senior Executive Officers	476	450	428
	Grade 7/6	928	843	742
	Senior Civil Servants	81	79	79
	Part Time	154	144	142
Workforce Dynamics	Recruitment Exceptions	305	266	93
	Annual Turnover Rate	9.8%	12.7%	12.3%
Workforce Diversity (only for declared information by HCS)	Black and Ethnic Minority	97	100	115
	Women	887	839	795
	Disabled	55	63	54
Number of Women in	Women	33	30	28

² Staff regarded as “not in Headcount” are those who are paid by other organisations, staff who are on unpaid maternity or discretionary leave and those who are in graduate or development scheme placements.

Senior Civil Service roles				
Average Working Days Lost		4.2	4.5	5.6

Department only; People Survey Metrics		2013	2012
Engagement Index (%)		71%	71%
Theme Scores (%)	Leadership and Managing Change	55%	56%
	My Work	80%	80%
	My Manager	71%	71%
	Organisational Objectives and Purpose	92%	92%

Distribution of staff³



- DFID has been re-shaped and re-skilled to enable the management of the scale-up to spend 0.7% ODA : GNI, with DFID’s workforce growing by 20% between March 2011 and September 2013. Increasingly, DFID’s staff are based overseas with a smaller proportion based in London. The percentage of staff in senior roles has increased since March 2011, with East Kilbride experiencing the largest increase.
- By summer 2013, DFID had some 850 accredited professional advisers, around double April 2011 levels, accounting for some of the increase in Band A numbers.
- DFID’s sickness absence rates have reduced and continue to remain well below the Civil Service average.

³ The overall numbers represent a breakdown of all staff on headcount and paid by the Department. The numbers exclude those paid by other organisations, staff who are on unpaid maternity or discretionary leave and those who are in graduate or development scheme placements. There are four bands of staff below Senior Civil Service, with Band A being the most senior. Band A staff includes advisers (experts in specific sectors), Band B includes staff in the Civil Service Fast Stream. There are no Band D staff in the UK. Source : NAO presentation of departmental data.

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- DFID's People Survey response rates remain high and the Engagement Index remains consistently strong. The Department has a powerful mission and our people are passionately committed to what we do.
- Average HCS payroll costs have risen in line with a shift to a more senior staff profile.
- Annual turnover rate has decreased in the same period as DFID has expanded its workforce.

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Annex A – Input and Impact Indicators

Input indicators [1]	2012–13	2011–12
Cost per child supported in primary education	\$110	\$140
Average unit price of long-lasting insecticide treated bed nets procured[2]	\$3.66	\$3.79
Cost per person of providing sustainable access to an improved sanitation facility[3]	£17	£56
Cost per person of improving access to financial services[4]	Not available	Not available
DFID spend on elections – through DFID’s bilateral programme	£29 million	£30 million
DFID spend on elections – DFID’s Imputed Multilateral Share[5]	£15 million	£11 million
Cost per birth delivered by a skilled birth attendant	£231	£266
Spend on climate change adaptation, low carbon development and protecting forests – through DFID’s bilateral programme	£291 million	£165 million
Spend on climate change adaptation, low carbon development and protecting forests – through DFID’s multilateral programme	£21 million	£87 million
DFID spend through multilateral organisations	£3,252 million	£3,386 million

- 1 The input indicators provide information on the cost effectiveness of DFID’s programmes by linking spend to performance. It should be noted that many of the inputs measured are not true unit cost indicators. Instead they show aggregate spend on sectors related to the results. Other results, which are not captured in the impact indicators, are also being delivered through this spending.
- 2 Data was also provided by UNICEF, the US Presidents Malaria Initiative and for the subset of Global Fund procurements realised through the Voluntary Pooled Procurement mechanism. The average unit price was between US\$2.91- 3.64 for the 190x180x150 net and US\$ 2.25-3.83 for all nets (for the calendar year 2012). USPMI: The unit price was between US\$ 2.95- \$3.64 for the 190x180x150 net and US\$ 2.25-\$3.83 for all rectangular nets from January 1, 2012 through May 1, VPP: Voluntary Pooled Procurement mechanism the pricing was US\$2.91 for the 19x180x150 net and US\$ 2.90 for all nets (for the calendar year 2012).
- 3 The methodology for calculating this input indicator was changed for 2012–13.
- 4 It is not currently possible to derive accurate data on direct cost incurred in supporting access to financial services by individuals; given financial access for individuals is often a part of wider financial sector development programmes.
- 5 Data reported with a one year time lag and relates to calendar year ODA expenditure (i.e. figure under 2012–13 column relates to 2011, and the figure under 2011–12 relates to 2010 ODA spend).



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Impact indicators	2012–13	2011–12
Number of children supported by DFID in primary education[6]	1.3 million	5.0 million
Number of insecticide treated bed-nets distributed with DFID support[6,7]	9.8 million	11.9 million
Number of people with sustainable access to an improved sanitation facility as a result of DFID programmes[8]	3.8 million	2.9 million
Number of people with access to financial services as a result of DFID support – through DFID’s bilateral programme[9]	19.5 million	11.5 million
Number of people with access to financial services as a result of DFID support – through DFID’s multilateral programme (IFAD) [10]	Not available	100,000
Number of people who vote in elections supported by DFID[11]	26. 0 million	49.4 million
Number of births delivered with the help of nurses, midwives or doctors through DFID funding[6]	500,000	700,000
Number of people DFID supports to cope with the impacts of climate change[12]	230,000	20,000

6 The figures are reported with a slight time lag as data is drawn from national systems. As such, many countries did not have full data on 2012/13 when the Annual Report was published. Hence the apparent drop in numbers is due to incomplete reporting for 2012/13 rather than a real significant decrease in the numbers. Updated, more complete figures for 2012/13 will be published in the 2014 Annual Report.

7 Results achieved through DFID’s bilateral programme only. Multilateral information associated with DFID’s unique efforts is not currently available.

8 The increase from 2.9m to 3.8m is due to the scale up in programmes to deliver the target of reaching 60 million people by 2015.

9 The increase from 11.5m to 19.5m was due to results from a large programme in Nigeria which reports every 2 years and an increase in results reported in Kenya.

10 Latest results are for calendar year 2011; 2012 results are not yet available. The figures are reported with a time lag as there is a delay in these being available from the multilateral organisations.

11 Since the 2011-12 annual report the methodology for determining whether an election is ‘freer and fairer’ has been strengthened. The methodology draws on independent observer reports to consider the extent to which elections are credible, non-violent and reflect the will of the people. As a result of this improvement the results against election indicators for 2011–12 have been revised. DFID is making long term investments in countries with elections happening in the future, which may fall across different financial years. In this way we can ensure a more successful ‘election cycle’ which leads to greater transparency, higher turnout and ultimately a more effective, open, democratic process.

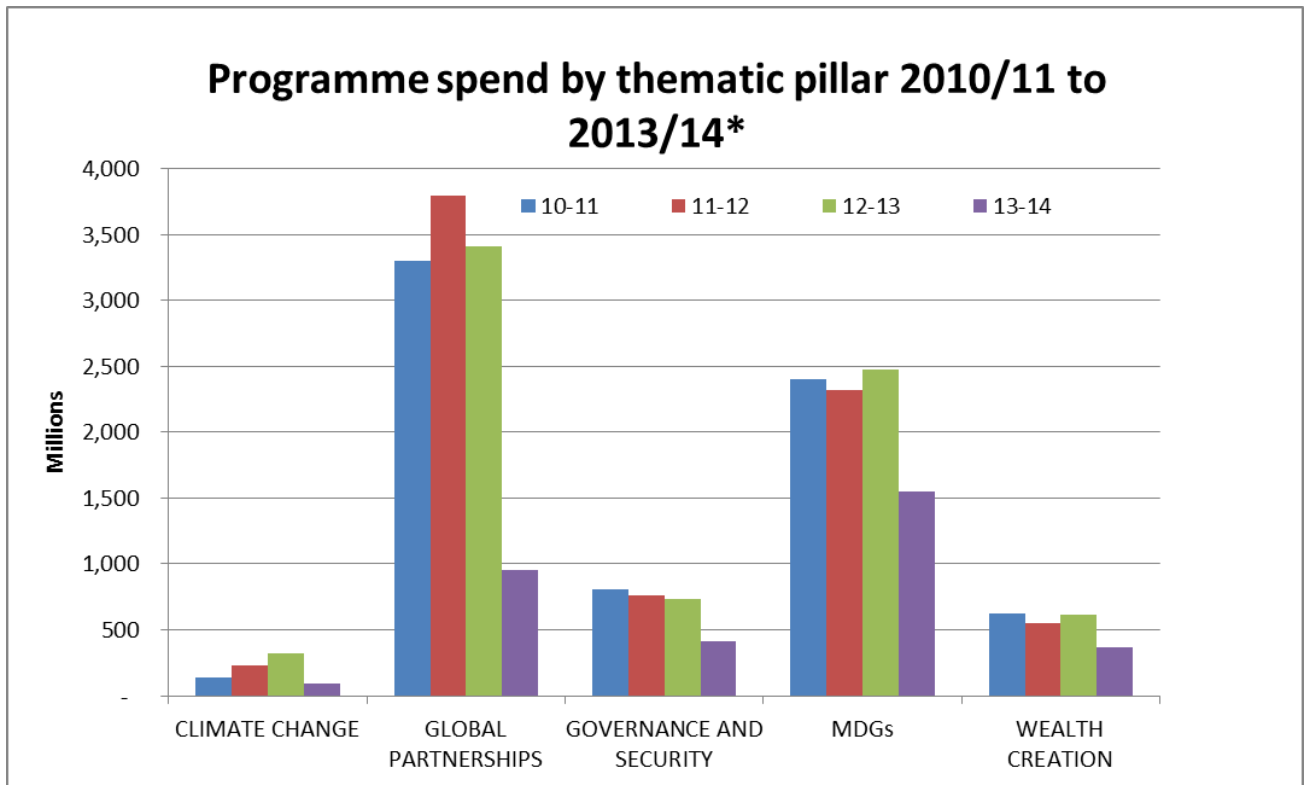
12 The large increase from 20,000 to 230,000 was due to new programmes including in Nepal, Malawi and Kenya. DFID supports long term climate programmes to help people cope with the impact of climate change, improve access to clean energy, and reduce deforestation. The figure of 230,000 refers only to people who received direct support to adapt to the changing climate in 2012/13, but many more people globally are expected to benefit from the wider impact of DFID-funded climate programmes by 2016. Direct support is where beneficiaries have been targeted and the intervention is high intensity. Examples could include people receiving social protection cash transfers and training of individuals in communities to develop emergency plans.

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INVESTOR IN PEOPLE

Annex B - Spending Patterns by thematic sector



*2013/14 spend for April to September only

DFID focuses on delivering outcomes in a number of thematic areas.

Global Partnerships represents core contributions to large multilateral organisations such as the EC, World Bank and Regional Development Banks. Spend to end September is low given that many of the payments are scheduled for the 2nd half of the financial year. The peak in 2011/12 relates to the profiling of funding to the International Development Association (IDA), part of the World Bank.

Millennium Development Goals (MDGs) are international targets which end in 2015 and include outcomes on health, education and humanitarian assistance. The increase in this thematic area reflects DFID's commitment to delivering these targets and the focus on areas such as maternal health, nutrition and malaria.

Glossary

AME	Annually Managed Expenditure
BIS	Department for Business, Innovation & Skills
CDEL	Capital Departmental Expenditure Limit
DECC	Department for Energy & Climate Change
DEFRA	Department for Environment, Food & Rural Affairs
DEL	Departmental Expenditure Limit
DFID	Department for International Development
EDF	European Development Fund
FCO	Foreign & Commonwealth Office
GAVI	Global Alliance for Vaccines and Immunisation
GFaTM	Global Fund for Aids, TB and Malaria
GNI	Gross National Income
MAR	Multilateral Aid Review
MDG	Millennium Development Goals
ODA	Official Development Assistance
PIDG	Private Infrastructure Development Group
RDEL	Resource Departmental Expenditure Limit