Department for International Development

Department: Annual Report and Accounts 2016–17

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Department for International Development

UKaid from the British people

Department for International Development

Annual Report and Accounts 2016–17

HC 8

Department for International Development
Annual Report and Accounts 2016–17

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SECTION 1

Performance report

Overview

The overview section of this report sets out information on the Department for International Development's (DFID) role and activities, how the department delivers, who we work with, how we are ensuring effective cross-government coordination to achieve our aims, and information on DFID's headline results and achievements for 2016–17.

Results headlines

By 2016–17, DFID had achieved the following results towards its Single Departmental Plan commitments (for the period 2015–20):

- reached 17 million people, including 7.3 million women and girls, with humanitarian assistance.
- from the start of 2015 until the end of 2016, DFID support immunised an estimated 28.7 million children, saving 475,000 lives (contributing towards DFID's commitment to immunise 76 million and save 1.4 million lives for the period 2015–20).
- reached 26.3 million children under 5, women of childbearing age and adolescent girls through our nutrition-related programmes (contributing towards DFID's commitment of 50 million for the period 2015–20).
- enabled 8.5 million additional women from July 2012 to March 2017 to use modern methods of family planning (contributing towards DFID's commitment of 24 million between 2012 and 2020).
- supported 7.1 million children to gain a decent education (contributing towards DFID's commitment of 11 million for the period 2015–20).
- supported 27.2 million people to access clean water and/or better sanitation (contributing towards DFID's commitment of 60 million for the period 2015–20).
- supported 30 countries to manage their public finances (including natural resources and extractives) more transparently.

Further information on results is set out in the performance analysis section of the report.

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Foreword by the Secretary of State for International Development

In a world of serious threats to UK and global stability, Britain's leadership on the world stage is more important than ever.

Conflict, disease and disaster have left record numbers of people sick, hungry and homeless. In 2017, the threat of famine looms over 4 countries. Desperate people are drowning on perilous migration routes; vulnerable girls are being stolen as sex slaves. Children are dying from preventable diseases – while drug-resistant infections are brewing that threaten us here at home too.

It is not in our national interest to sit on our hands and wait until these problems reach breaking point or find their way to our doorstep. As we exit the European Union (EU), Britain will be more outward looking and engaged in the world. Intensifying our efforts as a global leader in international development is a crucial part of this.

The British people can be proud of what their aid budget is achieving. This Annual Report gives examples of how UK aid is life-saving and life-changing for millions of people on this planet.

The humanitarian needs in 2017 are unprecedented. More than 20 million people across Somalia, South Sudan, Yemen and north-east Nigeria face starvation and famine. Britain has acted without hesitation to stop people dying of hunger. UK aid is reaching those most in need with food, water and emergency healthcare. We have called on the whole international community to follow our lead before it's too late.

When disaster strikes or conflict erupts Britain is always among the first to respond, regularly leading and shaping the global humanitarian response. We continue to lead the humanitarian response to the Syria crisis, providing life-saving support to millions and supporting refugees to remain in countries in the region. Alongside the life-saving emergency support UK aid provides, we have prioritised opportunities for refugees to work and ensured a generation of Syrian children were not denied an education.

We continue to invest in people, meeting our commitments on health, education, water and sanitation. The UK is leading international action to tackle neglected tropical diseases such as trachoma, Guinea worm and river blindness. Over the next 5 years we will provide a billion treatments for people at risk, protecting over 200 million people. In our increasingly interconnected world it is in the UK's interests to take on global health threats. DFID will continue to invest in cutting-edge research on infectious diseases, including new antimalarial drugs to beat resistant strains of the disease.

In the long run it is inclusive growth, trade, investment and jobs that will provide a sustainable route to poverty reduction. Our Economic Development Strategy sets out how we will help the poorest countries attract investment, trade more and create millions of jobs for a growing young population so people can seize new economic opportunities to escape poverty. CDC, our Development Finance Institution, will continue to be a central partner in this, creating jobs and opportunities in some of the poorest and most challenging places.

As the global migration crisis has made clear, the challenges facing the international development system in the 21st century go beyond anything witnessed before. In the coming year, the UK will continue to champion an open, modern and innovative approach to development.

More than ever, the world needs strong global institutions and leadership for today and for the future. The UK is a founding member of many of the world's leading international organisations and we remain deeply committed to the spirit and values of the international system. The multilateral system must, however, evolve to stay relevant in our changing world. Our Multilateral Development Review sets out how the UK will push our partners to achieve improved transparency, better value for money and greater accountability. In the future, 30% of our core funds to humanitarian and Red Cross agencies will be dependent on the reforms needed to make the humanitarian system work properly.

Everyone working in development has a moral responsibility to maximise the impact and cost-effectiveness of our work. In the 2015 Spending Review the government announced plans to make over £400 million of efficiency savings by 2019–20. DFID will save closer to £500 million in this period, through reform of procurement and commercial practices, estates, IT and departmental pay. These changes are included in the department's ambitious new value for money 'Agenda for Action'.

In addition to this, we are conducting a comprehensive review of DFID's management and relationship with suppliers. This review will drive greater transparency and efficiencies from DFID's suppliers through new codes of practice and contractual obligations; more competition, innovation and choice in our supplier market; and increased transparency of fees and costs throughout our supply chain. These bold measures will drive value for money without compromising our commitment to being a global leader in international development.

There is no task more urgent than defeating poverty. If we stand back from this fight we are not only abandoning our moral responsibilities, we are allowing other countries' problems to come closer to our shores. Every day, UK aid is working in Britain's national interest by creating stronger, safer, more prosperous countries overseas. By investing in development we are keeping our promise to the world's poorest and we are investing in Britain's future, too.

Rt Hon Priti Patel
Secretary of State for International Development
June 2017

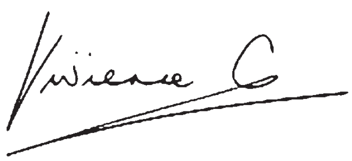
Lead Non-Executive Director's introduction to the Annual Report 2016–17

Global humanitarian needs in 2017 are unprecedented, with more than 20 million people across 4 countries facing starvation and famine, and no end in sight to the 6 year conflict which has ripped Syria apart. DFID has responded by providing essential life saving support in South Sudan, Somalia, Yemen, Nigeria, and Syria, confirming the UK's position as a world leader on humanitarian responses. The department has also continued to focus on using economic development to tackle poverty. DFID published an Economic Development Strategy in January 2017, setting out how it will promote prosperity, tackle poverty, and meet global challenges. During the course of the year the department steered new legislation through Parliament – the Commonwealth Development Corporation Act 2017 – that increases the level of financial support that the government can invest through CDC. CDC is already helping to create jobs and enabling businesses to grow, whilst attracting investment into the hardest to reach markets. This legislation will enable CDC to go even further to meet DFID's development objectives.

During the course of 2016–17 DFID has continued to plan for both immediate and long term priorities and has made strong progress towards the commitments under the UK Aid Strategy objectives. The department published the outcomes of a series of reviews during the year, setting out new approaches to working with bilateral and multilateral partners, civil society and research partners. Provisional data shows that the target to spend 0.7% of gross national income (GNI) on international development was met in 2016.

The Secretary of State and ministers have continued to push the department to maintain the focus on delivering the UK Aid Strategy priorities and ensuring maximum efficiency and value for money. This year DFID launched a new programme of Senior Civil Service Financial Management for Leadership training and in December 2016 the Secretary of State established a fundamental review of suppliers' practices. Our efforts to improve our commercial capability also continue to progress: DFID has previously been recognised for its procurement practices, receiving a number of awards from the Chartered Institute of Purchasing and Supply (CIPS) in recent years. The department won the Commercial Award at the Civil Service Awards 2016 for exemplary commercial skills and sound business judgement in delivering exceptional outcomes and value for money.

The role of non-executive directors on DFID's board has been strengthened in 2016–17 and they have been more closely involved in DFID's committees and in specific improvement processes. DFID's Departmental Board has seen changes in 2016–17, with 4 new ministers and the departure of one of the director generals. One new non-executive board member, Sally Jones-Evans, was appointed to the board for a 3-year term in September 2016 and also sits on the Audit and Risk Assurance Committee. The other non-executive board members, unchanged over the course of the year, were: Richard Keys, who also chairs the Audit and Risk Assurance Committee and sits on the Investment Committee; Tim Robinson, who is chair of DFID's Digital Advisory Panel; and myself.



Vivienne Cox
Lead Non-Executive Director for the Department for International Development (until May 2017)
June 2017

DFID's purpose, performance and activities in 2016–17 and how we deliver

DFID leads the UK's work to end extreme poverty, deliver the Global Goals overseas and tackle global challenges in line with the government's UK Aid Strategy. The UK's leadership on development is an important part of the government's vision for a secure and prosperous United Kingdom with global reach and influence. Eradicating poverty, ending instability and creating a safer and more prosperous world are firmly in the UK's national interest.

This report provides an overview of DFID's work. Other departments that use Official Development Assistance (ODA) will set out details in their own annual report and accounts as appropriate.

DFID's activities and spending contribute to the strategic objectives of the UK Aid Strategy. These are:

- **Strategic Objective 1 (SO1) – Strengthening global peace, security and governance:** invest more to tackle the causes of instability, insecurity and conflict, and to tackle crime and corruption. This is fundamental to poverty reduction overseas and to strengthening the UK's national security.
- **Strategic Objective 2 (SO2) – Strengthening resilience and response to crises:** including more support for ongoing crises (such as in Syria and other countries in the Middle East and North Africa region), more science and technology spend on global health risks (such as antimicrobial resistance), and support for efforts to mitigate and adapt to climate change.
- **Strategic Objective 3 (SO3) – Promoting global prosperity:** using ODA to promote economic development and prosperity in the developing world. This will contribute to the reduction of poverty and also strengthen UK trade and investment opportunities.
- **Strategic Objective 4 (SO4) – Tackling extreme poverty and helping the world's most vulnerable:** strive to eliminate extreme poverty by 2030, and support the world's poorest people to ensure that every person has access to basic needs, including prioritising the rights of girls and women. This will build security, stability and opportunity that will benefit us all.

In addition, all of DFID's work is driven by the following corporate objective:

- **Strategic Objective 5 (SO5) – Improving the value for money and transparency of UK aid**

DFID works with other UK government departments, bilateral and multilateral development partners, civil society and business to achieve the UK's development objectives and to support developing countries to exit from poverty. As part of this, achieving successful transition from bilateral aid programmes to broader strategic partnerships, based on shared interests, is a critical issue for the department.

DFID's Single Departmental Plan (SDP) includes both input and output measures which we use to track progress (see page 21), reflecting the fact that programme spend often contributes to more than one strategic objective and that the strategic objectives themselves are mutually supportive and cross-cutting.

The government remains fully committed to achieving zero extreme poverty by 2030. The UN Global Goals for Sustainable Development (Global Goals) are embedded across all of DFID's work. The achievements and results set out in this Annual Report therefore reflect a significant element of the department's 2016–17 contribution to the delivery of the Global Goals by 2030. Last year we reported our performance against the Millennium Development Goals. These have now been replaced and the performance analysis section of this report therefore sets out how DFID's work has contributed to the delivery of the Global Goals. The Global Goals also formed a crucial part of how we assessed our partner's performance and informed the funding choices set out in the Bilateral Development and Multilateral Development Reviews, published in December 2016.

Who we work with

Working bilaterally with partner countries

- **The geography of poverty is changing and we target our resources where they are needed most to reflect this change. We take account of the level of need, the ability of partner countries to finance their own development, the support they get from others, and their future risks – including humanitarian, economic and climate.**
- DFID has a focus on the poorest and most fragile states, and has decreased traditional aid to countries that can finance their own development. We will support the world's poorest countries to move towards a sustained transition from aid.
- In December 2016, DFID published its Bilateral Development Review, which assessed where and how we deliver aid. The review sets out how we will drive value for money and ensure effective delivery of UK aid in all our partner countries. Our development efforts are helping to project Britain's global influence, supporting both our national interests and the interests of the world's poorest people.

Working with multilateral organisations

- **International organisations such as the World Bank, the UN and the Red Cross have been central to the global system for more than 70 years. Together they help to tackle some of the world's biggest challenges, including protracted conflict and security threats, mass migration, extreme poverty, disease, disasters and climate change. Multilateral organisations are playing a central role in achieving the Global Goals.**
- As a founding member of many of the world's leading international organisations, we remain deeply committed to the spirit and values of the international system. The 2016 Multilateral Development Review confirmed that DFID's multilateral partners add real value for the UK. We will continue to work closely with those international organisations that we judge to be both the most aligned with our objectives and the most effective.
- The multilateral system must, however, evolve much further and faster to stay relevant in our changing world. DFID will work with agencies, and other donor governments, to secure a reformed system that is transparent; that works together and has strong leaders; that meets humanitarian needs whilst moving away from short term fixes; and that mobilises private sector finance to meet the Global Goals and provide prosperity and jobs. We had negotiated performance agreements with 9 multilateral organisations by the end of March 2017.

Working with civil society

- DFID works with a wide range of civil society actors and institutions, from traditional development organisations and faith groups to diaspora communities and social movements. **Working with civil society forms an integral part of DFID's approach to reducing poverty** and plays a vital role in creating open, accountable and inclusive societies. Civil society also plays a critical role in DFID's humanitarian work.
- In 2016–17, DFID completed the **Civil Society Partnership Review** to ensure that the UK Government can work effectively with civil society to achieve even more for the world's poorest. As a result of this review, DFID is implementing a comprehensive package of reforms that will maximise value for money and results from civil society programmes and engagement. This includes rationalising our approach to central funding for civil society by simplifying the various

'pots' of money available and providing funding for the activities that make the biggest difference to poor people's lives.

- DFID's central funding to civil society is now provided primarily through:
  - **UK Aid Match:** This programme matches public donations to charity appeals and increases the opportunities for the UK public to have their say in how money is spent.
  - **UK Aid Direct:** This is the main central competitive fund for small and medium civil society organisations. This fund includes DFID's dedicated Small Civil Society Challenge Fund.
  - **UK Aid Connect:** This new programme will support coalitions of civil society organisations, think tanks, public, private and third sector organisations to help find solutions to current complex situations whilst tackling tomorrow's challenges.
  - **UK Aid Volunteers:** This will include the International Citizen Service and any future DFID relationship with volunteering agencies.
- In addition to central funding channels, DFID country offices will continue to fund a wide range of programmes with civil society partners. These programmes will contribute to the delivery of the UK Aid Strategy, whilst responding to the specific priorities, needs and opportunities of each country.

Working with the private sector, including suppliers

- The private sector plays a vital role in our delivery of aid, providing experience and infrastructure which enables DFID to respond quickly and efficiently to crises and reach some of the most dangerous places in the world. Without the hard work and professionalism of the private sector, DFID could not have achieved the results it has in recent years in terms of lives saved, children educated, and jobs and opportunities created. There is more to do so that private sector partners can maximise their contribution, help the aid system evolve further and uphold strong value for money.
- DFID is providing vital finance for business projects with a clear development impact. The UK's Development Finance Institution, CDC will continue to be an important partner in this. CDC's pioneering investment in countries like the Democratic Republic of Congo, Afghanistan and Sierra Leone demonstrates what is possible in even the poorest and most fragile markets, paving the way for greater private investment.
- DFID expects the highest standards from delivery partners and we have set out a clear ambition to transform transparency and accountability. Accordingly, in December 2016, the Secretary of State established a fundamental review of suppliers' practices with a particular focus on the ethical practices of our suppliers and staff; how we can broaden our supply base to include a wider selection of organisations including smaller suppliers; open book contracting and how we can achieve better supply chain cost transparency; and the capability of our internal staff and systems to support the implementation of the review. The review will take into account recommendations from the International Development Committee (IDC) report on DFID's use of contractors, as well as a range of consultations with development experts and major national and international organisations in the private and public sectors. We are also working closely with the Independent Commission for Aid Impact (ICAI) to support their review of DFID's management of suppliers, which is expected to report later in the year.
- A significant priority is growing our supplier base. We have taken a number of actions to increase competition and ensure we work with a broad range of partners. For example, early market engagement is now a normal part of our procurement process and we are employing social media to improve visibility of opportunities. Our 2016 Suppliers Conference was our biggest to date with 200 organisations attending. The conference programme included a networking session for micro and small organisations, and a separate session for new suppliers.

Our work across government: policy coherence

DFID is collaborating ever more closely with other UK government departments on a range of issues to address today's complex global challenges. In many instances the drivers of poverty alleviation are also 'beyond' aid, including financial flows like foreign direct investment and remittances as well as changes in international trade, tax and other policies. To ensure that the UK's expertise and value is fully utilised we are therefore taking an increasingly government-wide approach to development.

As a member of the Cabinet, the National Security Council (NSC) and a number of Cabinet sub-committees, the Secretary of State has ensured that development priorities are fully considered as part of the government's wider policy making approach.

Mechanisms, such as the Joint DFID/DIT Trade for Development department, and the cross-government funds are also increasingly important. An expanded Conflict, Stability and Security Fund tackles conflict and instability in priority countries. The government has set up an ODA crisis reserve to respond to emerging crises. The government's Prosperity Fund will support global prosperity. DFID officials participate at permanent secretary level in the preparation of NSC meetings and at director level in boards that cover the cross-Whitehall funds.

As with all other public spending, each government department is accountable for the quality and impact of its own ODA programmes. DFID does, however, provide a range of support to other government departments and cross-government funds. This is delivered in various ways, including through co-development of UK ODA value for money guidance in collaboration with the Treasury; structured training; regular advice sessions; and responses to queries. We also loan staff to other departments to help embed and share development expertise across government. More widely, DFID regularly and actively engages with other departments at working, senior official and ministerial levels to promote a consistent and collaborative approach to UK ODA.

Leaving the European Union

A global Britain must be more engaged and more outward looking than ever before; we are moving to take advantage of the opportunities presented by leaving the EU.

As we move towards leaving the EU, our aid budget will continue to be spent to help the poorest people in the world and in the best interests of UK taxpayers. Until exit negotiations are concluded the UK remains a full member of the EU and all the rights and obligations of EU membership remain in force. During this period the government will continue to negotiate, influence and work with the EU to secure UK priorities for development spending.

It is in the UK's interest that the EU continues to be a strong development partner after we have left, and that we continue to work alongside one another in the countries that matter most to global prosperity, security and development.

Reviewing our business

To deliver DFID's strategic objectives, the department published the results of a series of reviews across our portfolio during 2016–17. These included:

- *The Bilateral Development Review*[1] set out how the UK Government will intensify its efforts to end extreme poverty and drive reform of the global development system to further improve its effectiveness. It set out an increased focus in the UK's bilateral development programmes on security, migration, people with disabilities, health, and ending the reprehensible practices of modern slavery and child exploitation.
- *The Multilateral Development Review*[2] assessed the organisational effectiveness of multilateral agencies and their alignment with DFID's objectives. It spelled out how DFID is requiring more of its partners to reform. The review set out how the UK Government expects and insists that every penny of taxpayers' money is spent in an efficient, transparent and demonstrably effective way. DFID is therefore introducing improvement plans for poor performing agencies, while also pushing for better performers to do more.
- *The Civil Society Partnership Review*[3] set out a new system of central funding for civil society organisations that has simplified the system for funding civil society while ensuring it enhances existing high performing relationships and broadens the availability of support. A healthy, vibrant and effective civil society sector is a crucial part of Britain's soft power and leadership around the world.
- *The Research Review*[4] set out how DFID will spend 3% of its budget – plus £357 million over the Spending Review through the Ross Fund Portfolio – on research and innovation to help address the great global challenges of the 21st century.
- *The Economic Development Strategy*[5] set out how DFID will help more countries to harness trade, inclusive growth and investment opportunities to eradicate poverty and help countries overcome the need for aid.

1 https://www.gov.uk/government/publications/rising-to-the-challenge-of-ending-poverty-the-bilateral-development-review-2016
2 https://www.gov.uk/government/publications/raising-the-standard-the-multilateral-development-review-2016
3 https://www.gov.uk/government/publications/dfid-civil-society-partnership-review
4 https://www.gov.uk/government/publications/dfid-research-review
5 https://www.gov.uk/government/publications/dfids-economic-development-strategy-2017

DFID's results

Results against our SDP indicators confirm that we have continued to make strong progress towards our 2015–20 commitments, helping to improve the lives of millions of poor people. See section 1.1 for further information on DFID's results.

Based on provisional statistics, in 2016 the UK met the international commitment to spend 0.7% of gross national income on ODA. This funding delivered vital assistance and made a real difference to millions of poor people's lives.[6]

6 Based on provisional statistics on ODA available at the time of publication. Final statistics on 2016 ODA will be published in autumn 2017.

DFID's contribution to global development

In a world of serious threats to UK and global stability, DFID's resources are focused on where the need is greatest, providing support in fragile and conflict-riven states, protecting lives and reducing poverty. Examples of DFID's leading role in 2016–17 include:

- In September 2016, at the Fifth Replenishment Conference in Montreal, the **UK pledged £1.1 billion towards the Global Fund to Fight AIDS, Tuberculosis and Malaria**, including a commitment to double private sector contributions for tackling malaria, up to a maximum of £200 million.
- The **UK has used its position as one of the world's leading aid donors to challenge, change and reform the global aid system**, including by using our Global Fund pledge to secure a demanding new performance agreement designed to push an already high performing Global Fund to accomplish even more.
- Throughout the year, the **UK continued to be a world leader in support to humanitarian crises**, including:
  - With more than 20 million people across 4 countries facing starvation and famine, **DFID has provided essential life-saving support in South Sudan, Somalia, Yemen and Nigeria**.
  - The **UK has continued to be at the forefront of the humanitarian response to the Syria crisis**, providing life-saving support to millions, supporting refugees to remain in countries in the region and enabling their hosts to accommodate them.
  - The **UK played a significant role in the World Humanitarian Summit** held in May 2016, which agreed a clear vision for a radically improved humanitarian system.
  - In September 2016, **the Secretary of State for International Development co-hosted a high level meeting on Yemen at the UN General Assembly** to secure urgent and concrete action on one of the worst and most forgotten humanitarian crises of our time.
  - In September 2016, at the **leader's UN Summit for Refugees and Migrants at the UN General Assembly**, the Prime Minister announced £80 million of UK support for a new jobs compact in Ethiopia. This compact will create 100,000 new jobs for Ethiopians and refugees in Ethiopia, providing hope, dignity and opportunities to improve their livelihoods as well as supporting economic development in the host country. Thirty-two countries made commitments towards increasing resettlement places for refugees and improving the self-reliance of long term refugees in developing countries through education and employment opportunities.
  - At the **UN Summit for Refugees and Migrants in September 2016** it was agreed that greater sharing of the responsibility for hosting and supporting the world's refugees is needed. The New York Declaration, adopted at the Summit, agreed to start negotiations for a global compact for safe and orderly migration, and a compact for refugees. A Comprehensive Refugee Response Framework (CRRF) set out the framework for the refugee compact. The UK is supporting the UN refugee agency UNHCR to successfully implement the CRRF in ways that lead to the transformation of the international community's support to refugees and the countries that host them.

Financial summary

Expenditure

DFID's total expenditure in 2016–17 was £10,442 million. As in previous years, the majority of this was spent on programme expenditure. Of total programme expenditure, 62% was spent on bilateral programmes and 38% on multilateral programmes. DFID spent £262 million (2015–16: £239 million) on operating costs. Despite the continued challenges presented by a growing proportion of work in higher risk environments, the proportion of total operating costs to total budget was maintained at a similar proportion to last year (2.5% in 2016–17; 2.4% in 2015–16).

DFID continues to drive value for money in everything we do, ensuring we utilise our budget in the most effective and efficient way through good financial management; and by continually improving our commercial and programme management.

The UK Aid Strategy makes it clear that delivering our development goals, including meeting the government's commitment to spend 0.7% of GNI on development, requires a whole of government approach. DFID supports other departments and funds to ensure that their spend complies with the Organisation for Economic Co-operation and Development (OECD) ODA rules. We continue to share our experience and best practice in programme delivery with ODA-spending departments and funds. It is their responsibility to ensure that all their ODA offers value for money for the UK taxpayer and that it complies with OECD rules.

Further information on DFID's expenditure is set out in sections 1.2, 2 and 3 of this report.

DFID's structure and people

In 2016–17, the average number of staff employed by DFID was 2,876 (2,852 in 2015–16), including 1,589 in the UK and 1,287 overseas.

DFID's overall workforce increased during the year (March 2017: 2,978; April 2016: 2,823) to ensure that we have the necessary skills and capability to effectively manage our commitment to spend 0.7% of GNI on international development. Home civil servant numbers increased during the year by 4% whilst the numbers of staff appointed in country remained relatively stable.

DFID continues to place great emphasis on workforce planning to secure the necessary capability to manage a complex range of programmes. The last year has also focused on improving programme management and the commercial and financial capability of our staff to support good financial decision making and ensure maximum value for money on our spend.

DFID's employee engagement response to the 2016 Civil Service People Survey was the 8th highest across the 98 departments that participated, and showed that DFID staff continue to be among the most motivated and engaged across the Civil Service.

DFID is responsible for 2 non-departmental public bodies (NDPBs):

- the Commonwealth Scholarship Commission, which manages the UK contribution to the Commonwealth Scholarship and Fellowship Programme.
- the ICAI, which provides independent scrutiny of UK government aid.

DFID also invests through CDC. Further detail is provided in the Governance Statement.

More information on DFID's staffing, governance structure and NDPBs can be found in section 2 of this report.

DFID's legislative framework

DFID operates in accordance with the International Development Act 2002, which provides the main legal basis for UK development assistance. The International Development (Reporting and Transparency) Act 2006 requires DFID to report annually to Parliament on development policies and programmes, the provision of development assistance and the way it is used. This report discharges DFID's responsibilities under the International Development (Reporting and Transparency) Act for 2016–17.

The International Development (Official Development Assistance Target) Act 2015 enshrined our commitment to spend 0.7% of GNI on ODA. Section 5 of the Act requires the Secretary of State to make arrangements for the independent evaluation of the extent to which ODA provided by the UK represents value for money in relation to the purposes for which it is provided; and to report on how she has complied with that duty. This information can be found on page 38.

In accordance with the International Development (Gender Equality) Act 2014, the Secretary of State must have regard to gender equality when providing development or humanitarian assistance. The provisions of this Act have been incorporated into DFID's programme management rules and all DFID business cases and humanitarian submissions (which do not have an associated business case) are required to provide evidence of the due regard given to gender equality.

DFID's approach to risk

DFID strives for the highest standards of integrity and accountability and is committed to the appropriate and responsible use of public funds, transparency and the requirements of relevant legislation. DFID manages risks to achieve its objectives in a way that maximises value for money and development impact while keeping staff and assets safe.

DFID's risk management framework enables staff to identify and mitigate risks, and guides strategic and operational decision making, often in very challenging operating environments.

In 2016–17, the department continued to monitor risks including on protracted crises in Syria and Yemen and humanitarian situations arising from the threat of famine in East and Southern Africa. Further prominent risks included the impact of global economic change on developing countries' economies, the impact of climate change, the achievement of results from our policy and manifesto commitments, and risks to staff and information security.

Further details on DFID's approach to risk can be found in the Governance Statement in section 2 of this report.

SECTION 1

Performance report

Performance Analysis

1.1 Single Departmental Plan

DFID's Single Departmental Plan (SDP)[7], as published in February 2016, set out DFID's strategic objectives (SO) for the 5 years to 2020. These are structured around the 4 UK Aid Strategy objectives, with headline indicators for how we will monitor delivery, together with a 5th strategic objective, focused on ensuring value for money and transparency in our aid spending.

DFID's strategic objectives are interdependent and reflect the department's focus on delivering against the 2015 manifesto commitments during 2016–17.

Box 1 shows the results achieved in the period April 2015 to March 2017, except where otherwise stated. There are delays between results being delivered and obtaining confirmation of results figures. Some results delivered in 2015–17 have yet to be confirmed or made available. We will include these results when we next report progress against our commitments. Where commitments were made for indicators, these are set out in brackets. Results against our SDP indicators confirm that we have continued to make strong progress towards our 2015–20 commitments, helping to improve the lives of millions of poor people.

Activities and achievements under the 5 strategic objectives for 2015 to 2017 are covered in pages 23–41. Where achievements relate to an individual year (ie 2016), this refers to the calendar year.

7 https://www.gov.uk/government/publications/dfid-single-departmental-plan-2015-to-2020

Box 1: 2015–17 progress against Single Departmental Plan indicators

SO1 – Strengthening global peace, security and governance:

- spent 57% of DFID's 2015 budget in fragile states and regions
- supported 30 countries to manage their public finances (including natural resources and extractives) more transparently.
- in 2016 invested £26 million on improving tax systems in developing countries (contributing towards DFID's Addis Tax Initiative commitment to double spend for the 2015–20 period).

SO2 – Strengthening resilience and response to crises:

- reached 17 million people, including 7.3 million women and girls, with humanitarian assistance.
- in 2016–17, invested £755 million in building resilience to climate change and in low carbon development, contributing to the UK commitment to increase spend on climate action by 50% to £5.8 billion over 5 years.

SO3 – Promoting global prosperity:

- in 2015-17, invested £819 million in development capital to create more jobs that benefit people across society, including women.
- investment through CDC in the 2014–16 period achieved a development impact portfolio score of 3.04 (out of a maximum of 4). This demonstrates that CDC is investing in the growth of companies that are creating more and better jobs in countries where the capital for growth is otherwise in short supply[8].

SO4 – Tackling extreme poverty and helping the world's most vulnerable:

- immunised an estimated 28.7 million children from the start of 2015 until the end of 2016, saving 475,000 lives (contributing towards DFID's commitment of immunising 76 million children and saving 1.4 million lives between 2015 and 2020).
- reached 26.3 million children under 5, women of childbearing age and adolescent girls through our nutrition-related programmes (contributing towards DFID's commitment of reaching 50 million people between 2015 and 2020).
- enabled 8.5 million additional women from July 2012 to March 2017 to use modern methods of family planning (contributing towards DFID's commitment of 24 million between 2012 and 2020).
- supported 7.1 million children to gain a decent education (contributing towards DFID's commitment to support 11 million between 2015 and 2020).
- supported 27.2 million people to access clean water and/or better sanitation (contributing towards DFID's commitment of 60 million people supported between 2015 and 2020).

SO5 – Improving the value for money and transparency of UK aid

- met the UK's commitment to spend 0.7% of GNI on ODA in 2016[9].
- increased the portfolio quality index (PQI) from 103 in April 2016 to 104 in March 2017, indicating that, on average, DFID's outputs met or exceeded expectations.

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8 DFID holds 100% of the issued share capital of the CDC Group plc, an investment company which invests in private sector businesses throughout Africa and South Asia to create jobs and make a lasting difference to people's lives in some of the world's poorest places. CDC is incentivised to make investments in low income countries where private sector capital is scarce, and in business sectors which create the most jobs in an economy. Individual investments are scored by the difficulty of the geography where the investment is to be made and by its propensity to create employment. Further details on investment selection can be found on the CDC website at http://www.cdcgroup.com/How-we-do-it/Investment_strategy/Investment-selection.

9 This is based on provisional statistics on ODA available at the time of publication. Final statistics on 2016 ODA will be published in autumn 2017.

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Strategic Objective 1 (SO1): Strengthening global peace, security and governance

Peace, security and good governance are the building blocks of stable, prosperous societies. Over the last 15 years, we have seen extraordinary reductions in the number of people living in extreme poverty, but it is often the people who live in fragile and unstable places who remain in poverty.

DFID works to promote the conditions that encourage development and address the root causes of instability: strengthening the rule of law; tackling corruption; and helping to build open, accountable institutions. This work promotes the UK's values of democracy and freedom of speech, and will also strengthen our own national security.

The UK pushed hard, against strong opposition, to secure Global Goal 16, which promotes effective, accountable and inclusive institutions as a cornerstone for development. In 2016–17, DFID played a key role to ensure the global community raised its ambition on anti-corruption and transparency.

Global Goals

DFID's work under SO1 is contributing to the following Global Goals, amongst others:

Activities and achievements

- DFID continues to encourage the international community to deliver Global Goal 16 to ensure that the focus on peace, security and governance is maintained. The UK joined the steering committee of the Global Alliance for Reporting Progress hosted by the United Nations Development Programme to ensure the effective monitoring of results, and helped to design international measurement standards.
- DFID continues to meet our Strategic Defence and Security Review commitment to spend at least 50% of our budget on fragile states and regions, including additional funding to deal with the causes and impacts of the Syrian crisis. DFID is helping to reduce conflict and violence, build stability, and address the great challenges of our time, including mass migration, modern slavery, disease and terrorism. These are all fundamental challenges reflected across the Global Goals.
- DFID's Emergency Medical Team is being expanded, strengthening our ability to respond to crises.
- The Bilateral Development Review announced a 'GREAT for Partnership' initiative to provide a more strategic framework for development partnerships between UK institutions, UK Government departments and developing countries. This initiative allows DFID partner countries to access UK expertise more easily, improving their state capability to deliver health, education and other public services using their own revenues rather than being dependent on UK aid. Up to 25 partnerships are being established between British Geological Survey, National Crime Agency and Oxford Policy Fellowship, and their developing country counterparts. These partnerships are contributing to the achievement of Global Goal 16.
- DFID is working with the World Bank to strengthen the international response to governance and corruption. The World Bank launched its landmark World Development Report 2017: Governance and the Law that sets out how effective development interventions need to adapt to the realities of power and politics on the ground[10]. DFID will continue to evolve its own approach and share lessons learnt.

10 The report can be found on the World Bank website at https://openknowledge.worldbank.org/handle/10986/25880

Anti-corruption, transparency and accountability

- In May 2016, the UK hosted an international anti-corruption summit, which achieved a range of specific commitments including on fiscal transparency, open contracting and supporting supreme audit institutions. The UK can now promote the adoption of these commitments, supporting developing countries and working across government to make improvements in the UK.
- DFID continues to support the Open Government Partnership (OGP) – a group of 75 countries from around the world working to make governments more open and accountable to their citizens. In 2016, Nigeria, Pakistan and Afghanistan became members of OGP and work has begun to tackle important issues for citizens in those countries.
- DFID is actively contributing to the new UK Anti-Corruption Strategy, setting out how the whole of the UK Government intends to tackle corruption working alongside law enforcement, business, international partners and civil society. This will help us to achieve Global Goal 16.
- DFID continues to support international organisations and partner governments to introduce open contracting and company beneficial ownership transparency reforms, to help deliver on commitments made at the London Anti-Corruption Summit in May 2016.
- DFID supports the International Corruption Unit in the UK's National Crime Agency to tackle the problem of stolen funds from developing countries being laundered through the UK; and to pursue UK citizens and companies who engage in bribery in developing countries. As at 31 March 2017, the unit was working on 14 live cases covering money laundering and bribery. Since DFID began supporting UK law enforcement agencies in 2006, a total of 27 cases have been successfully prosecuted and approximately £177 million restrained, confiscated or returned.
- DFID continues to support the International Budget Partnership which aims to make public finance systems more transparent and accountable. Over the last year the partnership has expanded its survey of budget openness to cover 115 countries, alongside in-depth country work supporting 17 civil society organisations to strengthen budget oversight.
- DFID's £9 million support for the Westminster Foundation for Democracy has, in the Middle East and North Africa region, helped a coalition of women parliamentarians get its draft convention on combating violence against women accepted for formal consultation by the Arab League. In Colombia, Northern Irish parties are supporting the implementation of the peace agreement with the Revolutionary Armed Forces of Colombia (FARC).

Tackling modern slavery and countering terrorism and extremism

- The Prime Minister named tackling modern slavery as a key foreign policy priority for the UK. DFID has taken a leading role in tackling the scourge of modern slavery, including the worst forms of child labour. During 2016–17, the Secretary of State for International Development was appointed to the Prime Minister's Task Force for Modern Slavery. Through this task force, DFID will make a significant contribution to Global Goals 5, 8 and 16. DFID will use its country programmes to prioritise ending modern slavery, working with multilateral agencies and country partners to galvanise international political will to tackle it, and working with the private sector to tackle modern slavery in company supply chains. In March 2017, the UK hosted a debate on modern slavery at the UN Security Council.
- DFID's development work complements and reinforces the UK's efforts to counter terrorism and violent extremism overseas. DFID's development programmes do this by addressing the underlying factors, such as poor governance, corruption, inequality, marginalisation or lack of economic opportunity that can create permissive spaces for violent extremism to take root. DFID also participates in the domestic Tackling Extremism in Communities Committee; and provides support such as communicating our humanitarian response work to UK audiences and providing technical advice to programming with young people and civil society in the UK. This work is contributing to Global Goal 16.

Beyond aid

Tax and development

- The UK continues to lead the way globally on tax and development. Through the Addis Tax Initiative, which we launched in 2015, the UK has committed to double its tax spend by 2020 from a 2014 baseline of £25 million. We are working through the G20 and with international organisations (OECD, International Monetary Fund (IMF), World Bank and UN) to implement key recommendations from a recent report on effective tax capacity building, including the development of medium term revenue strategies which will help partner governments reform their revenue authorities.
- We continue to support developing countries to tackle international tax evasion and tax avoidance – work which has generated revenues in excess of US$275 million. The UK Government takes a 'whole of government' approach to tax and development, working across DFID, the Treasury and HM Revenue and Customs (HMRC), and has developed a strategic framework to guide our work. Through the HMRC Tax Capacity Building Unit we provide UK tax experts – in support of DFID programmes – to advise developing country revenue authorities.

Beneficial ownership

- DFID continues to be engaged in the UK's efforts to improve company transparency, work that is also contributing to the delivery of Global Goal 16. The UK has led the way on improving access to information on the people who really own and control companies – the beneficial owners.
- The UK Government is now consulting on proposals to establish a public register of beneficial ownership of overseas legal entities, requiring them to provide the same information when they own or intend to purchase property in the UK, or are participating in central government procurement processes.
- DFID is also supporting the development of a global open ownership register which will collect and make information on company beneficial ownership publicly available, drawing on new national beneficial ownership data and registers as these are developed across 6 partner countries. This greater transparency will give citizens, civil society and governments the tools to prevent corrupt companies from operating in their country. It will also enable law enforcement authorities to more easily pursue the proceeds of corruption (currently hidden through chains of secret companies), and will enable companies to understand who their business partners are and mitigate the risk of working with corrupt partners in their supply chains.

Strategic Objective 2 (SO2): Strengthening resilience and response to crises

DFID is a world leader in responding to humanitarian crises, improving resilience to future crises and tackling climate change. The UK is providing life-changing support for major crises such as Syria; responding to the risk of famine, particularly in the Horn of Africa, South Sudan, north eastern Nigeria and Yemen; and investing in improving the capacity of the poorest people to cope with disasters. A key element of our science and technology work is focused on global public health risks, such as antimicrobial resistance, and building strong systems to prevent further outbreaks of killer diseases like Ebola. We are improving anticipation, assessment and management of risks and working with UK businesses to develop financial instruments that contribute to managing the risk of disasters. We are also supporting efforts to mitigate and adapt to climate change.

In doing so, the UK not only responds swiftly, flexibly and generously to help people at the most difficult times in their lives; but is also ensuring there is a more effective global response to crises and disasters, and is improving the international system (including through multilateral reform).

Climate change will most affect the poorest people who are least able to cope. The World Bank has estimated that 100 million people are at risk of being pushed into extreme poverty by rising temperatures and increasing floods by 2030, with associated political instability and migration flows. Global Goal 13 aims to improve resilience and adaptive capacity to climate-related extreme events. DFID is investing in climate smart development to help the poorest and most vulnerable cope with the effects of climate change.

Global Goals

DFID's work under SO2 is contributing to the following Global Goals, amongst others:

Activities and achievements

The UK has continued to be at the forefront of the response to humanitarian emergencies.

Food security crises in 2017

- In **Somalia, South Sudan**, north-eastern **Nigeria** and **Yemen**, conflict and drought have pushed families to the brink of starvation. Between 2000 and 2016 there was only one certified famine. In 2017, famine has been declared in parts of South Sudan and there is a credible risk of famine in the other 3 countries. The UK has been at the forefront of the response to these crises, providing funding and encouraging other donors to step up their funding and lobby for lasting solutions to what are overwhelmingly man-made crises. The UK encouraged generous public donations to the Disasters Emergency Committee's appeals for the food crises in Yemen and East Africa, providing a total of £15 million of funding through UK Aid Match. This funding will help ensure support can swiftly reach those people affected.
- In **Somalia,** the UK is providing £110 million for the drought response. This will provide emergency food assistance for up to 1 million people and safe drinking water for 1 million people[11]. This funding will also provide emergency health services for 1.1 million people.
- From our multi-year humanitarian programme for **South Sudan**, the UK spent £105 million in 2016–17. In 2016, this programme provided over 185,000 people with food assistance despite heavy conflict; helped more than 400,000 people to get clean water and sanitation; gave shelter to nearly 200,000 people; and reached nearly 100,000 women and children with nutritional support.

11 These results may not count towards the SDP target for water and/or sanitation as they may be for temporary provision.

- In **Nigeria**, the UK provided £81.8 million of humanitarian support in 2016–17. This included: delivering food assistance to more than 2.8 million people; treating more than 39,000 children for life-threatening severe acute malnutrition; and providing more than 225,000 people who have fled from their homes with essential household items. The UK has also helped more than 135,000 people to get clean water and sanitation[12].
- The UK committed £103 million to humanitarian assistance in **Yemen** in 2016–17. From April to December 2016 this contributed to providing 462,000 people with food or food vouchers, provided nutrition interventions for 1.1 million women and children, and provided 123,000 people with emergency or sustainable clean water.

Humanitarian reform

- The world is facing an unprecedented humanitarian situation across the globe. The UK is playing a lead role in reforming the international humanitarian system, ensuring it is well placed to address the level of humanitarian need. The first ever World Humanitarian Summit held in May 2016 agreed a clear vision for a radically improved humanitarian system. The UK is now working to improve the system, including through the Grand Bargain (an agreement between the biggest donors and aid providers to improve the effectiveness and efficiency of humanitarian aid). Changes include providing more direct support to those in need, greater funding for national and local organisations providing humanitarian assistance, and cutting bureaucracy by harmonising the reporting they are required to provide. DFID is working with a coalition of donors with shared views on reform and harnessing the resources of multilateral development banks and government agencies, civil society and the private sector.
- Several high profile international events in 2016 (including the Supporting Syria and the Region Conference, a Wilton Park Forum and high level refugee events at the UN General Assembly) secured global consensus that a new approach is needed to respond to protracted conflict and refugee crises. The UK pioneered the model for a new approach to protracted crises at the London Supporting Syria Conference in February 2016 through the Jordan and Lebanon compacts, which go beyond meeting people's basic needs to invest in education, jobs and livelihoods. This approach has been extended to a jobs compact in Ethiopia: an agreement with the government of Ethiopia, World Bank, European Investment Bank and the EU to create 100,000 new jobs for both refugees and Ethiopians. The UK has committed £80 million for the Ethiopia compact.
- DFID has undertaken a light touch review of its practice in protracted crises and is working with country offices and policy teams to roll out the lessons from the exercise. Applying these lessons, and through the UK's support for the implementation of a UNHCR-led Comprehensive Refugee Response Framework, initiated in September 2016, DFID is helping to transform the international response to deliver better, more sustainable solutions for refugees and the countries that host them. We are promoting an approach that supports refugees to remain in regions close to their countries of origin by going beyond life-saving assistance and investing in jobs, education and services; and by supporting economic development in host countries.

The crisis in Syria and the region

- Syria remains one of the world's worst humanitarian crises. More than 13 million people are in need of urgent humanitarian assistance in Syria and 5 million refugees have fled to neighbouring countries. In 2016–17, through UN and non-governmental organisation (NGO) partners, the UK helped millions of Syrians with life-saving aid inside Syria and provided support for refugees and host communities in neighbouring countries. Since the crisis began, across Syria and the region, the UK has provided nearly 25 million monthly food rations, more than 9.5 million relief packages, almost 8 million medical consultations, and more than 7 million vaccinations (as at December 2016).
- The UK has continued to play a leading role in the UN Security Council and the International Syria Support Group to push for unfettered access to deliver aid to those who need it. We secured the renewal of UK co-sponsored UN resolutions that enable aid to be delivered across the border into Syria without the consent of the Assad regime. As of March 2017, more than 520 interagency

12 These results do not count towards the SDP target for water and/or sanitation as they may be for temporary provision.

UN convoys had delivered aid in this way to those who desperately need it. DFID is working to improve the effectiveness and funding of the international response. The UK co-hosted the Supporting Syria and the Region Conference in February 2016, which raised more than US$12 billion for 2016–2020, the largest amount ever raised in a single day. One year on, donors had exceeded their US$6 billion pledge for 2016 by allocating US$8 billion. This money is saving lives and giving people a chance for the future.

Iraq

- DFID has provided £95 million in Iraq (£90 million for humanitarian assistance and £5 million for stabilisation projects). As one of the earliest and largest donors to the UN's 2016 Mosul Appeal, a significant proportion of UK funding has helped humanitarian partners to prepare for the start of military operations in Mosul and helped to improve the effectiveness of Iraq's crisis response mechanisms.
- Across Iraq since 2014, we have championed the use of innovative cash transfer programming – cash payments to vulnerable households – which has enabled 54,150 people to receive emergency cash transfers. DFID is also supporting UN-managed stabilisation activities focusing on the restoration of basic services so people feel safe to return home. More than 1 million people have been able to return to areas where UN stabilisation programmes are operating.

Sahel region

- The Sahel region remains in a cycle of instability, conflict and poverty which fuels migration, extremism and loss of livelihoods. The UK is increasing its presence in the region and is at the forefront of efforts to improve security and ensure an appropriate humanitarian response. DFID has already provided £70 million of humanitarian assistance in the Sahel region during 2016–17.
- The UK has now supported more than 1.5 million people affected by food insecurity conflict since 2015. DFID is also investing in building resilience to climate shocks such as drought, floods and conflicts in the Sahel region, including by providing £15.3 million to improve the capacity of governments to respond to crises. Since 2014, this investment has supported over 1.8 million people to improve their capacity to cope with such shocks, including forced displacement caused by conflict.

Central African Republic

- DFID allocated £20 million to the protracted crisis in the Central African Republic that has left close to a million people displaced and half of the population food insecure. DFID aid provided approximately 1 million Central Africans and Central African refugees with emergency healthcare, livelihood assistance, protection and food aid.

El Niño

- In 2016, DFID led the international response to the El Niño drought assisting people in 7 countries after the Southern African Development Community launched an emergency appeal. DFID provided over £134 million in emergency assistance in 2016–17, ranging from supplying people with cash to buy food, emergency nutrition, water and sanitation, emergency agricultural and livestock assistance, climate smart agriculture training for farmers, to helping communities invest in long term emergency preparedness.

Hurricane Matthew in Haiti

- Following the devastation caused by Hurricane Matthew in Haiti in October 2016, the UK has played a leading role addressing the humanitarian needs of the Haitian people. The UK provided £8 million, providing vital water, shelter, sanitation and protection; and helping tackle the spike of cholera cases in Haiti. In the immediate aftermath, the UK's previous work in Haiti meant that communities were better able to withstand the impact of the hurricane when it did hit. The UK had also previously supported work to put relief items in place and these were delivered to those in need soon after the hurricane struck.

Health threats

- International disease outbreaks are one of the major threats to global and therefore UK security. The UK helps countries and institutions to be able to stop the spread of deadly diseases and save lives. Preventing, detecting and responding rapidly to health threats is vital to protect people in the UK and overseas. The UK spent £427 million tackling Ebola and the cost to Sierra Leone's, Liberia's and Guinea's economies was around US$1.6 billion. With good preparedness, the initial Ebola outbreak might have been tackled earlier – at a fraction of the human and financial cost to the UK and African countries.
- The UK is building on lessons from Ebola and has delivered a highly effective Regional Preparedness Programme. Our partnership with the World Health Organization (WHO) Africa Regional Office and an NGO network (START) has enabled 21 highly vulnerable and poorly resourced countries to be better prepared against deadly diseases. This played an important role in preventing Ebola spreading further and ensuring timely identification and response to the Zika virus and Yellow Fever outbreaks in 2016.

Refugees and migration

- DFID continues to play a crucial role in the effort to tackle unmanaged migration in the Mediterranean region, particularly supporting the most vulnerable. Our aim is that global migration is orderly, safe, regular and responsible (Global Goal 10.7).
- DFID has allocated more than £100 million since 2015 to the humanitarian response. This has provided more than 1.5 million relief items to people affected by the Mediterranean migration crisis and more than 1.9 million meals for vulnerable refugees and migrants in Europe.
- The UK has committed €328 million – in addition to an approximate 15% contribution of €1 billion EU budget funding – to the €3 billion EU Facility for Refugees in Turkey (FRIT). The FRIT is helping support the basic needs of 1 million refugees through an Emergency Social Safety Net, as well as giving 500,000 refugee children access to education, 2 million refugees access to primary healthcare services, and 1 million people access to rehabilitative mental health services.
- In December 2016, a record US$75 billion was committed to a replenishment of the World Bank's fund for the poorest countries: the International Development Association (IDA) 18th replenishment. An additional US$2 billion has been allocated for support to low income refugee hosting countries through this replenishment. This financing will help low income countries hosting refugees to shift their approach to supporting long term refugees. The UK played a leading role in securing agreement to this approach.

Combating climate change

- DFID continues to play a key role in the UK Government's efforts to prevent climate change and assist the poorest in adapting to its effects.
- As part of the historic global climate agreement struck in Paris in 2015, the UK committed to increase its international climate finance by 50% between 2016–17 and 2020–21. This will provide at least £5.8 billion to help the poorest and most vulnerable people in the world cope with the increasing risk from droughts and floods, and to support sustainable economic growth and trade. The UK has helped millions of the poorest and most vulnerable people, particularly women and girls, to cope with the effects of climate change by boosting their resilience to floods, droughts and other climate impacts; and the UK has provided millions of people without electricity with access to clean energy.
- DFID is leading reform of the international climate architecture, including the Green Climate Fund, to ensure it delivers tangible benefits for the poorest people. These activities will contribute towards achieving Global Goal 13 on combating climate change and its impacts.

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Strategic Objective 3 (SO3): Promoting global prosperity

Global prosperity is vital for poverty reduction. No country can eradicate poverty or transition from aid without inclusive economic growth, jobs, investment and trade. DFID is committed to achieving growth that transforms economies; that creates productive jobs and private sector investment; and that spreads benefits and opportunities right across society. This is fundamental to achieving the Global Goals. The economic empowerment of women and girls, and other marginalised groups, is central to our approach of making sure that no one is left behind. Progress overseas also benefits the UK at home. Our work is helping to build Britain's trading partners of the future to seize opportunities for closer ties with the world's emerging economies as we exit the EU. Our focus on economic opportunities in fragile states will help tackle causes of mass migration, instability, insecurity and conflict.

Global Goals

DFID's work under SO3 is contributing to the following Global Goals, amongst others:

Activities and achievements

Boosting growth and jobs

- DFID launched its **first Economic Development Strategy** in January 2017. The strategy sets out how DFID will help more countries to harness trade, inclusive growth and investment opportunities to eradicate poverty and help countries overcome the need for aid. It emphasises the importance of our work with businesses to create the right conditions for companies – including from the UK – to trade with and invest in future markets to generate growth and lift people out of poverty. In line with the UK's promise to 'Leave No One Behind', the strategy recognises that sustainable growth must be inclusive, and in particular focused on the poorest, including girls and women, youth, people with disabilities, and other marginalised groups.
- CDC is helping to create jobs and enable businesses to grow in developing countries, attracting investment into the hardest to reach markets. As at December 2015, CDC had an investment portfolio of £3.9 billion and was invested in over 1,200 businesses in over 72 countries. In 2015, CDC-backed businesses helped create over 1.03 million new direct and indirect jobs (41% in Africa; 59% in south Asia) and generated over US$2.6 billion worth of local tax revenue. In 2015 investments by CDC in funds also helped to mobilise a further US$832 million of finance from private investors. We expect our work through the CDC to contribute towards multiple Global Goals, in particular 5, 7 and 10.
- New legislation – the **Commonwealth Development Corporation Act 2017** – increases the level of financial support that the UK Government can invest through CDC, enabling it to go even further to meet development objectives.
- The UK pushed for the IDA – the World Bank's financing arm for the poorest countries – to raise finance from capital markets. This landmark agreement at IDA's 18th replenishment in December 2016 sees significant new commitments to support economic transformation, jobs and skills alongside investments in regional infrastructure that will help countries grow and trade with others regionally.
- DFID has backed the creation of a new private sector window within IDA to enhance the International Finance Corporation's ability to help build and shape markets, grow their annual investments in the poorest countries, and double political risk insurance cover for fragile states.

Harnessing trade for poverty reduction

- Contributing to Global Goal 17's targets on trade, DFID is using its trade programmes to help partner countries get the best out of **global trade negotiations** and benefit from **trade access**. DFID is the major investor in TradeMark East Africa, one of the largest trade facilitation programmes in the world, contributing to significant time and cost reductions in moving freight across East Africa. DFID is also working closely with the Department for International Trade to ensure that we explore all opportunities to expand trade with developing countries as we prepare to leave the EU.
- The UK played a central role in finalising the World Trade Organisation **Trade Facilitation Agreement**, which came into force in February 2017. The agreement will reduce red tape at borders, reduce business costs and close opportunities for corruption.
- The Trade Advocacy and Investment Fund (TAF2 Plus) was launched in March 2017. Building on previous support from DFID, the programme will **build the capacity of developing countries to negotiate more effectively** to secure the benefits of trade for poverty reduction.

Working with the private sector

- DFID is committed to working with the private sector to make it easier for **businesses to access emerging markets** in ways that reduce poverty and create jobs, which supports Global Goals 1, 8 and 9. The Secretary of State and the President of the World Bank hosted an event in March 2017, on **'Transforming Investment Risk'**. Over 150 private sector participants focused on how to make investment into harder places and sectors viable, including in manufacturing, infrastructure and financial market development. DFID called on UK businesses to raise their ambition to invest in developing countries. Aviva, Prudential, Standard Chartered, Lloyd's of London and the London Stock Exchange publicly embraced the challenge.
- DFID is **helping to create stronger capital markets and financial services in our partner countries**, which will be crucial to achieving Global Goals 8 and 9. For example, DFID has backed a strong focus on capital markets development in the International Finance Corporation's 'Forward Look', which will deepen its partnership with the London Stock Exchange and help firms in developing countries to raise debt finance in London in the currency that suits them best. In March 2017, the Secretary of State for International Development announced a new partnership between GuarantCo – part of the Private Infrastructure Development Group supported by DFID – and the London Stock Exchange. This will seek to bring **more international infrastructure bonds in a wider range of currencies to the London market**. In addition, DFID's Financial Sector Deepening Africa initiative has substantially increased its focus on **domestic capital market development**, partnering with the UK's Chartered Institute for Securities & Investment to raise standards at Capital Markets Authorities in East Africa, and supporting the development of a regulatory regime for Islamic finance in Kenya.
- In October 2016, DFID launched **Invest Africa** to link private sector investors, buyers, and financiers and government in several African countries. The programme will boost manufacturing and create an estimated 90,000 direct and indirect jobs by encouraging at least £400 million of foreign direct investment over the next decade.
- DFID is working closely with the Treasury to support the **G20 'Compact with Africa'** initiative under Germany's G20 Presidency. This is an opportunity to press the international community and work with African partners to stimulate greater private investment in vital areas such as infrastructure.

Economic empowerment of women and girls

- As set out in DFID's new Economic Development Strategy, investing in the economic empowerment of women and girls is critical for achieving genuinely inclusive growth. DFID's support contributes to Global Goals 1, 5, 8 and 10.
- DFID has played a critical role in initiating and supporting the **UN High Level Panel (HLP) on Women's Economic Empowerment.** This brought together leaders from government, business, civil society and international organisations to drive change on women's economic empowerment to help achieve the Global Goals. The panel published its global action plan in March 2017.

- In September 2016, DFID announced the new **Work and Opportunities for Women** (WOW) programme, which is a key element of the UK's response to the HLP's call to action. It will work in partnership with business to empower women in their supply chains and support all DFID's economic development work to deliver results for women.

Infrastructure, urban and energy

- DFID is directly contributing to Global Goal 11 by implementing a new **Cities and Infrastructure for Growth** programme. This programme will work with 6 to 8 partner governments to put energy priorities into practice and support competitive cities through economic and urban planning, smart industrial policy and municipal finance.
- Energy is fundamental to economic growth and crucial to human development. DFID's interventions support Global Goals 12 and 13. Between 2011 and September 2016, DFID improved access to clean energy for 6.6 million people. For example, in Uganda DFID is supporting a green energy programme that will increase generation capacity by 20%.

Agricultural development

- We continue to make investments in agriculture to create jobs, boost smallholder farmer incomes and stimulate inclusive economic growth, which contributes towards Global Goals 1, 2 and 8.
- In 2016–17, we **supported agribusiness investment projects that benefit over 2 million farmers in developing countries**.
- To build the foundations for investment, DFID has increased support to initiatives that strengthen poor farmers' and citizens' land rights and promote more transparent land governance, including for example, new programmes in the DRC and Tanzania.

Remittances

- Contributing to Global Goal 10, the UK has agreed to ambitious targets to lower the cost of sending remittances by 2030. The UK National Remittance Plan sets out the UK's priorities to improve competitiveness in the UK remittances market and support the development of new technology in developing countries to facilitate payments.
- DFID has continued its collaboration across government, with the private sector and internationally to facilitate sustainable market-led solutions for secure, transparent and accessible remittance channels to developing countries. Significant attention continues to be paid to the UK-Somalia corridor, in particular working with the government of Somalia to build robust financial systems.
- DFID will soon publish the results of research conducted in 2016 to scope ways to promote innovative fintech solutions for facilitating remittance flows from the UK to developing countries, including fragile states, at significantly reduced costs.
- DFID has also provided funding in 2016–2017 to expand the World Bank Remittance Prices Worldwide database to include additional UK corridors. This will assist in improving transparency around costs, remittance flows and market competitors.

Strategic Objective 4 (SO4): Tackling extreme poverty and helping the world's most vulnerable

DFID is committed to working internationally to eliminate extreme poverty by 2030. Having halved extreme poverty globally over the last 25 years, the world now has the opportunity to end extreme poverty in the next 15 years (Global Goal 1). This is the right thing to do and firmly in the UK's national interest.

DFID is investing in people and ensuring access to basic services such as education, health services, family planning, better nutrition, and water and sanitation. In doing so, the department is contributing to the delivery of Global Goals 2, 3, 4, 5 and 6. We are doing more to reach those furthest behind and continue to provide international leadership on women and girls. Our work under SO3 also delivers towards SO4 by ensuring that the poorest and most disadvantaged groups benefit from economic prosperity.

Global Goals

DFID's work under SO4 is contributing to the following Global Goals, amongst others:

Activities and achievements

Education

- **By 2016–17, DFID supported 7.1 million children to gain a decent education** through our country programmes (Global Goal 4, target 1)[13]. The largest contributing countries were Ethiopia, Bangladesh, South Sudan and Pakistan. DFID's education programmes aim to ensure a decent education for all children, including through supporting teachers, improving classroom practices, and strengthening data and accountability – often with an explicit focus on girls and the most marginalised.
- In 2016, DFID supported 890,000 children in the poorest countries to gain a decent education through the Global Partnership for Education.
- The UK's Girls' Education Challenge (GEC) reached over 580,000 girls during 2016–17, bringing the total reached to 2.2 million girls. The GEC disbursed funds that provided over 1.8 million text books and students' kits, constructed or renovated 900 classrooms and trained nearly 17,000 teachers. The UK hosted an international Girls' Education Forum in July 2016, which agreed new commitments on girls' education. At the Forum the UK announced it would continue to support existing GEC beneficiaries through to secondary school, and extend to another 175,000 highly marginalised out-of-school adolescent girls.
- **Complementing our work under SO2, the UK has been at the forefront of developing a new approach to education in emergencies and crises, including for refugees**. The new global Education Cannot Wait fund was launched at the World Humanitarian Summit in May 2016 to ensure that millions more children and young people affected by crises can access education. The UK was the largest founding donor, pledging £30 million.

Health

- **In support of Global Goal 3, the UK is the leading donor to Gavi, the Vaccine Alliance, ensuring that more children are being immunised than ever before in the poorest and most fragile countries of the world**. Between the start of 2015 and the end of 2016, it is estimated that DFID support to Gavi immunised approximately 28.7 million children.

13 Based on data available in March 2017. The results for 2016–17 are expected to increase throughout 2017–18 as more data becomes available.

- On 17 September 2016, DFID announced a 3 year, £1.1 billion pledge to the **Global Fund to Fight AIDS, Tuberculosis and Malaria.** This includes a commitment to double private sector contributions for tackling malaria, up to a maximum of £200 million. This will help the fund save 8 million lives, avert 300 million infections, and help build resilient and sustainable health systems. This investment included a new performance agreement – the first of its kind – that focuses on 10 clearly defined areas and will affect all of the fund's work across the world.
- **The UK is taking steps to address one of the most pressing health issues of our time – antimicrobial resistance (AMR).** The Department of Health leads for the UK Government, with DFID support. At a high level meeting at the UN General Assembly in September 2016, governments committed to taking action to tackle AMR for the first time, with the UK playing a leading role.
- **In April 2017, the Secretary of State announced that the UK will invest a total of £360 million on implementation programmes to tackle neglected tropical diseases between 2017–2018 and 2021–22 (Global Goal 3, target 3).** The UK's support will protect over 200 million people from a future blighted by tropical disease, including entirely eradicating Guinea worm globally. In 2016, UK support delivered 136 million treatments, leveraging over £600 million of donated drugs. DFID has contributed substantially to the global reduction of Guinea worm disease, down to just 25 cases globally in 2016, from 3.5 million cases in 1986.
- **The UK supports countries to build strong health systems (Global Goal 3, target 8)**. **Resilient and responsive health systems are essential for delivering health results sustainably and reducing the probability and impact of future disease outbreaks.** DFID includes this systems strengthening approach across its health programmes, alongside specific investments to strengthen particular aspects of countries' health systems, such as health worker training and the management and financing of health services. This is helping to ensure that mothers and newborn children can receive better quality care at birth, so improving their chances of survival (Global Goal 3, target 2). We also invest in care for children under the age of 5, such as through the prevention and treatment of malaria and other childhood diseases.
- The UK has considerable expertise to share. By 2016, the DFID Health Partnerships Scheme had supported 104 UK health institutions to form 158 partnerships in 32 developing countries to build the capacity of their overseas counterparts and bring back benefits to the UK as NHS volunteers return with enhanced skills, motivation and confidence.
- **We continue to work towards the UK commitment of 24 million additional family planning users between 2012 and 2020 (Global Goal 3, target 7).** At the 2012 London Summit on Family Planning, the UK committed to enable an additional 24 million girls and women to use voluntary family planning by 2020. **DFID has enabled 8.5 million additional women between July 2012 and March 2017 to use modern methods of family planning.**
- **The Ross Fund Portfolio is a significant part of DFID's overall offer on global health research.** The product development portfolio includes new, simpler and cheaper treatment options for drug sensitive and drug resistant TB; and new diagnostics and drugs for malaria and other neglected tropical diseases (Global Goal 3 target b). The research will develop new diagnostic tests to identify epidemic disease outbreaks and inform the response to outbreaks, such as the Zika virus.

Better nutrition

- **By 2016–17 we reached 26.3 million children under the age of 5, women of childbearing age and adolescent girls with relevant nutrition interventions (Global Goal 2, target 1).**
- **The UK plays a leading role to address malnutrition in developing countries and is committed to improving the nutrition of 50 million people by 2020.** We focus on reaching women and on adolescent girls and young children because these are the stages of life when undernutrition can be prevented most cost effectively. In countries with a high level of undernutrition, we prioritise providing direct nutrition services alongside programmes that address the underlying causes (such as access to water, sanitation and hygiene). This maximises our impact. DFID also promotes effective leadership and capacity for nutrition nationally and

internationally. For example, we enable governments to access technical expertise, supporting them to implement their own national nutrition policies.

- **Over the past year, DFID has responded to unprecedented humanitarian needs arising from drought, famine and conflict.** The provision of life-saving nutritional support in emergency situations forms a core part of DFID's nutrition work. We are also identifying better ways to address malnutrition in fragile and conflict affected contexts. For example, in countries such as Kenya, Nigeria and Somalia, we have been working to strengthen the ability of health systems to deliver effective treatment for acute malnutrition, even when caseloads increase.

Water and sanitation

- **By 2016–17, we helped 27.2 million people get access to water and sanitation, to stop terrible diseases (Global Goal 6, targets 1 and 2)**. **The UK is committed to supporting 60 million people to gain access to clean water and sanitation by 2020. In Ethiopia** we reached 750,000 people in 2016–17 by working through the Ethiopian Government-led ONE WASH programme. The WASH Results Programme managed by the central WASH team has continued to play a leading role in the sector through its use of payment by results. By the end of March 2020, this project will have helped almost 7.5 million people gain access to sustainable water and sanitation services.
- DFID has worked closely with our partners such as the United Nations Children's Fund (UNICEF) to improve their value for money by using high quality data. **At a global level, DFID is supporting the Joint Monitoring Program to ensure there is robust data to monitor progress on Sustainable Development Goal 6. With our partners in the Sanitation and Water for All partnership we are working to ensure greater support and investment in water and sanitation.** DFID has invested in new programmes that aim to work with large private investors, for instance the Toilet Board Coalition led by UNILEVER that was recently shortlisted by Fast Company Magazine as one of their 'World Changing Ideas'.

Helping the world's most vulnerable

- **DFID's Economic Development Strategy sets out the critical importance of ensuring that the poorest and most disadvantaged groups benefit from economic transformation and are not left behind.** This requires improved access for women and the poorest and disadvantaged groups to better jobs and opportunities in high growth sectors; and supporting households in sectors where they currently work, such as informal microenterprise – to ensure that they can move into more dynamic sectors over time.
- **We cannot end global poverty, realise lasting peace or build prosperity without empowering girls and women (Global Goal 5, target 5). The UK is an international world leader on gender equality and improving the lives of girls and women is a core part of Britain's place in the world**. DFID played a critical role in initiating and supporting the UN Secretary General's HLP on Women's Economic Empowerment (making a significant contribution to Global Goal 5).
- In September 2016, the Secretary of State announced the new **WOW** programme. It will work in partnership with business to empower women in their supply chains and support all DFID's economic development work to deliver results for women.
- **Britain is proud to be a global leader in efforts to tackle violence against women and girls** in all its forms: from domestic violence (Global Goal 5, target 2) to female genital mutilation (FGM) (Global Goal 5, target 3). Last year the ICAI commended DFID's efforts to eliminate violence against women and girls. Since the London Girl Summit, the UK's commitment to support the Africa-led movement to tackle FGM has worked with more than 15,000 communities – representing more than 17 million people – who have publicly committed to ending FGM. DFID's investment in ending child marriage (Global Goal 5, target 3) is making tangible progress. In its first year, the UN Global Programme has reached over 1.6 million people, including girls, boys, religious leaders, elders and key decision makers.
- At the heart of the Global Goals is the global commitment to 'Leave No One Behind', which highlights reaching vulnerable and marginalised groups. In the Bilateral Development Review, DFID committed to significantly expanding its commitment to people with disabilities and to global leadership in this area. This includes building a global coalition across the international community,

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expanding our Disability Inclusive policy and programming, and improving disability data and evidence. DFID launched a Data Disaggregation Action Plan in January 2017 to help in disaggregating data to achieve the Global Goals.

Strategic Objective (SO5): Improving the value for money and transparency of UK aid

DFID is clear that all aid spending must meet the highest standards of effectiveness and value for money (VfM). The aid budget is taxpayers' money and the government has a duty to communicate to the UK public how this hard-earned money is spent effectively, delivers results for the world's poorest people and is not lost to waste or corruption. With this firmly in mind, DFID has rigorous internal systems and processes to ensure aid reaches intended beneficiaries and delivers results, and has a zero tolerance approach to fraud and corruption. SO5 is therefore central to all that DFID does.

VfM means that we work to maximise the impact of each pound spent to improve poor peoples' lives. We apply VfM approaches as follows:

- At a **strategic level**, we work to improve the impact of all UK ODA and international development finance, to amplify the impact of our, and others', aid.
- At a **portfolio** level, VfM means we aim to allocate our limited resources to maximise impact by doing the right things, in the right places and in the right ways. We put in place strong corporate oversight to monitor and drive VfM.
- At a **programme** level, VfM means we strive to design, procure, manage and evaluate our interventions to maximise impact, given available resources.
- At an **administrative** level, VfM means that the ways we work as an organisation maximise the impact that our people and resources can have. Our systems, cultures and behaviours empower staff to deliver more with less, whilst ensuring full accountability to the British taxpayer.

Across all of these levels, DFID invests in the central enablers to delivering VfM, such as transparency, data, scrutiny, payment by results and learning. A strong evidence base is essential for the provision of more effective development assistance, helping us to maximise VfM, learn lessons for the future and demonstrate impact.

Our ambitious **Agenda for Action** will further drive VfM across all these levels. For example, in 2017 we will urgently explore how to better drive efficiency through all levels of our delivery partners.

Global Goals

DFID's work under SO5 is contributing to the delivery of the Global Goals by ensuring that DFID's money is spent effectively in order to achieve maximum impact and VfM.

Activities and achievements

ODA

- **The latest data shows that the UK continued to meet the international commitment to spend 0.7% of GNI on ODA, providing £13,348 million[14] of ODA in 2016**.
- Aid administered by other government departments is the responsibility of the Secretaries of State of those individual departments. **DFID is responsible for reporting UK ODA spending to the OECD, and for reporting to Parliament on the government's performance against the 0.7% GNI target.** We use a central system to monitor spend by all ODA-spending departments and cross-government funds, receiving updates from these ODA contributors throughout the year. We report to the OECD and publish National Statistics releases twice a year. DFID provides technical advice on the ODA system and shares best practice to support all ODA-spending departments and funds. It is the responsibility of the spending department to ensure that all of their ODA offers value for money for the UK taxpayer and that it complies with OECD rules.

14 Based on provisional statistics on ODA available at the time of publication. Final statistics on 2016 ODA will be published in October 2017.

External scrutiny

- Section 5 of the International Development (Official Development Assistance Target) Act 2015 requires the Secretary of State to make arrangements for the independent evaluation of the extent to which ODA provided by the UK represents value for money in relation to the purposes for which it is provided; and to report on how she has complied with that duty in DFID's Annual Report. This section fulfils the duty to report.
- **Since May 2011, the Secretary of State has made arrangements for the ICAI to provide independent evaluation of all UK Government aid spending.**
- The role of ICAI is "to provide independent scrutiny of UK aid spending in order to promote the delivery of value for money for British taxpayers and the maximisation of the impact of aid". ICAI reports to the International Development Committee in Parliament and makes its reports available online. ICAI has a remit to scrutinise ODA provision by all UK Government departments. In addition, DFID-commissioned independent evaluations and the DFID Evaluation Annual Report 2016 can be found on the GOV.UK website.
- DFID writes regularly to other government departments and the devolved administrations to ask them to ensure independent evaluation of the ODA that they spend. DFID has also established a Global Evaluation Framework Agreement that can be used by other departments to organise independent evaluations of their programmes.
- In addition to the arrangements made by the Secretary of State, DFID is subject to further external scrutiny by the International Development Committee, the Committee of Public Accounts and the National Audit Office.

Delivering savings

- DFID achieved £120.6 million of commercial savings from effective procurement in 2016–17. This is aligned to the commitment made in the SDP and is driving efficiency and effectiveness in all our programmes. DFID drives the development of commercial capability skills throughout its Procurement and Commercial Department and the wider department.
- DFID has previously been recognised for its procurement practices, receiving a number of awards from CIPS in recent years and winning the Commercial Award at the Civil Service Awards 2016 for exemplary commercial skills and sound business judgement in delivering exceptional outcomes and value for money.
- In accordance with the Prompt Payment Initiative, in 2016–17, 80% of valid invoices were paid within 5 days of receipt (2015–16: 82.5%) against a target of 80%. DFID spent £461 million (33%) in 2016–17 for direct spend through small and medium-sized enterprises (SME), an increase from £431 million in 2015–16 (32%).
- In December 2016, DFID set up a root and branch review of DFID's management of suppliers, with the aim of driving out any excessive profits and getting better value for money from DFID's contracted aid. The review will identify measures to drive greater efficiencies from our biggest suppliers through new codes of practice and contractual obligations; more competition, innovation and choice in our supplier market; and increased transparency of fees and costs throughout our supply chain. The review will report in September 2017.
- **100% of DFID assistance is untied, and has been since 2001.** The UK Aid Strategy reaffirmed the government's commitment to keep aid untied and DFID's guidance on untying aid is included in advice and support to other government departments with ODA spend. DFID continues to encourage an open, transparent and competitive procurement process and supply chain as a core part of our work on promoting procurement reform, both in the UK and internationally.

Improving transparency

- **In the 2015 UK Aid Strategy, the government committed that the UK will insist that every government and organisation that we fund meets global transparency standards, and that all UK Government departments spending ODA will be ranked as either 'Good' or 'Very Good' in the Aid Transparency Index (ATI) within the next 5 years.**

- Transparency continues to be a key principle of development effectiveness and DFID remains firmly committed to being a global leader. DFID was rated at the highest rank, 'Very Good' in the ATI in 2016 and has continued to work with other government departments to help them deliver on this element of the UK Aid Strategy. DFID has raised its requirements of all partners, requiring them to meet international transparency standards and expecting them to pass the same expectation to their partners, to enable funding to be traced through the entire delivery chain.
- DFID set out a vision for complete aid transparency in the Bilateral and Multilateral Development Reviews, and the Civil Society Partnership Review and will publish detailed plans on how it will champion this in due course. DFID has encouraged a number of multilateral partners to go further, and, as well as making information more available, DFID will seek to ensure that it, and its partners, get better at using that information and open data to improve what we do.
- The Bilateral Development and Civil Society Partnership Reviews renewed our commitment to listen to the people whose lives we are trying to improve, to achieve the best results on the ground. DFID's Access and Beneficiary Feedback Pilot Programme successfully concluded in 2016, generating a significant body of evidence on the effectiveness of a range of feedback mechanisms. We continue to promote this learning to encourage and support the use of beneficiary feedback across our policies and programmes, and internationally. We are also working with partners to ensure more systematic use of beneficiary feedback at appropriate stages in programme design, mobilisation, delivery and review.

Counter aid diversion

- **DFID has a zero tolerance approach to aid diversion.** Our Counter Aid Diversion Strategy has been designed to create a culture that: encourages prevention; promotes detection; ensures effective investigation where suspected aid diversion has occurred; applies sanctions; and enforces a zero tolerance approach where aid diversion has been committed.
- DFID robustly manages aid diversion risks to ensure that funds are directed to the aid outcomes or recipients for which they are intended, with effective safeguards in place to protect and ensure value for money for the UK taxpayer. DFID also expects those entrusted as the custodians of DFID's resources down the delivery chain to do the same. Counter aid diversion activities are embedded throughout the programme cycle – from design through implementation, delivery and review – with controls routinely reviewed to ensure they remain effective. Roles and responsibilities are clearly articulated and understood by staff who have the capability to discharge these responsibilities.
- All DFID staff, as well as programme delivery partners and contractors, are required to report any fraud – suspected or detected – to the Counter Fraud Section without delay. When fraud and aid diversion occurs, DFID has a robust fraud response and we actively investigated and acted upon all suspicions and allegations of fraud, corruption and abuse of DFID resources in 2016–17. DFID took a robust approach once fraud was identified, with recovery of funds being sought in all instances, and has a good record on recovery.
- The department has in place whistleblowing arrangements and a policy that meets the UK's legislative framework, as set out in the Public Interest Disclosure Act (PIDA). The policy is reviewed annually by DFID's Internal Audit department to ensure continued compliance with PIDA and was promoted across the department as part of a UK Government 2016 fraud awareness campaign. All complaints have been handled independently by the department's Counter Fraud Section or the National Audit Office, as a prescribed route of complaint.

Better delivery

- **DFID continues to strengthen programme and financial management procedures and controls through the department's Better Delivery reforms.** DFID uses a PQI score to measure the extent to which projects are on track to deliver their expected outputs. In 2016–17, DFID's PQI score ranged between 102.8 and 104.3 (within a range of 50 to 150), indicating that, on average, DFID's outputs met or exceeded expectations.

- **Where projects fail to meet expectations we take action.** In 2016–17, DFID closed or restructured 22 projects early, saving approximately £238 million. This was due to changed circumstances (for example, conflict), poor performance, or a combination of the two.
- **DFID is delivering its 2014 Payment by Results (PbR) Strategy, to expand the evidence base on what works best, and to build capabilities for doing PbR in the right ways.** These commitments help to ensure that DFID continues to learn how, and in what circumstances, PbR can help drive value for money and aid impact, as we deliver the 2015 UK Aid Strategy target to increase our use of PbR. DFID is using and testing innovative PbR mechanisms in a variety of sectors, including health, education, agriculture, off-grid electricity, water, sanitation and hygiene. In addition, DFID is introducing performance agreements to help focus our multilateral partners on the delivery of key reform priorities. When done well, and in the right circumstances, PbR can drive incentives to perform and increase our focus on delivering the ultimate outcomes which make a difference to poor people's lives.

DFID research and evidence

- **The UK is a global leader in scientific research and innovation and DFID invests in cutting-edge research and new technology to tackle extreme poverty and the toughest global challenges.** In October, DFID launched its research review at the Bill & Melinda Gates Foundation Grand Challenges Conference in London. The review sets out how DFID will spend 3% of its budget on research plus £357 million over the Spending Review through the Ross Fund Portfolio.
- This investment will support high quality, high impact projects – for example, work to tackle deadly diseases such as sleeping sickness and malaria – to help countries to improve tax collection and tackle corruption, and to support the development of highly productive, nutritious, and pest and climate resilient varieties of crop. To ensure DFID gets the most out of every pound we spend and to improve programme delivery and shape policy, we use evaluation to determine which interventions are having the most impact. We use the evidence base from our research and evaluation to drive reform and encourage improvement across the global aid system.
- To support other government departments in evaluating their ODA spend, DFID's Evaluation Quality Assurance and Learning Service (EQUALS) offers them technical assistance. They also have access to DFID's Global Evaluation Framework Agreement (a panel of qualified suppliers to deliver evaluation services for requirements over the Official Journal of the European Union (OJEU) threshold). DFID leads work to share learning about evaluating ODA through a cross-government monitoring and evaluating ODA group.

Engaging UK citizens

DFID has taken further steps to help the UK public get involved in the worldwide fight against poverty by having a greater role and say in aid spending.

International Citizen Service

- **With 6,594 new volunteers in 2016–17, there are now more than 25,000 young people from the UK and developing countries who have taken part in the programme.** Volunteers work together overseas on sustainable development projects and carry out civic action in the UK. This helps to educate and motivate a generation of young adults to make a positive contribution to society as global citizens.

UK Aid Match

- **In 2016–17, DFID spent £53 million (up from £19.2 million in 2015–16; £16.8 million in 2014–15) towards the UK Aid Match scheme.** Last year, the scheme gave the UK public the opportunity to double every pound they donated to 10 UK aid-matched international development charity appeals. These appeals spanned a wide range of issues – from improved healthcare for people with disabilities to the provision of clean water – and meant that more than £26.47 million of UK aid will be matched to causes the public chose to support, with funding provided over the course of the next 3 years.

Responding to correspondence from the public

- In 2016–17, DFID received 5,756 written enquiries from the public and 97% of these were responded to within our 15 working day deadline. Information on DFID's handling of Freedom of Information requests received during the year can be found at: www.gov.uk/government/collections/government–foi–statistics

Complaints to the Parliamentary Ombudsman

- The Parliamentary and Health Service Ombudsman's most recent report 'Complaints about UK government departments and agencies, and some UK public organisations 2015–16' noted that no complaints against DFID were accepted for investigation during 2015–16. This is the most recent information available.

1.2 Financial review

Resource budgets

The Spending Review is the process by which the government sets spending plans, typically for a 4 year period. These plans are then set out within departments' Main Supply Estimates (Estimates) at the beginning of each financial year. Estimates are agreed between the department and the Treasury and approved (voted) by Parliament. Estimates may be updated through the supplementary estimate process later in the year for changes to spending plans.

The Estimates define the department's approved Total Managed Expenditure (TME). TME is made up of the Departmental Expenditure Limit (DEL) and Annually Managed Expenditure (AME).

The DEL budget is split between net resource spending (RDEL) and net capital expenditure (CDEL). The DEL budgets are then further split into total permitted administration and programme expenditure. The AME budget is used to reflect costs which are volatile in a way that cannot be fully controlled by DFID, including the creation and utilisation of provisions.

Statement of Parliamentary Supply

This is the main accountability statement for parliamentary reporting purposes, showing the outturn compared with the Estimate. Additional detail on actual spending during 2016–17 against Estimates subheadings is reported in the analysis of net resource outturn by section. The Departmental Board, supported by the Executive Management Committee, controls and monitors expenditure against these targets throughout the year.

DFID's total resource and capital budgets for 2016–17 were £10,607.6 million (2015–16: £10,144.9 million) and actual outturn was £10,441.9 million (2015–16: £9,885.7 million). The total outturns represent an underspend of £165.7 million (2015–16: £259.2 million) from Estimates, of which £32.8 million was within AME and £132.9 million was within DEL. DFID's DEL and AME budgets are split into voted and non-voted amounts within the Estimate. The overall size of DFID's voted budget is primarily determined by forecasts of the extent of funding required to meet the UK's obligation to spend 0.7% of GNI on ODA.

2016–17 budget and outturn information is summarised in the table below.

	2016–17			2015–16		
Voted	**Estimate £m**	**Outturn £m**	**Saving £m**	**Estimate £m**	**Outturn £m**	**Saving £m**
RDEL – Resource	6,973	6,909	64	6,667	6,644	23
CDEL – Capital	2,607	2,591	16	2,173	2,125	48
AME – Resource	192	159	33	279	173	106
AME – Capital	285	285	–	450	450	–
Total – Voted	10,057	9,944	113	9,569	9,392	177

Non–voted	Estimate £m	Outturn £m	Saving £m	Estimate £m	Outturn £m	Saving £m
RDEL – Resource	551	498	53	575	494	81
Total – Non-voted	551	498	53	575	494	81

The key financial performance indicators used to monitor DFID's activities are the budgetary control totals established through the Main and Supplementary Estimates, the profiling of these costs on a monthly basis, and the variance between actual and budgeted costs. Any significant variances on each operational area are identified and explained on a monthly basis and, where required, action is taken to understand and, where appropriate, address movements.

The department spent 99.2% of available DEL compared with the Voted Estimate for the year. Underspends of £63.8 million on RDEL and £16.2 million on CDEL are therefore a very small percentage of the annual budget and reflect the flexibility required by the dynamic nature of the department's work, whereby plans can often change as a result of the speed at which individual programmes are initiated and progress.

The Non-voted Estimate and outturn shown in the table above relate to amounts attributed to DFID reflecting the UK's contribution to expenditure on attributed aid activities by the EU from the EU budget.

A full analysis of resource and capital outturn is detailed within the SOPS1 (see page 79). An underspend of £32.8 million was recorded against the Voted AME Estimate (2015–16: £106.3 million). This was mainly a result of the conservative approach that the department takes towards estimating requirements to cover the development capital investment portfolio and favourable exchange rate movements on assets held in foreign currency.

Reconciliation between the resource outturn and the net operating costs in the Consolidated Statement of Comprehensive Net Expenditure is detailed in the reconciliation of outturn to net operating expenditure (SOPS2). The main variance between resource outturn and the net operating expenditure is in respect of £2,031.7 million of programme capital spend that is recognised as an operating cost in the Consolidated Statement of Comprehensive Net Expenditure. In addition, £498.0 million of EU attributed budget is included as expenditure within DFID's budget, but does not form part of our Consolidated Statement of Comprehensive Net Expenditure as per the Treasury's regulations.

Reconciliation between the Estimate and the department's cash requirement is detailed in the reconciliation of net resource outturn to net cash requirement (SOPS3). The main variance is due to the volatility of the department's development capital investment portfolio.

Statement of Comprehensive Net Expenditure – Operating costs

The Statement of Comprehensive Net Expenditure includes all operating income and expenditure relating to the Departmental Group[15] on an accruals accounting basis, including that which sits outside of the Estimate.

The Departmental Group's net operating expenditure amounted to £9,085.8 million in 2016–17, up from £8,742.0 million spent in 2015–16.

A key factor driving the increase in expenditure was due to the increase in DFID's budget to deliver the UK's commitment to delivering 0.7%.

15 Departmental Group comprises DFID, ICAI and CSC.

Consolidated Statement of Financial Position

The Departmental Group's net assets at 31 March 2017 amounted to £3,243.5 million, an increase of £2,254.7 million on net assets held at 31 March 2016. Key movements in the department's Statement of Financial Position are included in the table below:

	2016–17 £m	2015–16 £m	Movement £m	Significant factors contributing to movement
Financial investments	£8,942.7	£7,500.2	£1,442.5	■ Equity injection of £285.0 million to the CDC Group plc. ■ Equity injections to international financial institutions totalling £106.7 million. ■ Additions of £25.4 million to DFID's development capital investment portfolio. ■ Investment revaluations amounting to £1,025.4 million: (i) An increase of £604.1 million in the fair value of CDC Group plc, reflecting growth in the value of CDC's investment. As CDC records its accounts in sterling but holds significant investments in US dollars, the revaluation of CDC is highly influenced by exchange rate movements. (ii) A revaluation of investments in international financial institutions amounting to £409.7 million driven largely by favourable movements between sterling and the US dollar, together with increases in the value of underlying assets. (iii) An increase in the revaluation of development capital investment portfolio of £14.2 million partially offset by a release of financing costs of £0.2 million as a result of a change in discount rate set by the Treasury and an impairment of £2.4 million.
Trade and other receivables	£837.6	£532.0	£305.6	■ Net increase of £256.2 million in the amounts due in respect of bilateral and multilateral loans, and development capital loans. This includes a further loan disbursement to the IDA amounting to £350.0 million which is reported at an amortised cost[16] of £214.1 million (all within trade and other receivables due after more than 1 year) and a loan disbursement to the World Bank for Jordan and Syrian refugees amounting to £80.0 million which is reported at an amortised cost of £34.7 million (all within trade and other receivables due after more than 1 year). The total amortised cost of the IDA loans are £491.6 million as at 31 March 2017. The loans form part of the UK's commitment to IDA's 17th Replenishment. ■ Further tranches to development capital loans during the year of £6.0 million. The total amortised cost of this category is £53.3 million.
Cash and cash equivalents (net)	(£17.9)	£68.0	(£85.9)	■ Decrease in cash reflects an underestimation of the department's cash requirements for March 2017. This was within the Treasury's cash tolerance level. The department has recorded £25.7 million due from the Consolidated Fund in respect of supply within trade and other receivables. ■ It should be noted that an overdraft balance occurs due to timing differences and DFID does not operate an overdraft with its commercial bank accounts.

16 Statement of accounting policies note 1.11.

	2016–17 £m	2015–16 £m	Movement £m	Significant factors contributing to movement
Trade and other payables	(£5,372.3)	(£5,951.9)	£579.6	▪ Net decrease of £571.9 million in the promissory note liabilities. Promissory notes are often used to meet the UK's commitments to multilateral funds within agreed timings, while allowing flexibility for the funds to match the timing of cash draw-downs with programme requirements (i) DFID deposited promissory notes totalling £1,658.1 million in 2016–17. Significant new notes related to IDA (£760.0 million), CDC Group plc (£285.0 million), African Development Fund (£201.5 million), and the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) (£152.9 million). Other notes deposited totalled £258.7 million. (ii) Promissory notes totalling £2,234.9 million were encashed in 2016–17. (iii) Foreign exchange rate losses of £4.8 million incurred on promissory notes denominated in US dollars. (iv) Promissory notes are payable on demand and are therefore recorded within current liabilities.
Provisions	(£1,218.4)	(£1,233.2)	£14.8	▪ Decrease related principally to provisions held in respect of 2 multilateral programmes: the International Finance Facility for Immunisation and the Advance Market Commitment programme. Both programmes establish liabilities which are funded by multilateral donors. DFID makes payments to the programmes in line with agreed payment schedules. The provisions are held in respect of differences between the payment schedules and the UK's share of underlying liabilities incurred by the programmes.

1.3 Sustainability report

Summary of UK performance: UK estate and business related travel

Combating climate change and ensuring environmental sustainability in DFID's day-to-day operations

DFID is dedicated to achieving the UK Government's environmental targets and has a strong record in recent years for improving our environmental performance through a combination of investment in new technologies and equipment, and behavioral changes. We ensure that our procurement practices are consistent with key legislation and international principles on labour, social and environmental matters. Our development policies and programmes are designed to minimise any impact on climate change, and to ensure that UK and international operations are sustainable.

Governance

Carbon reduction strategies for the UK Estate are set out in our revised Carbon Management Plan. DFID's Sustainable Operations Board reviews progress against the Greening Government Commitments and sets the environmental policy framework for the office. There are 2 departments with responsibility for sustainable development and climate change matters: Climate and Environment team who lead on programme and policy issues, and DFID Estates. DFID also has a Green Team which allows staff members to participate in the environmental discussion.

Working across government

DFID remains a strong advocate of the government's initiative The Way We Work (TW3), which provides best practice guidelines for smarter working. TW3 aims to create better working environments for all staff by providing modern workplaces, flexible working, improving IT tools and streamlining security requirements. Working from home is encouraged to reduce unnecessary staff commuting, consequently reducing individual carbon footprints. We are currently assessing a range of options to develop our Scottish HQ to improve the use of space and deliver a more productive, flexible and efficient office. We are working with 8 other government departments to explore new approaches in collaborative facilities management, including environmental monitoring. DFID's property needs are linked to total operating costs and work force planning to shape UK and overseas asset management requirements. Overseas estate requirements are linked to Foreign & Commonwealth Office estates planning and governance structures under One HMG.

Scope of reporting

Sustainable operations in the UK

The UK Government is committed to sustainable development and its integration into the way we make policy, run our buildings and purchase goods and services. To meet these aims it published a set of environmental targets, the Greening Government Commitments, which ran to 2015 and required departments to reduce greenhouse gas emissions, waste and the number of domestic flights. DFID made significant progress towards meeting the original Greening Government Commitments and will continue to strive to meet new, revised, targets. DFID achieved Carbon Trust re-accreditation in 2016. Our revised Carbon Management Plan, running to 2020, sets out our ambition and allows us to identify and realise financial savings through improved efficiency in our procurement and more effective operation of our buildings.

Sustainability data tables: reducing greenhouse gas emissions

Environmental impact

Greenhouse gas emissions		2009–10	2010–11	2011–12	2012–13	2013–14	2014–15	2015–16	2016–17
Non–financial indicators (tCO_2)	Total gross emissions	3,831	3,409	2,690	2,803	1,950	2,123	2,004	1,878
	Gross emissions (Scope 1 (direct)	654	454	255	350	155	120	166	219
	Gross emissions Scope 2 & 3 (indirect)	3,177	2,955	2,435	2,453	1,795	2,003	1,838	1,659
Related energy consumption (thousand Kwh)	Electricity: non-renewable	5,930	5,455	4,121	3,959	3,712	3,716	3,673	3,477
	Electricity: renewable	–	–	–	–	–	–	–	–
	Gas	3,564	2,464	1,485	1,891	844	786	901	1,188
	Liquefied Petroleum Gas	–	–	–	–	–	–	–	–
	Biomass	–	–	–	–	–	268	194	2
	Whitehall district heating scheme	–	–	–	–	105	592	511	276
Financial indicators (£000)	Expenditure on energy	£479	£550	£513	£604	£468	£492	£521	£521

DFID has made considerable progress in reducing greenhouse gas emissions across all areas. Since 2009–10, we have achieved savings of over 40%. In 2016–17, the Energy Performance Certificate rating for Whitehall was 'E' and Abercrombie House achieved 'B'.

Reducing waste

Waste		2009–10	2010–11	2011–12	2012–13	2013–14	2014–15	2015–16	2016–17
Non-financial indicators	**Tonnes of waste**	**322**	**283**	**267**	**210**	**210**	**214**	**221**	**201**
	Waste recycled	265	232	186	152	152	144	165	135
	Waste to landfill	57	51	15	6	6	–	–	4
	Waste incinerated	0	0	66	52	52	70	56	62
Financial indicators (£000)	Waste recycled	35.7	40.2	41.3	37.2	45.1	36.4	47.3	34.9
	Waste to landfill	7.7	8.7	9.1	3.2	1.9	–	–	1.0
	Waste incinerated (without energy recovery)	–	–	–	12.8	15.7	17.9	16.0	16.1

Since the Greening Government Commitments baseline was set in 2009–10 we have reduced our office waste by over 40%, with an increase in the amount of waste being recycled and a corresponding reduction in the amount sent to landfill.

Travel-related emissions

Domestic air miles		2009–10	2010–11	2011–12	2012–13	2013–14	2014–15	2015–16	2016–17
	No of flights	3,610	–	3,177	3,718	4,876	4,390	4,147	4,573
Non–financial indicators (tCO_2e)	Domestic air miles (m)	1.50	1.35	1.30	1.80	1.78	2.10	1.70	1.88
	Carbon (tCO_2e)	463	410	356	505	496	524	425	472
Financial indicators (£000)	Expenditure on official business travel	4,437	3,938	4,050	5,611	6,418	5,585	5,432	5,655

DFID is developing a new air miles tracking system to monitor and manage staff travel more actively. We encourage all staff to consider alternative modes of transport to air, when travelling.

Water consumption

Water usage		2009–10	2013–14	2014–15	2015–16	2016–17
Non–financial indicators (consumption m^3)	Total water consumption (m^3)	8,459	7,024	6,842	6,777	8,740[17]
Financial indicators (£'000)	Expenditure	43.4	58.1	44.6	50.5	49.1

Sustainable procurement

Our statement of priorities and expectations for DFID's supplier and partnership relationships (including private sector partners and NGOs) is embedded within our procurement policies, procedures and service contract terms and conditions to incorporate:

- making available a statement of compliance with key legislation and international principles on labour, social and environmental matters.
- publishing a statement of how delivery and social and environmental values are articulated.
- publishing reports on an annual basis as a minimum, on environmental, social and governance performance (including but not limited to improving issues relating to the lives of girls and women, the environment and sustainability reports).
- supporting wider UK Government policy initiatives including for small and medium enterprises, prompt payment, human rights, the abolition of child and forced labour, and economic growth in developing countries.
- engaging supply chain partners in a way that is consistent with DFID's treatment of its suppliers and partners.
- providing assurance that the policies and practices of supply/delivery chain partners and affiliates are aligned to the expectations outlined.

Work is currently underway on managing the statement content through enhanced compliance assurance measured against clearly defined performance indicators.

Promoting sustainable development overseas

DFID is committed to integrating climate and environment concerns into all of its development policy and programming, including use of climate finance.

Sir Mark Lowcock

Accounting Officer for the Department for International Development

22 June 2017

17 Water consumption increased in 2016–17 due to the warm summer and need to keep the air conditioning operational for extended periods.

SECTION 2

Accountability Report

2.1 Corporate Governance Report

2.1.1 Directors' Report

Elements of the statutory requirements of the Directors' Report are detailed in the Governance Statement on page 51. These include:

- senior management.
- name of the Permanent Head and Accounting Officer.
- names of the Chairman and Non-Executive Directors.
- composition of the Management Board.
- details of company directorships and other significant interests held by senior management.

2.1.2 Personal data losses

No protected personal data-related incidents were reported to the Information Commissioner's Office in 2016–17 (2015–16: No incidents reported). Owing to the nature of the Department for International Development's (DFID's) business and in contrast to many other government departments which provide significant citizen-facing services, the department does not hold large volumes of personal data. DFID does hold a moderate amount of sensitive and higher classification information. DFID takes its responsibility for management of all data very seriously.

A governance structure compliant with the UK Government's Security Policy Framework is in place for information security and risk management.

DFID is also independently certified to ISO/IEC 27001:2013, the international standard for information security management systems, and is committed to maintaining its certification in the future. DFID's compliance with the standard is assessed biannually, which involves physical inspections of UK headquarters and overseas offices.

The department has a programme of work to ensure continued compliance with the UK Government's Security Policy Framework, the Cabinet Office Data Handling Review and ISO/IEC 27001:2013.

Directors are responsible for providing assurance on information security in their annual statements of assurance which support this and other elements of the Governance Statement.

DFID will continue to monitor and assess its information risks in order to identify and address any weaknesses, and to ensure continuous improvement of its systems.

The table below highlights the fact that no major data losses were identified during the year, using the 5 categories defined by Cabinet Office Guidance on Reporting Personal Data-Related Incidents March 2009.

Major data losses requiring reporting

Category	Nature of incident	Total 2016–17	Total 2015–16
I	Loss of inadequately protected electronic equipment, devices or paper documents from secured government premises	–	–
II	Loss of inadequately protected electronic equipment, devices or paper documents from outside secured government premises	–	–
III	Insecure disposal of inadequately protected electronic equipment, devices or paper documents	–	–
IV	Unauthorised disclosure	–	–
V	Other	–	–

Statement of Accounting Officer's responsibilities

Under the Government Resources and Accounts Act 2000 ('GRAA'), HM Treasury has directed DFID to prepare, for each financial year, consolidated resource accounts detailing the resources acquired, held or disposed of, and the use of resources, during the year by the department and its sponsored non-departmental public bodies designated by order made under the GRAA by Statutory Instrument 2016 No. 1243 (together known as the 'Departmental Group', consisting of the department and sponsored bodies listed at note 16.2 to the accounts). The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the department and the Departmental Group and of the net resource outturn, application of resources, changes in Taxpayers' Equity and cash flows of the Departmental Group for the financial year.

In preparing the accounts, the Accounting Officer of the department is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by HM Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis.
- ensure that the department has in place appropriate and reliable systems and procedures to carry out the consolidation process.
- make judgements and estimates on a reasonable basis, including those judgements involved in consolidating the accounting information provided by non-departmental public bodies.
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts.
- prepare the accounts on a going concern basis.

HM Treasury has appointed the Permanent Head of the Department as Accounting Officer of the Department for International Development. This appointment does not detract from the Head of Department's overall responsibility as Accounting Officer for the department's accounts.

The Accounting Officer of the department has also appointed the Chief Executives or equivalents of its sponsored non-departmental public bodies as Accounting Officers of those bodies. The Accounting Officer of the department is responsible for ensuring that appropriate systems and controls are in place to ensure that any grants that the department makes to its sponsored bodies are applied for the purposes intended and that such expenditure and the other income and expenditure of the sponsored bodies are properly accounted for, for the purposes of consolidation within the resource accounts. Under their terms of appointment, the Accounting Officers of the sponsored bodies are accountable for the use, including the regularity and propriety, of the grants received and the other income and expenditure of the sponsored bodies.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the assets of the department or non-departmental public body for which the Accounting Officer is responsible, are set out in 'Managing Public Money' published by HM Treasury.

Governance Statement 2016–17

2.1.3 Accounting Officer's foreword

As Accounting Officer for the Departmental Group, I am responsible for ensuring that DFID has an effective governance framework which provides strategic direction and management of the organisation. In particular, I am responsible for: ensuring that the supporting governance systems function as they are designed; overseeing delivery of ministerial strategic and policy priorities; ensuring value for money and managing risk; and ensuring accountability and delivery of efficient and effective organisational performance.

This is in support of the achievement of the Single Departmental Plan and in accordance with the International Development Act 2002, the International Development (Reporting and Transparency) Act 2006, the International Development (Gender Equality) Act 2014, the International Development (Official Development Assistance Target) Act 2015 and HM Treasury's 'Managing Public Money'. This Governance Statement represents my assurance to Parliament that, as Accounting Officer, I am satisfied that the department's finances are adequately controlled.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that DFID's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware. I also confirm that this annual report and accounts as a whole is fair, balanced and understandable and that I take personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

An overview of the performance of the department is set out in Section 1. Our most significant challenge in 2016–17 has been our continued response to the unprecedented humanitarian crises the world currently faces. In addition to protracted crises, such as the 6-year conflict in Syria, in 2017 there has been famine in parts of South Sudan and the credible risk of famine in Yemen, north-east Nigeria and Somalia. DFID has been, and remains, at the forefront of responding to these crises whilst pushing the agenda for reform of the global aid system.

In November 2016, we published the Civil Society Partnership Review, developed with extensive engagement from Civil Society Organisations (CSOs). The review considered DFID's current civil society funding portfolio alongside the changing global context and civil society operating environment. It recognised the UK Government's continued support to CSOs and set out strategic opportunities for DFID to engage with a broader range of these organisations to tackle extreme poverty and global challenges.

In December 2016, DFID published the Multilateral Development Review, which systematically assessed the performance of the 38 multilateral institutions that we engage with. It identified that the majority of multilateral institutions are working well, with some achieving exceptional results. The UK will continue to give these agencies strong support, while pressing for even higher standards. Areas for improvement identified by the review will be addressed alongside a more general drive to raise standards.

Allegations of serious improprieties in the practices of one of DFID's biggest suppliers emerged in late 2016. The department acted quickly to investigate the allegations fully and take decisive action with the supplier concerned. Separately the department has conducted a review of our procurement and commercial practice. The fundamental review of DFID's supplier management, launched by the Secretary of State in December 2016, has benchmarked the department's commercial and procurement standards against a wide range of other organisations, in the public and private sectors. The review is ongoing and we will soon announce a comprehensive package of reforms. These reforms will encourage better value for money and the highest standards of behaviour from our suppliers by: robust relationship management of our biggest suppliers, based on new Codes of Conduct; bringing greater competition, choice and innovation into our supplier market; and increasing contract transparency along our delivery chains, including introducing open book accounting methods. The review will build on the substantial progress made in recent years to transform DFID's commercial capability, recognised in the 'Cabinet Office Commercial Capability

Review' in 2015 and the International Development Committee's (IDC's) 2017 report into DFID's supplier management, to strengthen our procurement capacity, increase strategic focus and build greater commercial capability throughout the department. This includes the introduction of Commercial Delivery Managers and Business Partners to work with programme teams and a 25% increase in the size of our specialist procurement and commercial team.

We have continued to integrate the principles of supported and embedded accountability which we introduced with the Smart Rules in June 2014. We are enhancing our skills though our commitment to the government's fast track and operational delivery apprenticeship schemes so that we can be more innovative and effective in meeting future needs.

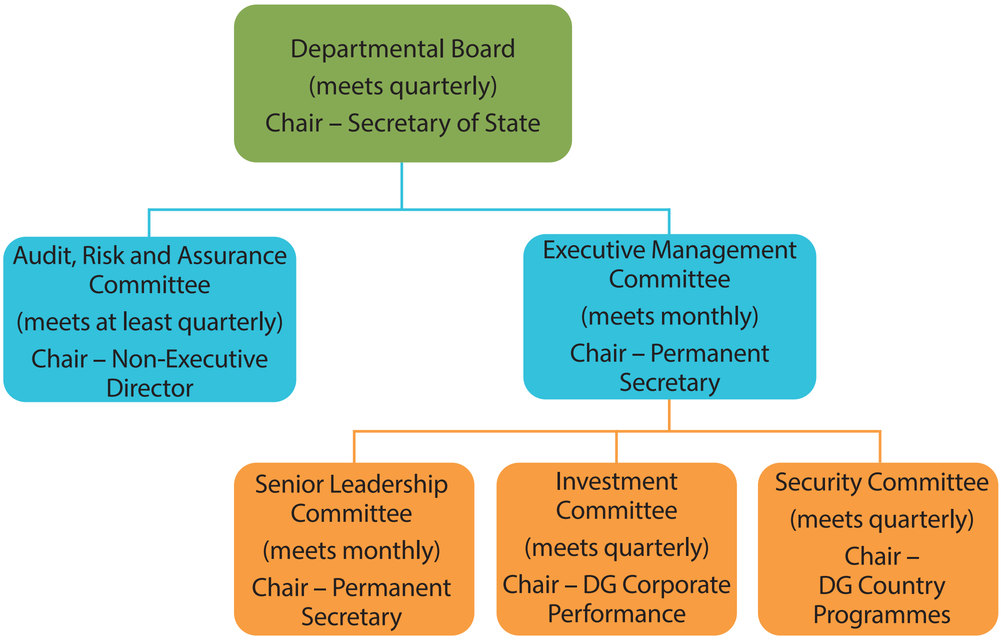
This year we launched our senior civil service (SCS) Financial Management for Leadership training to further develop our leaders to inspire and empower colleagues in financial management and decision making. To ensure that we can continue to gain assurance that UK aid reaches the intended beneficiaries in increasingly complex environments, we have launched new risk assessment and delivery chain mapping tools. We have completed a comprehensive review of our financial agreements and revised our grant agreements to ensure we meet the Cabinet Office minimum standards; and we are also engaging with cross-government initiatives to reduce instances of fraud and error. We will continue to seek innovative ways of increasing our risk awareness, improving controls and gaining assurance.

Our commitment to diversity and inclusion in our workspace supports our ambition to continue to make DFID a great place to work. Our inclusion and diversity networks are valued in challenging and supporting the organisation to recognise and openly talk about uncomfortable issues. We have launched a listening network that provides a safe outlet for staff to reach out for help when they are struggling. Dealing with mental health issues is a priority, not only for our own staff, but as a way to increase our role in global mental health issues by supporting, for example, victims in refugee camps in Turkey and Jordan.

In the year ahead, while ensuring the outcomes of the Multilateral Aid Review and Civil Society Partnership Review are implemented, I expect the department to maintain its focus on compliance with legislative and policy requirements, commercial leadership and tackling fraud and corruption. DFID will continue to improve risk management, control and assurance in DFID's delivery chains through increased due diligence and transparency as the new tools introduced this year are embedded into our programme management. To further enhance our corporate control and compliance, we will rollout DFID's Control and Assurance Framework and articulate clear responsibilities for DFID's programme rules, policies and assurance activities through the launch of the Corporate Rules Gateway. To reinforce DFID's financial management capability, we will ensure that all the SCS attend the Financial Management for Leadership training and cascade enhanced financial management and decision making throughout the organisation.

This year's Board effectiveness review focused on our Departmental Board. Improvements in 2016–17 included strengthening the role of Non-Executive Directors in departmental governance and we will make further improvements, to further build on the contribution of Non-Executive Directors to the department. There were no ministerial directions during the reporting period 2016–17.

2.1.4 How we are structured



2.1.5 Non-Executive Directors

Vivienne Cox – Lead Non-Executive Director

Appointed in December 2010 until May 2017 (the Cabinet Office gave special permission for her 6-year tenure to be extended to allow the recruitment of a replacement).

Vivienne sat on the Departmental Board. She is Chairman of Vallourec SA, Senior Independent Director at Pearson plc, a Non-Executive Director of GSK and a member of the Board of Stena International. In 2009, she retired from BP after 28 years with the company. Her last full-time role was as Executive Vice President of the Gas, Power and Renewables business.

In addition to managerial and corporate advice to the department, Vivienne co-chaired the Future Fit project to integrate the challenges posed by a changing climate and finite natural resources to our core business.

Richard Keys – Non-Executive Director

Appointed in February 2013; his tenure has been extended until February 2019.

Richard sits on the Department Board and the Investment Committee and is Chair of the Audit, Risk and Assurance Committee. He is a former senior partner of PricewaterhouseCoopers. Richard's other roles include Non-Executive Director of Merrill Lynch International, NATS Holdings Ltd and Wessex Water Services Ltd. Richard also chairs the Board of Glaziers Hall Ltd and was formerly a non-executive director at Sainsbury's Bank plc, a Council member of the University of Birmingham and a member of the Audit, Risk and Assurance Committee at Royal Botanic Gardens, Kew.

Tim Robinson – Non-Executive Director

Appointed in June 2013; his tenure has been extended until June 2019.

Tim sits on the Departmental Board and is Chairman of DFID's Digital Advisory Panel. As the Chair of DFID's Digital Advisory Panel, Tim has driven a step change in the department's approach to digital, and supported the development and execution of DFID's ambitious new digital strategy for 'doing development in a digital world'.

He is also Non-Executive Chair of Open GI, a UK-based software company. Tim has previously held various non-executive positions, including at Camelot, UKTI and Oxfam.

Tim is CEO of LGC, a global scientific analysis company that traces its origins to the privatised Laboratory of the Government Chemist. He previously ran a variety of technology-related businesses: CEO of Talaris (a global leader in technology systems for cash management), CEO of Xafinity (a BPO and software company) and Senior Vice President of the worldwide Civil Security Division at Thales Group.

Sally Jones-Evans – Non-Executive Director

Appointed in September 2016 for 3 years to September 2019, tenure may be extended but not to exceed 6 years.

Sally sits on the Departmental Board and is also a member of the Audit, Risk and Assurance Committee. Sally has 30 years' experience in retail banking and general insurance at Lloyds Banking Group, and has previous board and advisory experience in the not-for-profit sector. Sally currently serves as a Non-Executive Director (NED) with the Principality Building Society where she chairs the Remuneration Committee, and the Student Loans Company where she also serves on the Audit and Risk Committee.

Lucy Slinger – Non-Executive Member

Appointed in September 2014 for 2 years; her tenure has been extended until September 2018.

Lucy sits on the Audit, Risk and Assurance Committee. She has over 18 years' experience with Shell in a wide range of financial positions in the trading, retail, LPG and aviation businesses, mergers and acquisitions, investor relations and group reporting and is currently the Vice President for Group Planning and Appraisal. She is a graduate of Cambridge University as well as holding a Masters in Finance from London Business School and is qualified under the Chartered Institute of Management Accountants.

Anne Tutt – Non-Executive Member

Appointed in September 2014 for 2 years; her tenure has been extended until September 2018.

Anne sits on the Audit, Risk and Assurance Committee. She is a qualified Chartered Accountant and has worked in many finance director roles in the private sector. She has over 25 years' experience as a Board Director in both executive and non-executive positions for a wide range of organisations in the public, private and not-for-profit sectors. She is a Non-Executive Director and chairs the Audit, Risk and Assurance Committee of Oxford University Hospitals NHS Foundation Trust, Oxford Radcliffe Hospital Charitable Trust and is a Trustee of the International Network for the Availability of Scientific Publications (INASP). She is a member of the Audit Committees of Animal and Plant Health Agency (APHA) and the Home Office.

Fiona Thompson – Non-Executive Member

Appointed in September 2016; her tenure is until September 2018 (and it may be extended but not to exceed 6 years).

Fiona sits on the Audit, Risk and Assurance Committee. She has worked as an independent consultant and researcher focused on government-business relations and foreign direct investment and has served as a Board member of several not-for-profit organisations including CARE International UK, where she was Vice Chair. She is currently a Director and Chair of the Audit Committee of Forum for the Future and the Westminster Kingsway and City and Islington Colleges of Further Education. She also serves on the Board of Transparency International UK and the Overseas Development Institute. She is a UK Chartered Accountant, has a PhD in International Development and has lived and worked in India, Brazil and South Africa as well as the UK.

Debra Wood – Non-Executive Member

Appointed in June 2016 for 2 years; her tenure is until September 2018 (and it may be extended but not to exceed 6 years).

Debra sits on the Investment Committee. She is a globally experienced Chief Financial Officer who has expertise in restructuring, change management, stakeholder liaison, debt refinancing, mergers and acquisitions, integration and profit improvement. Previously, she was a Chief Financial Officer at Liberty, Soho House Ltd, Robinson Webster Group and Jigsaw. Current non-executive roles include an advisory role for a private equity firm and Treasurer for City Chorus.

Jonathan Simcock – Non-Executive Member

Appointed in June 2016 for 2 years; his tenure is until September 2018 (and it may be extended but not to exceed 6 years).

Jonathan sits on the Investment Committee. He was formerly the Managing Director of Smart DCC and the Director of the Office of Government Commerce. He has undertaken executive roles in the energy, utilities and telecommunications sectors and led what is now the Infrastructure and Projects Authority in the Cabinet Office.

2.1.6 Departmental Board

Roles and responsibilities	Issues covered
The Departmental Board advises on and monitors the delivery of the Secretary of State's strategy and policy priorities. The Board: ▪ Sets DFID's strategic direction, and has oversight of the department's priorities and business planning. ▪ Monitors the implementation of DFID's strategy and policy priorities. ▪ Monitors and advises on significant risks to implementation. ▪ Recommends remedial actions if operational or financial performance is off track.	The Board met 5 times during this reporting year, covering a wide range of strategic, operational and financial issues. The Board took updates from the complete set of sub-committees, allowing for detailed discussion on senior leadership, investment issues, audit and risk and security. At each Board meeting, the Secretary of State gave an update on immediate priorities, allowing for a discussion on urgent issues and priority events. At each Board meeting, the Permanent Secretary provided an update on operational issues, using a standard set of management information to inform discussion of strategic, financial and operational issues. In addition, the key issues covered included: Single Departmental Plan Strategic Objectives such as DFID's climate finance programming and the Global Goals and United Nations General Assembly outcomes; value for money updates; and the content of bilateral and multilateral development reviews.

The Board is required to ensure that it complies with the provisions of the Corporate Governance in Central Government Departments: Code of Good Practice 2011 or where it has not, to explain the reasons for any departures from the Code.

DFID is satisfied that the Board has complied with the Code. The Board members are satisfied with the quality of the information provided.

Attendance at Departmental Board meetings

Board member	Meetings attended	Out of
The Rt Hon Priti Patel, MP, Secretary of State (appointed July 2016)	4	4
The Rt Hon Justine Greening, MP, Secretary of State (resigned July 2016)	1	1
The Rt Hon Desmond Swayne MP, Minister of State (resigned July 2016)	1	1
The Rt Hon Rory Stewart, MP, Minister of State (appointed July 2016)	3	4
The Rt Hon Lord Bates, Minister of State (appointed October 2016)	2	3
The Rt Hon Baroness Anelay, Minister of State (appointed July 2016 to October 2016)	0	1
The Rt Hon Baroness Verma, Parliamentary Secretary of State (appointed May 2015 to July 2016)	0	1
The Rt Hon Nick Hurd, MP, Parliamentary Under Secretary of State (appointed Nov 2015 to July 2016)	0	1
The Rt Hon James Wharton, MP, Parliamentary Under Secretary of State (appointed July 2016)	3	4
Vivienne Cox, Lead Non-Executive Director	3	5
Richard Keys, Non-Executive Director	3	5
Tim Robinson, Non-Executive Director	5	5
Sally Jones-Evans, Non-Executive Director	3	3
Sir Mark Lowcock, Permanent Secretary	5	5
Joy Hutcheon, Director General, Finance and Corporate Performance	4	5
Lindy Cameron, Acting Director General, Country Programmes	4	5
Nick Dyer, Director General, Policy and Global Programmes	4	5
David Kennedy, Director General, Economic Development (resigned 9 January 2017)	1	3
Rachel Turner, Acting Director General, Economic Development (appointed January 2017)	2	2

2.1.7 Executive Management Committee (EMC)

The Executive Management Committee comprises the Permanent Secretary and the 4 Directors General. It is chaired by the Permanent Secretary and meets monthly in open session.

Sir Mark Lowcock, Permanent Secretary

Sir Mark was appointed in June 2011. The Permanent Secretary is the most senior civil servant in the department. The Permanent Secretary is the Accounting Officer for the department, meaning he is answerable to Parliament for how the department spends money. He chairs the Executive Management Committee, which provides strategic direction to the management of DFID's operations, staff and financial resources.

Joy Hutcheon, Director General, Finance and Corporate Performance

Joy was appointed in January 2016. The Director General, Finance and Corporate Performance is responsible for DFID's communications, business solutions, human resources, security and facilities. Joy oversees DFID's internal audit function as well as finance and corporate performance. She also leads on business change and strategy. Joy is DFID's Diversity and Inclusion Champion.

Lindy Cameron, Acting Director General, Country Programmes

Lindy was appointed Acting Director General, Country Programmes in January 2016. The Director General, Country Programmes is responsible for overseeing DFID's programmes in Africa, Asia, the Middle East, the Caribbean and Overseas Territories.

Nick Dyer, Director General, Policy and Global Programmes

Nick was appointed in November 2013. The Director General, Policy and Global Programmes is responsible for overseeing DFID's policies and its relationship with multilateral agencies including the UN. Nick is also responsible for overseeing DFID's Conflict, Humanitarian and Security Department, donor relations and global initiatives.

David Kennedy, Director General, Economic Development (until January 2017)

David was appointed as DFID's first Director General for Economic Development in June 2014. He was responsible for economic development and international finance, growth and resilience, trade and development activities.

Rachel Turner, Acting Director General, Economic Development

Rachel was appointed Acting Director General, Economic Development in January 2017. The Director General, Economic Development is responsible for overseeing DFID's commitment to boost economic development, international finance, growth and resilience, and trade and development. Rachel is also responsible for overseeing DFID's Europe Department, leading DFID's work on leaving the EU, which includes trading relationships with developing countries post EU exit.

EMC roles and responsibilities

Chair – Sir Mark Lowcock, Permanent Secretary

Roles and responsibilities	Issues covered
■ Guiding DFID's strategy and policy priorities, in line with the direction set by the ministerial team and the DFID Business Plan. ■ Providing strategic direction to the management of DFID's operations, staff and financial resources. ■ Communicating the vision, direction and priorities of DFID to staff and other stakeholders. ■ Scanning the horizon and considering the strategic challenges and risks to the organisation. ■ Ensuring effective allocation and management of DFID's staff and financial resources. ■ Monitoring and improving DFID's performance and capability.	During this reporting year, the EMC met 9 times. Each EMC meeting opens with a routine review of the DFID Strategic Risk Register and a review of DFID Management Information. Key issues which are given priority either require a decision or discussion. During the reporting year, these were: financial capability, assurance framework, diversity and inclusion, devolution engagement plan and board effectiveness review.

Attendance at EMC Committee meetings

EMC member	Meetings attended	Out of
Sir Mark Lowcock, Permanent Secretary	9	9
Joy Hutcheon, Director General, Finance and Corporate Performance	8	9
Lindy Cameron, Acting Director General, Country Programmes	9	9
Nick Dyer, Director General, Policy and Global Programmes	8	9
David Kennedy, Director General, Economic Development (resigned 9 January 2017)	5	7
Rachel Turner, Acting Director General, Economic Development (appointed January 2017)	2	2
Richard Keys, Non-Executive Director	4	5
Tim Robinson, Non-Executive Director	3	5
Sally Jones-Evans, Non-Executive Director	3	5

All Non-Executive Directors were invited to EMC meetings with effect from September 2016.

Audit, Risk and Assurance Committee

Chair – Richard Keys, Non-Executive Director

Roles and responsibilities	Issues covered
The Audit, Risk and Assurance Committee comprises 2 Non-Executive Directors and 3 Non-Executive members. It meets at least 4 times a year. The Audit, Risk and Assurance Committee reviews and advises the Board and the Accounting Officer on: ■ Assurance processes and actions in relation to management of risks. ■ Strategic processes for risk management, internal control and governance. ■ Accounting policies, financial statements, and annual report of the organisation. ■ Planned activity and results of both internal and external audit. ■ Adequacy of management response to issues identified by audit activity. ■ Anti-fraud policies and procedures, whistleblowing processes and arrangements for special investigations. ■ In conducting its work, it meets regularly with internal and external auditors without the presence of management.	During the 2016–17 financial year the Committee met 5 times. Particular focus has been on: ■ Reviewing and commenting on the annual report and financial statements. ■ Reviewing the continuing development and application of DFID's risk policy and risk appetite statements. ■ Oversight of continued improvements to DFID's risk management approaches. ■ Oversight of DFID's developing control and assurance framework. ■ Oversight of DFID's accounting approaches and treatment to investments. ■ Review of CDC accounting treatment. ■ Reviewing regular updates and reports from the Internal Audit Department and the Counter Fraud Section.

Staff are invited to observe the meetings of the Committee, except in respect of closed business, with the prior agreement of the Chair obtained through the Committee Secretariat.

Investment Committee

Chair – Joy Hutcheon, Director General, Finance and Corporate Performance

Roles and responsibilities	Issues covered
The Investment Committee comprises the 4 Director Generals, 3 Non-Executive Members and key staff including the Director, Value for Money. It meets every 2 to 3 months. The Investment Committee provides assurance to the Departmental Board and EMC that DFID's programme portfolio is delivering value for money. It does not operate as a decision-making body or 'gateway' on new investments, as these decisions are for ministers. Instead, the Committee focuses on ensuring that DFID has the systems, culture and capability to drive improved portfolio performance, and provides leadership and challenge on portfolio development and performance. The Quality Assurance Unit (QAU) reports to the Investment Committee.	Key themes for the Investment Committee over the last year have been: ■ Monitoring portfolio performance and quality. Including scrutiny of the shape of the portfolio; monitoring programme performances through the PQI; future pipeline of programme spend; and forecasts for delivering results and spend commitments. ■ Strengthened programme management. Including leading and overseeing DFID's programme management cycle, from design to evaluation; and overseeing and implementing DFID's commercial strategy and Commercial Capability Review. ■ Value for money. Including developing in-depth guidance for staff; overseeing DFID's evaluation function; and overseeing a review of DFID Kenya's operating model as an example.

Security Committee

Chair – Lindy Cameron, Acting Director General, Country Programmes

Roles and responsibilities	Issues covered
The Security Committee (SC) is a sub-committee of the Executive Management Committee and includes selected Directors and a representative from the Foreign and Commonwealth Office (FCO). The SC is responsible for providing assurance on the adequacy and effectiveness of DFID's security globally. Its primary focus is on people security but its remit includes all aspects of physical, personal and information security, including cyber.	Key areas of work for the Security Committee (SC) over the last year included the following: ■ Consideration of threat assessments, updated Operational Risk Register, Overseas Security Adviser recommendations and security incidents affecting staff to identify emerging trends. ■ Review of reports on security breaches and agreed measures to improve the security culture and awareness across the department. ■ Personal security clearance policy for staff overseas, agreeing new procedures to counter the physical, information and reputational risks.

Senior Leadership Committee

Chair – Sir Mark Lowcock, Permanent Secretary

Roles and responsibilities	Issues covered
The Senior Leadership Committee (SLC) comprises the 5 members of the Executive Management Committee and the Director, People, Operations and Change. It meets monthly and is supported by HR Secretariat. The SLC is responsible for ensuring DFID's SCS structure and roles are designed to meet our future and changing leadership needs, managing SCS performance and pay/reward, ratifying all SCS appointments and leading on SCS talent and succession management.	During the year, the SLC continued to focus on SCS behaviours through robust objective setting and assessment of performance (both what and how). Key areas of focus this year included: ▪ Delivering our commitments collaboratively. ▪ Building capability, particularly in relation to financial and commercial capability. ▪ Maintaining our performance and our reputation. Supporting this, a tailored SCS Leadership Development Offer was launched and key messages were reinforced as part of the annual SCS Conference. SLC continued to focus on having honest and meaningful talent conversations/assessments with SCS for career and development planning purposes and in addressing resultant needs, issues, gaps and risks. A number of targeted development interventions to strengthen the SCS pipeline were approved (for example, Executive Masters in Public Policy, Royal College of Defence Studies). Importantly, SLC continued to secure places for DFID staff on Civil Service-wide talent development programmes, with a significant increase in both the number and diversity of participants on these.

2.1.8 Risks to our performance: what they are and how we deal with them

DFID uses a 'three lines of defence' model to manage risk. The first line is provided by the teams responsible for delivering DFID's programmes. The second line is made up of the teams who set the controls and monitor their implementation. The third line provides independent assurance about how well controls are being applied in practice.

Active risk management remains a top priority for DFID. The EMC review DFID's Strategic Risk Register (SRR) every month to manage internal and external risks to the delivery of DFID's Single Departmental Plan. Risks discussed in the past year included: the protracted crises in Syria, Yemen, the Occupied Palestinian Territories and South Sudan; the Zika virus; the effects of El Nino and La Nina in East and Southern Africa; uncontrolled mass migration; the potential impact of a shift in US foreign and international development policy; the impact of changes in US interest rates on developing countries' budgets and debt; workforce planning pressures; and development spending by other government departments not being ODA compliant. DFID's responses included: increased humanitarian assistance; publication of a new Economic Development Strategy as part of how DFID will establish new trade, investment and economic links to end global poverty; enhanced advice and monitoring related to ODA spending; and closer monitoring of workforce recruitment and performance measures. We expect many of the same risks and pressures to continue in the year ahead.

DFID continues to invest significant effort to strengthen its strategic risk management systems. Specific steps in 2016–17 included: the EMC approving a new corporate Risk Management Policy and Risk Appetite statement in December 2016; the launch of a comprehensive suite of risk management tools and guidance for staff; the introduction of a new online application to help active tracking and management of risks; and the introduction of stronger risk escalation procedures which help inform SRR discussions. These changes are ensuring the use of more robust practices across DFID and reinforcing risk management, control and assurance across the programme delivery cycle.

There was a significant focus on identifying and managing aid diversion and other risks in DFID's delivery chains. DFID's Smart Rules were strengthened to include a mandatory delivery chain mapping requirement as part of standard due diligence. This was supported by a new Smart Guide and online functionality to capture risk information and allow for easier aggregation and analysis of the risks. We will continue to develop that functionality in the year ahead. The Accountable Grant and commercial contract templates were updated to strengthen partner accountability and strengthen downstream due diligence and delivery chain mapping requirements. These reforms will enhance DFID's ability to assess fraud risk throughout the delivery chain, improve accountability and transparency, drive greater value for money, strengthen DFID's relationships with key stakeholders and increase assurance regarding the use of public funds.

In August 2016, ICAI published its report into DFID's approach to fiduciary risk in fragile and conflict affected environments, awarding DFID a green-amber rating. The report recognised the rigour of DFID's central systems and processes, the efforts of staff to manage fiduciary risks in challenging environments, and the high awareness and good practice in identifying, assessing and mitigating fiduciary risk. ICAI expressed confidence that UK funds are being protected. The review recognised the progress in risk management since the launch of the risk framework in 2016, and urged further strengthening, particularly in the areas of risk appetite, risk transfer and complex multilateral programmes. DFID welcomed the report and is continuing to build on its content.

DFID's risk management practice was reviewed in light of Cabinet Office's new paper "Managing Risk in Government" which sets out what a well-functioning risk management system looks like. DFID was assessed to be in a strong position, but we will undertake a fuller risk maturity self-assessment in 2017-18 to identify what more we need to do. Areas we expect to focus on in the year ahead include risk management in multilateral investments and protracted crises.

2.1.9 Internal Audit annual assurance opinion

The Internal Audit Department is required to comply with 'Public Sector Internal Audit Standards: Applying the Institute of Internal Auditors international standards to the public sector'. These require that, at the year end, the Head of Internal Audit forms an opinion regarding the adequacy and effectiveness of DFID's frameworks for governance, risk management and control.

The opinion is based on the audit work performed in the year, and up to the date of the finalisation of the Annual Assurance Report to the Audit, Risk and Assurance Committee. This includes:

- The results of internal audits completed or in draft.
- Any follow-up action taken in respect of audits from previous periods.
- The effects of any significant changes in DFID's control environment.
- Any matters arising from previous Internal Audit annual assurance reports to DFID.
- The results of consultancy work undertaken during the year.
- The consideration of value for money embedded within each review undertaken by Internal Audit.
- Formal audit evidence and work.
- Evidence gathered through being part of DFID as an in-house audit service.

Internal Audit has reported no restrictions that have limited the scope of its work during 2016–17. While the Head of Internal Audit Department reports to the Permanent Secretary, with day-to-day oversight by the Director General, Finance and Corporate Performance, Internal Audit has direct access to the Departmental Board and the Audit, Risk and Assurance Committee. The latter advises the Accounting Officer concerning the provision of Internal Audit services and consults with senior management on the appointment and performance of the Head of Internal Audit.

In the Annual Assurance Report 2016–17, the Head of Internal Audit expressed the opinion that:

"In the Internal Audit Department's opinion, DFID had adequate and effective frameworks for:

- Governance.
- Risk management.
- Control."

This opinion covers the period 1 April 2016 to 31 March 2017.

The overall assurance opinion over governance, risk management and control is mandated through audit standards, the Public Sector Internal Audit Standards. This opinion summarises a complex set of data and assurance outcomes gathered from formal assurance and consultancy, informal and contextual work performed by us during 2016–17. It is intended to provide a high-level indicator of the overall adequacy of the frameworks of control for 2016–17.

The overall opinion for 2016–17 is unqualified. The assurance results by risk level show a few areas where controls as designed and operated are not clearly defined as being within DFID's risk appetite and continue to receive management attention.

It is our judgement that the balance of these results suggests clearly that the overall assurance opinion should be unqualified.

2.1.10 Additional assurance information and arm's-length bodies

In addition to the annual assurance opinion from the Head of Internal Audit, I also place reliance on Statements of Assurance. Each Director is responsible for signing off the annual Statement of Assurance, providing me as Accounting Officer with assurance that DFID's management systems are being applied consistently and effectively across their respective divisions.

The Statement of Assurance process covers 24 key internal controls. This year the 3 main areas identified for improvement were risk management, business continuity planning and financial forecasting.

- The department has continued to enhance its risk management activities. Fraud, corruption and terrorist financing continue to be a focus for the department with a new counter aid diversion strategy and action plan shaping our ongoing activity. Continued focus on embedding the risk management framework has supported more systematic discussions on risk at both programme and portfolio level. As risk awareness amongst SROs and programme staff has improved, there is a greater demand for more and better quality information in relation to risk in the delivery chain. We will gather more detailed information of how DFID funds and assets are allocated by our partners within their delivery chain.
- The department continues to work in high-risk environments, and staff safety and business continuity are priorities both overseas and in the UK. We will continue to ensure business continuity plans are updated, tested on a regular basis and fit for purpose.
- The department acknowledges the importance of good financial planning and budgeting. We will continue to provide training and guidance to staff to further improve our financial forecasting, taking account of the often-unpredictable context in which the department works.

In line with the Public Accounts recommendation in 2016, we have published our Accountability System Statement (AOSS) that covers all the accountability relationships and processes within the department, making it clear who is accountable within all parts of the system.

Independent Commission for Aid Impact and National Audit Office Audit reports

As Accounting Officer, I also take account of findings from the work of the Independent Commission for Aid Impact (ICAI), an arm's-length body which is detailed below, and the National Audit Office (NAO).

During the year, ICAI examined and reported on a broad range of topics specific to DFID, as well as studies relating to the cross-government Prosperity Fund, migration in the central Mediterranean, and the contribution of UK aid to tackling tax avoidance, tax evasion and illicit financial flows. DFID publishes its responses to ICAI reports.

The NAO scrutinised and reported on the department in 2016–17, focusing on investing through CDC; realising the benefits of the St Helena airport project; and DFID's approach to tackling fraud. Aspects of the department's work have also been included in several of the NAO's cross-government reports published during the year.

In November 2016, the NAO published its assessment of the value for money of DFID's investment through CDC. Its report found that DFID and CDC have responded positively to the recommendations made by the previous NAO report in 2008–09 and concluded that CDC has an "efficient and economic operating model". The report also identified areas for further improvement, recommending that DFID make explicit its arm's-length governance arrangement with regard to CDC investment decision making. It also recommended that CDC should do more to measure and report on the development impact of its investment portfolio.

In May 2016, the NAO published a report entitled 'Realising the Benefits of the St Helena Airport'. The report noted that the airport had been certificated as meeting international safety and security standards by the regulator, Air Safety Support International. It identified that plans for the introduction of scheduled commercial services awaited further investigation into the impact on operations of difficult wind conditions. The investigation looked at key assumptions in the cost benefit analysis for the project and considered the department's ability to realise the benefits from improved access to the island.

The NAO investigation into DFID's approach to tackling fraud resulted from an increase in the potential risks after the government committed to spend 0.7% of GDP on foreign aid and at least 50% of the budget in fragile states. The report recognised that DFID has a zero-tolerance approach to fraud, and acknowledged the comprehensive and strengthened measures DFID has in place to tackle it.

The Comptroller and Auditor General signed the department's 2016–17 report and accounts on 28 June 2017 and issued an unqualified audit opinion.

Arm's-length bodies

DFID has 2 non-departmental public bodies for which I am responsible as Accounting Officer.

The Independent Commission for Aid Impact (ICAI) was established in May 2011. Its role is to provide independent scrutiny of UK aid, to promote the delivery of value for money on behalf of British taxpayers and to maximise the impact of aid. It reports directly to Parliament through the International Development Select Committee (IDC). Expenditure by ICAI in 2016–17 was £3.1 million (2015–16: £2.2 million).

- All payments for ICAI are made through DFID systems, which are subject to DFID's internal control framework. In addition, an annual report by the IDC on ICAI, including recommendations, is reviewed by DFID, and DFID responds to recommendations made.
- The Secretary of State is accountable to Parliament for ICAI and, in delivery of this responsibility, the Secretary of State and the department's Executive Management Committee meet the ICAI Commissioners regularly to ensure that ICAI carries out its work effectively.
- As required by the Memorandum of Understanding and the Framework Agreement, ICAI Commissioners have approved a Corporate Plan setting out internal control and risk management arrangements.

The Commonwealth Scholarships Commission (CSC) manages the UK contribution to the Commonwealth Scholarship and Fellowship Programme. DFID's grant-in-aid to the CSC in 2016–17 was £25.7 million (2015–16: £25.7 million).

Other public sector bodies – CDC Group plc (CDC)

DFID is the 100% shareholder of CDC Group, a public limited company. CDC's mission is to "support the building of businesses throughout Africa and South Asia, to create jobs and make a lasting difference to people's lives in some of the world's poorest places". It is the department's principal mechanism for encouraging private sector investment in developing countries.

CDC is governed by a Board of Directors, which is answerable to the shareholder through the normal company governance processes. The Secretary of State appoints the Chair of the Board and 2 of the Non-Executive Directors of CDC and agrees CDC's Investment Policy. The Investment Policy sets 5-year objectives including instruments, geographies, excluded activities, reporting obligations and performance targets linked to financial returns and development impact. It also incorporates a Code of Responsible Investing, which sets environmental, social and governance standards including those related to business integrity. CDC prepares and publishes annual audited accounts to 31 December. The department is not involved in CDC operations and does not take part in operational investment decision making.

In 2016–17, CDC and DFID agreed a new 5-year strategy and Investment Policy covering the period 2017–21.

On 9 February 2017, the Commonwealth Development Corporation Bill completed its parliamentary stages and passed to Royal Assent. The Bill, which is the first new legislation on CDC in almost 20 years, will raise from £1.5 billion to £6 billion the limit on government financial assistance that can be provided to CDC and its associated companies by amending Section 15 of the Commonwealth Development Corporation Act 1999. The Bill also introduces a power to allow the Secretary of State to further increase the financial limit up to £12 billion by regulations.

2.1.11 Closing statement

I am satisfied with DFID's governance arrangements in terms of safeguarding the use of taxpayers' money. The effectiveness of the department's corporate governance is continuing to improve, recognising the changing environment for the department, including heavy engagement in fragile states. DFID will continue to strengthen its governance arrangements. This will ensure we achieve value for money and results from the resources given to us and achieve our key objective of reducing poverty.

Sir Mark Lowcock

Accounting Officer for the Department for International Development

22 June 2017

2.2 Remuneration and Staff Report

Service contracts

The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

Unless otherwise stated below, the officials covered by this report hold open-ended appointments. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commission can be found at www.civilservicecommission.org.uk.

Remuneration policy

This remuneration report has been prepared in accordance with the Employer Pension Notice 492 issued by the Cabinet Office.

The remuneration of senior civil servants (SCS) is set by the Prime Minister following independent advice from the Review Body on senior salaries. The Review Body also advises the Prime Minister from time to time on the pay and pensions of MPs and their allowances; on peers' allowances; and on the pay, pensions and allowances of ministers and others whose pay is determined by the Ministerial and Other Salaries Act 1975.

In reaching its recommendations, the Review Body has regard to the following considerations:

- The need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities.
- Regional/local variations in labour markets and their effects on the recruitment and retention of staff.
- Government policies for improving the public services, including the requirement on departments to meet the output targets for the delivery of departmental services.
- The funds available to departments as set out in the government's Departmental Expenditure Limits (DELs).
- The government's inflation target.

The Review Body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations. Further information about the work of the Review Body can be found at www.ome.uk.com.

In line with the government's transparency commitments, DFID now publishes salary details of its SCS, in the format agreed with the Cabinet Office, on the government's website, www.gov.uk.

Salary and pension entitlements

The following sections provide details of the remuneration and pension interests of the ministers and the permanent members of the Executive Management Committee (EMC) in the department.

Remuneration (salary, benefits in kind and pensions)

Single total figure of remuneration[1]								
	Salary (£)		**Benefits in kind (to nearest £100)**		**Pension benefits (to nearest £1,000)[11]**		**Total (to nearest £1,000)**	
Ministers	**2016–17**	**2015–16**	**2016–17**	**2015–16**	**2016–17**	**2015–16**	**2016–17**	**2015–16**
The Rt Hon Priti Patel *Secretary of State (from 14/7/16)*	46,567[2]	–	–	–	12,000	–	59,000	–
Rory Stewart OBE *Minister of State (from 15/7/16)*	21,120[3]	–	–	–	10,000	–	31,000	–
The Rt Hon Lord Bates *Minister of State (from 14/10/16)*	–[4]	–	–	–	–	–	–	–
James Wharton *Parliamentary Under Secretary of State (from 16/7/16)*	14,917[5]	–	–	–	4,000	–	19,000	–
The Rt Hon Baroness Anelay of St Johns DBE *Minister of State (15/7/16 to 13/10/16)*	9,605[6]	–	–	–	5,000	–	15,000	–
The Rt Hon Justine Greening *Secretary of State (to 13/7/16)*	22,502[7]	67,505	–	–	6,000	31,000	29,000	99,000
Rt Hon Sir Desmond Swayne *Minister of State (to 14/7/16)*	17,097[8]	31,680	–	–	2,000	11,000	19,000	43,000
Baroness Verma *Parliamentary Under Secretary of State (to 15/7/16)*	48,034[9]	87,563	–	–	6,000	35,000	54,000	123,000
Nick Hurd *Parliamentary Under Secretary of State (to 14/7/16)*	7,458[10]	7,547	–	–	8,000	2,000	15,000	10,000

[1] These disclosures have been subject to external audit.

[2] £67,505 (full-year equivalent), £69,552 (entitled salary).

[3] £31,680 (full-year equivalent), £33,350 (entitled salary).

[4] Lord Bates holds an unpaid post.

[5] £22,375 (full-year equivalent) and £23,947 (entitled salary).

[6] £78,891 (full-year equivalent) and £79,721 (entitled salary) plus £36,366 Lords Office-Holders Allowance (LOHA).

[7] £67,505 (full-year equivalent) and £69,552 (entitled salary).

[8] £31,680 (full-year equivalent) and £33,207 (entitled salary).Total salary for 2016–17 includes a termination payment equal to £7,920.

[9] £68,710 (full-year equivalent) and £69,136 (entitled salary) plus £36,366 Lords Office-Holders Allowance (LOHA). Total salary for 2016–17 includes a termination payment of £17,178.

[10] £22,375 (full-year equivalent) and £23,844 (entitled salary).

[11] The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) less (the contributions made by the individual). The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

Single total figure of remuneration[1]										
	Salary (£000)		Bonus payments (£000)[2]		Benefits in kind (to nearest £100)		Pension benefits (to nearest £1,000)[3]		Total (£000)	
Officials	**2016–17**	**2015–16**	**2016–17**	**2015–16**	**2016–17**	**2015–16**	**2016–17**	**2015–16 (restated)[8]**	**2016–17**	**2015–16**
Mark Lowcock *Permanent Secretary*	165–170	160–165	–	–	–	–	34,000	48,000	200–205	210–215
Joy Hutcheon *Director General*	120–125	120–125	10–15	10–15	–	–	55,000	37,000	185–190	170–175
Nick Dyer *Director General*	110–115	110–115	–	–	–	–	24,000	34,000	135–140	145–150
David Kennedy *Director General (to 9/1/17)*	115–120[5]	125–130	–	–	–	–	38,000	66,000	155–160	190–195
Lindy Cameron *Acting Director General[4]*	105–110	25–30[7]	5–10	–	–	–	89,000	28,000[9]	200–205	50–55
Rachel Turner *Acting Director General (from 3/1/17)[4]*	25–30[6]	–	–	–	–	–	28,000	–	50–55	–

[1] These disclosures have been subject to external audit.

[2] The bonuses reported in 2016–17 relate to performance in 2015–16 and the comparative bonuses reported for 2015–16 relate to performance in 2014–15.

[3] The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.

[4] Temporary Promotion.

[5] 125–130 full-year equivalent.

[6] 105–110 full-year equivalent.

[7] 100–105 full-year equivalent.

[8] 2015-16 information has been restated on the basis of corrected data provided by MyCSP.

[9] Recalculation by MyCSP.

Salary

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation.

During 2016–17, the following fees and taxable expenses were paid to non-executive members of the Board:

- Vivienne Cox – 2016–17: £20,000 (2015–16: £20,000)
- Richard Keys – 2016–17: £20,000 (2015–16: £20,000)
- Tim Robinson – 2016–17: £nil (£15,000 entitled fee) (2015–16: £nil; £15,000 entitled fee)[1]
- Eric Salama – 2016–17: £nil (£15,000 entitled fee) (2015–16: £nil; £15,000 entitled fee)[2]
- Sally Jones-Evans (start date: 22/9/2016) – 2016–17: £7,897.73 (£15,000 full-year equivalent fee)

[1] Entitled fee donated to charity.

[2] Entitled fee waived.

This report is based on accrued payments made by the department and thus recorded in these accounts. In respect of ministers in the House of Commons, departments bear only the cost of the additional ministerial remuneration; the salary for their services as an MP (£74,000 from 8 May 2015, £74,962 from 1 April 2016) and various allowances to which they are entitled are borne centrally. However, the arrangement for ministers in the House of Lords is different in that they do not receive a salary but rather an additional remuneration, which cannot be quantified separately from their ministerial salaries. This total remuneration, as well as the allowances to which they are entitled, is paid by the department and is therefore shown in full in the figures above.

The following table summarises the number of senior civil servants by pay band, as at 31 March 2017 and 31 March 2016.

SCS pay band	31 March 2017 (headcount)	31 March 2016 (headcount)
1	69	66
2	13	17
3	4	4
Perm Sec	1	1
Total	**87**	**88**

Salary ranges for SCS pay bands are:

Pay band 1 – £64,000–£117,800

Pay band 2 – £87,000–£162,500

Pay band 3 – £106,000–£208,100

Perm Sec – £142,000–£200,000

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the department and treated by HM Revenue and Customs as a taxable emolument.

Pay multiples

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in DFID in the financial year 2016–17 was £165,000 to £170,000 (2015–16: £160,000 to £165,000). This was 3.2 times (2015–16: 3.1) the median remuneration of the workforce, which was £52,901 (2015–16: £53,430).

In 2016–17 and 2015–16 no employee received remuneration in excess of the highest-paid director. Remuneration ranged from £16,000 to £170,000 (2015–16: £16,000 to £165,000).

Total remuneration includes salary, non-consolidated performance-related pay and benefits in kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value (CETV) of pensions.

The ratio is almost the same as last year, which is mainly due to 2 factors: (i) continued pay restraint across all grades; and (ii) DFID maintaining the same grade mix/structure as last year with the median earner remaining at Grade 6.

Pension benefits

Minister	Accrued pension at age 65 as at 31/3/17 £000	Real increase in pension at age 65 £000	CETV at 31/3/17 or end date, whichever is earlier £000	CETV at 31/3/16 or start date, whichever is later £000	Real increase in CETV £000
The Rt Hon Priti Patel *Secretary of State (from 14/7/16)*	0–5	0–2.5	22	13	4
Rory Stewart OBE *Minister of State (from 15/7/16)*	0–5	0–2.5	13	7	4
The Rt Hon Lord Bates *Minister of State (from 14/10/16)*	0	0	0	0	0
James Wharton *Parliamentary Under Secretary of State (from 16/7/16)*	0–5	0–2.5	6	4	0[1]
The Rt Hon Baroness Anelay of St Johns DBE *Minister of State (from 15/7/16 to 13/10/16)*	15–20	0–2.5	322	326	(4)[2]
The Rt Hon Justine Greening *Secretary of State (to 13/7/16)*	5–10	0–2.5	114	107	2
The Rt Hon Sir Desmond Swayne *Minister of State (to 14/7/16)*	0–5	0–2.5	40	38	1
Baroness Verma *Parliamentary Under Secretary of State (to 15/7/16)*	10–15	0–2.5	170	160	4
Nick Hurd *Parliamentary Under Secretary of State (to 14/7/16)*	0–5	0–2.5	50	42	5

[1] Real increase in CETV was £203.

[2] Decrease in CETV.

Ministerial pensions

Pension benefits for ministers are provided by the Parliamentary Contributory Pension Fund (PCPF). The scheme is made under statute and the rules are set out in the Ministers' etc. Pension Scheme 2015, available at http://qna.files.parliament.uk/ws-attachments/170890/original/PCPF%20MINISTERIAL%20SCHEME%20FINAL%20RULES.doc.

Those ministers who are Members of Parliament may also accrue an MP's pension under the PCPF (details of which are not included in this report). A new MPs' pension scheme was introduced in May 2015, although members who were MPs and aged 55 or older on 1 April 2013 have transitional protection to remain in the previous MPs' final salary pension scheme.

Benefits for ministers are payable from State Pension age under the 2015 scheme. Pensions are revalued annually in line with Pensions Increase legislation both before and after retirement. The contribution rate from May 2015 is 11.1% and the accrual rate is 1.775% of pensionable earnings.

The figure shown for pension value includes the total pension payable to the member under both the pre- and post-2015 ministerial pension schemes.

Cash equivalent transfer value (CETV)

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or an arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total ministerial service, not just their current appointment as a minister. CETVs are calculated in accordance with the Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance tax, which may be due when pension benefits are taken.

Real increase in the value of CETV

This is the element of the increase in accrued pension funded by the Exchequer. It excludes increases due to inflation and contributions paid by the minister. It is worked out using common market valuation factors for the start and end of the period.

Officials	Accrued pension at pension age as at 31/3/17 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/3/17	CETV at 31/3/16 (restated)[2]	Real increase in CETV	Employer contribution to partnership pension account
	£000	£000	£000	£000	£000	Nearest £100
Mark Lowcock *Permanent Secretary*	60–65 plus lump sum of 190–195	0–2.5 plus lump sum of 5–7.5	1,296	1,210	29	–
Joy Hutcheon *Director General*	45–50 plus a lump sum of 130–135	2.5–5 plus a lump sum of 0–2.5	879	803	29	–
Nick Dyer *Director General*	45–50 plus a lump sum of 135–140	0–2.5 plus a lump sum of 2.5–5	901	836	19	–
David Kennedy *Director General (to 9/1/17)*	30–35	0–2.5	475	437	16	–
Lindy Cameron *Acting Director General*[1]	35–40	2.5–5	485	416	48	–
Rachel Turner *Acting Director General (from 3/1/17)*[1]	35–40 plus a lump sum of 110–115	0–2.5 plus a lump sum of 2.5–5	770	741	25	–

[1] Temporary promotion.

[2] 2015–16 information has been restated on the basis of corrected data provided by MyCSP.

Civil Service pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015, a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or **alpha**, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension age (or 65 if higher). From that date, all newly appointed civil servants and the majority of those already in service joined **alpha**. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has 4 sections: 3 providing benefits on a final salary basis (**classic**, **premium** or **classic plus**) with a normal pension age of 60; and 1 providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under **classic**, **premium**, **classic plus**, **nuvos** and **alpha** are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into **alpha** sometime between 1 June 2015 and 1 February 2022. All members who switch to **alpha** have their PCSPS benefits 'banked', with those with earlier benefits in 1 of the final salary sections of the PCSPS having those benefits based on their final salary when they leave **alpha**. (The pension figures quoted for officials show pension earned in the PCSPS or **alpha** – as appropriate. Where the official has benefits in both the PCSPS and **alpha** the figure quoted is the combined value of their benefits in the 2 schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (**partnership** pension account).

Employee contributions are salary related and range between 3% and 8.05% of pensionable earnings for members of **classic** (and members of **alpha** who were members of **classic** immediately before joining **alpha**) and between 4.6% and 8.05% for members of **premium**, **classic plus**, **nuvos** and all other members of **alpha**. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to 3 years' initial pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum. **classic plus** is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 worked out as in **premium**.

In **nuvos** a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in **alpha** build up in a similar way to **nuvos**, except that the accrual rate in 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The **partnership** pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill-health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of **classic**, **premium** and **classic plus**, 65 for members of **nuvos**, and the higher of 65 or State Pension age for members of **alpha**. (The pension figures quoted for officials show pension earned in the PCSPS or alpha, as appropriate. Where the official has benefits in both the PCSPS and **alpha** the figure quoted is the combined value of their benefits in the 2 schemes, but note that part of that pension may be payable from different ages.)

Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk.

Cash equivalent transfer values (CETV)

A CETV is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Staff report

All staff costs relate to the staff of the core department and ICAI only. CSC does not have any staff as it uses administrators to carry out its day-to-day operations. The numbers in the table below are included in 'Staff costs' within the Consolidated Statement of Comprehensive Net Expenditure in Section 3.

Staff costs[1]

	Permanently employed staff £000	Others £000	Ministers £000	Special advisers £000	2016–17 Total £000	2015–16 Total £000
Wages and salaries	130,183	967[2]	187	216	131,553	129,347
Social security costs	9,293	–	19	26	9,338	7,975
Other pension costs	25,276	–	–	40	25,316[3]	22,910
Sub total	**164,752**	**967**	**206**	**282**	**166,207**	**160,232**
Less recoveries in respect of outward secondments	(137)	–	–	–	(137)	(51)
Total net costs	**164,615**	**967**	**206**	**282**	**166,070**	**160,181**

[1] These disclosures have been subject to external audit.

[2] These costs relate to contract and agency staff, not employees.

[3] These costs relate to the total employers' pensions contributions (£21,326,789) payable to the PCSPS and overall contributions to staff appointed in country (SAIC) pension schemes in individual countries (£3,989,211).

Analysis of total [1]

	Charged to Administration Budget £000	Charged to Programme Budget £000	Charged to Capital Budget £000	Total £000
DFID	62,185	102,670	1,215	166,070
Agencies	–	–	–	–
Other designated bodies	–	–	–	–
Total	**62,185**	**102,670**	**1,215**	**166,070**

[1] These disclosures have been subject to external audit.

The PCSPS and **alpha** are unfunded multi-employer defined benefit schemes. DFID is unable to identify its share of the underlying assets and liabilities; therefore, sufficient information is unavailable to enable DFID to account for the plan as a defined benefit plan. The last full actuarial valuation was carried out as at 31 March 2012 (the next valuation is taking place in 2017–18). Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation at www.civilservicepensionscheme.org.uk/about-us/resource-accounts/.

For 2016–17, employers' contributions of £21,326,789 were payable to the PCSPS (2015–16: £20,800,000 at 1 of 4 rates in the range 20% to 24.5% of pensionable earnings, based on salary bands). The Scheme Actuary reviews employer contributions usually every 4 years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2016–17 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a **partnership** pension account, a stakeholder pension with an employer contribution. Employers' contributions of £405,490 (2015–16: £341,592) were paid to 1 or more of the panel of 3 appointed stakeholder pension providers. Employer contributions are age related and ranged from 8% to 14.75%. Employers also match employee contributions up to 3% of pensionable earnings. In addition, employer contributions of £16,064, 0.5% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill-health retirement of these employees.

Contributions due to the **partnership** pension providers at the balance sheet date were £nil. Contributions prepaid at that date were £nil.

Consultancy costs

Consultancy for 2016–17 totalled £21,700[18].

Average number of persons employed

The average number of whole-time equivalent persons employed by DFID during 2016–17 was 2,876 (2015–16: 2,852). This relates to the core department only and does not include ICAI.

The overall staffing numbers have increased to ensure that we have the necessary skills and capability to effectively manage our commitment to spend 0.7% of GNI on International Development.

The breakdown of staff employed at 31 March 2017 and 31 March 2016 was:

	2016–17				2015–16
Division	**Permanently employed staff**	**Ministers**	**Special advisers**	**Total**	**Total**
Corporate Performance	576			576	522
Top Management Group	44	4	3	51	60
Policy and Global Programmes	709			709	523
Country Programmes	1,493			1,493	1,571
Economic Development	156			156	142
Total	**2,978**	**4**	**3**	**2,985**[1]	**2,818**

[1] This figure relates to Home Civil Servant staff on payroll and total staff appointed in country as at 31 March 2017. The method used to extract the figures reported in this year's staff composition table has changed slightly from 2015-16 to be consistent with other external reporting.

The gender breakdown of SCS at 31 March 2017 was:

Grade	Male	Female	Grand total
SCS-G1A (Perm Sec)	1		1
SCS-G2 (Band 3)	1	3	4
SCS-G3 (Band 2)	11	2	13
SCS-G5 (Band 1)	33	36	69
Grand total	**46**	**41**	**87**

Diversity and inclusion

DFID is fully committed to diversity and inclusion in all that we do globally (including all Home Civil Servants and Staff Appointed in Country). This means providing a workplace that is welcoming and respectful, considering the needs of everyone and ensuring the right conditions are in place for each person to achieve his or her full potential. Building diversity and inclusion into our day-to-day business is the key to being an effective global organisation.

We have 12 Diversity and Inclusion networks working across our global workforce (HCS and SAIC). Our networks form a key part in helping us help us to build a culture of diversity and inclusion. They provide a safe and supportive forum for discussing diversity issues and networking, contributing to policy development and implementation, raising awareness and celebrating diversity.

Diversity and inclusion runs through all our policies and processes and we ensure these are screened to assess the equality impact for all our staff.

DFID is committed to the cross-Civil Service Talent Action Plan and has a cross-section of DFID staff participating in the main initiatives including the Future Leaders Scheme, Accelerate and the Positive Action Pathway. A Summer Diversity Internship Programme has been implemented (to give applicants from diverse backgrounds experience of working in the Civil Service for 6 to 9 weeks). These programmes are designed to encourage diverse talent into the Civil Service, and develop and promote our talent irrespective of background, race, sexual orientation, gender or disability.

18 As per the definitions of consultancy from Cabinet Office guidelines.

DFID has been accredited as a Disability Confident employer. This incorporates the former 'two ticks' scheme and means we have signed up to ensure that disabled people can fulfil their potential and realise their aspirations by:

- Challenging attitudes towards, and increasing understanding of, disability.
- Working to remove barriers to those with disabilities and with long term health conditions in employment.

DFID has helped to ensure the continuing employment of, and arranging appropriate training for, DFID staff who have become disabled persons while working for DFID. This includes support through DFID's attendance management process, the reasonable adjustments policy and the workplace adjustments service that is being implemented.

Diversity and inclusion underpin all our people policies and working practices and we ensure that we comply with our obligations under the Equality Act 2010. In addition, we have an ongoing commitment to improve declaration rates and the monitoring and evaluation of all our policies and practice.

In line with the Equality Act 2010, DFID publishes its Diversity and Inclusion Report (www.gov.uk/government/publications/dfid-diversity-and-inclusion-annual-report-2015-16) to show how it is implementing equality and diversity at home and overseas.

DFID has set itself a number of diversity and inclusion objectives. These are:

- DFID systematically considers equality and diversity across all programmes.
- All strands of the Civil Service Talent Action Plan are fully embedded in DFID.
- DFID has a representative workforce at every level.
- All staff, regardless of background, are valued and enabled to reach their full potential.
- DFID has a culture where all respect and promote the value of diversity and inclusion.

The following table provides a breakdown of Home Civil Service staff by gender at 31 March 2017 and 31 March 2016.

	31 March 2017		**31 March 2016**	
Male	951	44%	889	44%
Female	1,230	56%	1,127	56%
Total	**2,181**		**2,016**	

Health, safety and well-being

DFID is committed to providing a safe and healthy working environment for both home civil servants and staff appointed in country. We do this by:

- Promoting a healthy workforce.
- Maintaining safe systems of work.
- Supporting the physical and emotional well-being of staff.
- Providing an understanding of staff members' own duty of care and how to act appropriately at all times to achieve high standards of health and safety on UK premises or on the Foreign & Commonwealth (FCO) platforms overseas.

DFID contracts an Employee Assistance Provider allowing staff to access personal support and counselling when this is required. It is a confidential 24/7 service available to all staff and families of staff posted overseas. In addition, DFID offers specialist counselling and resilience support for staff in hostile environments.

DFID's managing attendance policy aims to help ensure that sickness absence is effectively managed and ultimately does not detract from DFID's delivery performance. The policy and its associated procedures confirm the responsibilities both of staff and managers to enable the consistent management of attendance issues, and to underline DFID's commitment to the provision of appropriate employee support.

This policy applies to all Home Civil Servants and SAIC. It does not apply to agency workers, consultants, or any other workers not employed by DFID.

The following table summarises the levels of sickness absence during 2016–17 based on the central reporting guidance.

There has been a decrease in the number of days lost to sick absence, and an increase in the percentage of staff who have taken no sick absence at all.

	2016–17	2015–16
Working days lost (short term absence)	4,098	4,067
Working days lost (long term absence)	4,983	5,219
Total working days lost	9,081	9,286
Number of staff absent as a result of sickness	788	831
Percentage of staff with no sick absence	67%	63.9%

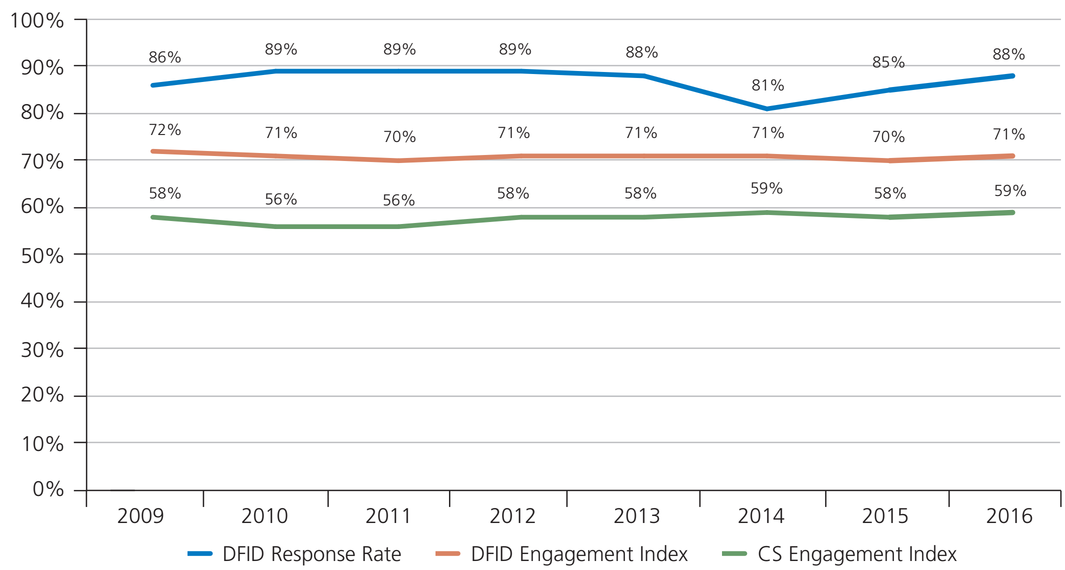
Employee engagement

The response rate by DFID employees to the 2016 Civil Service People Survey was very high. Our employee engagement index of 71% ranks 11 points above the Civil Service average index and is the 8th highest across the 98 Civil Service departments that participated.

In the 2016 survey, 95% of staff said they were interested in their work and 88% said they had a clear understanding of DFID's purpose. DFID's senior management has prioritised work to provide greater clarity and understanding around organisational objectives and purpose during 2017. The responses to these areas scored 86% and while this is still 4 points above the Civil Service average it does fall just below comparable high-performing departments.

The following table shows the comparison between DFID's engagement index to the Civil Service average over an 8-year period.

Response rate and engagement index



Performance management

All SCS staff have objectives which set out their contribution to the achievement of DFID's Business Plan, as well as what they will do to help progress DFID's Organisational Vision and Improvement Plan.

DFID's system for SCS performance management is based on the Cabinet Office's guidance on SCS performance objectives. This guidance states that each member of the SCS must have at least 1 objective under each of the following headings:

- business delivery
- finance/efficiency
- people/capability
- corporate leadership

All SCS staff must also consider setting objectives that:

- Follow the principles of the Civil Service Leadership Statement in both what and how they deliver.
- Incorporate diversity by embedding it in business, finance/efficiency or people/capability objectives.
- Contribute a proportion of their time to their wider department/agency, and the Civil Service as a whole.

Delegated grade performance

DFID's performance management framework is in line with the cross-Civil Service approach. Objectives are set in discussion with individual line managers at the beginning of the performance year (April) and monitored throughout the year. At the end of the performance year, employees are given a 'box marking' to indicate whether they have met or exceeded their objectives or to indicate that they must improve.

Individual Performance Awards are based on performance levels attained and are made as part of the performance management process. The individual performance awards reported in 2016–17 relate to performance in 2015–16 and the comparative individual performance awards reported for 2015–16 relate to performance in 2014–15.

Reporting of Civil Service and other compensation schemes – exit packages[1]

Comparative data for previous year shown (in brackets).

	Core Department and Agencies		
Exit package cost band	**Number of compulsory redundancies**	**Number of other departures agreed**	**Total number of exit packages by cost band**
<£10,000	– (–)	– (1)	– (1)
£10,000–£25,000	– (–)	– (–)	– (–)
£25,000–£50,000	– (–)	2 (3)	2 (3)
£50,000–£100,000	– (–)	5 (8)	5 (8)
£100,000–£150,000	– (–)	– (–)	– (–)
£150,000–£200,000	– (–)	– (–)	– (–)
Total number of exit packages	– (–)	7 (12)	7[2] (12)
Total cost £000			458 (780)[3]

[1] Disclosure has been subject to external audit.

[2] One exit was paid on an ex-gratia basis because the individual left on medical inefficiency grounds and at the time of departure the Civil Service Compensation Scheme (CSCS) rules did not provide for medical inefficiency compensation for members of the **nuvos** and **alpha** pension schemes. Consequently, HM Treasury provided blanket agreement for ex-gratia payments to be made to any members of these schemes who were dismissed on medical inefficiency grounds.

[3] This amount was incorrectly stated as £708,000 in the 2015–16 DFID Annual Report and Accounts.

Redundancy and other departure costs have been paid in accordance with the provisions of the CSCS, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where the department has agreed early retirements, the additional costs are met by the department and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

Off-payroll engagements

The table below provides information on all off-payroll engagements as of 31 March 2017, for more than £220 per day and that last longer than 6 months. The numbers relate to engagements within DFID and entities within its reporting boundary, but do not include public corporations.

	Main department	Agencies	ALBs
Number of existing engagements as of 31March 2017	0	0	0

The table below provides information on new off-payroll engagements, or those that reached 6 months in duration, between 1 April 2016 and 31 March 2017, for more than £220 per day and that last for longer than 6 months.

	Main department	Agencies	ALBs
Number of new engagements that reached 6 months in duration, between 1 April 2016 and 31 March 2017	0	0	0
Number of the above which include contractual clauses giving the department the right to request assurance in relation to income tax and National Insurance obligations	0	0	0
Number for whom assurance has been requested	0	0	0
Of which:			
Number for whom assurance has been received	0	0	0
Number for whom assurance has not been received	0	0	0
Number that have been terminated as a result of assurance not being received	0	0	0

The table below provides information on the number of off-payroll engagements of Board members and/or senior officials with significant financial responsibility, between 1 April 2016 and 31 March 2017.

	Main department	Agencies	ALBs
Number of off-payroll engagements of Board members and/or senior officials with significant financial responsibility	0	0	0
Number of employees that have been deemed Board members and/or senior officials with significant financial responsibility	7	0	7

2.3 Parliamentary Accountability and Audit report

Statement of Parliamentary Supply

Summary of Resource and Capital Outturn 2016–17

In addition to the primary statements prepared under International Financial Reporting Standards (IFRS), the Government Financial Reporting Manual (FReM) requires the Department for International Development (DFID) to prepare a Statement of Parliamentary Supply (SOPS) and supporting notes to show resource outturn against the Supply Estimate presented to Parliament, in respect of each budgetary control limit. The SOPs and related notes are subject to audit.

								2016–17	2015–16
				Estimate			Outturn	Voted outturn compared with Estimate: saving/ (excess)	Outturn
	Note	Voted £000	Non-voted £000	Total £000	Voted £000	Non-voted £000	Total £000	£000	Total £000
Departmental Expenditure Limit									
– Resource	SOPS 1.1	6,972,865	550,851	7,523,716	6,909,090	498,000	7,407,090	63,775	7,137,648
– Capital	SOPS 1.2	2,606,799	–	2,606,799	2,590,568	–	2,590,568	16,231	2,124,909
Annually Managed Expenditure									
– Resource	SOPS 1.1	192,088	–	192,088	159,282	–	159,282	32,806	173,153
– Capital	SOPS 1.2	285,000	–	285,000	284,964	–	284,964	36	450,000
Total budget		**10,056,752**	**550,851**	**10,607,603**	**9,943,904**	**498,000**	**10,441,904**	**112,848**	**9,885,710**
Non-budget									
– Resource		-	–	–	–	–	–	–	–
Total		**10,056,752**	**550,851**	**10,607,603**	**9,943,904**	**498,000**	**10,441,904**	**112,848**	**9,885,710**

Total resource		7,164,953	550,851	7,715,804	7,068,372	498,000	7,566,372	96,581	7,310,801
Total capital		2,891,799	–	2,891,799	2,875,532	–	2,875,532	16,267	2,574,909
Total		**10,056,752**	**550,851**	**10,607,603**	**9,943,904**	**498,000**	**10,441,904**	**112,848**	**9,885,710**

Net cash requirement 2016–17

				2016–17	2015–16
			£000	£000	£000
	Note	2016–17 Estimate £000	Outturn	Outturn compared with Estimate: saving/ (excess)	Outturn
Net cash requirement	SOPS3	10,436,664	10,326,040	110,624	8,305,935

Administration costs 2016–17

	2016–17 Estimate £000	2016–17 Outturn £000	2015–16 Outturn £000
Administration costs	113,025	97,254	101,873

Figures in the areas outlined in bold are voted totals or other totals subject to parliamentary control. In addition, although not a separate voted limit, any breach of the administration budget will also result in an excess vote.

Explanations of variances between Estimate and Outturn are given in SOPS note 2 and in the Financial Review on page 42.

Notes to the Departmental Resource Accounts – Statement of Parliamentary Supply

SOPS1 Net outturn

SOPS1.1 Analysis of net resource outturn by section

										2016–17 £000	2015–16 £000
	Outturn							Estimate			Outturn
	Administration			Programme							
Spending in Departmental Expenditure Limit (DEL)	**Gross**	**Income**	**Net**	**Gross**	**Income**	**Net**	**Total**	**Net Total**	**Net total compared to Estimates**	**Net total compared to Estimate, adjusted for virements**	**Total**
Voted:											
A: CSC (NDPB) (net) scholarship relating to developing countries	1,594	–	1,594	23,879	–	23,879	25,473	25,252	(221)	30	27,028
B: Total Operating Costs	95,345	–	95,345	166,719	–	166,719	262,064	279,685	17,621	17,621	239,354
C: Independent Commission for Aid Impact (NDPB) (net)	315		315	2,830	–	2,830	3,145	3,358	213	213	2,246
D: Conflict, Stability and Security Fund	–	–	–	121,116	–	121,116	121,116	126,874	5,758	5,758	90,287
E: Regional Programmes	–	–	–	3,853,504	–	3,853,504	3,853,504	3,804,784	(48,720)	–	3,616,685
F: Other Central Programmes	–	–	–	(5,042)	(1,455)	(6,497)	(6,497)	25,771	32,268	32,268	(20,933)
G: Policy Priorities, International Organisations and Humanitarian	–	–	–	2,650,700	(415)	2,650,285	2,650,285	2,707,141	56,856	7,885	2,689,204
Non-Voted Expenditure											
H: European Union Attributed Aid	–	–	–	498,000	–	498,000	498,000	550,851	52,851	52,851	493,777
Total Spending in DEL	97,254	–	97,254	7,311,706	(1,870)	7,309,836	7,407,090	7,523,716	116,626	116,626	7,137,648
Annually Managed Expenditure (AME)											
Voted											
I: Regional Programmes	–	–	–	(46)	–	(46)	(46)	(46)	–	–	(422)
J: Other Central Programmes	–	–	–	159,328	–	159,328	159,328	192,134	32,806	32,806	173,575
Total Spending in AME	–	–	–	159,282	–	159,282	159,282	192,088	32,806	32,806	173,153
Total	**97,254**	**–**	**97,254**	**7,470,988**	**(1,870)**	**7,469,118**	**7,566,372**	**7,715,804**	**149,432**	**149,432**	**7,310,801**

Explanations of variances between Estimate and outturn are given in the Financial Review on page 42.

SOPS1.2 Analysis of net capital outturn by section

						2016–17 £000	2015–16 £000
	Outturn			Estimate			Outturn
Spending in Departmental Expenditure Limit (DEL)	**Gross**	**Income**	**Net**	**Net**	**Net total compared to Estimate**	**Net total compared to Estimate, adjusted for virements**	**Net**
Voted:							
A: CSC (NDPB) (net) scholarship relating to developing countries	–	–	–	–	–	–	–
B: Total Operating Costs	–	–	–	–	–	–	–
C: Independent Commission for Aid Impact (NDPB) (net)	–	–	–	–	–	–	–
D: Conflict, Stability and Security Fund	–	–	–	–	–	–	–
E: Regional Programmes	500,674	–	500,674	500,895	221	221	393,505
F: Other Central Programmes	5,368	(14,929)	(9,561)	10,806	20,367	16,010	(8,019)
G: Policy Priorities, International Organisations and Humanitarian	2,099,455	–	2,099,455	2,095,098	(4,357)	–	1,739,423
Non-Voted							
H: European Union Attributed Aid	–	–	–	–	–	–	–
Total Spending in DEL	2,605,497	(14,929)	2,590,568	2,606,799	16,231	16,231	2,124,909
Annually Managed Expenditure (AME)							
Voted							
I: Regional Programmes	–	–	–	–	–	–	–
J: Other Central Programmes	–	–	–	–	–	–	–
K: Policy Priorities, International Organisations and Humanitarian	284,964	–	284,964	285,000	36	36	450,000
Total Spending in AME	284,964	–	284,964	285,000	36	36	450,000
Total	**2,890,461**	**(14,929)**	**2,875,532**	**2,891,799**	**16,267**	**16,267**	**2,574,909**

Explanations of variances between Estimate and outturn are given in the Financial Review on page 42.

SOPS2 Reconciliation of outturn to net operating expenditure

SOPS2.1 Reconciliation of net resource outturn to net operating expenditure

	Note	2016–17 £000 Outturn	2015–16 £000 Outturn
Total resource outturn in Statement of Parliamentary Supply			
Budget	SOPS 1.1	7,566,372	7,310,801
Non-budget	SOPS 1.1	–	–
		7,566,372	7,310,801
Add:			
Capital Grants		2,031,741	1,888,503
Grant in Kind – Expense		–	40,425
		2,031,741	1,928,928
Less:			
Income payable to the Consolidated Fund		(14,291)	(3,946)
Non-voted[1] EU attribution		(498,000)	(493,777)
		(512,291)	(497,723)
Net operating costs in Consolidated Statement of Comprehensive Net Expenditure		9,085,822	8,742,006

[1] Non-voted represents EU attribution – in line with FReM rules on activities charged directly, the Consolidated Statement of Comprehensive Net Expenditure does not include amounts attributed to DFID to reflect spending on development activities by the EC from its budget. HM Treasury regulations do, however, require this expenditure to be included as budget outturn and as such it is incorporated within the Statement of Parliamentary Supply as non-voted resource outturn.

SOPS3 Reconciliation of net resources to net cash requirement

	Note	Estimate £000	Outturn £000	Net total outturn compared with Estimate: saving/ (excess) £000
Resource outturn	SOPS1.1	7,715,804	7,566,372	149,432
Capital outturn	SOPS1.2	2,891,799	2,875,532	16,267
Accruals to cash adjustments:				
Adjustments to remove non-cash items:				
Depreciation and impairment		(18,000)	(10,468)	(7,532)
New Provisions and adjustments to previous provisions		(303,671)	(107,414)	(196,257)
Other non-cash items		(15,000)	(176,636)	161,636
Adjustments for NDPBs:				
Remove voted resource and capital		(28,610)	(28,618)	8
Add cash grant-in-aid		28,610	28,812	(202)
Adjustments to reflect movements in working balances:				
Increase in receivables		–	34,970	(34,970)
Decrease in payables		590,000	519,240	70,760
Use of provisions		126,583	122,250	4,333
		10,987,515	10,824,040	163,475
Removal of non-voted budget items:				
Consolidated Fund Standing Services		(550,851)	(498,000)	(52,851)
Other adjustments		–	–	–
Net cash requirement		**10,436,664**	**10,326,040**	**110,624**

Explanations of variances between Estimate and outturn are given in the Financial Review on page 42.

SOPS4 Income payable to the Consolidated Fund

SOPS4.1 Analysis of income payable to the Consolidated Fund

In addition to income retained by the Department, the following income relates to the Department and is payable to the Consolidated Fund *(cash receipts being shown in italics)*.

	Outturn 2016–17 £000		Outturn 2015–16 £000	
	Income	***Receipts***	**Income**	***Receipts***
Operating income outside the ambit of the Estimate	(14,291)	*(14,291)*	(3,946)	*(3,946)*
Excess cash surrenderable to the Consolidated Fund	–	–	–	–
Total income payable to the Consolidated Fund	**(14,291)**	***(14,291)***	**(3,946)**	***(3,946)***

Parliamentary Accountability Disclosures

Losses and special payments[19]

Losses statement

	2016–17		2015–16	
	DFID	Departmental Group	DFID	Departmental Group
Total number of losses	41	41	61	61
Total value of losses (£000)	3,147	3,147	1,955	1,955

DFID takes a robust approach to pursuing loss recovery.

Details of significant constructive losses and individual reportable losses greater than £300,000 during the year:

	2016–17 £000
Details of significant constructive losses:	
As a consequence of bringing the Ebola epidemic under control faster than originally anticipated by the World Health Organization (WHO), some pharmaceutical goods were deemed surplus	1,571
Details of reportable losses greater than £300,000:	
Disposal of Ebola response supplies that could not be otherwise used	1,007

Special payments

	2016–17		2015–16	
	DFID	Departmental Group	DFID	Departmental Group
Total number of special payments	2	2	1	1
Total value of special payments (£000)	1,136	1,136	38	38

Details of special payments greater than £300,000 during the year:

Details of special payments greater than £300,000:	2016–17 £000
Extra-contractual payment for the period between DFID funding being agreed with the partner and contract being signed	1,132
Total special payments greater than £300,000	**1,132**

Remote contingent liabilities[20]

In addition to contingent liabilities disclosed in accordance with IAS 37 at note 12.2 of the accounts, the department discloses for parliamentary reporting and accountability purposes certain contingent liabilities where the likelihood of a transfer of economic benefit is remote. These amount to £15,171.1 million (2015–16: £13,183.9 million) and comprise:

- £14,951.3 million (2015–16: £13,007.3 million) in respect of callable capital on investments in International Financial Institutions. These are subject to call only when required and to the extent necessary to meet the obligations of the IFIs on borrowings of funds or guarantees. The equity base of each IFI allows the institutions to meet their financial objectives by absorbing risk out of

19 These disclosures have been subject to external audit.
20 These disclosures have been subject to external audit.

their own resources and protecting member countries from a possible call on callable capital. No call has ever been made on the IFIs' callable capital stock to date.

- £50.8 million (2015–16: £44.2 million) through the issuance of a promissory note in respect of maintenance of value obligations in respect of subscriptions already paid to the capital stock of the International Bank for Reconstruction and Development (IBRD). These additional payments to IBRD are required if the par value of the currency reduces significantly.
- £151.6 million (2015–16: £119.7 million) in respect of the UK share of EU member states' collective guarantees of the European Investment Bank's lending under the Lomé Convention and the parallel Council decisions on the Association of Overseas Countries and Territories.
- £17.4 million (2015–16: £12.7 million) in respect of other items over £100,000 (or lower, where required by specific statute) that do not arise in the normal course of business and which are reported to Parliament by Departmental Minute prior to the department entering into the arrangement.

The department has entered into other unquantifiable contingent liabilities relating to maintenance of the value of subscriptions paid to capital stock of regional development banks and funds. None of these is a contingent liability within the meaning of IAS 37 since the possibility of a transfer of economic value is considered remote. DFID does not expect any liabilities to arise in relation to these contingent liabilities.

Going concern

In common with other government departments, the future financing of the department's liabilities is to be met by future grants of supply and by the application of future income, both to be approved annually by Parliament. Such approval for amounts required for 2017–18 is due to be voted on account when the Supply and Appropriation (Main Estimates) Bill is put before Parliament. The Bill is expected to be introduced to the House of Commons during July 2017 and there is no reason to believe that future approvals will not be forthcoming. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

Common Core tables (unaudited)

The Core tables for DFID can be found on the internet using the following link:
www.gov.uk/government/publications/dfid-annual-report-and-accounts-2016-17.

Sir Mark Lowcock

Accounting Officer for the Department for International Development

22 June 2017

The Certificate and Report of the Comptroller and Auditor General to the House of Commons

I certify that I have audited the financial statements of the Department for International Development and of its Departmental Group for the year ended 31 March 2017 under the Government Resources and Accounts Act 2000. The department consists of the core department and its non-departmental public bodies. The Departmental Group consists of the department and the bodies designated for inclusion under the Government Resources and Accounts Act 2000 (Estimates and Accounts) Order 2016. The financial statements comprise: the department's and Departmental Group's Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the Statement of Parliamentary Supply and the related notes, and the information in the Remuneration and Staff Report and the Parliamentary Accountability Disclosures that is described in those reports and disclosures as having been audited.

Respective responsibilities of the Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the department's and the Departmental Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accounting Officer; and the overall presentation of the financial statements. In addition, I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my certificate.

I am required to obtain evidence sufficient to give reasonable assurance that the Statement of Parliamentary Supply properly presents the outturn against voted parliamentary control totals and that those totals have not been exceeded. The voted parliamentary control totals are Departmental Expenditure Limits (Resource and Capital), Annually Managed Expenditure (Resource and Capital), Non-Budget (Resource) and Net Cash Requirement. I am also required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on regularity

In my opinion, in all material respects:

- The Statement of Parliamentary Supply properly presents the outturn against voted parliamentary control totals for the year ended 31 March 2017 and shows that those totals have not been exceeded; and the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

- The financial statements give a true and fair view of the state of the department's and the Departmental Group's affairs as at 31 March 2017 and of the department's net operating cost and Departmental Group's net operating cost for the year then ended.
- The financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Opinion on other matters

In my opinion:

- The parts of the Remuneration and Staff Report and the Parliamentary Accountability disclosures to be audited have been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000.
- The information given in the Performance Report and the Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- Adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff.
- The financial statements and the parts of Remuneration and Staff Report and the Parliamentary Accountability disclosures to be audited are not in agreement with the accounting records and returns.
- I have not received all of the information and explanations I require for my audit.
- The Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Sir Amyas C E Morse **Date: 28 June 2017**

Comptroller and Auditor General

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

SECTION 3

Financial Statements

These accounts have been prepared in accordance with directions given by Her Majesty's Treasury (HM Treasury) in pursuance of the Government Resources and Accounts Act 2000 and comply with the cost allocation and charging guidance set out in HM Treasury guidance.

Consolidated Statement of Comprehensive Net Expenditure[21]

for the year ended 31 March 2017

			2016–17		2015–16
	Note	DFID £000	Departmental Group £000	DFID £000	Departmental Group £000
Total operating income		**(15,746)**	**(16,161)**	**(3,768)**	**(3,768)**
Staff costs	3	166,070	166,070	160,181	160,181
Grants and current expenditure	3	6,959,311	6,985,199	6,199,802	6,226,830
Promissory note deposits	3	1,658,125	1,658,125	2,006,265	2,006,265
Discounting	3	221,132	221,132	2,179	2,179
Other costs	3	71,457	71,457	309,894	309,894
Grant in kind	3	–	–	40,425	40,425
Total operating expenditure	3	**9,076,095**	**9,101,983**	**8,718,746**	**8,745,774**
Grant in aid to NDPBs		25,667	–	25,680	–
Net operating expenditure		**9,086,016**	**9,085,822**	**8,740,658**	**8,742,006**
Other comprehensive net expenditure					
Items which will not be reclassified to net operating costs:					
– Net (gain)/loss on revaluation of property, vehicles and equipment	14	(438)	(438)	194	194
Items which may be reclassified to net operating costs:					
– Net (gain)/loss on revaluation of Development Capital Investments	5, 14	(14,243)	(14,243)	27,999	27,999
– Net gain on revaluation of International Financial Institutions	5, 14	(409,671)	(409,671)	(132,339)	(132,339)
– Net gain on revaluation of investment in CDC	5, 14	(604,136)	(604,136)	(82,100)	(82,100)
Comprehensive net expenditure for the year		**8,057,528**	**8,057,334**	**8,554,412**	**8,555,760**

The notes on pages 91 to 120 form part of these accounts.

21 DFID includes core Department and ICAI (an executive NDPB). The Departmental Group also includes CSC.

Consolidated Statement of Financial Position

as at 31 March 2017

	Note	31 March 2017 DFID £000	31 March 2017 Departmental Group £000	31 March 2016 DFID £000	31 March 2016 Departmental Group £000
Non-current assets					
Property, vehicles and equipment	4	61,221	61,221	62,652	62,652
Intangible assets		10,626	10,626	11,145	11,145
Financial investments	5	8,942,659	8,942,659	7,500,187	7,500,187
Trade and other receivables	9	614,922	614,922	365,603	365,603
Total non-current assets		**9,629,428**	**9,629,428**	**7,939,587**	**7,939,587**
Current assets					
Trade and other receivables	9	222,660	222,660	166,348	166,348
Cash and cash equivalents	8	1,401	1,601	68,668	69,149
Total current assets		**224,061**	**224,261**	**235,016**	**235,497**
Total assets		**9,853,489**	**9,853,689**	**8,174,603**	**8,175,084**
Current liabilities					
Bank overdraft	8	(19,492)	(19,492)	(1,140)	(1,140)
Trade and other payables	10	(5,341,175)	(5,341,176)	(5,951,456)	(5,951,932)
Provisions	11	(153,278)	(153,278)	(130,009)	(130,009)
Total current liabilities		**(5,513,945)**	**(5,513,946)**	**(6,082,605)**	**(6,083,081)**
Total assets less current liabilities		**4,339,544**	**4,339,743**	**2,091,998**	**2,092,003**
Non-current liabilities					
Trade and other payables	10	(31,126)	(31,126)	–	–
Provisions	11	(1,065,112)	(1,065,112)	(1,103,217)	(1,103,217)
Total non-current liabilities		**(1,096,238)**	**(1,096,238)**	**(1,103,217)**	**(1,103,217)**
Total assets less total liabilities		**3,243,306**	**3,243,505**	**988,781**	**988,786**
Taxpayers' equity and other reserves					
General fund	13	(2,416,728)	(2,416,529)	(3,642,765)	(3,642,760)
Revaluation reserve	14	5,660,034	5,660,034	4,631,546	4,631,546
Total equity		**3,243,306**	**3,243,505**	**988,781**	**988,786**

Sir Mark Lowcock
Accounting Officer for the Department for International Development
22 June 2017

The notes on pages 91 to 120 form part of these accounts.

Consolidated Statement of Cash Flows

for the period ended 31 March 2017

	Note	2016–17 Departmental Group £000	2015–16 Departmental Group £000
Cash flows from operating activities			
Net operating expenditure		(9,085,822)	(8,742,006)
Adjustment for grant in kind		–	40,425
Adjustments for non-cash transactions		295,147	311,266
Increase in trade and other receivables		(21,699)	(35,351)
(Decrease)/increase in trade payables		(519,717)	940,231
Movement in payables for items not passing through the Consolidated Statement of Comprehensive Net Expenditure		–	(1,309)
Working capital movement: capital items		–	–
Use of provisions	11	(122,250)	(130,255)
Net cash outflow from operating activities		**(9,454,341)**	**(7,616,999)**
Cash flows from investing activities			
Purchase of intangible assets		(3,153)	(2,480)
Purchase of property, vehicles and equipment		(3,142)	(743)
Proceeds of disposal of property, vehicles and equipment		16	1,902
Additions to financial investments	5	(417,055)	(512,941)
Additions to loans		(436,000)	(181,000)
Repayment from other bodies		1,643	4,740
Net cash outflow from investing activities		**(857,691)**	**(690,522)**
Cash flows from financing activities			
From the Consolidated Fund (supply) – current year		10,229,563	8,376,710
From the Consolidated Fund (supply) – prior year		–	4,181
Advances from the Contingencies Fund		345,855	–
Repayments to the Contingencies Fund		(345,855)	–
Net financing		**10,229,563**	**8,380,891**
Net (decrease)/increase in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		**(82,469)**	**73,370**
Payment of amounts due to the Consolidated Fund		(3,431)	(2,637)
Net (decrease)/increase in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		**(85,900)**	**70,733**
Cash and cash equivalents at the beginning of the period	8	68,009	(2,724)
Cash and cash equivalents at the end of the period	8	**(17,891)**	**68,009**

The 2015–16 Annual Report and Accounts showed DFID figures only in the Statement of Cash Flows. These have been re-presented above to show the 2015–16 Departmental Group figures.

The notes on pages 91 to 120 form part of these accounts.

Consolidated Statement of Changes in Taxpayers' Equity

for the period ended 31 March 2017

	Note	DFID General Fund £000	DFID Revaluation reserve £000	DFID Total reserves £000	Departmental Group General Fund £000	Departmental Group Revaluation reserve £000	Departmental Group Total reserves £000
Balance at 31 March 2015		**(3,204,384)**	**4,445,300**	**1,240,916**	**(3,203,031)**	**4,445,300**	**1,242,269**
Net Parliamentary Funding – drawn down	13	8,376,710	–	8,376,710	8,376,710	–	8,376,710
Net Parliamentary Funding – deemed		–	–	–	–	–	–
Supply payable adjustment	13	(70,774)	–	(70,774)	(70,774)	–	(70,774)
Operating income payable to the Consolidated Fund	13	(3,946)	–	(3,946)	(3,946)	–	(3,946)
Comprehensive net expenditure for the year	13, 14	(8,740,658)	186,246	(8,554,412)	(8,742,006)	186,246	(8,555,760)
Non-cash adjustments:							
Non-cash charges – auditors' remuneration	3	287	–	287	287	–	287
Balance at 31 March 2016		**(3,642,765)**	**4,631,546**	**988,781**	**(3,642,760)**	**4,631,546**	**988,786**
Net Parliamentary Funding – drawn down	13	10,229,563	–	10,229,563	10,229,563	–	10,229,563
Net Parliamentary Funding – deemed	13	70,774	–	70,774	70,774	–	70,774
Supply receivable adjustment	13	25,703	–	25,703	25,703	–	25,703
Operating income payable to the Consolidated Fund	13	(14,291)	–	(14,291)	(14,291)	–	(14,291)
Comprehensive net expenditure for the year	13, 14	(9,086,016)	1,028,488	(8,057,528)	(9,085,822)	1,028,488	(8,057,334)
Non-cash adjustments:							
Non-cash charges – auditor's remuneration	3	304	–	304	304	–	304
Balance at 31 March 2017		**(2,416,728)**	**5,660,034**	**3,243,306**	**(2,416,529)**	**5,660,034**	**3,243,505**

The notes on pages 91 to 120 form part of these accounts.

Notes to the Departmental Accounts

1. Statement of accounting policies

In accordance with the direction received from HM Treasury under the Government Resources and Accounts Act 2000 (GRAA), these financial statements have been prepared in accordance with the 2016–17 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context taking account of the designation of those entities to be included within the consolidated Departmental Group (the Departmental Group) as determined by Statutory Instrument. Where the FReM permits a choice of accounting policy, the policy which is judged to be most appropriate to the particular circumstances of DFID for the purpose of giving a true and fair view has been selected. The particular policies adopted by the department are described below. These have been applied consistently in dealing with items that are considered material to the accounts.

In addition to the primary statements prepared under IFRS, the FReM also requires the department to prepare an additional primary statement, the Statement of Parliamentary Supply, and supporting notes showing the outturn against estimate in terms of the net resource requirement and the net cash requirement.

These financial statements have been prepared in accordance with the GRAA.

1.1 Accounting convention

These accounts have been prepared on a going concern basis under the historical cost convention, modified to account for the revaluation of non-current assets at their value to DFID by reference to their current costs or fair value as appropriate.

1.2 Basis of consolidation

In accordance with the FReM, these financial statements comprise a consolidation of DFID and those entities which fall within its Departmental Group as defined by Statutory Instrument 2016 No 1243 made under the GRAA. Transactions between entities included in the consolidation are eliminated.

In preparation of the Departmental Group Accounts, the department adopts consistent and uniform accounting policies across all entities. A list of all those entities within the departmental boundary is provided at note 16.2.

1.3 Coverage of accounts

These accounts cover the activities of DFID and its 2 non-departmental public bodies only, the Commonwealth Scholarship Commission (CSC) and the Independent Commission for Aid Impact (ICAI).

DFID is the sponsor department for CDC Group plc (CDC), a wholly owned public limited company classified in accordance with the European system of accounts (ESA 2010) as applied by the Office for National Statistics, as a 'self-financing public corporation'. DFID is the controlling entity of CDC under IFRS, but due to the application of ESA 10 and HM Treasury direction, CDC is not consolidated; in accordance with Statutory Instrument 2016 No 1243 (see 1.2 above) and with the FReM it is deemed to fall outside the departmental resource accounting boundary. DFID's ownership interest in CDC is recognised in these financial statements within non-current financial asset investments adopting the recognition and measurement provisions of IAS 39.

In line with FReM rules on activities which are charged directly to departments' expenditure, the primary statements in these accounts do not include amounts attributed to DFID in relation to spending on development activities by the European Union (EU) from the EU budget. The Statement of Parliamentary Supply does, however, include this expenditure when calculating resource outturn for the year under review. As a result, this expenditure is included within note SOPS2, detailing the reconciliation between resource outturn for the year and the total included in the Consolidated Statement of Comprehensive Net Expenditure.

1. **Statement of accounting policies** (continued)

1.4 Grants payable

Grants payable are recorded as expenditure in the period in which the underlying event or activity giving entitlement to the grant occurs. Where the period to which the payments are to be applied is clearly defined, the appropriate resource adjustments are made to reflect the period of expenditure through accruals and prepayments. Where grants are made to governments or international organisations and UK contributions are pooled and cannot be matched directly with particular activities, expenditure is recognised in the period when agreed conditions for payment by DFID to the programme partner have been met.

In certain cases, grant contributions to international organisations are made in the form of promissory notes. The full amount of the promissory note deposit is recognised as an expense in the period in which the note is deposited. Amounts not drawn down in cash from promissory notes at the Consolidated Statement of Financial Position date are included in 'Trade payables and other liabilities' (note 10).

1.5 Value Added Tax (VAT)

The Department is registered for VAT and pays tax on its purchases in accordance with the Value Added Tax Act 1994. Income and expenditure are shown net of VAT where output tax is charged or input tax is recoverable. Irrecoverable VAT incurred is included within the overall cost of purchases. Amounts owed by HM Revenue and Customs for VAT recoverable at the Consolidated Statement of Financial Position date are included in 'Trade and other receivables' (note 9).

1.6 Foreign exchange

Transactions denominated in foreign currency are accounted for at the sterling equivalent at the exchange rate ruling at the date of each transaction. Monetary assets and liabilities denominated in foreign currency are translated into sterling at the exchange rates ruling at the Consolidated Statement of Financial Position date. Differences on translation of balances are recognised as operating costs within the Consolidated Statement of Comprehensive Net Expenditure. Non-monetary assets and liabilities are subject to annual revaluation and are translated at the Consolidated Statement of Financial Position date. Exchange differences are taken to the Revaluation Reserve.

1.7 Property, vehicles and equipment

Property, vehicles and equipment are capitalised above a threshold of £1,000 for individual assets. Items of furniture and fittings and information technology, some of which may individually cost less than £1,000, are capitalised on a grouped basis.

Assets under construction are capitalised on the basis of actual costs incurred during the period until the work is completed, when the asset is deemed available for use and reclassified accordingly. Assets under construction are held at historic cost.

Equipment used for general administration purposes is recognised as assets, including any costs associated with bringing it into working condition. Therefore, asset costs include salaries and expenses of departmental staff arising directly from the development, construction and acquisition of the asset. Property, vehicles and equipment do not include items purchased from programme expenditure.

Refurbishments to freehold and leasehold properties are capitalised at the actual costs incurred, where these extend the useful life or functionality of the underlying leased asset.

Freehold land, buildings and dwellings and leasehold buildings are shown at market value based on professional valuations carried out at not more than 5-year intervals. Freehold buildings and dwellings and leasehold buildings are held at depreciated market value based on the most recent revaluation. Freehold land is not depreciated.

1. **Statement of accounting policies** (continued)

Improvements to assets leased under operating leases are included within the leasehold related assets category and are held at depreciated historic cost over the remaining lease life. Buildings and land held on short term leases are regarded as operating leases and rental payments are recorded in the Consolidated Statement of Comprehensive Net Expenditure.

Vehicles, furniture and fittings and information technology are stated at current value using appropriate indices. Current value is updated quarterly based on monthly indices provided by the Office for National Statistics website.

Any surplus on revaluation is recognised directly in the Revaluation Reserve, except to the extent that the surplus reverses a previous revaluation deficit on the same asset which was previously recognised in the Consolidated Statement of Comprehensive Net Expenditure. In such circumstances, the resulting credit is recognised in the Consolidated Statement of Comprehensive Net Expenditure. Any deficit on revaluation is recognised in the Consolidated Statement of Comprehensive Net Expenditure, except to the extent that it reverses a previous revaluation surplus on the same asset, in which case it is taken directly to the Revaluation Reserve.

1.8 Depreciation

Depreciation is provided on property, vehicles and equipment on a straight-line basis over the remaining useful lives of the assets. Depreciation on assets under construction, including improvements to leaseholds, is provided from the point at which these come into use. The useful lives for main asset categories are as follows:

Office accommodation (freeholds)	30 years
Domestic property overseas (freeholds)	20 years
Improvements to freeholds	15 years
Leasehold-related assets	Over the remaining term of the lease
Vehicles	5 years
Furniture and fittings	Mainly at 5 and 10 years
Information technology	1 to 8 years

1.9 Financial instruments

IFRS 7 'Financial Instruments: Disclosures' requires disclosures in the accounts that enable users to evaluate the significance of financial instruments to the financial position and performance of the department. Furthermore, it requires the disclosure of the nature and extent of risks arising from financial instruments to which DFID is exposed during the year and at the financial year end, and requires explanation of how those risks are managed.

Financial assets and liabilities are recognised when the department becomes party to the contracts that give rise to them and conditions satisfying recognition are met. Financial assets are derecognised when the right to receive cash flows has expired or where the department has transferred substantially all the risks and rewards of ownership or control of the asset. Financial liabilities are derecognised if the department's obligations specified in the contract expire or are discharged or cancelled.

All other financial assets and liabilities that are not separately disclosed in the accounting policies are recorded at amortised cost using the effective interest rate method to amortise, or spread, cashflows such as interest or discounts over the life of the instrument.

1. Statement of accounting policies (continued)

1.10 Financial investments

The Departmental Group's financial investments have been classified as available for sale based on the assessment of the nature of the investments upon initial recognition in the department's accounts.

Available-for-sale assets are non-derivative financial assets designated as such or not classified within the FReM as any of the other 3 categories of financial instruments: held-to-maturity investments, loans and receivables or held at fair value through profit or loss. These assets are intended to be held for an indefinite period of time and may be sold in response to policy decisions or equity prices. Available-for-sale financial assets are recognised initially at fair value. At initial recognition, the best evidence of fair value in an arm's-length transaction is cash received or paid, unless there is evidence to the contrary. The fair value on recognition also includes any directly attributable transaction costs. After initial recognition, these financial assets are carried at fair value. Gains and losses in fair value are recognised directly in Taxpayers' Equity except for impairment losses. Impairment losses are recognised in the Consolidated Statement of Comprehensive Net Expenditure. On derecognition, the cumulative gain or loss previously recognised in Taxpayers' Equity is recognised in the Consolidated Statement of Comprehensive Net Expenditure.

Available-for-sale assets at 31 March 2017 and 2016 include:

International Financial Institutions

Investments include the UK interest in certain IFIs. Shares in these bodies are not traded securities.

Investments in IFIs are valued at fair value. In the absence of available market data, an approximation of the fair value of DFID's interests is assessed as DFID's share of the audited net assets of the IFIs, based on the number of shares subscribed by DFID. The Articles of Agreement of all the IFIs specify that this is the valuation basis that would be used to determine the value that DFID would realise on dissolution of the individual institutions. This value is determined based on the net assets disclosed in the Statement of Financial Position of each IFI at the date closest to DFID's year end, adjusted for any subsequent known changes in ownership. The IFIs apply United States Generally Accepted Accounting Standards or IFRS.

Public corporations

In the absence of observable market data for investments in public corporations outside the departmental boundary, net asset value per recent audited accounts is used as a measure for determining fair value, taking into consideration the department's assessment of impairment or material changes to fair value for bodies with non-coterminous reporting dates. Fair value changes reflect the change in value of net assets held by these bodies, recognising their accounting policy of measuring financial instruments comprising substantially all the value of net assets at fair value. This applies to DFID's investment in CDC.

Other Development capital

Development capital (DC) assets are investments made by DFID to achieve defined development objectives while retaining an ongoing, recoverable interest in the assets funded. These include equity investments, debt instruments and other returnable grant arrangements. The fair values of DC assets are estimated based on a variety of valuation techniques performed by independent valuation experts, as appropriate to the nature of each asset. Valuation techniques used include the use of earnings multiples, discounted cash flows analysis using the discount rate set by HM Treasury and net asset values.

1. Statement of accounting policies (continued)

1.11 Long term loans

In accordance with IAS 39, long term loans and receivables have been valued at amortised cost (see note 1.9) based on expected future cash flows, net of provisions. The discount rate applied to future cash flows to calculate amortised cost is the higher of the long term interest rate set by HM Treasury or the rate intrinsic to each agreement. Provisions applied include amounts which the UK expects will not be repaid. Repayments forecast to be made within 1 year are included in 'Trade and other receivables' falling due within one year (note 9).

1.12 Impairment of financial assets

The Departmental Group assesses at the end of each reporting period whether there is objective evidence that loans and receivables, or available-for-sale assets, are impaired. Evidence of impairment arises where there is observable data indicating that there is a measurable decrease in the estimated future cash flows from holding financial assets.

For loans and receivables, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest rate method based on the original rate. However, for historic loans the original rate is not known and so the 2015–16 rate is used as the effect is not materially different. The carrying amount of the asset is reduced in the Consolidated Statement of Financial Position and the loss is recognised in the Consolidated Statement of Comprehensive Net Expenditure. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the counterparty's credit rating), the previously recognised impairment loss is reversed.

For financial assets classified as available for sale, the impairment loss, measured as the difference between the acquisition cost and the current fair value (less any impairment loss on that financial asset previously recognised in the Consolidated Statement of Comprehensive Net Expenditure) is recognised in the Consolidated Statement of Comprehensive Net Expenditure, and the accumulated fair value adjustments recognised in Taxpayers' Equity are released. Impairment losses for available-for-sale assets are not subsequently reversed. Generally, for investments in this classification, an impairment review is carried out at the reporting date. Indicators of impairment for these other investments include net cash outflows or operating losses, a reduction in net assets, and other factors influencing recoverable amount.

If there is a sustained increase in the fair value of an available-for-sale asset where an impairment loss has previously been recognised, then the increase in value may be treated as a revaluation and recognised through Taxpayers' Equity; however, the previous impairment is not reversed through the Consolidated Statement of Comprehensive Net Expenditure.

1.13 Cash and cash equivalents

Cash comprises cash on hand with UK and overseas banks and demand deposits at the Consolidated Statement of Financial Position date. Cash equivalents comprise any assets considered by management to be readily convertible to cash, due to their highly liquid and short term nature, by way of a readily available market for sale.

1.14 Provisions

DFID provides for legal and constructive obligations, related to past events, where the obligations are of uncertain timing or value at the Consolidated Statement of Financial Position date. Such provisions are based on the best estimate of the expenditure required to settle the obligation. Where the time value of money is material, expected cash flows are stated at discounted amounts using the nominal discount rate set by HM Treasury.

1. Statement of accounting policies (continued)

1.15 Contingent assets and liabilities

In addition to contingent liabilities disclosed in accordance with IAS 37, the department discloses for parliamentary reporting and accountability purposes certain statutory and non-statutory contingent liabilities and guarantees where the likelihood of a transfer of economic benefit is remote, but which have been reported to Parliament in accordance with the requirements of 'Managing Public Money'.

The department discloses a contingent asset where it is probable there will be an inflow of economic benefits from a past event, but where the outcome (timing and/or value) is uncertain. An estimate of the financial effect is indicated, where possible.

1.16 Third-party assets

Cash balances in the primary statements exclude amounts held for third parties as custodian or trustee but in which neither DFID nor the UK Government more generally has a direct beneficial interest. Amounts of this nature held at the Consolidated Statement of Financial Position date are disclosed in 'Third party assets' (note 15).

1.17 Critical accounting judgements and estimates

The Accounting Officer, in preparing the accounts, is required to select suitable accounting policies, apply them consistently and make estimates and assumptions that are reasonable and prudent. These judgements and estimates are based on historical experience and other factors considered relevant. Actual results may differ from these estimates and assumptions.

Critical accounting estimates are those which involve the most complex or subjective judgements or assessments. The areas of DFID's business that typically require such estimates in implementing the accounting policies set out above are explained in more detail below.

(a) Impairment review of financial assets

DFID carries out an annual impairment review of the carrying value of its financial assets. Details of this policy are set out in note 1.12. Impairment losses are calculated based on the best estimate of the current fair value (see section c below) and judging whether losses are permanent or temporary.

(b) Provisions against long term loans and receivables

Long term loan balances are held with a number of overseas governments and organisations. DFID carries out an annual review to assess the expected amounts receivable against the carrying value of loans outstanding, giving consideration to factors affecting recoverability such as political matters; for example, stability within the recipient country, or economic developments and progress towards debt reduction initiatives such as the Paris Club or the Heavily Indebted Poor Countries (HIPC) initiative. Where there is a likelihood that the full carrying value may not be received, a provision is made against the carrying value of the amount due.

(c) Fair value of financial investments

Financial investments are measured at fair value at the Consolidated Statement of Financial Position date using a range of valuation techniques as appropriate to the nature of each asset. These valuation techniques involve a number of assumptions and judgements depending on the method applied. The valuation of the department's investments is subjective as there is no observable market and there is an inherent risk that valuations may not reflect fair value. For a number of financial investments, the valuation date is prior to 31 March because of the timing of investment reporting. Where this is the case, an estimate for the fair value at year end is made based on judgements around any material changes between the valuation point and 31 March and recording any additions in this time at cost as a proxy for fair value.

1. Statement of accounting policies (continued)

1.18 Effects of future accounting policies

The following is a list of relevant changes to IFRS that have been issued but which were not effective in the reporting period:

- IFRS 9 'Financial instruments' is effective for financial reporting periods beginning on or after 1 January 2018, but will not be adopted by the public sector until 2018–19. The new standard makes changes to the classification and measurement of financial assets, previously reported under IAS 39 'Financial instruments: Recognition and measurement' but does not change the basic accounting for financial liabilities under IAS 39. IFRS 9 brings financial guarantees into scope. IFRS 9 contains a single forward-looking 'expected-loss' impairment model applied to all financial instruments subject to impairment accounting which will result in earlier and more timely recognition of expected credit losses (ECLs). The new model also requires that an impairment allowance, for ECLs, be raised even where no evidence of deterioration is present. The department is currently assessing the impact of IFRS 9 as it may have a material effect on the recognition of impairments of assets and is likely to bring forward the timing of recognition of provisions for financial guarantee arrangements. The main impact is likely to be on the department's AME budget.
- IFRS 15 'Revenue from contracts with customers' is effective for financial reporting periods beginning on or after 1 January 2018, but will not be adopted by the public sector until 2018–19. The standard is not expected to have a material impact on the department as income is not a material balance.
- IFRS 16 'Leases' is effective for financial reporting periods beginning on or after 1 January 2019 and is expected to be adopted by the public sector in 2019–20. IFRS 16 represents a significant change in lessee accounting by largely removing the distinction between operating and finance leases and introducing a single lessee accounting model. The department is currently assessing the impact that it will have.

1.19 Operating segments

IFRS 8 'Operating segments' defines an operating segment as a component of an entity:

- That engages in business activities from which it earns revenues and incurs expenditure.
- Whose operating results are reviewed regularly by the entity's decision makers to make decisions about resources to be allocated to the segment and assess its performance.
- For which discrete financial information is available.

DFID's structure comprises a number of divisions which are individually, and collectively, responsible for delivering the department's expected output and objectives. Each division reports through a director general, who is a member of the Executive Management Committee. Budgets and resources are allocated to divisions based on business plans. These are reviewed and signed off, firstly by the responsible director then ultimately by the responsible director general. The Executive Management Committee reviews a monthly finance report as a standing item on its agenda. This aggregates financial data for all divisions and summarises financial performance, both historical and forecast, by director general area. As such, the divisions are considered the most appropriate operating segments for disclosure in note 2, which sets out the income and expenditure for each operating segment.

1.20 Changes in accounting policy

DFID has consistently applied the accounting policies referred to above to all periods presented in these financial statements.

2. Statement of Operating Costs by Operating Segment

IFRS 8 requires disclosure of income and expenditure by operating segment. The basis for defining operating segments is set out in note 1.19.

The standard also includes a requirement to show net assets per operating segment. The structure of DFID means that all assets included in the Consolidated Statement of Financial Position are used for the general administration and benefit of DFID as a whole. As such, DFID considers the Consolidated Statement of Financial Position to be centrally maintained and monitored by the Finance and Corporate Performance Division and it would therefore all fall under the reporting line of the Director General for Corporate Performance.

For the year ended 31 March 2017

Director General	Division	Gross expenditure £000	Income £000	2016–17 Net expenditure £000
Corporate Performance	Central Department	201,603	(15,389)	186,214
	Business Change and Strategy Division	2,184	–	2,184
	Business Solutions Division	11,793	–	11,793
	Communications Division	2,920	–	2,920
	Finance and Corporate Performance Division	8,470	–	8,470
	Group Operations	18,604	–	18,604
	Human Resources	6,460	–	6,460
	Internal Audit	2,244	–	2,244
	Non-Departmental Public Body	3,146	–	3,146
Corporate Performance		**257,424**	**(15,389)**	**242,035**
Permanent Secretary	Top Management Group	4,409	–	4,409
Permanent Secretary		**4,409**	**–**	**4,409**
Policy and Global Programmes	Global Funds	551,023	–	551,023
	International Relations Division	756,289	(415)	755,874
	Policy Division	864,094	–	864,094
	Research and Evidence Division	367,833	–	367,833
	Conflict, Humanitarian, Security and Stabilisation Division	396,527	–	396,527
	PGP Directorate	1,287	–	1,287
Policy and Global Programmes		**2,937,053**	**(415)**	**2,936,638**
Country Programmes	Asia, Caribbean and Overseas Territories	1,268,751	(47)	1,268,704
	East and Central Africa	1,446,899	(23)	1,446,876
	Regional Directorate	1,642	–	1,642
	West and Southern Africa	1,024,742	(287)	1,024,455
	Middle East and North Africa Division	798,384	–	798,384
Country Programmes		**4,540,418**	**(357)**	**4,540,061**
Director General Economic Development	Economic Development Division	1,362,679	–	1,362,679
Director General Economic Development		**1,362,679**	**–**	**1,362,679**
Total		**9,101,983**	**(16,161)**	**9,085,822**

2. Statement of operating costs by operating segment (continued)

For the year ended 31 March 2016

Director General	Division	Gross expenditure £000	Income £000	2015–16 Net expenditure £000
Corporate Performance	Central Department[1]	228,537	(2,835)	225,702
	Business Change and Strategy Division	1,187	–	1,187
	Business Solutions Division	10,717	–	10,717
	Communications Division	2,833	–	2,833
	Finance and Corporate Performance Division	8,012	–	8,012
	Group Operations	17,394	(319)	17,075
	Human Resources	6,993	–	6,993
	Internal Audit	2,090	(11)	2,079
	Non-Departmental Public Body	2,246	–	2,246
Corporate Performance		**280,009**	**(3,165)**	**276,844**
Permanent Secretary	Top Management Group	4,242	–	4,242
Permanent Secretary		**4,242**	**–**	**4,242**
Policy and Global Programmes	Global Funds	595,572	–	595,572
	International Relations Division	678,624	(446)	678,178
	Policy Division	820,855	–	820,855
	Research and Evidence Division	356,799	–	356,799
	PGP Directorate	1,101	–	1,101
Policy and Global Programmes		**2,452,951**	**(446)**	**2,452,505**
Country Programmes	Asia, Caribbean and Overseas Territories	1,149,982	(3)	1,149,979
	East and Central Africa	1,405,544	(67)	1,405,477
	Regional Directorate	166,413	–	166,413
	West and Southern Africa	794,383	(11)	794,372
	Western Asia Division	23,251	–	23,251
Country Programmes		**3,539,573**	**(81)**	**3,539,492**
Economic Development	Economic Development Division	1,530,043	(76)	1,529,967
Economic Development		**1,530,043**	**(76)**	**1,529,967**
Middle East, Humanitarian & Conflict	Middle East, Humanitarian and Conflict Division	938,956	–	938,956
Middle East, Humanitarian & Conflict		**938,956**	**–**	**938,956**
Total		**8,745,774**	**(3,768)**	**8,742,006**

[1] Central department expenditure includes an accounting loss of £40.4 million relating to the transfer of tangible fixed assets to the Foreign & Commonwealth Office in relation to the One HMG platform. This has no budgetary impact.

3. Expenditure

	Note	2016–17 DFID £000	2016–17 Departmental Group £000	2015–16 DFID £000	2015–16 Departmental Group £000
Rentals under operating leases		891	891	2,268	2,268
Charges under finance leases		–	–	–	–
		891	891	2,268	2,268
Staff costs[1]					
Wages and salaries		131,553	131,553	129,347	129,347
Social security costs		9,338	9,338	7,975	7,975
Other pension costs		25,316	25,316	22,910	22,910
Recoveries in respect of outward secondments		(137)	(137)	(51)	(51)
Grants and current expenditure		6,959,311	6,985,199	6,199,802	6,226,830
Promissory note deposits	10.2	1,658,125	1,658,125	2,006,265	2,006,265
Grant in kind	4	–	–	40,425	40,425
Non-cash items					
Loss/(gain) on foreign exchange		8,482	8,482	(5,255)	(5,255)
Increase in provisions (provision provided for in year less any release)	11	51,315	51,315	302,570	302,570
Borrowing costs (unwinding of discount) on provisions	11	44,800	44,800	(36,212)	(36,212)
Other discounting[2]		176,332	176,332	38,391	38,391
Depreciation: property, vehicles and equipment	4	4,843	4,843	4,902	4,902
Amortisation: intangible assets		3,195	3,195	6,388	6,388
Impairment of financial investments	5	2,430	2,430	–	–
Gain on disposal of property, vehicles and equipment	6	(3)	(3)	(1,278)	(1,278)
Loss on disposal of intangible assets	6	–	–	12	12
Auditors' remuneration and expenses[3]		304	304	287	287
Total net costs[4]		**9,076,095**	**9,101,983**	**8,718,746**	**8,745,774**

[1] For more information on staff costs refer to the Staff Report section of the Remuneration Report on page 72.

[2] Year on year change in discount due to new loan disbursements in 2016–17.

[3] In addition, DFID directly paid the National Audit Office (NAO) cash fees of £nil during 2016–17 (2015–16: £nil) for carrying out advisory services. The NAO also received fees for similar purposes indirectly from DFID via other organisations to which the NAO is a sub-contractor. Indirect fees totalled £120,679 in 2016–17 (2015–16: £28,679). The NAO also received fees of £50,950 in 2016–17 (2015–16: £163,264) from multi-donor programmes, where DFID was one of several donors funding the programmes.

[4] The 2015-16 Annual Report and Accounts notes separated administration costs and programme expenditure. These have been re-presented above to show the 2015–16 expenditure in one note.

4. Property, vehicles and equipment

Consolidated 2016–17	Land, buildings and dwellings	Leasehold related assets	Vehicles	Furniture and fittings	Information technology	Assets under construction	2016–17 Total
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation							
At 1 April 2016	**53,091**	**3,519**	**2,569**	**4,220**	**16,353**	**1,096**	**80,848**
Additions	–	–	–	428	816	1,833	3,077
Revaluation	–	–	37	126	711	–	874
Brought into use/reclassifications	–	(16)	–	16	568	(466)	102[1]
Disposals	–	(170)	–	(123)	(486)	–	(779)
At 31 March 2017	**53,091**	**3,333**	**2,606**	**4,667**	**17,962**	**2,463**	**84,122**
Depreciation							
At 1 April 2016	**(3,128)**	**(1,267)**	**(1,720)**	**(2,012)**	**(10,069)**	**–**	**(18,196)**
Charged in year	(1,321)	(596)	(304)	(439)	(2,183)	–	(4,843)
Depreciation on revaluation	–	–	(20)	(56)	(360)	–	(436)
Brought into use/reclassification	–	4	–	(4)	(11)	–	(11)[1]
Disposals	–	–	–	111	474	–	585
At 31 March 2017	**(4,449)**	**(1,859)**	**(2,044)**	**(2,400)**	**(12,149)**	**–**	**(22,901)**
Carrying amount at 31 March 2017	**48,642**	**1,474**	**562**	**2,267**	**5,813**	**2,463**	**61,221**
Carrying amount at 31 March 2016	**49,963**	**2,252**	**849**	**2,208**	**6,284**	**1,096**	**62,652**

[1] £0.1 million was brought into use/reclassified from intangibles during 2016–17.

The above relates to assets held by DFID. CSC and ICAI do not hold any assets.

The department's freehold property in East Kilbride was most recently valued at 31 March 2016 by GVA Grimley Limited using Royal Institute of Chartered Surveyors (RICS) guidelines. A revised market value based on existing use of £4.2 million (land £1.1 million, buildings £3.1 million) was reported.

Included in buildings is 22/26 Whitehall which was most recently valued at £44.1 million on 12 October 2012 by the District Valuer Services (the property arm of the Valuation Office Agency), on transfer to DFID from the Cabinet Office. Effective from 3 March 2015, the ownership transferred to HM Treasury UK Sovereign Sukuk plc, which is wholly owned by HM Treasury, with the ownership reverting effective 1 August 2019. The department leases 22/26 Whitehall from the Department for Communities and Local Government (DCLG) for no consideration. DCLG in turn leases the assets from the HM Treasury UK Sovereign Sukuk plc, for which HM Treasury is paying the lease costs. As the department retains all the risks and rewards associated with these properties and expects to continue to do so over their remaining economic lives, their value is included in the 'Land, buildings and dwellings' column above.

During 2015–16 the Secretary of State for International Development transferred the majority of DFID's overseas assets to the Foreign and Commonwealth Office (FCO) as part of the One HMG agenda, where the FCO consolidated DFID's overseas corporate services into FCO's overseas operations. The assets were transferred as a grant in kind totalling £40.4 million, reflected within the table below as 'Grant in kind'. A budget transfer was also made to the FCO to cover 2015–16 impairments and depreciation.

4. Property, vehicles and equipment (continued)

Consolidated 2015–16	Land, buildings and dwellings	Leasehold related assets	Vehicles	Furniture and fittings	Information technology	Assets under construction	2015–16 Total
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation							
At 1 April 2015	**78,380**	**41,986**	**9,775**	**17,741**	**18,034**	**3,462**	**169,378**
Restatement of opening balance[1]	(950)	(21,114)	(849)	(5,457)	(1,119)	(1)	(29,490)
Additions	2	413	55	339	974	74	1,857
Revaluation	(2,325)	–	3	120	184	–	(2,018)
Brought into use/reclassifications	275	(349)	–	74	591	(496)	95[2]
Grant in kind	(22,219)	(17,359)	(5,786)	(8,294)	(1,500)	(1,473)	(56,631)
Disposals	(72)	(58)	(629)	(303)	(811)	(470)	(2,343)
At 31 March 2016	**53,091**	**3,519**	**2,569**	**4,220**	**16,353**	**1,096**	**80,848**
Depreciation							
At 1 April 2015	**(6,982)**	**(27,174)**	**(6,123)**	**(11,517)**	**(10,270)**	**(1)**	**(62,067)**
Restatement of opening balance[1]	950	21,114	849	5,457	1,119	1	29,490
Charged in year	(1,138)	(526)	(331)	(487)	(2,420)	–	(4,902)
Depreciation on revaluation	1,968	–	(1)	(43)	(100)	–	1,824
Brought into use/reclassification	(24)	41	–	(17)	4	–	4[2]
Grant in kind	2,093	5,257	3,617	4,339	900	–	16,206
Disposals	5	21	269	256	698	–	1,249
At 31 March 2016	**(3,128)**	**(1,267)**	**(1,720)**	**(2,012)**	**(10,069)**	**–**	**(18,196)**
Carrying amount at 31 March 2016	**49,963**	**2,252**	**849**	**2,208**	**6,284**	**1,096**	**62,652**
Carrying amount at 31 March 2015	**71,398**	**14,812**	**3,652**	**6,224**	**7,764**	**3,461**	**107,311**

[1] Alignment of gross value and accumulated depreciation between general ledger and fixed asset register. £nil impact on net book value.

[2] £0.1 million was brought into use/reclassified from intangibles during 2015–16.

5. Financial investments

	Other development capital £000	International Financial Institutions £000	CDC Group plc £000	Total £000
At 1 April 2016	**75,066**	**3,523,921**	**3,901,200**	**7,500,187**
Additions	25,357	106,734	284,964	417,055
Impairments	(2,430)	–	–	(2,430)
Revaluations	14,243	409,671	604,136	1,028,050
Financing cost [1]	(203)	–	–	(203)
At 31 March 2017	**112,033**	**4,040,326**	**4,790,300**	**8,942,659**
At 1 April 2015	**63,254**	**3,362,104**	**3,369,100**	**6,794,458**
Additions	33,463	29,478	450,000	512,941
Revaluations	(27,999)	132,339	82,100	186,440
Financing cost [1]	6,348	–	–	6,348
At 31 March 2016	**75,066**	**3,523,921**	**3,901,200**	**7,500,187**

[1] Financing cost is the release of discounting on returnable grants.

The above financial investments relate to investments held by DFID. CSC and ICAI do not hold any assets.

Other development capital

Other development capital (DC) assets are investments made by DFID to achieve defined development objectives while retaining an ongoing, recoverable interest in the assets funded. As at 31 March 2017, these include equity investments (£67.5 million), debt instruments (£12.8 million) and other returnable grant arrangements (£31.7 million), the terms of which will vary depending on programme circumstances. Such investments are classified as 'available-for-sale financial assets' and are measured at fair value at the Consolidated Statement of Financial Position date.

During the year, one of the development capital investments was impaired by £2.4m due to a loss in value in one of the underlying funds. The asset sits within the Economic Development operating segment and the impairment charge has been recognised in other costs within total operating expenditure for the year.

Included within DC assets is DFID's investment in the Asia Climate Partners Fund and the IFC Catalyst Fund. Both investments are denominated in US dollars. The investments were made by way of laying a US dollar promissory note payable on demand. The initial recognition of the investments in 2014–15 was at fair value which was the sterling equivalent of the promissory note on the date of deposit (£24.8 million and £9.9 million for the Asia Climate Partners Fund and the IFC Catalyst Fund respectively). Subsequently, the investment is carried at fair value of the encashed value of the promissory note and any gains and losses in fair value are recognised in the Revaluation Reserve.

During 2016–17 US$nil (£nil) and US$4.0 million (£3.1 million) were encashed from the promissory note by the Asia Climate Partners Fund and the IFC Catalyst Fund respectively. At 31 March 2017, US$33.4 million (£26.8 million) and US$7.2 million (£5.8 million) of the promissory notes were not yet drawn down. It is expected that the promissory notes for both Funds will be encashed fully by 2020–21.

International financial institutions

IFIs are valued at fair value. There is no market in these investments – all shareholders are sovereign states. Fair value has been assessed as DFID's share of the net assets of the IFIs, based on the number of shares subscribed by DFID. The Articles of Agreement of all the IFIs specify that this is the value that DFID would receive on the dissolution of the IFIs.

5. Financial investments (continued)

The Asian Infrastructure Investment Bank (AIIB) was set up in December 2015 with the UK as a shareholder, along with a large number of other countries, to support financing for infrastructure projects across Asia. The UK's investment, like that of all other shareholders in the bank, is in the form of 20% paid-in capital and 80% callable capital. The paid-in capital is made in 5 annual instalments of US$122 million (approximately £98 million as at 31 March 2017).

HM Treasury, on behalf of the UK Government, made the initial instalment of US$122 million in January 2016. In January 2017, DFID made the second investment of US$122 million (equivalent of £98 million). During 2017–18, HM Treasury will transfer the initial investment and associated callable capital to DFID. The further 3 annual instalments of US$122 million are a future capital commitment of DFID (a total of US$366 million or £294 million).

All investments in IFIs are denominated in a currency other than sterling. DFID is therefore exposed to currency risk if the value of these currencies was to fall against sterling. DFID is also exposed to market risk, as the value of each investment is dependent upon the net assets of the IFIs.

Base currencies of investments in IFIs are shown below. Figures in US dollars include those bodies for which the US dollar is used as the working equivalent for units of account formally expressed in Special Drawing Rights (SDRs).

		2016–17		2015–16
	Currency 000	£000	Currency 000	£000
International Bank for Reconstruction and Development	$1,534,983	1,229,304	$1,596,383	1,111,092
International Finance Corporation	$1,073,583	859,788	$1,151,864	801,704
European Bank for Reconstruction and Development	€1,328,116	1,136,220	€1,256,616	993,239
Asian Development Bank	$351,560	281,550	$356,689	248,258
Inter-American Development Bank	$254,815	204,071	$243,182	169,256
African Development Bank (in Units of Account)	115,962	126,355	113,596	111,113
Caribbean Development Bank	$83,439	66,822	$81,340	56,613
Multilateral Investment Guarantee Agency	$47,744	38,236	$46,907	32,646
Asian Infrastructure Investment Bank	$122,180	97,980	$0	–
		4,040,326		3,523,921

CDC

DFID, on behalf of the UK Government, owns 100% of the issued ordinary share capital of CDC Group plc, an investment company that invests in private sector businesses in developing countries. CDC aims to demonstrate that it is possible to invest successfully in challenging environments, thereby attracting other sources of capital including fully commercial capital. DFID agrees CDC's high-level strategy, but has no involvement in CDC's day-to-day decision making which is carried out by the CDC Board of Directors.

HM Treasury requires that self-financing public corporations achieve a rate of return, described as 'cost of capital', to ensure that the opportunity cost of departments' investments is covered. If the corporation does not meet its rate of return over each Comprehensive Spending Review period, then the shareholding department may face a further charge to the extent that such a return has not been met. CDC investments aim to achieve returns from capital appreciation, investment income or both. All CDC's profits are reinvested in businesses throughout its target emerging markets. Information on CDC's strategies can be found at http://www.cdcgroup.com/What-we-do/Our-Mission/.

5. Financial investments (continued)

The fair value of the CDC investment is based on the net asset value of CDC per the audited financial statements at 31 December 2016 which are prepared in accordance with applicable law and International Financial Reporting Standards (www.cdcgroup.com/Corporate-information/Published-Information/). A post financial statement review of CDC is performed to 31 March 2017. The key financial data from CDC financial statements at 31 December is shown in the table below:

CDC Group plc – Ordinary shares	31 December 2016 £m	31 December 2015 £m
Portfolio return (before tax)	677.4	121.5
Operating costs	(47.9)	(33.5)
Other net expense	(25.4)	(7.2)
Total return after tax	**604.1**	**80.8**
Portfolio	3,839.2	2,999.2
Net cash and short-term deposits	220.1	437.8
Other net assets	731.0	464.2
Total net assets (valuation basis)	**4,790.3**	**3,901.2**

CDC total net assets increased during 2016 from £3,901.2 million to £4,790.3 million, a rise of 22.8% (2015: 16.0%). CDC's investment portfolio of £3,839.2 million at 31 December 2016 (2015: £2,999.2 million) comprised £391.5 million debt, £1,287.2 million equity, £2,158.8 million funds and £1.7 million forward foreign exchange contracts (2015: £214.1 million debt, £682.3 million equity, £2,095.3 million funds and £7.5 million forward foreign exchange contracts). The net increase of £840.0 million in CDC's investment portfolio was driven primarily by new investments of £759.5 million and fair value changes of £624.3 million offset by realisations of £547.5 million. Most of the CDC portfolio is denominated in US dollars and the sterling result has benefited from currency translation gains following a reduction in the sterling to US dollar exchange rate. The portfolio return measured a gain in US dollars of 5.2% (2015: 0.9% loss).

During the year ending 31 March 2017, DFID acquired a further 285 million shares in CDC Group plc for £285.0 million consideration (2015–16: 450 million shares for £450.0 million consideration). This transaction was funded through the use of a promissory note (refer to notes 10.2, 10.3 and 16.1).

The preparation of CDC's financial statements under IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates are reviewed on an ongoing basis. The area on which the most significant estimates and judgements are made is on the fair value of equity investments. In the process of applying its accounting policies, CDC has made the judgement that it meets the definition of an investment entity within IFRS 10 'Consolidated Financial Statements'.

CDC's operations are managed within the risk appetite defined by the CDC Board of Directors and set out in the CDC Risk Management Policy. The Board regularly reviews the overall risks inherent in CDC's business and the actions taken to mitigate those risks where appropriate.

5. Financial investments (continued)

CDC's Risk Committee oversees the implementation of the Risk Management Policy and the risks facing CDC. CDC's principal risks, mitigating policies and processes are summarised in the table below:

Principal risks	Summary of risk	Mitigating policies and processes
Financial risk	CDC invests in developing countries where such investments are inherently risky with the potential for loss of portfolio value. The timing of cash distributions from these investments is uncertain.	▪ Portfolio diversification of debt and equity investments held directly or indirectly via a range of fund managers ▪ Cash management through a cash balance of £220.1 million, stand by revolving credit facility of £971.9 million and a promissory note receivable of £735.0 million from DFID. ▪ Hedging of debt investments and foreign currency cash balances ▪ CDC's valuation guidelines have been developed in accordance with the International Private Equity and Venture Capital Valuation Guidelines (December 2015), which in turn are in accordance with the fair value requirements contained within IAS 19 and IFRS 13.
Environment and social risk	CDC is exposed to a variety of environmental and social risks through the companies that it invests in, both directly and indirectly.	▪ Established environmental and social team which contributes to due diligence on potential investments in addition to assisting investee companies in developing or improving their approach and monitoring performance. ▪ All fund managers and investee businesses receiving CDC capital must sign up to and comply with CDC's Code of Responsible Investing. The Code requires companies to assess, monitor and improve environmental and social standards.
Business integrity risk	Fraud, bribery, corruption and other financial crimes can damage the development goals of CDC in the countries in which it invests.	▪ Developed policies and practical procedures to promote good practices. ▪ When investing CDC seeks to ensure that its investments: – are made into companies with a commitment to high standards of business conduct; – do not knowingly support financial crime; – help companies and fund managers develop and enhance corporate governance standards and practices.
Development impact risk	Risk that CDC will fail to achieve its development objective to create jobs and make a lasting difference to people's lives in developing countries.	▪ Creation of a Development Impact Grid, an ex-ante tool that ensures it is best able to invest capital towards the objective of creating jobs, especially in the more challenging places. This methodology is embedded into investment processes and is used to assess every investment opportunity at Investment Committee.
Operational risk	Risk of loss or damage to CDC caused by errors or weaknesses in its internal systems and processes or in the way they are operated or external events.	▪ Implemented policies, procedures and processes in place that include appropriate control measures. ▪ Hiring skilled staff to operate these processes and providing adequate training for staff. ▪ CDC's internal audit function performs regular reviews to assess the adequacy and effectiveness of the control measures. The internal audit programme is approved by the CDC Audit and Compliance Committee.

6. Revaluation, impairments and disposals

This note summarises the impact of all revaluations, impairments and disposals on the Consolidated Statement of Comprehensive Net Expenditure and the Revaluation reserve.

				2016–17			2015–16
	Note	Consolidated Statement of Comprehensive Net Expenditure	Revaluation Reserve	Total	Consolidated Statement of Comprehensive Net Expenditure	Revaluation Reserve	Total
		£000	£000	£000	£000	£000	£000
Revaluation of information technology	4	–	(351)	(351)	–	(84)	(84)
Revaluation of furniture and fittings	4	–	(70)	(70)	–	(77)	(77)
Revaluation of vehicles	4	–	(17)	(17)	–	(2)	(2)
Revaluation of land, buildings and dwellings	4	–	–	–	–	357	357
Gain on disposal of property, vehicles and equipment	3	(3)	–	(3)	(1,278)	–	(1,278)
Loss on disposal of intangible assets	3	–	–	–	12	–	12
Revaluation of International Financial Institutions	5	–	(409,671)	(409,671)	–	(132,339)	(132,339)
Revaluation of other development capital	5	–	(14,243)	(14,243)	–	27,999	27,999
Revaluation of investment in CDC	5	–	(604,136)	(604,136)	–	(82,100)	(82,100)
Impairment of other development capital	5	(2,430)	–	(2,430)	–	–	–
Total		**(2,433)**	**(1,028,488)**	**(1,030,921)**	**(1,266)**	**(186,246)**	**(187,512)**

The above figures relate to DFID. CSC and ICAI do not have any revaluations, impairments or disposals.

7. Financial instruments

7(a) Fair values of financial instruments

The carrying values of financial assets and financial liabilities do not differ from fair values in these accounts at either 31 March 2017 or 31 March 2016.The fair values of all financial assets and liabilities by class together with their carrying amounts shown in the Consolidated Statement of Financial Position are as follows:

	Note	Loans and receivables £000	Financial liabilities at amortised cost £000	Available-for-sale assets £000	2016–17 Total Carrying Value £000
Financial assets					
Non-current					
Financial investments	5	–	–	8,942,659	8,942,659
Trade and other receivables	9	614,922	–	–	614,922
Current					
Trade and other receivables	9	59,567	–	–	59,567
Cash and cash equivalents		1,601	–	–	1,601
Total financial assets		**676,090**	**–**	**8,942,659**	**9,618,749**
Financial liabilities					
Current					
Bank overdraft		–	(19,492)	–	(19,492)
Trade and other payables	10	–	(5,341,176)	–	(5,341,176)
Total financial liabilities		**–**	**(5,360,668)**	**–**	**(5,360,668)**

	Note	Loans and receivables £000	Financial liabilities at amortised cost £000	Available-for-sale assets £000	2015–16 Total Carrying Value £000
Financial assets					
Non-current					
Financial investments	5	–	–	7,500,187	7,500,187
Trade and other receivables	9	365,603	–	–	365,603
Current					
Trade and other receivables	9	30,446	–	–	30,446
Cash and cash equivalent		69,149	–	–	69,149
Total financial assets		**465,198**	**–**	**7,500,187**	**7,965,385**
Financial liabilities					
Current					
Bank overdraft		–	(1,140)	–	(1,140)
Trade and other payables	10	–	(5,951,932)	–	(5,951,932)
Total financial liabilities		**–**	**(5,953,072)**	**–**	**(5,953,072)**

7. Financial instruments (continued)

Valuation of financial instruments

The department measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (ie as prices) or indirectly (ie derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using inputs that are not based on observable market data (unobservable inputs). This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

	Note	2016–17 £000	2015–16 £000
Financial assets			
Level 1			
Cash and cash equivalents		1,601	69,149
Level 2			
Trade and other receivables	9	674,489	396,049
Level 3			
Financial investments	5	8,942,659	7,500,187
		9,618,749	**7,965,385**
Financial liabilities			
Level 1			
Bank overdraft		(19,492)	(1,140)
Level 2			
Trade and other payables	10	(5,341,176)	(5,951,932)
Level 3		–	–
		(5,360,668)	**(5,953,072)**

There have been no transfers between Level 1 and Level 2 of the fair value hierarchy in 2016–17 or 2015–16.

A reconciliation from the opening balances to the closing balances of recurring fair value measurements within Level 3 of the fair value hierarchy is given in the table below:

	Note	Level 3 financial investments £000
Balance at 31 March 2015		**6,794,458**
Additions	5	512,941
Revaluation	5	186,440
Other movements	5	6,348
Balance at 31 March 2016		**7,500,187**
Additions	5	417,055
Revaluation	5	1,028,050
Impairment	5	(2,430)
Other movements	5	(203)
Balance at 31 March 2017		**8,942,659**

There have been no transfers into or out of Level 3 during 2016–17 or 2015–16.

7. Financial instruments (continued)

7(b) Credit risk

Financial risk management

Credit risk is the risk of financial loss to the department if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from DFID's receivables from sovereign debt and investment instruments.

Exposure to credit risk

The fair value of financial investments, trade and other receivables and cash and cash equivalents in note 7(a) represents the maximum credit exposure to DFID. All trade and other receivables at the Consolidated Statement of Financial Position date which are past due have been provided against (2016–17: £29.4 million, 2015–16: £27.3 million).

Bilateral loans, and loans formerly managed by CDC, are made directly to sovereign states; multilateral loans are made to sovereign states through multilateral bodies such as the European Investment Bank. Assessments of credit risk are performed based on default history, political risks and the potential future granting of debt relief.

Credit risk on the department's cash balances held within the Government Banking Service is considered to be very low. Imprest balances are held with various institutions, all of which are major global banks with high credit ratings.

Financial investments are made through International Financial Institutions, public sector bodies and managed investment entities.

Liquid assets are divided between a number of different financial institutions, each of whose credit rating is assessed.

7(c) Market risk

Financial risk management

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the department's net expenditure or the value of its holdings of financial instruments.

Exposure to market risk

(i) Foreign currency risk

DFID's exposure to foreign currency risk is as follows. This is based on the carrying amount for monetary financial instruments.

31 March 2017	Sterling £000	Euro £000	US dollar £000	Other £000	Total £000
Financial investments	4,807,328	1,136,220	2,816,896	182,215	8,942,659
Trade and other receivables	598,064	41,686	34,739	–	674,489
Cash and cash equivalents	(18,395)	–	409	(105)	(18,091)
Trade and other payables	(5,306,916)	–	(34,260)	–	(5,341,176)
Net exposure	**80,081**	**1,177,906**	**2,817,784**	**182,110**	**4,257,881**

7. **Financial instruments** (continued)

31 March 2016	Sterling £000	Euro £000	US dollar £000	Other £000	Total £000
Financial investments	3,922,240	993,239	2,441,952	142,756	7,500,187
Trade and other receivables	352,466	43,583	-	-	396,049
Cash and cash equivalents	66,716	-	1,494	(682)	67,528
Trade and other payables	(5,918,871)	-	(32,585)	-	(5,951,456)
Net exposure	**(1,577,449)**	**1,036,822**	**2,410,861**	**142,074**	**2,012,308**

Sensitivity analysis

A 10% strengthening of the following currencies against the pound sterling at 31 March 2017 and at 31 March 2016 would have increased taxpayers' equity and lowered net comprehensive expenditure by the amounts shown below. This calculation assumes that the change occurred at the Consolidated Statement of Financial Position date and had been applied to risk exposures existing at that date.

This analysis assumes that all other variables, in particular other exchange rates and interest rates, remain constant. The analysis is performed on the same basis for 31 March 2016.

		Equity		(Profit) or loss
	2016–17 £000	2015–16 £000	2016–17 £000	2015–16 £000
€	130,878	142,558	(4,632)	(4,843)
$	313,087	267,873	(99)	3,455
	443,965	**410,431**	**(4,731)**	**(1,388)**

A 10% weakening of the above currencies against the pound sterling at 31 March 2017 and at 31 March 2016 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

(ii) Interest rate risk

The department's interest rate exposure is limited to loans made at fixed and floating rate and cash balances held overseas. At the Consolidated Statement of Financial Position date the interest rate profile of DFID's interest-bearing financial instruments was:

	2016–17 £000	2015–16 £000
Fixed rate instruments		
Trade and other receivables	579,727	319,541
	579,727	**319,541**
Variable rate instruments		
Cash and cash equivalents	808	1,185
Trade and other receivables	2,445	3,655
	3,253	**4,840**

For the financial year ending 31 March 2017 the department earned interest from financial instruments of £3.4 million (2015–16 £0.3 million). The interest earned from these financial instruments does not represent a material source of income for DFID.

7. Financial instruments (continued)

(iii) Equity price risk

The department's exposure to equity price risk arises from its investment in equity securities which are classified as available-for-sale financial assets and are shown on the Statement of Financial Position sheet as financial investments (see note 5).

Sensitivity analysis

DFID's investments in IFIs are based on DFID's share of the net assets of each IFI, which are recorded predominately at fair value. Although there is no public traded market for these investments, changes in the underlying net asset values of the IFIs would impact on the investment value shown in these accounts. As at 31 March 2017, a 10% reduction in net asset values of the IFIs, with all other variables held constant, would result in DFID's net assets being reduced by £404.0 million (at 31 March 2016: £352.3 million).

DFID's investment in CDC is based on the net assets. As at 31 March 2017, a 10% reduction in the net asset value of this organisation, with all other variables held constant, would result in the department's net assets being reduced by £479.0 million (at 31 March 2016: £390.1 million).

7(d) Liquidity risk

Financial risk management

Liquidity risk is the risk that the department will not be able to meet its financial obligations as they fall due.

Exposure to liquidity risk

The contractual maturities of financial liabilities, including estimated interest payments, are £5,001.1 million (2015–16: £5,573.0 million) due on demand and £340.1 million (2015-16: £378.5 million) due within 1 year, but not on demand. In common with other government departments, the future financing of DFID's liabilities is to be met by future grants of supply and application of future income, both to be approved annually by Parliament. Such approval for 2016–17 amounts has already been provided and there is no reason to believe the allocation for 2017–18 and beyond will not be forthcoming.

8. Cash and cash equivalents

		31 March 2017		31 March 2016
	DFID	Departmental Group	DFID	Departmental Group
	£000	£000	£000	£000
Balance at 1 April	67,528	68,009	(4,175)	(2,724)
Net change in cash and cash equivalent balances	(85,619)	(85,900)	71,703	70,733
Balance at 31 March	**(18,091)**	**(17,891)**	**67,528**	**68,009**
The following balances at 31 March were held at:				
Government Banking Service – Core Department [1]	(18,899)	(18,899)	66,344	66,344
Government Banking Service – NDPB	-	200	-	481
Commercial banks and cash in hand	808	808	1,184	1,184
Balance at 31 March	**(18,091)**	**(17,891)**	**67,528**	**68,009**

[1] Includes notional bank overdraft

Cash balances at the Government Banking Service were held in sterling. No interest is earned on cash balances held at the Government Banking Service. Imprest balances are held in a variety of local currencies.

9. Trade and other receivables

	31 March 2017 £000	31 March 2016 £000
Amounts falling due within 1 year		
Development capital loans	11,522	2,386
Bilateral and multilateral loans	8,138	10,384
Deposits and advances	14,204	17,676
Prepayments and accrued income	163,093	135,902
Amounts due from the Consolidated Fund in respect of supply	25,703	–
	222,660	**166,348**
Amounts falling due after more than 1 year		
Development capital loans	41,802	48,187
Bilateral and multilateral loans	573,120	317,416
	614,922	**365,603**
Total	**837,582**	**531,951**

The above relates to assets held by DFID. CSC and ICAI do not hold any assets.

10. Trade payables and other liabilities

10.1 Analysis by type

	31 March 2017		31 March 2016	
	DFID £000	Departmental Group £000	DFID £000	Departmental Group £000
Amounts falling due within 1 year				
Other taxation and social security	3,686	3,686	2,961	2,961
Other payables	22,320	22,320	20,505	20,505
Accruals and deferred income	301,882	301,883	282,855	283,331
Amounts issued from the Consolidated Fund for supply but not spent at year end	–	–	70,774	70,774
	327,888	327,889	377,095	377,571
Promissory notes: due on demand	5,001,075	5,001,075	5,573,009	5,573,009
Consolidated Fund extra receipts due to be paid to the Consolidated Fund	12,212	12,212	1,352	1,352
	5,341,175	5,341,176	5,951,456	5,951,932
Amounts falling due after 1 year				
Accruals and deferred income	31,126	31,126	–	–
Total	**5,372,301**	**5,372,302**	**5,951,456**	**5,951,932**

10. Trade payables and other liabilities (continued)

10.2 Promissory notes payable: movement during the year

	£000	£000
Balance at 1 April 2015		(4,667,567)
Charge to operating costs in 2015–16 – new notes deposited	(2,006,265)	
Cash drawn down against notes previously issued	1,101,765	
Foreign exchange losses	(942)	
		(905,442)
Balance at 31 March 2016		(5,573,009)
Charge to operating costs in 2016–17 – new notes deposited	(1,658,125)	
Cash drawn down against notes previously issued	2,234,890	
Foreign exchange losses	(4,831)	
		571,934
Balance at 31 March 2017		(5,001,075)

Promissory notes payable have been classified as financial liabilities measured at amortised cost. They have been shown as due within 1 year, as they are legally payable on demand, so the maturity profile in the Consolidated Statement of Financial Position, and in note 7, shows the earliest date at which they could be payable. Included within promissory notes payable is an amount of £2,114.6 million which is expected to be encashed within 1 year and £2,886.4 million which is expected to be encashed after 1 year based on non-legally binding encashment schedules.

10.3 Promissory notes payable: analysis by institution

	At 31 March 2017 £000	At 31 March 2016 £000
International Development Association	2,428,821	2,539,619
Global Fund to Fight Aids, TB and Malaria	437,940	800,000
Climate Investment Funds (CIFs)	409,276	582,088
African Development Fund	567,075	546,220
CDC	359,964	450,000
Green Climate Fund	220,000	160,000
International Fund for Agricultural Development	156,548	137,523
Global Environment Fund	106,048	96,360
Asian Development Fund	112,462	95,138
Private Infrastructure Development Group	42,600	41,989
German Development Corporation	28,807	35,425
Asia Climate Partnership Fund	26,783	23,277
Other capital notes (Caribbean Development Bank and Asia Development Bank)	17,655	22,517
KfW Group	21,943	21,943
Caribbean Development Bank	56,300	10,000
IFC Catalyst Fund	5,755	7,812
Multilateral Investment Guarantee Agency	3,098	3,098
Total	**5,001,075**	**5,573,009**

11. Provisions

	IFFIm	AMC	Cordoba and Gibraltar Social Insurance Fund	Other	Total
	£000	£000	£000	£000	£000
Balance at 1 April 2015	1,031,052	48,570	–	17,501	1,097,123
Provided in the year	214,889	88,373	–	4,387	307,649
Release of provision	–	–	–	(5,079)	(5,079)
Provision utilised in the year	(83,594)	(39,963)	–	(6,698)	(130,255)
Borrowing costs (unwinding of discount)	(39,866)	3,654	–	–	(36,212)
Balance at 31 March 2016	1,122,481	100,634	–	10,111	1,233,226
Provided in the year	–	–	50,000	3,857	53,857
Release of provision	(2,373)	–	–	(169)	(2,542)
Provision utilised in the year	(92,465)	(26,285)	–	(3,500)	(122,250)
Foreign exchange movement	–	11,299	–	–	11,299
Borrowing costs (unwinding of discount)	44,146	654	–	–	44,800
Balance at 31 March 2017	**1,071,789**	**86,302**	**50,000**	**10,299**	**1,218,390**

Analysis of expected timing of discounted flows as at 31 March 2017 [1]	IFFIm	AMC	Cordoba and Gibraltar Social Insurance Fund	Other	Total
	£000	£000	£000	£000	£000
No later than 1 year	102,901	35,892	4,500	9,985	153,278
Later than 1 year and not later than 5 years	499,030	50,410	15,000	314	564,754
Later than 5 years	469,858	–	30,500	–	500,358
	1,071,789	**86,302**	**50,000**	**10,299**	**1,218,390**

Analysis of expected timing of discounted flows as at 31 March 2016 [1]	IFFIm	AMC	Cordoba and Gibraltar Social Insurance Fund	Other	Total
	£000	£000	£000	£000	£000
No later than 1 year	94,643	26,255	–	9,111	130,009
Later than 1 year and not later than 5 years	456,553	74,379	–	896	531,828
Later than 5 years	571,285	–	–	104	571,389
	1,122,481	**100,634**	**–**	**10,111**	**1,233,226**

[1] Only the provisions for International Finance Facility for Immunisations (IFFIm) and Advanced Market Commitment (AMC) have been discounted on the basis that the impact of discounting would not be material on any of the other provisions. The discount rate used is the nominal discount rate adjusted for inflation, set by HM Treasury.

IFFIm is an international development financing institution that is supported by sovereign donors. IFFIm will borrow operating funds in the international capital markets backed by these pledges. The UK has pledged a total of £1,630.0 million, representing 43.7% of the total amounts pledged at 31 March 2017. Provision for IFFIm represents the net present value of DFID's remaining contribution. As at 31 March 2017, the UK is liable for £1,071.8 million in net present value terms (after deducting payments made), which will be covered by payment obligations through to 2029.

Provision for AMC represents the net present value of the UK's commitment to the pilot AMC for pneumococcal vaccine. The UK has pledged a total of US$485.0 million, representing 32.3% of the total commitments made. The net present value of this commitment as at 31 March 2017, after deducting payments already made, is £86.3 million, which will be covered by payment obligations up to 2019.

11. Provisions (continued)

HM Treasury and DFID agreed that from 31 March 2017, DFID would hold the remaining liability associated with the pensions paid on behalf of the British Government as a result of the Trilateral Agreement between the Governments of the UK, Spain and Gibraltar, which was reached in Cordoba in 2006. These pensions are unfunded and are closed to new members. The remaining liabilities relate to approximately 2,450 pensioners, with an average age of approximately 85.

The liability as at 31 March 2017 has been calculated by the Government Actuary's Department using male and female standard mortality tables, known as the 'S1' series, without any adjustment to baseline mortality. Mortality improvements are in accordance with those incorporated in the 2014-based principal population projections for the United Kingdom. The key financial assumptions at 31 March 2017 are:

- Rate of return (discount rate) 2.80%
- Pension increases (CPI) 2.55%
- Rate of return in excess of pension increases 0.24%

As set out in the FReM, and as required by IAS 19, the discount rate net of price inflation is based on yields on high quality corporate bonds and is set by HM Treasury.

Other provisions include staff-related liabilities such as certain non-statutory pension obligations, terminal benefit payments to staff appointed in overseas offices and the cost of early retirement payments. At 1 April 2016, other provisions also included DFID's commitment to pay the Export Credits Guarantee Department for interest make-up and insurance premiums under former mixed credit agreements projects (£0.05 million). This provision was fully utilised during the year.

The above provisions relate to DFID. CSC and ICAI do not hold any provisions.

12. Contingent assets and contingent liabilities

12.1 Contingent assets

The department has the following contingent assets.

On 30 April 2012, DFID signed a binding sale agreement with the management of Actis LLP ('Actis') in relation to disposing of its 40% shareholding in Actis, a fund management entity. This sale agreement confirmed DFID's intention to dispose of this shareholding to the management of Actis, in exchange for cash payments totalling US$13.0 million and a 10% interest in Actis management's carried interest in Actis Fund 3 and a 7.5% interest in Actis management's carried interest in Actis Fund 4. Carried interest refers to profits generated by the funds over the period only from the sale agreement date until the expiry of the funds. This is based on the performance of the fund as a whole but will only become payable once a predetermined hurdle rate (the minimum rate of return) has been achieved. As this target is based on investment market performance in the future, it is not felt that the carried interest element of the sale proceeds can be valued reliably.

DFID will recognise carried interest as additional sales revenue only when it has been calculated as payable and confirmed by an external audit of Actis and the associated funds. During the year ended 31 March 2017 DFID received carried interest payments of US$10.4 million (2015–16: US$1.7 million). This income was surrendered to the Consolidated Fund in line with government guidance.

12.2 Contingent liabilities

Contingent liabilities of £409.8 million (2015–16: £1,408.2 million) exist in respect of contributions due to international organisations, subject to certain performance conditions, which have been subject to formal approval by Parliament but which are not yet supported either by promissory notes or cash payments.

Contingent liabilities of £40.0 million (2015–16: £nil) exist in respect of callable capital to GuarantCo Ltd (GuarantCo), an entity that provides high grade local currency denominated guarantees supporting infrastructure projects in developing countries. GuarantCo is funded by a mix of debt and equity, and the ratio of debt to equity must stay within certain limits to preserve GuarantCo's credit rating. The callable capital can be drawn down if the GuarantCo leverage ratio exceeds three times its equity. Based on current projections, this is unlikely. The agreement is in place until June 2026.

12. Contingent assets and contingent liabilities (continued)

Contingent liabilities of £6.4 million (2015–16: £nil) exist in relation to a loan to Global Parametrics Holding Company, a new venture designed to demonstrate that the provision of financial disaster risk management solutions for the private sector in developing countries is commercially sustainable. The loan agreement was signed in April 2016 but the conditions to pay the loan have not yet been met.

12.3 Guarantees, indemnities and letters of comfort

During the year, the department entered into a guarantee arrangement for £374.8 million (2015–16: none), being the sterling equivalent of USD$468 million, in respect of the UK guarantee of part of the US$1,444 million loan provided to the Republic of Iraq by the International Bank for Reconstruction and Development.

A second guarantee arrangement related to the European Investment Bank is judged to be remote, and so has been included within Section 2 Accountability Report.

12.4 Future capital commitments

DFID has a material future capital commitment to the Asian Infrastructure Investment Bank (AIIB) of US$366.5 million or £293.5 million (2015–16: US$nil; £nil) (note 5).

13. General Fund

The general fund reflects the realised and unrealised balance of the cumulative difference between net operating costs and financing provided by Parliament, adjusted for amounts payable to the Consolidated Fund.

	DFID £000	DFID £000	Departmental Group £000	Departmental Group £000
General fund at 31 March 2015		**(3,204,384)**		**(3,203,031)**
Net operating costs for the year		**(8,740,658)**		**(8,742,006)**
Net parliamentary funding – current year	8,376,710		8,376,710	
Net parliamentary funding – deemed from prior year	4,181		4,181	
Supply reissued	(4,181)		(4,181)	
Current year payable for supply	(70,774)		(70,774)	
Financing provided		**8,305,936**		**8,305,936**
Notional costs within operating costs		287		287
Operating income payable to Consolidated Fund		(3,946)		(3,946)
Net decrease in general fund		**(438,381)**		**(439,729)**
General fund at 31 March 2016		**(3,642,765)**		**(3,642,760)**
Net operating costs for the year		**(9,086,016)**		**(9,085,822)**
Net parliamentary funding – current year	10,229,563		10,229,563	
Net parliamentary funding – deemed from prior year	70,774		70,774	
Current year receivable for supply	25,703		25,703	
Financing provided		**10,326,040**		**10,326,040**
Notional costs within operating costs		304		304
Operating income payable to Consolidated Fund		(14,291)		(14,291)
Net decrease in general fund		**1,226,037**		**1,226,231**
General fund at 31 March 2017		**(2,416,728)**		**(2,416,529)**

14. Revaluation reserve

	£000
Balance at 1 April 2015	**4,445,300**
Gain on revaluation – International Financial Institutions	132,339
Loss on revaluation – Other Development Capital	(27,999)
Gain on revaluation – CDC	82,100
Gain on revaluation – Information technology	84
Gain on revaluation – Furniture & fittings	77
Gain on revaluation – Vehicles	2
Loss on revaluation – Land, buildings and dwellings	(357)
Balance at 31 March 2016	**4,631,546**
Gain on revaluation – International Financial Institutions	409,671
Gain on revaluation – Other Development Capital	14,243
Gain on revaluation – CDC	604,136
Gain on revaluation – Information technology	351
Gain on revaluation – Furniture & fittings	70
Gain on revaluation – Vehicles	17
Balance at 31 March 2017	**5,660,034**

15. Third party assets

The department held the below cash amounts provided to DFID by other development agencies as part of jointly funded programmes. These funds are held in the capacity of project manager/lead donor and are disbursed when required by the programme. These are not held in DFID's name and as such are not included in cash held by the Core Department, as set out in note 8.

	31 March 2017 £000	31 March 2016 £000
Amounts held in third party account	1,563	1,481

16. Related parties and entities within the departmental accounting boundary

16.1 Related parties

DFID is the 100% shareholder in CDC Group plc. DFID acquired a further 285 million ordinary shares in CDC Group plc on 4 August 2016 for £285.0 million consideration (see note 5). CDC also act as the fund manager for the two CDC impact funds.

DFID had a 40% interest in Actis LLP until 30 April 2012 at which point the department entered into a binding sales agreement to dispose of this interest. DFID is entitled to a fixed amount which was payable on 1 May 2012 and 1 May 2013 plus an element of carried interest dependent on the future performance of certain Actis funds. The carried interest element is reflected as a contingent asset within note 12. DFID received a carried interest payment of £8.2 million on 2 February 2017 (2015–16: £1.2 million).

DFID has had a number of transactions with other government departments and other central government bodies. These are undertaken under normal trading circumstances, at arm's length, and are reported within DFID's net resource outturn. As at 31 March 2017, amounts due to other government departments and other central government bodies totalled £18.7 million and amounts due from such entities totalled £27.6 million. No amounts have been written off during 2016–17 to or from other government departments or other central government bodies. The largest volume of transactions, in frequency and value, have been with the Foreign and Commonwealth Office.

16. Related parties and entities within the departmental accounting boundary (continued)

A related party transaction took place during the year between the department and a staff member who is a related party of the department by virtue of being a close family member of the Permanent Secretary (Sir Mark Lowcock). The transaction related to salary costs which have been paid in accordance with Civil Service guidelines. To ensure this relationship was managed objectively, Sir Mark Lowcock had no direct or indirect involvement in determining pay, position or promotion for the individual involved. The department has put in place a process whereby, should a situation arise in which the Accounting Officer would otherwise be involved in a decision that would directly affect this individual, he would play no role, but two Directors General and a senior Cabinet Office official would agree on the course of action.

Further to this, no minister, Board member, key manager or other related party has undertaken any material transactions with the department during the year.

16.2 Entities within the departmental accounting boundary

DFID income and expenditure incorporated financing of the following non-departmental public bodies (NDPBs), in full or in part, in the current and prior financial year:

Executive NDPB

Commonwealth Scholarship Commission (CSC)

Advisory NDPB

Independent Commission for Aid Impact (ICAI)

For more information please refer to the Corporate Governance Report.

17. Events after the reporting date

In accordance with the requirements of IAS 10, events after the reporting period are considered up to the date on which the Accounting Officer authorises the accounts for issue. This is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General.

No non-adjusting or adjusting events after the reporting date have been identified.

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ANNEX A:

DFID allocations by programme

DFID's available programme resources are allocated to country offices or to central departments, whose programmes cover a range of countries or regions, in the annual resources and results cycle. This establishes an aid framework allocation, approved by the Secretary of State, which provides divisions within DFID with a firm budget for the current year and indicative budgets for future years.

Table A.1 sets out DFID's actual programme resource outturn for 2016–17, budget for 2017–18, and indicative planning allocations for 2018–19.

All future plans are subject to revision as, by its nature, the Department's work is dynamic. DFID's allocations are continually reviewed to ensure development assistance is used most effectively to achieve poverty reduction, in the national interest and responds to changing global needs. The precise way in which DFID spends will reflect changing demands and the speed at which different projects are implemented and new projects developed, while at the same time protecting ministerial spending commitments.

The UK's development partnerships with countries and their commitment to the UK's Partnership Principles and shared objectives will, among other things, inform the Secretary of State's decisions on final allocations.

As requested by the International Development Committee, the format of this table has been improved to more clearly show how country offices and central departments relate to the Supply Estimate headings and the Accounts.

Front line delivery represents operating costs associated with DFID staff who are directly responsible for implementing aid programmes. Front line delivery costs are excluded from this table which focuses on core programme expenditure and plans only.

Table A.1 DFID Programme spend and allocations by department

	2016–17 Programme outturn (£000)	2017–18 Programme plans (£000)	2018–19 Programme plans (£000)
Regional Programmes			
West & Southern Africa Division			
Africa Directorate	1,939	–	–
DFID DRC	124,034	147,000	147,000
DFID Ghana and Liberia	58,155	52,000	41,500
DFID Malawi	86,818	79,800	79,800
DFID Nigeria	298,585	225,000	235,000
DFID Sierra Leone	133,658	107,000	98,400
DFID Mozambique	60,889	52,000	52,000
DFID Southern Africa[1]	73,186	–	–
DFID Zambia	48,962	48,000	47,000
DFID Zimbabwe	104,885	86,000	86,000
West and Southern Africa Division Total	**991,112**	**796,800**	**786,700**
East and Central Africa Division			
Africa Regional Department	118,811	258,075	211,936
DFID Ethiopia	328,075	332,000	332,000
DFID Kenya	131,192	117,000	111,000
DFID Rwanda	70,591	64,000	62,000
Sahel[2]	109,000	73,000	83,000
DFID Somalia	161,213	105,000	117,500
DFID South Sudan	168,401	145,000	130,000
DFID Sudan	61,210	50,000	50,000
DFID Tanzania	180,903	176,000	173,000
DFID Uganda	110,056	105,000	100,000
East and Central Africa Division Total	**1,439,452**	**1,425,075**	**1,370,436**
Asia, Caribbean and Overseas Territories Division			
Asia Regional Team	43,213	47,000	59,000
DFID Afghanistan	169,311	155,000	155,000
DFID Bangladesh	151,113	159,000	170,000
DFID Burma	98,999	94,000	100,000
DFID Caribbean	65,565	94,000	104,000
DFID India[3]	45,589	60,000	58,000
UK Climate Change, Indonesia	9,644	13,500	13,000
DFID Nepal	96,468	92,000	82,000
DFID Pakistan	422,111	373,000	345,000
DFID Central Asia	5,623	10,000	8,000
Ukraine[4]	6,418	5,000	5,000
Overseas Territories Department	103,426	87,000	89,000
Asia, Caribbean and Overseas Territories Division Total	**1,217,481**	**1,189,500**	**1,188,000**
Middle East and North Africa Division[5]			
MENAD Regional	4,808	2,000	14,000
DFID Occupied Palestinian Territories	67,811	54,000	64,000
DFID Syria	295,833	286,000	336,000
DFID Yemen	108,876	82,000	72,000
DFID Iraq	88,457	40,000	20,000
DFID Jordan	143,740	70,000	82,000
DFID Lebanon	99,786	94,000	100,000
Middle East and North Africa Division Total	**809,312**	**628,000**	**688,000**
Regional Programmes TOTAL	**4,457,357**	**4,039,375**	**4,033,136**

1 The allocation for South Africa is included within Africa Regional Department from 2017/18 onwards.
2 Sahel specific allocation within Africa Regional Department are broken out separately from 2017/18 onwards.
3 DFID ended its traditional aid programme to India at the end of 2015. DFID's support to India is now only in the form of technical assistance (high-level advice) and development capital investment which generates a return to the taxpayer. DFID has a cap of £30m for technical assistance to India in each year.
4 DFID's support to the Ukraine is humanitarian funding, in response to the protracted humanitarian situation in the Ukraine.
5 2016/17 expenditure was higher than the initial allocation due to funding from the ODA Crisis Reserve (£37m Yemen humanitarian and £30m Iraq relating to Mosul), in addition £60m of Jordan spend was accelerated from 2017/18. Expenditure in 2017/18 will similarly be higher than the proposed published allocation of £628m for MENAD, due to funding from the ODA Crisis Reserve, including by £55m to the Yemen programme as agreed by the Secretary of State.

	2016–17 Programme outturn (£000)	2017–18 Programme plans (£000)	2018–19 Programme plans (£000)
Policy, Priorities International Organisations and Humanitarian			
Research and Evidence Division			
Chief Heads of Profession	5,399	5,633	5,423
Evidence Department	31,947	32,000	34,500
Global Statistics	15,692	16,000	15,000
Research Department	301,495	371,175	383,501
Research and Evidence Division Total	**354,534**	**424,808**	**438,424**
Economic Development Division			
Growth and Resilience Dept	67,460	82,076	105,473
IFID	1,591,335	1,585,060	1,515,894
Multilateral Effectiveness Department	1,272	1,045	928
Private Sector Department	432,669	485,285	849,385
Trade for Development	13,109	11,341	11,163
Economic Development Division Total	**2,105,845**	**2,164,807**	**2,482,843**
Policy Division			
Climate and Environment Group	230,698	223,135	173,022
Emerging Policy, Innovation & Capability (EPIC)	17,915	16,154	20,655
Governance, Open Societies & Anti-Corruption Dept	33,070	31,961	51,968
Human Development Group	96,455	163,742	212,652
Inclusive Societies Department	199,492	96,680	139,381
Youth and Education	247,600	239,556	238,373
Policy Division Total	**825,229**	**771,228**	**836,051**
International Relations Division			
Europe Department	482,753	591,147	612,672
Global Partnerships Department	4,008	1,867	1,085
United Nations and Commonwealth Dept (UNCD)	239,164	255,939	256,721
EC Attribution	498,000	500,000	502,000
International Relations Division Total	**1,223,925**	**1,348,953**	**1,372,478**
Global Funds Division			
Global Funds Department	549,555	811,798	770,484
Global Funds Division Total	**549,555**	**811,798**	**770,484**
Conflict, Humanitarian, Security and Stabilisation Division			
Conflict, Humanitarian and Security Department	331,159	318,708	323,762
Migration and Modern Slavery Dept	38,847	68,500	50,000
Stabilisation Unit	513	–	–
Conflict, Humanitarian, Security and Stabilisation Division Total	**370,518**	**387,208**	**373,762**
Policy, Priorities International Organisations and Humanitarian TOTAL	**5,429,606**	**5,908,802**	**6,274,042**

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	2016–17 Programme outturn (£000)	2017–18 Programme plans (£000)	2018–19 Programme plans (£000)
Conflict, Stability and Security Fund			
Asia, Caribbean and Overseas Territories			
DFID Afghanistan	3,670	3,500	–
DFID Burma	–	2,207	–
DFID Central Asia	3,016	2,000	–
DFID Pakistan	7,322	13,080	–
Good Governance Fund	24,764	20,970	–
Asia, Caribbean and Overseas Territories Total	**38,773**	**41,756**	**–**
West and Southern Africa Division			
DFID Nigeria	3,682	3,500	–
West and Southern Africa Division Total	**3,682**	**3,500**	**–**
East and Central Africa Division			
DFID Somalia	2,243	2,500	–
DFID South Sudan	281	250	–
Africa Regional Department	709	750	–
East and Central Africa Division Total	**3,233**	**3,500**	**–**
Middle East and North Africa Division			
DFID MENAD Regional	1,697	500	–
DFID Occupied Palestinian Territories	2,849	1,000	–
DFID Syria	16,822	10,500	–
Iraq Team	5,217	5,000	–
Jordan Team	17,359	5,000	–
Lebanon team	11,667	8,000	–
Middle East and North Africa Division Total	**55,611**	**30,000**	**–**
Conflict, Humanitarian, Security and Stabilisation Division			
Conflict Funds	7,180	7,370	–
Stabilisation Unit	12,637	11,000	–
Conflict, Humanitarian, Security and Stabilisation Division Total	**19,817**	**18,370**	–
Conflict, Stability and Security Fund TOTAL	**121,116**	**97,126**	**–**
Prosperity Fund[1]	**2,923**	**–**	**–**
Non-Departmental Public Bodies			
Commonwealth Scholarship Commission	23,879	23,628	23,628
Independent Commission for Aid Impact	2,377	3,633	3,133
Non-Departmental Public Bodies TOTAL	**26,256**	**27,261**	**26,761**
Other Central Programmes TOTAL	**–24,662**	**9,562**	**22,061**
Crisis Reserve[2]	**–**	**200,000**	**200,000**
TOTAL	**10,012,596**	**10,282,126**	**10,556,000**

1 Prosperity Fund allocations are still to be confirmed for 2017/18 and 2018/19.

2 The UK Aid Strategy and the Spending Review created a £500 million ODA Crisis Reserve which is held on the DFID baseline. £200 million of this is assigned to an central contingency reserve and the balance of £300 million is allocated across the portfolio which can be redeployed in response to substantial need.

ANNEX B

Annual reporting of statistical information

B.1 The International Development (Reporting and Transparency) Act 2006 requires the Secretary of State for International Development to report to Parliament on an annual basis. The schedule to the Act sets out the statistical reporting that is required. This information is published each autumn for the preceding year in DFID's publication Statistics on International Development. Provisional figures for 2016 are provided for Table B1.

B.2 The statistical reporting requirements of the Act are itemised below with the tables within this Annex showing where the corresponding information can be located. Information is included for the most recent period and each of the four periods before.

B.3 The UK Aid budget is spent by a number of departments other than DFID. The *Statistics on International Development*[22] publication sets out detailed information on aid spend by department and summary information on the main aims of each department's aid budget. Departments with large aid budgets will also include information in their own annual report. Table B.3 gives information on the largest ODA spending department for the most recent period by recipient country.

Act schedule	Table number
Total UK bilateral aid broken down by:	
Debt relief, in turn split by cancelled export credits	Table B.1
Region	Table B.2
Country including humanitarian assistance breakdown	Table B.2
Sector	Table B.4
Country as a percentage of UK bilateral aid	Table B.2
Percentage and amount to low income countries	Table B.2
UK multilateral aid broken down by:	
European Union	Table B.1
World Bank	Table B.1
United Nations and its agencies	Table B.1
Other multilateral organisations	Table B.1
UK imputed share [1] of the aggregate amount of multilateral ODA provided by the bodies to which the UK contributed such assistance broken down by:	
Country	Table B.5
Percentage and amount to low income countries	Table B.5

[1] UK imputed share is the share of all multilateral expenditure in developing countries which can be attributed to the UK.

22 https://www.gov.uk/government/statistics/provisional-uk-official-development-assistance-as-a-proportion-of-gross-national-income-2016

Table B.1: Total UK net official development assistance (ODA)

					£ millions
	2012	**2013R**	**2014R**	**2015**	**2016[1]**
Total Bilateral ODA	**5,560**	**6,721**	**6,822**	**7,664**	**8,532**
as a % of GNI	0.36	0.41	0.41	0.44	0.45
of which: Administration costs[2]	333	352	373	390	482
Debt Relief	71	53	3	0	2
of which: Non DFID Department[3]	20	30	3	0	2
Total Multilateral ODA	**3,242**	**4,686**	**4,878**	**4,473**	**4,816**
as a % of GNI	0.21	0.29	0.29	0.26	0.25
of which: Total European Commission	1,135	1,219	1,143	1,327	1 514
Total World Bank	795	1,210	1,667	1,263	1 222
Total UN Agencies	418	438	518	680	582
Total Other Organisations[4]	894	1,818	1,549	1,204	1 499
TOTAL ODA	**8,802**	**11,407**	**11,700**	**12,138**	**13,348**
as a % of GNI	**0.56**	**0.70**	**0.70**	**0.70**	**0.70**

R = revised from previously published.

1. 2016 data are provisional. Final 2016 ODA data will be published in Statistics on International Development in the autumn.
2. Includes aid-related front line delivery reported as admin costs in line with the OECD DAC Statistical Reporting Directives.
3. Includes the Export Credits Guarantee Department debt relief (operational name: UK Export Finance).
4. Includes regional development banks and other multilateral agencies on the DAC list of multilateral organisations.

Figures may not sum to totals due to rounding.

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Table B.2: Total UK net ODA and humanitarian assistance by recipient country

		£000					Main spend departments in 2015 (% share)
		2011	2012	2013R	2014R	2015	
Africa							
Algeria	UK Net Bilateral ODA	901	2,151	3,111	9,772	2,676	FCO 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.02%	0.04%	0.05%	0.14%	0.03%	
Angola	UK Net Bilateral ODA	428	352	359	916	1,296	FCO 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.01%	0.01%	0.01%	0.02%	
Benin	UK Net Bilateral ODA	45	17	0	0	0	–
	of which Humanitarian Assistance	45	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	
Botswana	UK Net Bilateral ODA	974	568	788	498	1,056	FCO 89%, DEFRA 9%, Others 1%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.02%	0.01%	0.01%	0.01%	0.01%	
Burkina Faso	UK Net Bilateral ODA	510	1,077	542	332	88	BIS 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.02%	0.01%	0.01%	0.00%	
Burundi	UK Net Bilateral ODA	11,055	734	4,177	6,108	205	FCO 100%
	of which Humanitarian Assistance	372	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.21%	0.01%	0.06%	0.09%	0.00%	
Cameroon	UK Net Bilateral ODA	511	1237	842	53,540	6,223	DFID 77%, FCO 20%, Others 3%
	of which Humanitarian Assistance	0	0	0	10,000	4,500	
	Percentage of Total Net Bilateral ODA	0.01%	0.02%	0.01%	0.78%	0.08%	
Cape Verde	UK Net Bilateral ODA	19	633	41	80	117	DEFRA 65%, BIS 35%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.01%	0.00%	0.00%	0.00%	
Central African Republic	UK Net Bilateral ODA	0	54	1,666	16,065	18,279	DFID 100%
	of which Humanitarian Assistance	0	0	1,666	15,797	18,279	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.02%	0.24%	0.24%	
Chad	UK Net Bilateral ODA	240	58	10	0	0	–
	of which Humanitarian Assistance	240	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	
Comoros	UK Net Bilateral ODA	75	0	0	6	5	DEFRA 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	
Democratic Republic of the Congo	UK Net Bilateral ODA	238,946	138,944	161,640	166,594	142,721	DFID 97%, FCO 3%
	of which Humanitarian Assistance	31,266	48,441	36,121	38,444	35,395	
	Percentage of Total Net Bilateral ODA	4.54%	2.50%	2.40%	2.44%	1.86%	
Congo	UK Net Bilateral ODA	0	50	0	0	0	–
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	
Cote d'Ivoire	UK Net Bilateral ODA	6,697	47,315	-409	2,032	698	FCO 100%
	of which Humanitarian Assistance	7,950	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.13%	0.85%	-0.01%	0.03%	0.01%	
Djibouti	UK Net Bilateral ODA	12	70	66	0	19	FCO 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	
Egypt	UK Net Bilateral ODA	10,864	8,895	20,999	-24,004	12,125	FCO 51%, CSSF/Conflict Pool 26%, Others 24%
	of which Humanitarian Assistance	24	16	0	0	0	
	Percentage of Total Net Bilateral ODA	0.21%	0.16%	0.31%	-0.35%	0.16%	
Eritrea	UK Net Bilateral ODA	5,220	2,529	4,660	5,877	304	FCO 100%
	of which Humanitarian Assistance	5,202	2,425	4,410	5,590	0	
	Percentage of Total Net Bilateral ODA	0.10%	0.05%	0.07%	0.09%	0.00%	

R = Revised from previously published.

1. ODA can be negative due to returns from ODA eligible investments or from projects and programmes.
2. In April 2015, the Government introduced the Conflict, Stability and Security Fund (CSSF), replacing the DFID, FCO and MoD Conflict Pool. Thus the 2015 figure presented in the table reflects CSSF/Conflict Pool spend.

Table B.2: Total UK net ODA and humanitarian assistance by recipient country
(continued)

		£000					
		2011	2012	2013R	2014R	2015	Main spend departments in 2015 (% share)
Ethiopia	UK Net Bilateral ODA	344,491	265,685	329,435	321,708	338,779	DFID 99%, FCO 1%
	of which Humanitarian Assistance	53,630	34,698	50,024	58,711	78,957	
	Percentage of Total Net Bilateral ODA	6.55%	4.78%	4.88%	4.71%	4.42%	
Gabon	UK Net Bilateral ODA	126	0	0	-221	0	–
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	
Gambia	UK Net Bilateral ODA	5,502	8,898	8,102	9,170	9,542	BIS 90%, FCO 10%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.10%	0.16%	0.15%	0.14%	0.12%	
Ghana	UK Net Bilateral ODA	81,379	52,686	103,344	66,086	60,630	DFID 95%, FCO 5%, Others 1%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	1.55%	0.95%	1.54%	0.97%	0.79%	
Guinea	UK Net Bilateral ODA	177	1,644	3,731	281	316	FCO 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.03%	0.06%	0.00%	0.00%	
Guinea-Bissau	UK Net Bilateral ODA	46	57	2	73	18	FCO 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	
Kenya	UK Net Bilateral ODA	88,593	101,794	159,405	134,850	155,575	DFID 95%, FCO 3%, Others 2%
	of which Humanitarian Assistance	19,513	20,011	14,941	30,470	24,078	
	Percentage of Total Net Bilateral ODA	1.68%	1.83%	2.37%	1.98%	2.03%	
Lesotho	UK Net Bilateral ODA	1,156	3,127	2,725	205	429	BIS 57%, FCO 20%, Others 22%
	of which Humanitarian Assistance	0	1,000	1,500	-28	0	
	Percentage of Total Net Bilateral ODA	0.02%	0.06%	0.04%	0.00%	0.01%	
Liberia	UK Net Bilateral ODA	19,659	8,621	8,724	5,796	10,672	DFID 97%, FCO 3%
	of which Humanitarian Assistance	11,089	1,610	265	0	0	
	Percentage of Total Net Bilateral ODA	0.37%	0.16%	0.13%	0.08%	0.14%	
Libya	UK Net Bilateral ODA	10,526	9,893	15,801	28,663	10,434	CSSF/Conflict Pool 51%, FCO 30%, Others 20%
	of which Humanitarian Assistance	4,713	695	201	0	2,018	
	Percentage of Total Net Bilateral ODA	0.20%	0.18%	0.23%	0.42%	0.14%	
Madagascar	UK Net Bilateral ODA	504	1,797	366	-199	1,337	FCO 63%, DEFRA 37%
	of which Humanitarian Assistance	0	0	5	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.03%	0.01%	0.00%	0.02%	
Malawi	UK Net Bilateral ODA	64,915	124,253	113,297	60,475	85,560	DFID 88%, Scottish Gov. 8%, Others 4%
	of which Humanitarian Assistance	6,196	17,620	19,464	5,031	16,587	
	Percentage of Total Net Bilateral ODA	1.23%	2.23%	1.68%	0.89%	1.12%	
Mali	UK Net Bilateral ODA	9	411	1,029	2,102	1,830	FCO 56%, BIS 28%, Others 16%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.01%	0.02%	0.03%	0.02%	
Mauritania	UK Net Bilateral ODA	904	217	115	571	119	FCO 92%, BIS 8%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.02%	0.00%	0.00%	0.01%	0.00%	
Mauritius	UK Net Bilateral ODA	8,445	21	329	745	777	FCO 99%, Colonial Pensions 1%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.16%	0.00%	0.00%	0.01%	0.01%	
Morocco	UK Net Bilateral ODA	2,730	5,438	3,832	7,969	3,574	FCO 98%, DEFRA 2%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.05%	0.10%	0.06%	0.12%	0.05%	
Mozambique	UK Net Bilateral ODA	116,278	81,780	78,732	83,967	50,483	DFID 97%, FCO 3%
	of which Humanitarian Assistance	1,250	0	0	0	0	
	Percentage of Total Net Bilateral ODA	2.21%	1.47%	1.17%	1.23%	0.66%	

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2. In April 2015, the Government introduced the Conflict, Stability and Security Fund (CSSF), replacing the DFID, FCO and MoD Conflict Pool. Thus the 2015 figure presented in the table reflects CSSF/Conflict Pool spend.

Table B.2: Total UK net ODA and humanitarian assistance by recipient country (continued)

		2011	2012	2013R	2014R	2015 £000	Main spend departments in 2015 (% share)
Namibia	UK Net Bilateral ODA	-452	190	250	285	297	FCO 98%, DEFRA 2%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	-0.01%	0.00%	0.00%	0.00%	0.00%	
Niger	UK Net Bilateral ODA	368	38	0	110	0	–
	of which Humanitarian Assistance	368	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.00%	0.00%	0.00%	0.00%	
Nigeria	UK Net Bilateral ODA	186,428	197,313	248,734	236,639	262,685	DFID 97%, FCO 3%
	of which Humanitarian Assistance	0	0	0	1000	5752	
	Percentage of Total Net Bilateral ODA	3.54%	3.55%	3.69%	3.47%	3.43%	
Rwanda	UK Net Bilateral ODA	84,569	28,242	103,394	48,028	101,293	DFID 98%, FCO 2%, Others 1%
	of which Humanitarian Assistance	0	0	1923	0	6,868	
	Percentage of Total Net Bilateral ODA	1.61%	0.51%	1.53%	0.70%	1.32%	
Sao Tome & Principe	UK Net Bilateral ODA	0	0	0	95	0	–
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	
Senegal	UK Net Bilateral ODA	1,243	3,205	960	-71	1,091	FCO 97%, BIS 3%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.02%	0.06%	0.01%	0.00%	0.01%	
Seychelles	UK Net Bilateral ODA	46	1143	307	380	324	FCO 90%, DEFRA 9%, Others 1%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.02%	0.00%	0.01%	0.00%	
Sierra Leone	UK Net Bilateral ODA	45,885	62,812	69,990	237,747	217,707	DFID 98%, FCO 2%
	of which Humanitarian Assistance	0	1,113	957	177,581	176,095	
	Percentage of Total Net Bilateral ODA	0.87%	1.13%	1.04%	3.48%	2.84%	
Somalia	UK Net Bilateral ODA	94,907	89,754	107,274	123,791	121,828	DFID 94%, FCO 5%, Others 1%
	of which Humanitarian Assistance	73,294	43,018	43,671	39,428	39,200	
	Percentage of Total Net Bilateral ODA	1.80%	1.61%	1.59%	1.81%	1.59%	
South Africa	UK Net Bilateral ODA	29,074	- 13,708	35,605	- 18,378	19,095	FCO 39%, DFID 39%, Others 23%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.55%	-0.25%	0.54%	-0.26%	0.25%	
South Sudan	UK Net Bilateral ODA	51,774	108,512	136,478	167,060	207,993	DFID 99%, FCO 1%
	of which Humanitarian Assistance	0	50,291	64,784	118,617	129,838	
	Percentage of Total Net Bilateral ODA	0.98%	1.95%	2.02%	2.45%	2.71%	
Saint Helena	UK Net Bilateral ODA	49,433	106,156	83,783	75,752	53,476	DFID 96%, FCO 3%, Others 1%
	of which Humanitarian Assistance	0	0	0	0	2	
	Percentage of Total Net Bilateral ODA	0.94%	1.91%	1.24%	1.11%	0.70%	
Sudan	UK Net Bilateral ODA	98,146	51,758	69,206	49,844	54,601	DFID 90%, FCO 9%, Others 1%
	of which Humanitarian Assistance	60,938	24,803	49,394	33,500	29,338	
	Percentage of Total Net Bilateral ODA	1.87%	0.93%	1.03%	0.73%	0.71%	
Swaziland	UK Net Bilateral ODA	18	4,834	1,287	952	169	FCO 97%, Colonial Pensions 3%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.09%	0.02%	0.01%	0.00%	
Tanzania	UK Net Bilateral ODA	99,134	157,760	151,896	148,765	204,846	DFID 98%, FCO 2%, Others 1%
	of which Humanitarian Assistance	4,000	4,302	8,734	9,243	12,646	
	Percentage of Total Net Bilateral ODA	1.88%	2.84%	2.26%	2.18%	2.67%	
Togo	UK Net Bilateral ODA	1196	33	0	0	34	HMRC 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.02%	0.00%	0.00%	0.00%	0.00%	
Tunisia	UK Net Bilateral ODA	3,741	7,103	4,816	2,082	6,308	FCO 77%, CSSF/Conflict Pool 20%, Others 3%
	of which Humanitarian Assistance	0	0	0	42	0	
	Percentage of Total Net Bilateral ODA	0.07%	0.13%	0.07%	0.03%	0.08%	

R = Revised from previously published.

1. ODA can be negative due to returns from ODA eligible investments or from projects and programmes.
2. In April 2015, the Government introduced the Conflict, Stability and Security Fund (CSSF), replacing the DFID, FCO and MoD Conflict Pool. Thus the 2015 figure presented in the table reflects CSSF/Conflict Pool spend.

Table B.2: Total UK net ODA and humanitarian assistance by recipient country
(continued)

		2011	2012	2013R	2014R	2015	Main spend departments in 2015 (% share)
		£000					
Uganda	UK Net Bilateral ODA	89,188	94,161	56,341	82,179	123,348	DFID 93%, BIS 4%, Others 3%
	of which Humanitarian Assistance	2,966	1,125	10,300	18,400	11,580	
	Percentage of Total Net Bilateral ODA	1.70%	1.69%	0.86%	1.21%	1.61%	
Zambia	UK Net Bilateral ODA	57,760	53,177	59,848	91,059	50,493	DFID 95%, FCO 4%, Others 1%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	1.10%	0.96%	0.89%	1.33%	0.66%	
Zimbabwe	UK Net Bilateral ODA	48,357	138,831	93,836	104,024	92,896	DFID 94%, FCO 6%
	of which Humanitarian Assistance	1,953	10,957	8,000	6,960	9,633	
	Percentage of Total Net Bilateral ODA	0.92%	2.50%	1.39%	1.52%	1.21%	
North of Sahara, regional	UK Net Bilateral ODA	13,372	2,410	4,020	0	62	FCO 100%
	of which Humanitarian Assistance	13,246	197	19	0	0	
	Percentage of Total Net Bilateral ODA	0.25%	0.04%	0.06%	0.00%	0.00%	
South of Sahara, regional	UK Net Bilateral ODA	59,304	61,677	104,619	106,477	99,438	DFID 100%, DEFRA 0%
	of which Humanitarian Assistance	696	37,519	67,847	60,420	31,392	
	Percentage of Total Net Bilateral ODA	1.13%	1.11%	1.55%	1.56%	1.30%	
Africa, regional	UK Net Bilateral ODA	90,863	147,656	134,007	219,625	225,199	DFID 74%, CSSF/Conflict Pool 15%, Others 11%
	of which Humanitarian Assistance	8,215	0	0	700	5,288	
	Percentage of Total Net Bilateral ODA	1.73%	2.66%	2.11%	3.22%	2.94%	
Asia and the Middle East							
Afghanistan	UK Net Bilateral ODA	264,129	273,801	211,852	197,543	299,928	DFID 67%, CSSF/Conflict Pool 28%, Others 6%
	of which Humanitarian Assistance	0	6037	-65	23,522	24,139	
	Percentage of Total Net Bilateral ODA	5.02%	4.92%	3.14%	2.89%	3.91%	
Armenia	UK Net Bilateral ODA	226	832	827	973	1,188	FCO 94%, CSSF/Conflict Pool 6%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.01%	0.01%	0.01%	0.02%	
Azerbaijan	UK Net Bilateral ODA	598	1,335	2,650	2,100	2,445	FCO 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.02%	0.04%	0.03%	0.03%	
Bangladesh	UK Net Bilateral ODA	229,947	196,120	272,005	208,245	163,697	DFID 96%, FCO 3%
	of which Humanitarian Assistance	1,346	440	3,288	5,186	9,809	
	Percentage of Total Net Bilateral ODA	4.37%	3.53%	4.03%	3.05%	2.14%	
Bhutan	UK Net Bilateral ODA	0	7	1	0	76	FCO 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	
Burma	UK Net Bilateral ODA	38,803	30,324	99,659	73,278	113,895	DFID 90%, FCO 5%, Others 5%
	of which Humanitarian Assistance	6,571	4,024	10,445	16,911	12,749	
	Percentage of Total Net Bilateral ODA	0.74%	0.55%	1.48%	1.07%	1.49%	
Cambodia	UK Net Bilateral ODA	3,806	14,574	10,962	1,931	2,780	DFID 57%, FCO 37%, Others 6%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.07%	0.26%	0.16%	0.03%	0.04%	
China (People's Republic of)	UK Net Bilateral ODA	40,461	27,234	- 17,971	- 33,601	44,641	FCO 59%, BIS 41%, Others 1%
	of which Humanitarian Assistance	0	0	0	0	10	
	Percentage of Total Net Bilateral ODA	0.77%	0.49%	-0.26%	-0.49%	0.58%	
Georgia	UK Net Bilateral ODA	1,989	4,275	4,504	4,338	2,854	FCO 64%, CSSF/Conflict Pool 36%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.04%	0.08%	0.07%	0.06%	0.04%	
India	UK Net Bilateral ODA	283,111	292,065	268,041	278,796	185,580	DFID 81%, FCO 12%, Others 7%
	of which Humanitarian Assistance	0	0	2233	7	0	
	Percentage of Total Net Bilateral ODA	5.38%	5.25%	3.98%	4.08%	2.42%	
Indonesia	UK Net Bilateral ODA	- 4,257	6,236	21,981	15,696	19,864	DFID 67%, FCO 29%, Others 4%
	of which Humanitarian Assistance	25	16	165	74	0	
	Percentage of Total Net Bilateral ODA	-0.08%	0.11%	0.33%	0.23%	0.26%	

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Table B.2: Total UK net ODA and humanitarian assistance by recipient country
(continued)

		2011	2012	2013R	2014R	2015	Main spend departments in 2015 (% share)
						£000	
Iran	UK Net Bilateral ODA	265	735	357	659	993	FCO 95%, DEFRA 5%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.01%	0.01%	0.01%	0.01%	
Iraq	UK Net Bilateral ODA	8,346	6,873	7,008	38,370	55,437	DFID 82%, CSSF/Conflict Pool 10%, Others 9%
	of which Humanitarian Assistance	1500	0	0	28548	45,232	
	Percentage of Total Net Bilateral ODA	0.16%	0.12%	0.10%	0.56%	0.72%	
Jordan	UK Net Bilateral ODA	1,654	4,748	16,692	18,538	57,449	DFID 75%, CSSF/Conflict Pool 18%, Others 7%
	of which Humanitarian Assistance	0	196	3,492	590	32,766	
	Percentage of Total Net Bilateral ODA	0.03%	0.09%	0.25%	0.27%	0.75%	
Kazakhstan	UK Net Bilateral ODA	1,703	3,292	1,788	1,782	5,425	FCO 66%, BIS 34%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.03%	0.06%	0.03%	0.03%	0.07%	
Korea (Democratic People's Republic of)	UK Net Bilateral ODA	378	756	1,309	277	740	FCO 100%
	of which Humanitarian Assistance	0	4	98	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.01%	0.02%	0.00%	0.01%	
Kyrgyz Republic	UK Net Bilateral ODA	7,425	4,047	5,367	5,952	2,705	DFID 62%, FCO 21%, Others 18%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.14%	0.07%	0.08%	0.09%	0.04%	
Lao People's Democratic Republic	UK Net Bilateral ODA	1,006	930	946	1,473	2,338	DFID 65%, FCO 34%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.02%	0.02%	0.01%	0.02%	0.03%	
Lebanon	UK Net Bilateral ODA	1,646	4,327	8,035	26,009	99,533	DFID 86%, CSSF/Conflict Pool 11%, Others 3%
	of which Humanitarian Assistance	0	16	1,731	6,685	68,350	
	Percentage of Total Net Bilateral ODA	0.03%	0.08%	0.12%	0.38%	1.30%	
Malaysia	UK Net Bilateral ODA	4,468	6,490	3,808	-1,842	5,604	FCO 66%, BIS 33%, Others 1%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.08%	0.12%	0.06%	-0.03%	0.07%	
Maldives	UK Net Bilateral ODA	167	221	154	-53	184	FCO 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	
Mongolia	UK Net Bilateral ODA	111	2,933	427	444	633	FCO 78%, DEFRA 22%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.05%	0.01%	0.01%	0.01%	
Nepal	UK Net Bilateral ODA	64,917	69,502	93,330	111,898	88,210	DFID 92%, MoD 4%, Others 3%
	of which Humanitarian Assistance	0	5,047	0	0	35,902	
	Percentage of Total Net Bilateral ODA	1.23%	1.25%	1.38%	1.64%	1.15%	
Pakistan	UK Net Bilateral ODA	206,849	189,218	338,220	266,324	373,783	DFID 94%, CSSF/Conflict Pool 3%, Others 3%
	of which Humanitarian Assistance	72,136	28,859	30,922	20,034	15,590	
	Percentage of Total Net Bilateral ODA	3.93%	3.40%	5.01%	3.90%	4.88%	
Philippines	UK Net Bilateral ODA	1,294	1,664	35,072	56,022	9,117	DFID 46%, FCO 43%, Others 11%
	of which Humanitarian Assistance	3	2	32,814	48,299	2,753	
	Percentage of Total Net Bilateral ODA	0.02%	0.03%	0.52%	0.82%	0.12%	
Sri Lanka	UK Net Bilateral ODA	2,633	5,460	9,256	5,237	24,613	DEFRA 79%, FCO 10%, Others 11%
	of which Humanitarian Assistance	383	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.05%	0.10%	0.14%	0.08%	0.32%	
Syrian Arab Republic	UK Net Bilateral ODA	1,268	39,547	138,750	129,631	257,708	DFID 78%, CSSF/Conflict Pool 20%, Others 2%
	of which Humanitarian Assistance	0	36,565	126,193	99,480	201,596	
	Percentage of Total Net Bilateral ODA	0.02%	0.71%	2.06%	1.90%	3.36%	

R = Revised from previously published.
1. ODA can be negative due to returns from ODA eligible investments or from projects and programmes.
2. In April 2015, the Government introduced the Conflict, Stability and Security Fund (CSSF), replacing the DFID, FCO and MoD Conflict Pool. Thus the 2015 figure presented in the table reflects CSSF/Conflict Pool spend.

Table B.2: Total UK net ODA and humanitarian assistance by recipient country
(continued)

		£000					
		2011	2012	2013R	2014R	2015	Main spend departments in 2015 (% share)
Tajikistan	UK Net Bilateral ODA	10,290	8,627	7,756	13,795	12,064	DFID 95%, FCO 5%
	of which Humanitarian Assistance	7	102	396	101	95	
	Percentage of Total Net Bilateral ODA	0.20%	0.16%	0.11%	0.20%	0.16%	
Thailand	UK Net Bilateral ODA	- 4,756	- 13,397	- 945	12,109	3,764	FCO 79%, BIS 21%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	-0.09%	-0.24%	-0.01%	0.18%	0.05%	
Timor-Leste	UK Net Bilateral ODA	46	131	71	45	67	FCO 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	
Turkmenistan	UK Net Bilateral ODA	92	416	512	366	459	FCO 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.01%	0.01%	0.01%	0.01%	
Uzbekistan	UK Net Bilateral ODA	524	1,636	1,539	1,239	1,505	FCO 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.03%	0.02%	0.02%	0.02%	
Vietnam	UK Net Bilateral ODA	21,832	51,664	23,209	15,189	12,322	DFID 48%, FCO 34%, Others 18%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.42%	0.93%	0.34%	0.22%	0.16%	
West Bank & Gaza Strip	UK Net Bilateral ODA	75,549	42,884	69,478	83,358	51,428	DFID 80%, FCO 13%, Others 7%
	of which Humanitarian Assistance	1,736	1,508	520	19,868	912	
	Percentage of Total Net Bilateral ODA	1.44%	0.77%	1.03%	1.22%	0.67%	
Yemen	UK Net Bilateral ODA	39,057	39,555	95,146	82,119	82,050	DFID 95%, FCO 5%
	of which Humanitarian Assistance	16,446	18,469	36,457	40,160	74,649	
	Percentage of Total Net Bilateral ODA	0.74%	0.71%	1.41%	1.20%	1.07%	
Middle East, Regional	UK Net Bilateral ODA	3,447	32,472	182,172	148,604	20,472	DFID 81%, BBC WS 19%
	of which Humanitarian Assistance	0	14,034	148,311	139,792	7,981	
	Percentage of Total Net Bilateral ODA	0.07%	0.58%	2.70%	2.18%	0.27%	
South Asia, regional	UK Net Bilateral ODA	859	1,247	1,750	8,335	8,192	CSSF/Conflict Pool 81%, DFID 12%, Others 7%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.02%	0.02%	0.03%	0.12%	0.11%	
Asia, Regional	UK Net Bilateral ODA	29,202	19,967	33,067	42,834	64,516	DFID 80%, DECC 12%, Others 8%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.56%	0.36%	0.49%	0.63%	0.84%	
Rest of the World							
Albania	UK Net Bilateral ODA	425	643	759	540	659	FCO 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.01%	0.01%	0.01%	0.01%	
Anguilla	UK Net Bilateral ODA	244	347	1,805	0	0	–
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.01%	0.03%	0.00%	0.00%	
Antigua and Barbuda	UK Net Bilateral ODA	2	3	20	3	3	Colonial Pensions 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	
Argentina	UK Net Bilateral ODA	743	2,041	946	961	1,577	FCO 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.04%	0.01%	0.01%	0.02%	
Belarus	UK Net Bilateral ODA	77	554	650	472	878	FCO 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.01%	0.01%	0.01%	0.01%	
Belize	UK Net Bilateral ODA	322	142	1,664	973	1,145	FCO 90%, DEFRA 10%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.00%	0.02%	0.01%	0.01%	

R = Revised from previously published.

1. ODA can be negative due to returns from ODA eligible investments or from projects and programmes.
2. In April 2015, the Government introduced the Conflict, Stability and Security Fund (CSSF), replacing the DFID, FCO and MoD Conflict Pool. Thus the 2015 figure presented in the table reflects CSSF/Conflict Pool spend.

Table B.2: Total UK net ODA and humanitarian assistance by recipient country
(continued)

		£000					
		2011	2012	2013R	2014R	2015	Main spend departments in 2015 (% share)
Bolivia	UK Net Bilateral ODA	90	644	611	685	826	FCO 80%, DEFRA 20%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.01%	0.01%	0.01%	0.01%	
Bosnia and Herzegovina	UK Net Bilateral ODA	2,990	2,256	1,839	3,506	4,432	FCO 54%, CSSF/Conflict Pool 24%, Others 22%
	of which Humanitarian Assistance	0	0	0	0	990	
	Percentage of Total Net Bilateral ODA	0.06%	0.04%	0.03%	0.05%	0.06%	
Brazil	UK Net Bilateral ODA	30,796	46,836	5,444	10,169	20,886	FCO 60%, BIS 40%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.59%	0.84%	0.08%	0.15%	0.27%	
Chile	UK Net Bilateral ODA	344	886	1,973	1,589	4,653	FCO 55%, BIS 44%, Others 1%
	of which Humanitarian Assistance	1	4	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.02%	0.03%	0.02%	0.06%	
Colombia	UK Net Bilateral ODA	2,720	25,051	7,187	6,874	40,310	DECC 75%, FCO 14%, Others 11%
	of which Humanitarian Assistance	2	1	0	0	0	
	Percentage of Total Net Bilateral ODA	0.05%	0.45%	0.11%	0.10%	0.53%	
Costa Rica	UK Net Bilateral ODA	196	657	111	3,687	1,100	FCO 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.01%	0.00%	0.05%	0.01%	
Cuba	UK Net Bilateral ODA	166	1,449	1,096	3,957	1,329	FCO 100%
	of which Humanitarian Assistance	0	850	35	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.03%	0.02%	0.06%	0.02%	
Dominica	UK Net Bilateral ODA	18	34	32	0	492	DFID 100%
	of which Humanitarian Assistance	0	0	0	0	492	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.01%	
Dominican Republic	UK Net Bilateral ODA	96	145	243	409	1,461	CSSF/Conflict Pool 53%, FCO 47%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.01%	0.02%	
Ecuador	UK Net Bilateral ODA	138	340	434	244	315	FCO 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.01%	0.01%	0.00%	0.00%	
El Salvador	UK Net Bilateral ODA	6	-82	289	212	476	FCO 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.01%	
Fiji	UK Net Bilateral ODA	130	667	953	1,086	1,262	FCO 81%, Colonial Pensions 11%, Others 9%
	of which Humanitarian Assistance	6	24	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.01%	0.01%	0.02%	0.02%	
Former Yugoslav Republic of Macedonia	UK Net Bilateral ODA	620	1,373	1,923	2,139	2,144	FCO 73%, Conflict Pool 27%
	of which Humanitarian Assistance	0	13	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.02%	0.03%	0.03%	0.03%	
Grenada	UK Net Bilateral ODA	1	11	2	1	48	FCO 99%, Colonial Pensions 1%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	
Guatemala	UK Net Bilateral ODA	58	9,478	49,271	1,077	1,068	FCO 84%, DEFRA 16%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.17%	0.73%	0.02%	0.01%	
Guyana	UK Net Bilateral ODA	367	563	406	1,042	2,229	DFID 65%, FCO 35%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.01%	0.01%	0.02%	0.03%	
Haiti[1]	UK Net Bilateral ODA	9,714	3,264	9,585	4,685	3,850	DFID 96%, FCO 4%
	of which Humanitarian Assistance	6,723	2,954	9,585	3,627	2,731	
	Percentage of Total Net Bilateral ODA	0.18%	0.06%	0.14%	0.07%	0.05%	

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1. ODA can be negative due to returns from ODA eligible investments or from projects and programmes.
2. In April 2015, the Government introduced the Conflict, Stability and Security Fund (CSSF), replacing the DFID, FCO and MoD Conflict Pool. Thus the 2015 figure presented in the table reflects CSSF/Conflict Pool spend.

Table B.2: Total UK net ODA and humanitarian assistance by recipient country
(continued)

		£000					
		2011	2012	2013R	2014R	2015	Main spend departments in 2015 (% share)
Honduras	UK Net Bilateral ODA	12	6,875	39	27	184	FCO 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.12%	0.00%	0.00%	0.00%	
Jamaica	UK Net Bilateral ODA	6,446	8,979	12,434	6,177	7,709	DFID 63%, FCO 26%, Others 11%
	of which Humanitarian Assistance	0	0	0	0	8	
	Percentage of Total Net Bilateral ODA	0.12%	0.16%	0.18%	0.09%	0.10%	
Kiribati	UK Net Bilateral ODA	16	17	14	18	12	Colonial Pensions 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	
Kosovo	UK Net Bilateral ODA	7,607	10,291	5,932	5,839	4,686	CSSF/Conflict Pool 71%, FCO 29%
	of which Humanitarian Assistance	0	0	0	0	314	
	Percentage of Total Net Bilateral ODA	0.14%	0.19%	0.09%	0.09%	0.06%	
Marshall Islands	UK Net Bilateral ODA	7	5	2	0	0	–
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	
Mexico	UK Net Bilateral ODA	3,590	3,713	5,726	-959	12,927	FCO 74%, BIS 25%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.07%	0.07%	0.08%	-0.01%	0.17%	
Moldova	UK Net Bilateral ODA	1,516	1,181	1,072	1,464	1,292	FCO 76%, CSSF/Conflict Pool 24%
	of which Humanitarian Assistance	0	0	0	0	9	
	Percentage of Total Net Bilateral ODA	0.03%	0.02%	0.02%	0.02%	0.02%	
Montenegro	UK Net Bilateral ODA	203	488	540	507	1,011	FCO 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.01%	0.01%	0.01%	0.01%	
Montserrat	UK Net Bilateral ODA	27,744	21,265	31,222	20,302	33,108	DFID 97%, FCO 2%
	of which Humanitarian Assistance	0	587	0	0	0	
	Percentage of Total Net Bilateral ODA	0.53%	0.38%	0.46%	0.30%	0.43%	
Nauru	UK Net Bilateral ODA	0	0	0	15	0	–
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	
Nicaragua	UK Net Bilateral ODA	18	11,404	52	74	160	FCO 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.21%	0.00%	0.00%	0.00%	
Panama	UK Net Bilateral ODA	123	434	421	448	1,871	FCO 100%
	of which Humanitarian Assistance	0	10	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.01%	0.01%	0.01%	0.02%	
Papua New Guinea	UK Net Bilateral ODA	-200	1328	593	1,097	947	FCO 45%, BIS 45%, Others 10%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.02%	0.02%	0.02%	0.01%	
Paraguay	UK Net Bilateral ODA	29	76	75	150	488	FCO 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.01%	
Peru	UK Net Bilateral ODA	372	2,717	2,109	11	2,158	FCO 74%, CSSF/Conflict Pool 12%, Others 14%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.05%	0.03%	0.00%	0.03%	
Samoa	UK Net Bilateral ODA	254	0	174	0	0	–
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	
Serbia	UK Net Bilateral ODA	1,517	3,280	3,234	2,995	3,813	FCO 68%, DFID 26%, Others 6%
	of which Humanitarian Assistance	0	0	0	0	990	
	Percentage of Total Net Bilateral ODA	0.03%	0.06%	0.05%	0.04%	0.05%	

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1. ODA can be negative due to returns from ODA eligible investments or from projects and programmes.
2. In April 2015, the Government introduced the Conflict, Stability and Security Fund (CSSF), replacing the DFID, FCO and MoD Conflict Pool. Thus the 2015 figure presented in the table reflects CSSF/Conflict Pool spend.

Table B.2: Total UK net ODA and humanitarian assistance by recipient country
(continued)

						£000	
		2011	2012	2013R	2014R	2015	Main spend departments in 2015 (% share)
Solomon Islands	UK Net Bilateral ODA	116	227	431	784	517	FCO 89%, Colonial Pensions 11%
	of which Humanitarian Assistance	0	0	150	300	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.01%	0.01%	0.01%	
Saint Kitts-Nevis	UK Net Bilateral ODA	0	2,354	57	0	0	–
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.04%	0.00%	0.00%	0.00%	
Saint Lucia	UK Net Bilateral ODA	230	161	100	188	175	FCO 99%, Colonial Pensions 1%
	of which Humanitarian Assistance	209	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	
Saint Vincent & Grenadines	UK Net Bilateral ODA	27	48	31	0	110	FCO 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	
Suriname	UK Net Bilateral ODA	0	0	0	0	32	FCO 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	
Tonga	UK Net Bilateral ODA	21	19	22	8	1	FCO 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	
Turkey	UK Net Bilateral ODA	3,438	8,617	5,454	8,485	6,290	FCO 57%, BIS 22%, Others 21%
	of which Humanitarian Assistance	215	224	0	3,884	1,290	
	Percentage of Total Net Bilateral ODA	0.07%	0.15%	0.08%	0.12%	0.08%	
Tuvalu	UK Net Bilateral ODA	31	20	2	0	26	FCO 100%
	of which Humanitarian Assistance	0	0	2	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	
Ukraine	UK Net Bilateral ODA	829	3,041	2,535	7,505	28,640	DFID 56%, CSSF/Conflict Pool 33%, Others 11%
	of which Humanitarian Assistance	0	0	20	1,250	11,246	
	Percentage of Total Net Bilateral ODA	0.02%	0.05%	0.04%	0.11%	0.37%	
Uruguay	UK Net Bilateral ODA	59	123	357	238	1,523	FCO 100%
	of which Humanitarian Assistance	0	7	16	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.01%	0.00%	0.02%	
Vanuatu	UK Net Bilateral ODA	67	20	57	12	2,451	DFID 96%, MoD 2%, Others 2%
	of which Humanitarian Assistance	0	0	0	0	2,403	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.03%	
Venezuela	UK Net Bilateral ODA	487	1,007	1,989	1,428	1,408	FCO 100%
	of which Humanitarian Assistance	14	9	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.02%	0.03%	0.02%	0.02%	
North & Central America, Regional	UK Net Bilateral ODA	3,477	1,412	1,001	2,102	4,376	FCO 93%, DEFRA 7%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.07%	0.03%	0.01%	0.03%	0.00%	
West Indies, Regional	UK Net Bilateral ODA	13,363	11,190	10,766	6,548	7,772	DFID 100%
	of which Humanitarian Assistance	100	66	4	231	0	
	Percentage of Total Net Bilateral ODA	0.25%	0.20%	0.16%	0.10%	0.00%	
America, Regional	UK Net Bilateral ODA	89	57	95	61	2,312	CSSF/Conflict Pool 92%, FCO 8%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	
Europe, Regional	UK Net Bilateral ODA	131	139	122	183	1,208	DFID 58%, BBC WS 42%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	

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1. ODA can be negative due to returns from ODA eligible investments or from projects and programmes.
2. In April 2015, the Government introduced the Conflict, Stability and Security Fund (CSSF), replacing the DFID, FCO and MoD Conflict Pool. Thus the 2015 figure presented in the table reflects CSSF/Conflict Pool spend.

Table B.2: Total UK net ODA and humanitarian assistance by recipient country
(continued)

		2011	2012	2013R	2014R	2015 (£000)	Main spend departments in 2015 (% share)
Pacific, Regional	UK Net Bilateral ODA	2,045	3,292	2,855	4,367	3,073	DFID 95%, DEFRA 5%, Others 1%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.04%	0.06%	0.04%	0.06%	0.00%	
Total Africa	**UK Net Bilateral ODA**	**2,126,292**	**2,170,853**	**2,494,113**	**2,636,502**	**2,759,072**	**DFID 92%, FCO 4%, Others 4%**
	Percentage of Total Net Bilateral ODA	**40.43%**	**39.10%**	**37.20%**	**38.64%**	**36.00%**	
	Percentage of Gross National Income	**0.14%**	**0.14%**	**0.16%**	**0.16%**	**0.16%**	
Total Asia	**UK Net Bilateral ODA**	**1,339,085**	**1,372,201**	**1,948,783**	**1,818,014**	**2,084,432**	**DFID 79%, CSSF/Conflict Pool 9%, Others 12%**
	Percentage of Total Net Bilateral ODA	**25.46%**	**24.69%**	**28.91%**	**26.62%**	**27.20%**	
	Percentage of Gross National Income	**0.09%**	**0.09%**	**0.12%**	**0.11%**	**0.12%**	
Total Rest of the World	**UK Net Bilateral ODA**	**123,929**	**201,037**	**176,757**	**114,384**	**222,537**	**DFID 34%, FCO 33%, Others 27%**
	Percentage of Total Net Bilateral ODA	**2.36%**	**3.62%**	**2.63%**	**1.68%**	**2.90%**	
	Percentage of Gross National Income	**0.01%**	**0.01%**	**0.01%**	**0.01%**	**0.01%**	
Unspecified Region	**UK Net Bilateral ODA**	**1,670,526**	**1,815,617**	**2,101,213**	**2,253,590**	**2,598,175**	**DFID 77%, HO 8%, Others 15%**
	Percentage of Total Net Bilateral ODA	**31.76%**	**32.59%**	**31.26%**	**33.06%**	**33.90%**	
	Percentage of Gross National Income	**0.11%**	**0.12%**	**0.13%**	**0.13%**	**0.15%**	
Total UK Net Bilateral ODA	**UK Net Bilateral ODA**	**5,259,832**	**5,559,707**	**6,720,865**	**6,822,491**	**7,664,216**	**DFID 82%, FCO 5%, Others 13%**
	Percentage of Total Net Bilateral ODA	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	
	Percentage of Gross National Income	**0.34%**	**0.36%**	**0.41%**	**0.41%**	**0.44%**	
Low Income Countries	**UK Net Bilateral ODA**	**2,241,295**	**2,170,612**	**2,536,672**	**2,563,631**	**2,766,410**	**DFID 92%, FCO 3%, Others 5%**
	Percentage of Total Net Bilateral ODA	**42.61%**	**39.04%**	**37.74%**	**37.58%**	**36.10%**	
	Percentage of Gross National Income	**0.15%**	**0.14%**	**0.16%**	**0.15%**	**0.16%**	
Total UK Net Multilateral ODA	**UK Net Multilateral ODA**	**3,368,791**	**3,242,212**	**4,685,995**	**4,877,981**	**4,473,393**	**DFID 78%, EU attribution (non–DFID) 11%, Others 11%**
	Percentage of Gross National Income	**0.22%**	**0.21%**	**0.29%**	**0.29%**	**0.26%**	

R = Revised from previously published.

1. ODA can be negative due to returns from ODA eligible investments or from projects and programmes.
2. In April 2015, the Government introduced the Conflict, Stability and Security Fund (CSSF), replacing the DFID, FCO and MoD Conflict Pool. Thus the 2015 figure presented in the table reflects CSSF/Conflict Pool spend.

Table B.3: Largest spending department of UK net ODA by recipient country

DFID are the majority spending department in the following countries:

		£000	
	DFID Net ODA spend in 2015	**Total UK Net ODA in 2015**	**Percentage of Total ODA by dept.**
Afghanistan	199,632	299,928	DFID 67%, CSSF/Conflict Pool 28%, Others 6%
Bangladesh	157,475	163,697	DFID 96%, FCO 3%
Burma	102,388	113,895	DFID 90%, FCO 5%, Others 5%
Cambodia	1,574	2,780	DFID 57%, FCO 37%, Others 6%
Cameroon	4,810	6,223	DFID 77%, FCO 20%, Others 3%
Central African Rep.	18,279	18,279	DFID 100%
Congo, Dem. Rep.	139,020	142,721	DFID 97%, FCO 3%
Dominica	492	492	DFID 100%
Ethiopia	334,137	338,779	DFID 99%, FCO 1%
Ghana	57,469	60,630	DFID 95%, FCO 5%, Others 1%
Guyana	1,453	2,229	DFID 65%, FCO 35%
Haiti	3,683	3,850	DFID 96%, FCO 4%
India[1]	150,391	185,580	DFID 81%, FCO 12%, Others 7%
Indonesia	13,315	19,864	DFID 67%, FCO 29%, Others 4%
Iraq	45,232	55,437	DFID 82%, CSSF/Conflict Pool 10%, Others 9%
Jamaica	4,884	7,709	DFID 63%, FCO 26%, Others 11%
Jordan	43,101	57,449	DFID 75%, CSSF/Conflict Pool 18%, Others 7%
Kenya	147,910	155,575	DFID 95%, FCO 3%, Others 2%
Kyrgyz Republic	1,664	2,705	DFID 62%, FCO 21%, Others 18%
Laos	1,527	2,338	DFID 65%, FCO 34%
Lebanon	85,301	99,533	DFID 86%, CSSF/Conflict Pool 11%, Others 3%
Liberia	10,322	10,672	DFID 97%, FCO 3%
Malawi	75,126	85,560	DFID 88%, Scottish Gov. 8%, Others 4%
Montserrat	32,276	33,108	DFID 97%, FCO 2%
Mozambique	48,900	50,483	DFID 97%, FCO 3%
Nepal	81,424	88,210	DFID 92%, MoD 4%, Others 3%
Nigeria	253,499	262,685	DFID 97%, FCO 3%
Pakistan	351,379	373,783	DFID 94%, CSSF/Conflict Pool 3%, Others 3%
Philippines	4,204	9,117	DFID 46%, FCO 43%, Others 11%
Rwanda	98,851	101,293	DFID 98%, FCO 2%, Others 1%
Sierra Leone	213,813	217,707	DFID 98%, FCO 2%
Somalia	114,635	121,828	DFID 94%, FCO 5%, Others 1%
South Sudan	205,237	207,993	DFID 99%, FCO 1%
St. Helena	51,263	53,476	DFID 96%, FCO 3%, Others 1%
Sudan	49,096	54,601	DFID 90%, FCO 9%, Others 1%
Syria	201,632	257,708	DFID 78%, CSSF/Conflict Pool 20%, Others 2%
Tajikistan	11,442	12,064	DFID 95%, FCO 5%
Tanzania	199,730	204,846	DFID 98%, FCO 2%, Others 1%
Uganda	115,160	123,348	DFID 93%, BIS 4%, Others 3%
Ukraine	15,922	28,640	DFID 56%, CSSF/Conflict Pool 33%, Others 11%
Vanuatu	2,347	2,451	DFID 96%, MoD 2%, Others 2%
Vietnam	5,960	12,322	DFID 48%, FCO 34%, Others 18%
West Bank & Gaza Strip	41,077	51,428	DFID 80%, FCO 13%, Others 7%
Yemen	77,866	82,050	DFID 95%, FCO 5%
Zambia	48,144	50,493	DFID 95%, FCO 4%, Others 1%
Zimbabwe	86,951	92,896	DFID 94%, FCO 6%
Africa, regional	166,762	225,199	DFID 74%, CSSF/Conflict Pool 15%, Others 11%
Asia, regional	51,729	64,516	DFID 80%, DECC 12%, Others 8%

Table B.3: Largest spending department of UK net ODA by recipient country (continued)

DFID are the majority spending department in the following countries:

	£000		
	DFID Net ODA spend in 2015	**Total UK Net ODA in 2015**	**Percentage of Total ODA by dept.**
Europe, regional	700	1,208	DFID 58%, BBC WS 42%
Middle East, regional	16,597	20,472	DFID 81%, BBC WS 19%
Pacific, regional	2,907	3,073	DFID 95%, DEFRA 5%, Others 1%
South of Sahara, regional	99,289	99,438	DFID 100%, DEFRA 0%
West Indies, regional	7,772	7,772	DFID 100%
Unspecified region[2]	1,988,546	2,598,175	DFID 77%, HO 8%, Others 15%

1. DFID ended its traditional aid programme to India at the end of 2015. DFID's support to India is now only in the form of technical assistance (high-level advice) and development capital (investments in the form of returnable capital).
2. Unspecified region describes aid that is not assigned to a particular country or region, or takes place in the UK. For example, projects that work in multiple countries and/or regions, or aid spent in a sector for which there are many benefitting countries or regions would be coded 'unspecified region'.

Table B.3: Largest spending department of UK net ODA by recipient country (continued)

FCO are the majority spending department in the following countries:

	£000		
	FCO Net ODA spend in 2015	**Total UK Net ODA in 2015**	**Percentage of Total ODA by dept.**
Albania	659	659	FCO 100%
Algeria	2,676	2,676	FCO 100%
Angola	1,296	1,296	FCO 100%
Argentina	1,577	1,577	FCO 100%
Armenia	1,114	1,188	FCO 94%, CSSF/Conflict Pool 6%
Azerbaijan	2,445	2,445	FCO 100%
Belarus	878	878	FCO 100%
Belize	1,025	1,145	FCO 90%, DEFRA 10%
Bhutan	76	76	FCO 100%
Bolivia	663	826	FCO 80%, DEFRA 20%
Bosnia-Herzegovina	2,383	4,432	FCO 54%, CSSF/Conflict Pool 24%, Others 22%
Botswana	944	1,056	FCO 89%, DEFRA 9%, Others 1%
Brazil	12,488	20,886	FCO 60%, BIS 40%
Burundi	205	205	FCO 100%
Chile	2,562	4,653	FCO 55%, BIS 44%, Others 1%
China	26,276	44,641	FCO 59%, BIS 41%, Others 1%
Costa Rica	1,100	1,100	FCO 100%
Cote d'Ivoire	698	698	FCO 100%
Cuba	1,329	1,329	FCO 100%
Djibouti	19	19	FCO 100%
Ecuador	315	315	FCO 100%
Egypt	6,145	12,125	FCO 51%, CSSF/Conflict Pool 26%, Others 24%
El Salvador	476	476	FCO 100%
Eritrea	304	304	FCO 100%
Fiji	1,016	1,262	FCO 81%, Colonial Pensions 11%, Others 9%
Former Yugoslav Republic of Macedonia	1,562	2,144	FCO 73%, CSSF/Conflict Pool 27%
Georgia	1,816	2,854	FCO 64%, CSSF/Conflict Pool 36%
Grenada	47	48	FCO 99%, Colonial Pensions 1%
Guatemala	897	1,068	FCO 84%, DEFRA 16%
Guinea	316	316	FCO 100%
Guinea-Bissau	18	18	FCO 100%
Honduras	184	184	FCO 100%
Iran	946	993	FCO 95%, DEFRA 5%
Kazakhstan	3,583	5,425	FCO 66%, BIS 34%
Korea, Dem. Rep.	740	740	FCO 100%
Madagascar	838	1,337	FCO 63%, DEFRA 37%
Malaysia	3,691	5,604	FCO 66%, BIS 33%, Others 1%
Maldives	184	184	FCO 100%
Mali	1,024	1,830	FCO 56%, BIS 28%, Others 16%
Mauritania	110	119	FCO 92%, BIS 8%
Mauritius	771	777	FCO 99%, Colonial Pensions 1%
Mexico	9,622	12,927	FCO 74%, BIS 25%
Moldova	983	1,292	FCO 76%, CSSF/Conflict Pool 24%
Mongolia	495	633	FCO 78%, DEFRA 22%
Montenegro	1,011	1,011	FCO 100%
Morocco	3,488	3,574	FCO 98%, DEFRA 2%
Namibia	291	297	FCO 98%, DEFRA 2%
Nicaragua	160	160	FCO 100%
Panama	1,871	1,871	FCO 100%
Papua New Guinea	429	947	FCO 45%, BIS 45%, Others 10%
Paraguay	488	488	FCO 100%

Table B.3: Largest spending department of UK net ODA by recipient country (continued)

FCO are the majority spending department in the following countries:

	£000		
	FCO Net ODA spend in 2015	**Total UK Net ODA in 2015**	**Percentage of Total ODA by dept.**
Peru	1,606	2,158	FCO 74%, CSSF/Conflict Pool 12%, Others 14%
Senegal	1,061	1,091	FCO 97%, BIS 3%
Serbia	2,601	3,813	FCO 68%, DFID 26%, Others 6%
Seychelles	292	324	FCO 90%, DEFRA 9%, Others 1%
Solomon Islands	463	517	FCO 89%, Colonial Pensions 11%
South Africa	7,399	19,095	FCO 39%, DFID 39%, Others 23%
St. Lucia	174	175	FCO 99%, Colonial Pensions 1%
St.Vincent & Grenadines	110	110	FCO 100%
Suriname	32	32	FCO 100%
Swaziland	164	169	FCO 97%, Colonial Pensions 3%
Thailand	2,977	3,764	FCO 79%, BIS 21%
Timor-Leste	67	67	FCO 100%
Tonga	1	1	FCO 100%
Tunisia	4,867	6,308	FCO 77%, CSSF/Conflict Pool 20%, Others 3%
Turkey	3,600	6,290	FCO 57%, BIS 22%, Others 21%
Turkmenistan	459	459	FCO 100%
Tuvalu	26	26	FCO 100%
Uruguay	1,523	1,523	FCO 100%
Uzbekistan	1,505	1,505	FCO 100%
Venezuela	1,408	1,408	FCO 100%
North & Central America, regional	4,084	4,376	FCO 93%, DEFRA 7%
North of Sahara, regional	62	62	FCO 100%

BIS are the majority spending department in the following countries:

	£000		
	BIS Net ODA spend in 2015	**Total UK Net ODA in 2015**	**Percentage of Total ODA by dept.**
Burkina Faso	88	88	BIS 100%
Gambia	8,571	9,542	BIS 90%, FCO 10%
Lesotho	246	429	BIS 57%, FCO 20%, Others 22%

DEFRA are the majority spending department in the following countries:

	£000		
	DEFRA Net ODA spend in 2015	**Total UK Net ODA in 2015**	**Percentage of Total ODA by dept.**
Cape Verde	76	117	DEFRA 65%, BIS 35%
Comoros	5	5	DEFRA 100%
Sri Lanka	19,500	24,613	DEFRA 79%, FCO 10%, Others 11%

Conflict Stability and Security Fund (CSSF)/Conflict Pool are the majority spending department in the following countries:

	£000		
	Conflict Pool/CSSF Net ODA spend in 2015	**Total UK Net ODA in 2015**	**Percentage of Total ODA by dept.**
America, regional	2,120	2,312	CSSF/Conflict Pool 92%, FCO 8%
Dominican Republic	771	1,461	CSSF/Conflict Pool 53%, FCO 47%
Kosovo	3,346	4,686	CSSF/Conflict Pool 71%, FCO 29%
Libya	5,288	10,434	CSSF/Conflict Pool 51%, FCO 30%, Others 20%
South Asia, regional	6,602	8,192	CSSF/Conflict Pool 81%, DFID 12%, Others 7%

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Table B.4: UK gross bilateral ODA by sector[1]

					£000
Sector description	**2011**	**2012**	**2013[R]**	**2014[R]**	**2015**
Social Infrastructure & Services:					
Education	651,385	632,140	917,873	823,916	655,618
Health	552,338	654,090	953,686	772,548	634,137
Population policies/programmes and reproductive health	395,976	425,541	327,748	480,557	371,613
Water supply and sanitation	109,680	107,735	139,152	180,847	184,616
Government & Civil Society	725,612	792,705	836,337	865,446	1,032,493
Other social infrastructure and services	241,238	210,226	318,316	201,850	291,793
Economic Infrastructure & Services:					
Transport and storage	88,432	170,427	208,059	159,582	153,717
Communications	59,219	21,584	18,930	11,885	1,299
Energy	161,115	291,420	164,722	108,993	114,028
Banking and financial services	148,657	155,691	157,549	306,077	538,501
Business and other services	116,814	30,854	52,079	39,153	90,091
Production sectors:					
Agriculture, forestry, fishing	141,237	182,734	188,238	282,161	423,575
Industry, mining & construction	107,277	51,459	68,930	91,619	87,098
Trade policies and regulations	46,038	60,298	76,629	60,005	53,746
Tourism	1,811	1,745	1,003	12	1,169
Multi sector/cross cutting:					
General environmental protection	123,355	286,358	324,585	352,418	318,725
Other multisector	229,410	210,288	302,274	300,891	388,328
Non Sector Allocable:					
General budget support	278,966	220,033	135,080	52,635	49,706
Developmental food aid/food security assistance	94,908	65,555	94,071	23,781	23,750
Action relating to debt	113,281	70,958	53,311	3,232	0
Humanitarian Assistance	423,505	426,250	825,736	1,118,958	1,271,577
Administrative costs of donors	286,146	333,254	358,759	385,878	412,511
Core support to non-governmental organisations	254,282	246,739	330,570	318,651	311,204
Refugees in Donor Countries	19,527	28,370	32,325	134,791	251,896
Non Sector Allocable	102,428	83,789	100,254	113,970	88,928
Total UK Gross Bilateral ODA	**5,472,637**	**5,760,241**	**6,986,217**	**7,189,857**	**7,750,116**

R = Revised from previously published.

1. DFID projects can be allocated up to eight sector codes. In this table, only the largest sector activity is counted against the full project spend. This is in line with OECD DAC Statistical Reporting Directives.

Table B.5: Imputed UK share of multilateral net ODA by country[1]

					£000
	2011[R]	2012[R]	2013[R]	2014[R]	2015[R]
Country-specific					
Afghanistan	57,404	51,431	68,088	69,553	39,993
Albania	11,062	10,267	6,873	7,312	6,536
Algeria	5,418	3,400	4,730	3,347	3,404
Angola	5,548	9,220	16,650	14,998	9,291
Anguilla	-32	263	348	–	–
Antigua and Barbuda	278	92	26	116	-236
Argentina	2,972	7,695	968	302	-1,027
Armenia	13,233	9,416	14,964	8,660	15,536
Azerbaijan[3]	10,628	5,565	-30,085	5,530	-300
Bangladesh	37,376	69,267	123,745	119,355	169,488
Belarus	2,445	2,157	3,794	3,281	2,850
Belize	1,497	1,584	2,241	1,876	1,855
Benin	21,512	18,102	43,598	37,565	21,277
Bhutan	6,731	6,097	4,506	3,994	3,949
Bolivia	11,424	10,622	18,820	9,632	26,401
Bosnia and Herzegovina	22,758	21,018	23,744	22,955	14,821
Botswana	1,337	190	1,448	2,633	684
Brazil	15,108	14,750	10,811	135	28,409
Burkina Faso	55,575	44,430	55,804	67,295	66,961
Burundi	27,100	24,653	34,572	29,394	16,325
Cape Verde	2,240	2,176	2,264	5,115	3,927
Cambodia	18,450	11,613	22,537	22,191	12,142
Cameroon	26,819	27,414	44,007	45,027	20,057
Central African Republic	16,553	11,770	8,778	31,621	20,817
Chad	15,093	12,435	20,489	17,562	44,561
Chile	7,683	747	1,809	4,052	1,344
China (People's Republic of)[3]	-206,895	-52,657	-86,878	-117,957	-46,166
Colombia	6,239	3,981	8,272	6,254	6,510
Comoros	1,782	3,899	3,850	4,386	3,554
Congo	7,709	7,331	8,005	5,900	3,277
Cook Islands	219	133	39	172	279
Costa Rica	917	657	1,262	1,099	2,088
Cote d'Ivoire	49,945	45,054	50,420	60,752	62,329
Cuba	1,696	1,086	3,047	-979	2,133
Democratic People's Republic of Korea	3,794	2,164	4,105	3,994	3,255
Democratic Republic of the Congo	106,429	87,541	146,004	144,520	105,120
Djibouti	2,367	2,383	4,256	4,790	2,202
Dominica	1,918	1,574	1,204	602	1,655
Dominican Republic	3,797	4,785	6,827	5,491	3,593
Ecuador	3,469	3,499	4,216	2,979	15,771
Egypt[3]	-1,706	45,854	-7,185	21,266	8,113
El Salvador	3,622	1,843	4,892	1,495	2,069
Equatorial Guinea	61	-34	-215	-898	2
Eritrea	7,574	4,119	7,081	6,740	3,275
Ethiopia	170,022	128,056	241,688	223,467	137,119
Fiji	750	947	1,715	1,277	2,465
Former Yugoslav Republic of Macedonia	6,219	2,518	4,577	5,962	12,093
Gabon	437	616	907	810	1,031
Gambia	6,837	6,906	7,355	7,912	4,659
Georgia	21,251	22,028	28,289	21,134	11,777
Ghana	88,517	72,225	80,028	74,454	141,881
Grenada	483	1,193	2,964	4,386	3,563
Guatemala	5,161	2,907	4,682	4,464	3,779
Guinea	11,610	33,947	19,713	31,160	42,142
Guinea-Bissau	5,846	3,288	6,640	8,044	7,041
Guyana	4,176	4,380	3,067	3,377	-294
Haiti	29,164	23,302	30,920	28,897	28,526

Table B.5: Imputed UK share of multilateral net ODA by country[1]
(continued)

	£000				
	2011[R]	**2012[R]**	**2013[R]**	**2014[R]**	**2015[R]**
Honduras	25,079	13,707	22,529	18,447	12,861
India[3]	151,744	-2,853	68,582	247,263	91,928
Indonesia	14,041	6,090	8,272	7,967	-3,466
Iran	1,875	1,497	2,359	2,112	845
Iraq	8,267	13,204	17,213	18,796	16,584
Jamaica	7,769	4,080	9,687	6,613	5,787
Jordan	16,776	19,858	21,784	24,571	28,796
Kazakhstan	3,805	2,295	3,921	2,678	16,156
Kenya	58,842	63,417	134,800	145,989	94,244
Kiribati	511	386	1,739	3,017	2,152
Kosovo	23,252	15,038	19,864	20,312	21,193
Kyrgyzstan	18,989	11,812	16,663	13,720	13,431
Lao People's Democratic Republic	9,328	9,114	12,546	9,743	5,103
Lebanon	10,900	10,747	18,445	23,566	19,952
Lesotho	8,909	4,499	12,965	3,312	1,962
Liberia	22,249	14,966	21,161	30,405	53,902
Libya	4,139	2,244	5,017	2,896	2,934
Madagascar	18,230	13,913	30,246	40,761	39,607
Malawi	29,962	40,078	56,194	50,304	37,986
Malaysia	1,032	584	1,709	1,244	373
Maldives	1,301	2,033	1,332	1,262	851
Mali	43,366	20,013	64,045	53,239	55,854
Marshall Islands[3]	-51	-72	633	-0	82
Mauritania	12,715	9,783	10,426	8,325	6,165
Mauritius[3]	5,209	5,965	6,453	-304	3,599
Mexico	10,058	3,406	1,565	26,447	3,213
Micronesia	230	28	155	148	352
Moldova	20,708	21,898	15,243	19,755	3,807
Mongolia	10,542	5,069	4,714	4,414	2,712
Montenegro	6,318	3,783	4,706	4,956	5,729
Montserrat	137	430	456	491	730
Morocco	29,631	33,322	171,926	200,578	147,373
Mozambique	34,314	49,149	79,702	87,181	85,292
Myanmar	6,648	10,412	35,020	25,397	26,509
Namibia	2,829	2,970	5,722	3,694	1,854
Nauru	13	173	95	199	28
Nepal	34,324	22,310	42,780	42,093	58,039
Nicaragua	11,962	10,088	15,328	13,454	6,545
Niger	33,847	34,483	45,516	64,698	58,726
Nigeria	111,634	83,569	175,549	191,891	133,833
Niue	74	44	49	57	21
Pakistan	125,360	63,146	62,496	236,567	211,284
Palau	169	4	40	25	29
Panama[3]	1,416	454	-2	-13,366	582
Papua New Guinea	5,170	7,576	14,472	11,033	9,608
Paraguay	2,317	1,938	2,799	411	484
Peru	3,152	3,189	5,378	3,440	2,989
Philippines	4,614	2,033	1,127	7,689	154
Rwanda	69,727	31,435	57,048	66,593	48,472
Saint Helena	325	–	607	463	14
Saint Kitts and Nevis	669	1,070	3,739	–	–
Saint Lucia	1,487	1,632	2,499	1,576	2,076
Saint Vincent and the Grenadines	808	602	1,158	1,277	985
Samoa	2,059	1,768	4,106	1,536	3,184
Sao Tome and Principe	4,072	1,783	3,266	2,054	1,173
Senegal	46,407	29,808	37,565	39,383	23,386
Serbia	77,139	59,370	43,755	8,518	10,145

Table B.5: Imputed UK share of multilateral net ODA by country[1]
(continued)

	£000				
	2011R	**2012R**	**2013R**	**2014R**	**2015R**
Seychelles	750	1,032	1,048	228	50
Sierra Leone	20,846	19,197	20,892	38,918	56,402
Solomon Islands	1,800	2,345	2,634	1,605	1,545
Somalia	16,431	14,733	17,232	18,366	23,786
South Africa	25,560	21,788	35,137	55,468	97,452
South Sudan	3,077	6,895	18,912	27,158	27,375
Sri Lanka	26,856	14,266	17,754	23,211	23,634
States Ex-Yugoslavia	98	22	23	22	74
Sudan	19,552	22,459	30,882	24,981	16,528
Suriname	723	551	918	174	318
Swaziland	3,865	1,697	6,623	2,336	3,793
Syria	6,118	6,275	16,897	16,967	26,720
Tajikistan	9,836	7,466	17,882	12,620	10,706
Tanzania	76,431	91,911	177,713	161,894	102,738
Thailand[3]	-1,478	3,422	89,632	6,771	2,419
Timor-Leste	2,495	4,809	4,628	4,965	3,934
Togo	18,326	9,886	15,023	16,267	6,260
Tokelau	9	3	4	8	3
Tonga	2,707	882	3,704	3,391	2,293
Tunisia	31,952	37,614	35,446	32,558	31,999
Turkey	193,694	192,552	194,852	190,881	191,021
Turkmenistan	870	571	1,077	921	702
Tuvalu	507	202	631	1,026	1,033
Uganda	57,089	53,042	86,795	67,182	60,051
Ukraine	20,070	19,505	38,885	40,527	27,091
Uruguay	981	556	1,202	858	640
Uzbekistan	10,281	10,748	17,238	20,938	20,496
Vanuatu	148	272	307	94	4,292
Venezuela	1,244	1,022	1,020	939	443
Vietnam	177,724	136,712	211,208	230,019	118,851
Wallis and Futuna	525	422	240	43	21
West Bank and Gaza Strip	46,521	48,184	42,178	55,884	60,664
Yemen	4,880	12,742	35,845	35,756	10,523
Zambia	26,381	23,201	47,662	30,410	13,592
Zimbabwe	12,005	17,199	31,021	21,780	20,749
Regional					
North Africa, regional	10,215	7,137	3,914	3,416	7,060
Sub-Saharan Africa, regional	46,952	47,004	36,022	44,244	34,011
Africa, regional	59,038	41,724	44,341	53,509	50,550
Middle East, regional	2,523	3,685	8,450	4,324	8,490
South Asia, regional	833	489	1,108	1,000	1,214
Central Asia, regional	2,578	1,880	3,658	2,441	4,686
South & Central Asia, regional	1,503	2,349	1,808	1,572	1,875
Far East Asia, regional	2,075	1,497	3,338	5,899	4,533
Asia, regional	6,043	6,790	11,698	8,001	8,816
Caribbean, regional	3,967	4,366	1,714	3,559	3,408
Latin America and the Caribbean, regional	5,279	5,833	9,651	4,443	4,013
South America, regional	8,572	6,418	7,445	4,657	3,449
America, regional	7,406	4,763	9,309	8,728	3,201
Europe, regional	29,913	25,056	40,466	28,437	37,031
Pacific countries, regional	4,839	3,365	6,616	3,879	3,463
Unspecified country/region					
Developing countries unspecified	462,154	684,431	768,871	666,371	847,271
Total net multilateral ODA	**3,368,791**	**3,242,212**	**4,685,995**	**4,877,981**	**4,473,393**

Table B.5: Imputed UK share of multilateral net ODA by country[1]
(continued)

	£000				
	2011[R]	2012[R]	2013[R]	2014[R]	2015[R]
Low Income Countries					
Total imputed UK multilateral ODA to low income countries[2]	1,331,130	1,210,078	2,044,011	2,012,057	1,699,790
% of country specific total	*49.0%*	*50.5%*	*54.8%*	*49.9%*	*49.3%*

Key

R = Revised from previously published.

1. UK funding to the core budgets of multilateral organisations cannot be directly attributed to any country, instead the table show estimates calculated on the basis of the UK's share of the ODA spending data that the multilateral organisations report to the OECD DAC.
2. Countries are defined as 'Low income' based on the World's Bank GNI per capita classification. The classification is used by the OECD DAC to define the list of receiving countries under the ODA rules. The list was revised for 2011 and 2012–2013 ODA flows. The current list is for 2014–2016 ODA.
3. ODA can be negative due to returns from ODA eligible investments or from projects and programmes.

Definitions

Bilateral aid

Bilateral aid covers all aid provided by donor countries when the recipient country, sector or project is known. Core contributions to development organisations not on the DAC list of Multilateral Organisations or for sector programming is also classed as bilateral aid (for example the Global Partnership for Education). Core contributions to organisations on the DAC list of Multilateral Organisations in support of their development programme is classed as multilateral aid.

Gross National Income (GNI)

GNI is the measure used to compare the 0.7% target for ODA. It comprises the total value of goods and services produced within a country (i.e. its Gross Domestic Product or GDP), together with income received from other countries (notably interest and dividends), less similar payments made to other countries.

Humanitarian assistance

Humanitarian assistance generally involves support to humanitarian organisations and the provision of material aid (including food, shelter and medical care), personnel, and advice in order to: save lives, alleviate suffering and maintain human dignity during and in the aftermath of man-made crises and natural disasters; reduce the incidence of refugees and internally displaced people; hasten recovery and protect and rebuild livelihoods and communities; and reduce risks and vulnerability to future crises, including strengthening preparedness measures.

Multilateral aid

This is aid delivered in the form of core contributions to organisations on the DAC List of Multilateral Organisations. A core contribution is when DFID does not specify the recipient or sector of the contribution and funds are transferred into the general budget of a multilateral and are not separately identifiable from other donor's contributions. DFID aid delivered through a multilateral organisation where the recipient country, sector or project is known is classed as bilateral aid.

Some international bodies conduct activities that benefit both developing and developed countries. The DAC have agreed proportions that account for the activities of these organisations that focus on developing countries. When ODA is reported these agreed proportions are applied to core contributions. For example, when reporting core contributions to UNESCO only 60% is reportable as ODA.

Official Development Assistance (ODA)

Official development assistance is defined as those flows to developing countries and multilateral institutions provided by official agencies or by their executive agencies, each transaction of which meets the following tests:

- it is administered with the promotion of the economic development and welfare of developing countries as its main objective; and
- it is concessional in character and conveys a grant element of at least 25 per cent.

Sector

The areas of the recipient countries' economic or social structure that aid is intended to support. DFID categorises its aid into broad sectors according to the OECD DAC Purpose Codes: Education; Health; Social Services; Water and Sanitation; Government and Civil Society; Other Social Infrastructure and Services: Economic Infrastructure and Services: Production Sectors: General Environmental Protection; General Programme Assistance; Action Relating to Debt; Humanitarian Aid; Administrative Costs of Donors; Refugees in Donor Countries; and Unallocated/ Unspecified.