Department for International Development

Department for International Development

Annual Report and Accounts 2017-18

HC 1215

Department for International Development
Annual Report and Accounts 2017-18

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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 2017-18.

Results headlines

By 2017-18, DFID had achieved the following results towards its single departmental plan commitments:

- Reached 26.8 million people, including at least 8.2 million women and girls, with humanitarian assistance between April 2015 and March 2018.
- Supported immunisation of approximately 37.4 million children, saving 610,000 lives, between January 2015 and December 2017.
- Reached 42 million children under 5, women of childbearing age and adolescent girls through our nutrition-relevant programmes from April 2015 to March 2018.
- Supported 14 million women and girls to use modern methods of family planning between April 2017 and March 2018.
- Supported 11.4 million children to gain a decent education, between April 2015 and March 2018.
- Supported 40.3 million people to access clean water and/or better sanitation between April 2015 and March 2018.
- Continuously supported 27 countries to manage their public finances more transparently since March 2015, and 39 countries in 2017-18 alone.

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

Foreword by the Secretary of State for International Development

This Annual Report describes the strong results DFID has achieved in 2017 to 2018, alleviating suffering and helping millions of people around the world to lead better lives. The British public can take pride in the work we do to make the world a better, safer, more prosperous place for us all.

The UK has led many of the international responses to crises, providing health services, food, clean water and sanitation to those most in need. We were among the first to act in response to the worsening drought situation in Somalia and our food assistance helped to avert famine in north-east Nigeria. In the Caribbean, we supplied food, water and shelter to those worst affected by Hurricanes Irma and Maria and deployed the British military and our expertise to coordinate the relief effort.

The UK continues to play a leading role in international efforts to meet the commitments made under the Paris climate agreement two years ago. DFID is working closely with the Department for Food, Environment and Rural Affairs to tackle challenges such as plastic pollution and waste management, which disproportionately affect the world's poorest.

As the UK prepares to leave the European Union, DFID is collaborating with the Department for International Trade, and supporting partners around the world, including our close Commonwealth partners, to develop their economies and strengthen future trading relationships.

We continue to work towards implementing all the Global Goals by 2030 and we remain committed to Leave No One Behind. I am immensely proud to be part of a government recognised across the world as a global leader on gender equality. In March, I launched our new Strategic Vision for Gender Equality, a call to action for everybody, because without gender equality we will never achieve the Global Goals. We are tackling the root causes of modern slavery, including the worst forms of child labour, by supporting victims, whilst addressing the factors that enable this crime to persist in the 21st century. DFID played a leading role in launching the Call to Action to End Forced Labour, Modern Slavery and Human Trafficking at the UN General Assembly last September.

I am also committed to disability inclusion. People with disabilities are among the most marginalised in the world and yet disability inclusion has not been a priority for the international system. We want to change that and ensure that people with disabilities have a seat at the table and benefit equally from development and humanitarian assistance. To spark this critical change, the UK will host its first high-level Global Disability Summit on 24 July 2018.

The past year has seen significant challenges. The crises in Yemen and Syria grew worse. We have seen hundreds of thousands of Rohingya fleeing ethnic cleansing in Burma and devastating hurricanes bringing death and destruction across the Caribbean. We have also experienced the second warmest year on record, which has contributed to drought and risk of famine in Somalia, Nigeria and South Sudan. We know that the poorest people are increasingly located in countries affected by conflict or instability. Countries that were previously doing well have shown that they are not immune to instability. We also know that by 2030, due to population growth, people living in extreme poverty will most likely be in Africa. Given these trends, we need to ensure we are doing the right things to achieve the Global Goals and realise the great opportunity we have to end extreme poverty.

All of this demonstrates that, in 2018 and beyond, Britain's leadership as a great global nation is needed more than ever. The vast majority of people in Britain believe that helping developing nations is the right thing to do. The British public understands the links between global health security and our own health; between trading partners and our own prosperity; between security in fragile states and violent extremism on our streets.

Confidence in the international development sector was rocked by revelations of sexual exploitation and abuse by staff of a number of aid organisations. The safeguarding scandal was a wake-up call for the entire aid sector. DFID has led the international aid sector to put in place new, enhanced safeguarding standards. We must ensure that the beneficiaries of aid are always our first priority and that the British people have confidence in all of the work we do, wherever it is done. It is our job to demonstrate that UK aid is the best return on investment for the British taxpayer.

The challenges before us are big, daunting even. But as this report demonstrates, we have made huge progress and, together with our friends and partners around the world, we will continue striving to improve the lives of the world's poorest and most marginalised in a way that represents the best of Global Britain and in a way that gives British people pride in everything we do.

The Rt Hon Penny Mordaunt
Secretary of State for International Development and Minister for Women and Equalities
June 2018

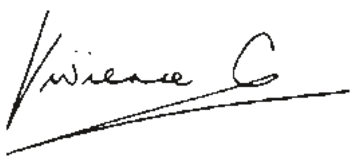
Lead Non-Executive Director’s introduction to the Annual Report 2017-18

Throughout 2017-18, DFID has once again been at the forefront of the humanitarian response to crises across the world. It has provided emergency relief to the hurricane ravaged Caribbean and lifesaving support in many countries around the world, including Sudan, Somalia, Yemen, Nigeria, Central African Republic, Democratic Republic of the Congo and Syria. The department has also continued to seek ways to improve how aid is delivered, driving reform in the humanitarian sector and publishing its new Humanitarian Reform Policy.[1] This sets out commitments to push for radical reform to improve the effectiveness and efficiency of humanitarian aid. Alongside this, in 2017, DFID, with the World Bank and Germany, set up the Centre for Global Disaster Protection to help developing countries enhance their resilience to climate change and disasters.

During the course of 2017-18, the Secretaries of State and Ministers have continued to maintain the focus on delivering DFID’s commitments towards the UK Aid Strategy objectives, strong results and value for money. Implementing the Economic Development Strategy and contributing to the development of future trading relationships continue to be priorities for the department, with an enduring focus on women’s economic empowerment and girl’s education. DFID continues to deliver strong results addressing poverty in fragile states and enabling access to healthcare, education, and water and sanitation. Provisional data shows that the target to spend 0.7% of gross national income (GNI) on international development was met in 2017.

2017 also saw the conclusion of the department’s comprehensive Supplier Review, which looked closely at how DFID manages its relationships with contracted partners. Drawing on a wide range of advice, the review established a number of new measures that the department will take to ensure the highest standards of ethical and professional behaviour; increase transparency; and support a more level playing field to enable small suppliers and new businesses to compete with larger suppliers. 2018 brought increased focus on safeguarding throughout the aid sector. In response to the scandal, DFID has led international action to improve and maintain trust in the sector.

DFID’s Departmental Board continues to function effectively and has seen changes in 2017-18 with a new Secretary of State, two new Ministers of State, a new Permanent Secretary and a number of changes in responsibility at Director General level. In December, I stepped down as Lead Non-Executive Director after 8 years in the role. Richard Keys, Non-Executive Director and Chair of the Audit and Risk Assurance Committee, steps down in 2018. The other non-executive board members unchanged over the course of the year were Sally Jones-Evans, who also sits on the Audit and Risk Committee, and Tim Robinson, chair of DFID’s Digital Advisory Panel.



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

1 https://www.gov.uk/government/publications/uk-governments-humanitarian-reform-policy

DFID's purpose, performance and activities in 2017-18 and how we deliver

The Department for International Development (DFID) leads the UK's work to end extreme poverty, helps to deliver the Sustainable Development Goals overseas, and tackles global challenges in line with the government's UK Aid Strategy. Eradicating poverty, ending instability and creating a safer and more prosperous world are firmly in the UK's national interest. This is why 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.

This report provides an overview of DFID's work. Other departments that spend Official Development Assistance (ODA) to deliver the UK Aid Strategy[2] 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: **Strengthen 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: **Strengthen resilience and response to crisis**. This includes 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: **Promote global prosperity**. Promoting economic development and prosperity in developing countries will contribute to the reduction of poverty and also strengthen UK trade and investment opportunities.
- Strategic Objective 4: **Tackle extreme poverty and help 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 overarching corporate objective:

- Strategic Objective 5: taking steps to further **improve the value for money and efficiency 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.

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 promoting and implementing the 2030 Agenda for Sustainable Development and helping to deliver the 17 Sustainable Development Goals (SDGs). DFID has put the SDGs at the heart of all of its work, embedding them in its SDP, and working with a range of organisations and countries to help deliver them at the global, country and sectoral level. The achievements and results set out in this Annual Report, therefore, reflect a significant element of the department's 2017-18 contribution to the delivery of the SDGs by 2030. DFID continues to work with the rest of government on this universal agenda, in anticipation of the government's presentation of a review of the UK's progress towards the SDGs to the UN in 2019.

2 https://www.gov.uk/government/publications/uk-aid-tackling-global-challenges-in-the-national-interest

Who we work with

Our work across government

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, as well as co-chair of the cross-government Official Development Assistance (ODA) Ministerial Meeting, the Secretary of State has ensured that development priorities are fully considered as part of the government's wider policy making.

The government has set up an ODA crisis reserve to respond to emerging crises. We work in partnership with the Department for International Trade (DIT)'s Trade for Development Department, and deliver UK commitments on climate change with the Department for Business, Energy and Industrial Strategy and the Department for the Environment, Food and Rural Affairs (DEFRA). We are also working closely with DEFRA to tackle illegal wildlife trade, support food security, and tackle waste and pollution.

DFID has worked closely with other UK government departments on our collective response to transnational serious and organised crime (SOC). We have worked with the Home Office and the Foreign and Commonwealth Office to launch Joint Serious and Organised Crime (JSOC) platforms in over 50 embassies or high commissions since September 2017. JSOCs are enhancing the UK's response to SOC by setting joint objectives, sharing information, coordinating work and pooling the resources of all the different UK departments working on tackling SOC in that country.

The cross-government funds are also important in the work that we do. The Conflict, Stability and Security Fund tackles conflict and instability in priority countries. The government's Prosperity Fund supports global prosperity. DFID officials participate at Permanent Secretary level in the preparation of NSC meetings and at director level in governance of 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 provides a range of support to other government departments and cross-government funds. This is delivered in various ways, including 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, including through dedicated ODA Ministerial Meetings and Senior Officials Group.

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, what support they get from others and their future risks, including humanitarian, economic and climate.

We work in countries across Africa, Asia and the Middle East, many of which are fragile or at risk from fragile neighbours. We also have regional programmes in Africa, Asia and the Caribbean, and development relationships with 3 aid-dependent Overseas Territories – St Helena, the Pitcairn Islands and Montserrat. In addition to working directly in countries, DFID also gives UK aid through multi-country global programmes and core contributions to multilaterals.

DFID drives value for money and ensures effective delivery of UK aid in all our partner countries. Our development efforts are helping to project Britain's global influence, both supporting the world's poorest people and promoting our national interests.

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 SDGs.

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 continue to work closely with those international organisations that we judge to be both the most aligned with our objectives and the most effective.

DFID works with agencies, and other donor governments, to secure a reformed system that is transparent, value for money and delivers results; 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 Sustainable Development Goals and provide prosperity and jobs.

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.

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 funding mechanisms and providing funding for the activities that make the biggest difference to the lives of people in poverty.

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 sized 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 (voluntary) organisations to help find solutions to current complex situations whilst tackling tomorrow's challenges.
- **UK Aid Volunteers**: This includes the International Citizen Service for young people and the Volunteering for Development programme for skilled professionals.

In addition to central funding channels, DFID country offices continue to fund a wide range of programmes with civil society partners. These programmes 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 help economies grow and respond quickly and efficiently to crises and reach some of the most dangerous places in the world. Without the expertise, flexibility 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. But there is more to do to ensure that private sector partners maximise their contribution, help the aid system evolve further and uphold strong value for money.

DFID is recognised for its commercial best practice and has won five awards from the Chartered Institute of Purchasing and Supply since 2013. In the last three years, DFID has saved £365.4 million through procurement savings.

DFID provides vital finance for business projects with a clear development impact. The UK's Development Finance Institution, CDC Group plc, continues to be an important partner. CDC's pioneering investment in countries such as the Democratic Republic of the Congo, Afghanistan and Sierra Leone demonstrates what is possible and paves the way for greater private investment in even the poorest and most fragile markets.

Supplier Review

DFID expects the highest standards from delivery partners and we have set out a clear ambition to improve transparency and accountability. The Supplier Review was set up in December 2016 to ensure the highest standards of ethical behaviour and value for money by our contracted suppliers. The outcome of the review was announced in October 2017 and set out the following new measures:

- A robust new Supply Partner Code of Conduct which is leading the way across government to ensure the highest standards of ethical and professional behaviour by DFID suppliers.
- A new Staff Code of Practice, which sets out the standards of behaviour expected of all staff and provides clear guidance on the boundaries within which we are required to operate when managing external relationships.
- Greater scrutiny of costs and increased transparency by including new clauses in contracts to allow DFID to inspect the costs, overheads and fees of suppliers in detail, monitor profit levels and cut out waste.
- An enhanced Strategic Relationship Management programme to capture greater learning and innovation and drive efficiencies across the whole portfolio of our strategic suppliers.
- Levelling the playing field for small suppliers. Stopping so-called 'bid candy' practices, by which large suppliers include smaller businesses to win bids, but then drop them from the contract.
- Opening up DFID's market to new businesses including small enterprises in the UK and the world's poorest countries and clarifying processes for small and micro suppliers. This will include new updated digital platforms and improved use of social media to inform potential suppliers about contract opportunities.

The Supplier Review benefited from extensive consultation with a range of organisations in both the private and public sectors, within the aid sector and outside it. We also took on board the recommendations made by the International Development Committee in its enquiry into DFID's use of contractors and by the Independent Commission for Aid Impact (ICAI) in its review of our supplier management.

We are committed to continuing our improvement, measuring our performance against a full set of Key Performance Indicators and continuing to benchmark against aid organisations and private sector best practice. We have also established a high-level panel of private and public sector experts to provide independent, external challenge and scrutiny.

Safeguarding

DFID is committed to improving safeguarding standards across the aid sector. We are taking action to ensure all those engaged in poverty reduction internationally take all reasonable steps to prevent harm, particularly sexual exploitation, abuse and harassment, from occurring; to protect people, especially vulnerable adults and children, from that harm; and to respond appropriately when harm does occur.

DFID established a dedicated Safeguarding Unit in February 2018 and co-hosted a Safeguarding Summit with the Charity Commission for international non-governmental organisations on 5 March. We requested and received statements of assurance on safeguarding from over 200 partners; established new working groups, including donors and experts, to identify and test solutions; and set out new, enhanced and specific safeguarding standards to be integrated into our due diligence assessments. DFID led action to put international commitments in place, including a collective joint donor letter to the UN Secretary General and a roundtable with senior UN interlocutors and other donors in March.

DFID is clear on the importance of having unambiguous and robust internal policies around safeguarding, as we would expect from external organisations. We have conducted a full review of internal staff cases relating to sexual harassment and misconduct to ensure that all historic cases have been dealt with appropriately, according to departmental policy, and effective safeguarding procedures are in place. There were fewer than 5 substantiated cases in the 2017-18 period covered by this report. DFID is also reviewing internal policies and processes related to the full employee lifecycle, with engagement across government to ensure consistency of approach in this area.

Sector-wide organisational and cultural change is needed to ensure beneficiaries are always put first and that we achieve lasting change.

Leaving the European Union

A global Britain must be more engaged and more outward looking than ever before.

DFID is closely involved in a major programme of work across government to prepare for exiting the European Union. The UK's exit from the EU is a major opportunity to send a positive signal that our markets are open and we are determined to promote business with the developing world. We will provide continuity in duty-free access to the UK market for the least developed countries, and continue to offer generous tariff reductions to around 25 other developing countries. We will also seek to replicate the EU's Economic Partnership Agreements. On leaving the EU, we will explore options to expand our relationships with developing countries.

It is in the UK's interest that the EU continues to be a strong development partner after we have left, and that we work alongside one another in the countries that matter most to promote global prosperity, security and development. A future partnership paper on Foreign Policy, Defence and Development was published on 12 September 2017, which set out our desire for a future relationship with the EU on development that goes beyond existing third country arrangements, and which builds on the breadth and depth of our shared interests and values.

When we are no longer a Member State our relationship with the EU will be different, and we will decide how we spend the entirety of our foreign aid. While we remain a member, we will continue to uphold our obligations, and exercise our rights, promoting development effectiveness and value for money in line with UK priorities through influencing EU development spending.

DFID's results

In 2017-18, DFID made strong progress towards the indicators set out in the single departmental plan 2017-18. In 2017, the UK met the international commitment to spend 0.7%[3] of Gross National Income on Official Development Assistance. This funding delivered vital assistance and made a real difference to the lives of millions of the world's poorest people.

3 This is based on provisional statistics on ODA available at the time of publication. Final statistics on 2017 ODA will be published in autumn 2018.

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 2017-18 include:

- **Humanitarian Emergencies:** DFID continues to be a world leader both in responding to humanitarian crises and in building resilience against future crises. Throughout the year, the UK once again played a leading role in the response to humanitarian emergencies providing over 1,950 tonnes of emergency relief items. This included:
  - Averting and alleviating famine in Yemen, South Sudan, Nigeria and Somalia.
  - Through DFID's partnership with the NHS, Fire and Rescue Service and the charity UK Med, we were able to deploy the Emergency Medical Team to undertake difficult work in Cox's Bazaar, Bangladesh, to curb the outbreak of deadly diphtheria amongst the Rohingya refugees.
  - DFID played a leading role in the response to Hurricanes Irma and Maria, which devastated vast areas across the Caribbean. We delivered 827 tonnes of urgent humanitarian supplies – including food, water, and shelter – and deployed over 70 humanitarian and logistics experts to coordinate the relief effort across the region.
  - In January 2018, we lobbied successfully for the renewal of a UN resolution that enables aid to be delivered across the border into Syria without the consent of the Assad regime. In 2017, over 50 UN convoys delivered aid in this way to those who desperately needed it.
- **Women and girls:** The UK is proud of the leading role we play on the global stage in tackling the barriers girls and women face to achieving their potential, and providing them with the opportunities to thrive. This includes securing unprecedented global commitments on priorities such as family planning and supporting millions of girls and women through UK aid-funded programmes.
- **Family Planning:** DFID is a global leader on sexual and reproductive health and rights. In July 2017, we co-hosted the Family Planning Summit to drive forward our commitment to enabling women and girls to have the choice of using modern methods of contraception so they can decide whether and when they have children and how many they have.
- **Modern Slavery:** DFID supported the Prime Minister in launching the Call to Action to End Forced Labour, Modern Slavery and Human Trafficking at the UN General Assembly last September.
- **Support for ongoing crises and building stability:** The UK is driving a new approach to building stability and to tackling protracted and recurrent crises. In 2017, the UK set up the Centre for Global Disaster Protection with the World Bank and Germany to help developing countries enhance their resilience to climate change and disasters.
- **Transparency:** DFID is committed to transparency and is consistently ranked amongst world leaders in aid transparency by Publish What You Fund's Aid Transparency Index. In February 2018, we launched 'Open aid, open societies: A vision for a transparent world' which sets out how we will use transparency for greater accountability and better outcomes across our work and globally.
- **Value for money, supplier management and safeguarding:** DFID was named a "global champion" for value for money in the Independent Commission for Aid Impact's review on how the department spends money.

Financial summary

Expenditure

DFID's total expenditure in 2017-18 was £10,969 million. As in previous years, the majority of this was spent on programme expenditure. Of total programme expenditure, 61% was spent on bilateral programmes and 39% on multilateral programmes. DFID spent £277 million (2016-17: £262 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 2017-18; 2.5% in 2016-17).

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.

Trends in Total Managed Expenditure

Since 2013-14, Departmental spending has increased by £1.1 billion to meet the 0.7% target of GNI. The table below shows how spending has changed over the past five years. The department's Capital expenditure has increased over the period due to our growth in our Economic Development Strategy and Research and Development policy. The spend in Capital AME from 2015-16 has arisen due to the change in the classification of capital injections into a self-financing public corporation being categorised as Capital AME.

	2013-14 Outturn £m	**2014-15 Outturn £m**	**2015-16 Outturn £m**	**2016-17 Outturn £m**	**2017-18 Outturn £m**
Departmental Expenditure Limit					
Programme	7,849	7,072	6,898	7,145	7,281
Capital	1,946	2,350	2,125	2,591	2,713
Total Operating Costs	239	246	239	262	277
Total DEL	**10,034**	**9,668**	**9,263**	**9,998**	**10,271**
Annually Managed Expenditure	**69**	**109**	**623**	**444**	**698**
Resource	69	109	173	159	303
Capital	–	–	450	285	395
Totally Managed Expenditure	**10,103**	**9,777**	**9,886**	**10,442**	**10,969**

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 2017-18.

The International Development (Official Development Assistance Target) Act 2015 enshrined the UK's commitment to spend 0.7% of gross national income 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 43.

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 Gender Act provisions 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 structure and people

In 2017-18, the average number of whole-time equivalent persons employed by DFID was 3,182[4] (2,876 in 2016-17), including 1,869 in the UK and 1,313 overseas.

DFID's overall workforce increased during the year (March 2018: 3,357; April 2017: 2,977) to ensure that we have the necessary skills and capability to manage effectively our commitment to spend 0.7% of GNI on international development and to ensure UK ODA represents the best value for money possible. Home civil servant numbers increased during the year by 15% whilst the numbers of staff appointed in country remained relatively stable.

DFID has developed its workforce planning to ensure that the necessary resource and capability needs are identified to deliver and manage the full range of programmes. DFID has continued to focus on enhancing the commercial and financial capability of our staff through the last year. Effective programme management and leadership remain a high priority to ensure that DFID programmes deliver maximum value for money.

DFID's employee engagement response to the 2017 Civil Service People Survey was 71%. This is 9 points above the Civil Service average, and 6 points above the Civil Service High Performers. DFID staff are among the most motivated and engaged across the Civil Service.

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

- the Commonwealth Scholarship Commission in the United Kingdom, which manages the UK contribution to the Commonwealth Scholarship and Fellowship Programme
- the Independent Commission for Aid Impact, which provides independent scrutiny of UK government aid.

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

4 This relates to the core department only and does not include ICAI.

DFID's approach to risk

DFID strives for the highest standards of integrity and accountability. We are committed to the appropriate and responsible use of public funds; transparency; and the requirements of relevant legislation. DFID manages risks to achieve our objectives in a way that maximises value for money and development impact, while keeping staff and assets safe and avoiding unintended harm to people and the environment.

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.

DFID monitors strategic risks affecting delivery, safety and security, as well as understanding external threats and challenges outside of DFID's control. In 2017-18, the department continued to monitor risk to the delivery of our objectives, arising from conflict, fragility and natural disasters, and in protracted crises in Afghanistan, Yemen and Syria. Further prominent risks included the impact of global economic change on developing countries' economies, the impact of climate change and risks to staff, assets and information. To strengthen the assurance we gain from our implementing partners, we have raised standards of safeguarding and fraud risk assurance and introduced processes to improve risk management and to follow the money from UK taxpayers to beneficiaries.

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),[5] published in December 2017, set out DFID's strategic objectives (SOs) for 2017-18. These are structured around the four UK Aid Strategy objectives, with headline indicators for how we will monitor delivery, together with a fifth strategic objective, focused on ensuring value for money and efficiency in our aid spending.

All of DFID's operating segments contribute to each of the strategic objectives.

The tables below show the results achieved in the period April 2015 to March 2018, except where otherwise stated. There are delays between results being delivered and obtaining confirmation of results figures. Some results delivered have yet to be confirmed or made available. We will include these results when we next report progress against our commitments. Results against our SDP indicators confirm that we have continued to make strong progress towards our commitments, helping to improve the lives of millions of people in poverty. Activities and achievements under the 5 strategic objectives are covered in pages 24-44. Where achievements relate to an individual year (ie 2017), this refers to the calendar year.

5 https://www.gov.uk/government/publications/department-for-international-development-single-departmental-plan/department-for-international-development-single-departmental-plan

2017-18 progress against Single Departmental Plan indicators and other headline results

Strategic Objective 1

	2015-16	2016-17	2017-18
Number of countries DFID supported to manage their public finances more transparently (cumulative). DFID continuously supported 27 countries between 2015 and 2018	11	30	39

	2015	2016	2017
DFID spend on fragile states and regions (2017 List)	53%	57%	Data not available[6]
Spend on improving tax systems	£32,600,000	£26,000,000	£27,200,000

Strategic Objective 2

	2015-16	2016-17	2017-18
Number of people supported by humanitarian assistance (cumulative)	5,100,000	17,000,000	26,800,000
International climate finance to build the resilience of vulnerable people to the impacts of climate change and support low carbon development[7]	£827,000,000	£755,000,000	£586,000,000

Strategic Objective 3

	2015-16	2016-17	2017-18
Total megawatts of clean energy installed (cumulative)[8]	22	124	182
Development capital investment level to create more and better jobs that benefit people across society, including women (cumulative)	£505,000,000	£819,000,000	£1,247,000,000
Development impact portfolio score for CDC (out of a maximum of 4)[9]	3.15	3.04	3.01
Cumulative number of people supported to have raised incomes or obtain or maintain better jobs or livelihoods	900,000	2,400,000	3,000,000

6 UK official development assistance (ODA) spending figures for 2017, including those for DFID, will be published in the national statistics publication "Statistics on International Development" (SID) in autumn 2018. Calculating the spend in fragile states includes estimates of DFID's share of core multilateral funding to fragile states and regions. The latest data is based on information that the multilateral organisations report to the OECD, which is released a few months after the main SID publication. 2017 figures for the multilaterals will be published early in 2019.

7 DFID, along with other donors, has made commitments to multilateral climate funds such as the Climate Investment Funds, Green Climate Fund and Global Environment Facility. These bodies run on multi-annual rather than annual replenishment models. The value and timing of DFID's contributions therefore fluctuates year on year depending on financing needs of each fund.

8 Many of our programmes run over several years but work towards a single goal such as the building of a wind farm. Once the clean energy capacity comes on-line it is counted as an achieved result, but this happens only once for many programmes. Therefore, our total results can fluctuate from year to year depending on where programmes are in their cycles.

9 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. These results are well above the target score of 2.4, out of a maximum of 4. Although there is a slight year on year fall in the score, the performance indicates that CDC investments over the last 3 years (2014-2016) are steered towards challenging countries and job-creating sectors. This is in line with the Investment Policy that DFID has set for CDC, alongside its Code of Responsible Investing. 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.

CORRECTION SLIP

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Correction:

Text previously read:

	2015	2016	2017
Investments mobilised by PIDG[10]	£1,700,000,000	£1,600,000,000	£1,600,000,000
Investment mobilised by CDC[11]	US$1,500,000,000	US$1,300,000,000	Data not available

Text now reads:

	2015	2016	2017
Investments mobilised by PIDG[10]	£1,700,000,000	£1,600,000,000	£1,600,000,000
Investment mobilised by CDC[11]	US$1.5bn	US$ 1.1bn	Data not available at time of report publication

	2015	2016	2017
Investments mobilised by PIDG[10]	£1,700,000,000	£1,600,000,000	£1,600,000,000
Investment mobilised by CDC[11]	US$1.5bn	US$ 1.1bn	Data not available at time of report publication

Strategic Objective 4

	2015-16	2016-17	2017-18
Number of children under 5, women (of childbearing age) and adolescent girls reached through DFID's nutrition-related interventions (cumulative)	13,300,000	26,300,000	42,000,000
Number of people supported with access to clean water and/or better sanitation (cumulative)	11,300,000	27,200,000	40,300,000
Number of children supported to gain a decent education (cumulative)	3,100,000	7,100,000	11,400,000[12]
Total number of total women and girls using modern methods of family planning	17,540,000	19,240,000	14,030,000[13]
Number of additional users of modern methods of family planning (cumulative July 2012 to March 2018)	6,900,000	8,500,000	12,500,000
Number of people reached with at least one measure to prevent, cure of manage the morbidity of one or more neglected tropical disease (cumulative)	No data	No data	109,200,000

	2015	2016	2017
Number of children immunised (cumulative)	20,000,000	28,700,000	37,400,000
Number of lives saved by immunisation (cumulative)	250,000	475,000	610,000
Number of cases of wild poliovirus globally (Global Polio Eradication Initiative to eradicate polio)	74	37	22

Strategic Objective 5

	2015-16	2016-17	2017-18
Portfolio Quality Index	103	104	102.36[14]
International commitment to spend 0.7% of gross national income on Official Development Assistance	0.7%	0.7%	0.7%[15]

10 Note, figures are for calendar year. PIDG figures represent total commitments for private sector investment reaching financial close in 2015, 2016.
11 Note figures are for calendar year. CDC figures here are calculated based on OECD methodology.
12 This figure previously excluded results from Girl Education Challenge (438,000 children) and Support to the Global Partnership for Education (1 million children).
13 DFID publishes results estimates up to March 2018 using available information. However, individual programme reporting cycles do not necessarily follow DFID's annual report publication cycle, resulting in data gaps; data from some countries for January to March 2018, for example, may not be available until later in the year. Therefore, a comprehensive result update for the year ending 31 March 2018 will be available in 2019.
14 Annual fluctuations are normal. What is important is the overall trend, which is broadly positive. More information on DFID statistics and the impact DFID's programmes are having in the world can be found at www.gov.uk/dfid.
15 This is based on provisional statistics on ODA available at the time of publication. Final statistics on 2017 ODA will be published in autumn 2018.

Strategic Objective 1 (SO1): Strengthen 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 and are hardest to reach. Conflict, insecurity, injustice and weak governance are likely to become even stronger drivers of poverty over the coming years.

DFID works to promote the conditions that encourage development and address the root causes of instability: strengthening the rule of law; tackling corruption, illicit financial flows, and organised crime; 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 to secure Global Goal 16, which promotes effective, accountable and inclusive institutions as a cornerstone for development. There has been progress across partner countries and DFID continues to champion Goal 16 within the international community.

In February 2018, DFID launched its Transparency Agenda 'Open aid, open societies'. This is an important cross-government initiative that puts the UK at the forefront of driving transparency standards, achieving greater accountability and improving the transparency of international aid. These global commitments will support implementation of the UK Aid Strategy, the UK Anti-Corruption Strategy, and DFID's Economic Development Strategy.

Global Goals

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

Activities and achievements

Tackle the causes of instability, insecurity and conflict

Fragile States & Regions

Based on the latest available data, DFID continues to meet our Strategic Defence and Security Review commitment to spend at least 50% of our budget on fragile states and regions. The biggest share of our fragile states spending is in highly fragile countries and regions across the Middle East, Africa and Asia, including additional funding to deal with the causes and impacts of the Syrian crisis.

We work at international, national and community levels. For example, DFID's work has helped to reduce tensions between Jordanian host communities and Syrian refugees through supporting community level conflict resolution mechanisms. On the international stage, we have supported the delivery of the Global Goals through engagement with the UN and the World Bank to focus their attention and resources on prevention of conflict.

Tackling sexual violence in conflicts

In 2017-18, DFID contributed £4 million out of the £12 million pledged in 2017 to the United Nations Trust Fund in Support of Actions to Eliminate Violence Against Women, which will help increase access to legal assistance and healthcare for survivors of sexual and gender-based violence.

1. In Syria in 2016-17, UK aid supported over 6,000 survivors of sexual and gender-based violence. In addition, over 150,000 people were provided with psychosocial support and over 90,000 accessed safe spaces. Over 5,000 individuals, including health workers and project staff received training on how to deal with sexual and gender-based violence.

Promoting effective, accountable and inclusive institutions

DFID continues to build partnerships across government and beyond to achieve shared objectives and use UK expertise to promote peace and security worldwide. DFID's GREAT for Partnership programme is supporting peer-to-peer partnerships between UK institutions and developing country counterparts. This has included, for example, deploying officers from the National Crime Agency to Nigeria, Kenya and Tanzania as Anti-Corruption Mentors. DFID's Rule of Law Expertise UK programme (ROLE UK) collaborates with the UK legal sector to make world-class legal expertise available to developing countries on a pro bono basis. Over 2017-18, ROLE UK supported 38 projects in DFID priority countries to strengthen the rule of law.

Following the launch of the DFID Transparency Agenda 'Open aid, open societies', the UK is leading the way to drive transparency standards across the world to make governments, company ownership and the oil and mining sectors more open, responsive and accountable.

DFID contributed to the UK's first Anti-Corruption Strategy, launched in December. DFID leads on 21 commitments within the strategy, including promoting best practice in development finance (through CDC); encouraging other institutions to adopt higher integrity standards; and working with UK Overseas Territories to improve tax transparency, in line with the Transparency Agenda.

DFID also supports the National Crime Agency and Crown Prosecution Service to tackle the UK end of corruption that affects developing countries, including tackling money laundering, increasing asset recovery and reducing bribery. Since DFID funding began in 2006, 29 companies and individuals have been convicted in the UK of bribery and corruption. Approximately £313 million of UK-located assets stolen from developing countries have been restrained, confiscated or returned as a result of UK law enforcement's own investigations.

DFID's support to Transparency International is enhancing the integrity of defence and security institutions in 32 countries by strengthening their capability to prevent and address corruption and helping them take better account of the interaction between corruption and insecurity. DFID is helping the Ministry of Defence and UK armed forces shape the environment during stabilisation missions to ensure that corruption risks and corrupt practices are not exacerbated in the first stages of stabilisation, and that good practices in defence governance are implemented.

Championing British values: freedom, democracy, tolerance and the rule of law

DFID's support to the Westminster Foundation for Democracy has strengthened government accountability in partner countries, for example, through helping parliaments improve financial oversight procedures and practices, including in some cases setting up Public Accounts Committees where these did not previously exist.

DFID's support to BBC Media Action allowed them to reach an estimated 280 million people in 15 fragile, poor or conflict-affected countries. TV, radio and online content has helped people to understand their rights and hold governments and other power holders to account, improve the health of mothers and their children, and increase people's resilience to natural disasters.

Demining

More than 60 million people still live with the daily threat of injury or death from land mines. Communities around the world are denied the basic right of access to health services, education, agricultural land and infrastructure, without putting themselves at risk. In April 2017, the Secretary of State committed to triple funding to mine action to £100 million over three years. In 2017-18, programmes in Afghanistan, South Sudan, Burma, Cambodia and Somalia have cleared over 28 million square metres of land and delivered mine risk education sessions to over 450,000 men, women, boys and girls.

Tackle crime and corruption

Tax and development

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 to advise developing country revenue authorities.

Through the Addis Tax Initiative, which we co-launched with the Netherlands, Germany and USA in 2015, the UK has committed to doubling its tax spend by 2020 from a 2014 baseline annual spend of £25 million.

Promoting gender equality and ending violence against women and girls

In 2017, the UK supported the Africa-led movement to tackle Female Genital Mutilation (FGM) to work with an additional 2,960 communities – representing over 6 million people – to commit to ending FGM. This brought the total to over 24 million people since 2014. Our support has also enabled 700 grassroots organisations to unite through *The Girl Generation*, the largest ever Africa-led collective working to catalyse efforts to end the practice of FGM.

Combatting the brutal slave trade

DFID is working with partners to tackle the scourge of modern slavery, including the worst forms of child labour. We are working to tackle the root causes of slavery and support victims, whilst addressing the factors that enable modern slavery to thrive, including supporting business to clean up supply chains, and building capacity of law enforcement.

DFID is leading the UK effort to drive change through the UN and other multilateral channels. At last year's UN General Assembly, the Prime Minister launched the 'Call to Action to end Forced Labour, Modern Slavery and Human Trafficking', which sets out commitments to address modern slavery at the national and international level. Subsequent advocacy and engagement has led to an increase in the number of country endorsements, which now stands at 50. We have also been pushing for increased action through the G7, the G20 and Commonwealth, and are working to coordinate donor efforts to ensure that international resources are being adequately leveraged in the fight against slavery.

The UK has committed to double ODA spend on modern slavery to £150 million. As part of this, DFID has announced £40 million of new funding that will reach at least 500,000 people at risk of slavery. DFID's previous flagship programme, the first phase of the Work in Freedom programme, has so far reached at least 380,000 woman and girls at risk of trafficking in South Asia.

Strategic Objective 2 (SO2): Strengthen 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, responding to the risk of famine, and improving the capacity of the poorest people to cope with disasters. The UK responds swiftly, flexibly and generously to help people at the most difficult times in their lives, and to ensure a more effective global response to crises and disasters by the international system. Our science and technology work has a strong focus on global public health risks, including antimicrobial resistance, and building systems to prevent further outbreaks of killer diseases like Ebola. We are improving the anticipation and management of risk and working with UK businesses to develop financial instruments that contribute to managing disaster risk.

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. Without concerted global action to limit and manage the impact of climate change, the huge gains in global poverty reduction that the UK has helped achieve over the last three decades could be reversed. DFID supports efforts to mitigate and adapt to climate change including low carbon development to reduce and avoid harmful greenhouse gases and building the resilience of the poorest and most vulnerable to 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

Support for ongoing crises

Humanitarian response

The UK is a **world leader** in humanitarian response. In 2017, **over 1,950 tonnes of emergency relief items** were dispatched by DFID to people in need around the world. DFID's **24/7 monitoring and readiness** means we can act quickly and flexibly to save lives when a disaster strikes. We hold dedicated stockpiles of humanitarian supplies in the UK and Dubai so we can respond quickly across the globe. But we do not just wait to respond when disaster strikes; we are also helping countries build their resilience and prepare for humanitarian crises. For example, we are pioneering new insurance-based approaches to ensure help arrives much faster than before and, where possible, we provide cash rather than food or in-kind goods because cash enables people to buy what they need most and to begin to rebuild their lives. The UK also seeks to prevent and resolve the conflicts that are in many cases the root cause of humanitarian need.

Critical to the UK humanitarian response is the Emergency Medical Team (EMT). Due to this partnership with the NHS, Fire and Rescue Service and the charity UK Med, DFID is able to deploy doctors and nurses anywhere in the world to respond to humanitarian emergencies. Their expertise includes specialist surgeons, trauma experts, general medical, public health and epidemiology. In 2017, the EMT undertook difficult work in Cox's Bazaar in **Bangladesh**, curbing the outbreak of deadly diphtheria amongst the Rohingya refugees.

At the beginning of 2017, 4 countries faced a simultaneous threat of famine. Over 20 million people across **Yemen, Somalia, Nigeria**, and **South Sudan**, were at risk of starving to death.

In 2017-18, the UK provided £205 million in aid to Yemen, making the UK the second largest donor to the UN appeal for one of the most serious current humanitarian crises in the world. This funding provided over 5.8 million people with at least a month's supply of food. In addition to this, DFID funded programmes in Yemen in 2017-18 targeted 1.7 million people with nutrition support and expect to have provided clean water and sanitation to 1.2 million people.

In Somalia, the UK is widely credited with having prevented a famine in 2017. Early warning systems worked well and a huge relief effort was spearheaded with an early £110 million contribution by the UK. By promoting a largely e-cash based response and by building on the longer term resilience programmes operating in Somalia, DFID was able to scale up and deliver impressive results, including: food or cash to over 2 million people, emergency health services for 1.1 million people, nutritional treatment for over 171,000 starving children, clean water for 1.7 million people and the vaccination of 12 million livestock. The response was underpinned by a robust monitoring system including a call centre, third party monitoring and impact survey. The UK provided £170 million funding in 2017.

Thanks to the UK's support in the conflict-affected north-east of **Nigeria**, 1 million people received food or cash, helping to avert a famine. In addition, 210,000 people received support to resume agricultural production and 25,000 children were provided with life-saving treatment for severe acute malnutrition. The UK provided more than £93 million of humanitarian support.

The humanitarian crisis in **South Sudan** is severe and protracted and, without peace, is progressively worsening. Over 4 million people are displaced and 5.3 million people (almost half the population) were classified as severely food insecure in January 2018 – 40% more people than this time last year. From our multi-year humanitarian programme for South Sudan, the UK provided 362,000 people with food or cash-based aid, 617,000 with clean water or sanitation, and 336,000 women and children with nutritional support. DFID spent £116 million in 2017.

Syria

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 over 5 million refugees have fled to neighbouring countries. Since February 2012, 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.

The UK has continued to play a leading role in the UN Security Council and the International Syria Support Group to press for unfettered access to deliver aid to those who need it. In January 2018, we lobbied successfully for the renewal of a UN resolution that enables aid to be delivered across the border into Syria without the consent of the Assad regime. In 2017, over 50 UN convoys delivered aid in this way to those who desperately needed it. DFID is working to ensure that help reaches those in the greatest need, and to improve the effectiveness and funding of the international response.

Iraq

As one of the earliest and largest donors to the UN Iraq Humanitarian Pooled Fund, a significant proportion of UK funding has been disbursed via this mechanism to enable humanitarian partners to provide food assistance; emergency cash transfers; shelter kits, upgrades to camps and household items; life-saving healthcare services; and safe drinking water, toilet and shower facilities to vulnerable Iraqis. Across Iraq since 2015, we have also championed the use of innovative cash transfer programming – cash payments to vulnerable households – which has enabled 125,616 people to receive emergency cash transfers to date. DFID spent £47.6 million in Iraq in 2017-18.

In addition, DFID provided £9.7 million in 2017-18 through the cross-government Conflict, Stability and Security Fund (CSSF) in Iraq. This funding helps stabilise areas liberated from Daesh by delivering basic services like water and electricity, rebuilding livelihoods, building capacity and supporting community reconciliation.

Democratic Republic of the Congo (DRC)

The UK is providing £227 million in humanitarian support to the DRC over a five-year period (2017 to 2022). This will provide over three million people with lifesaving support such as food, healthcare and clean water. We expect to reach over 785,000 people with food or assistance to meet urgent food and other basic needs, over 1.45 million people with access to clean drinking water and over 1.1 million people with essential health care such as drugs for pregnant mothers.

Sahel region

The Sahel is one of the poorest and most unstable regions in the world. Climate shocks, weak governance, conflicts and violent extremism are destabilising the countries in the region. DFID is increasing its engagement in the Sahel as part of a cross-government scale up in the region.

Between 2015 and 2019, we aim to support up to 2.5 million people in the Sahel to avoid the worst effects of shocks including drought and food insecurity, and to provide 2.3 million people with food assistance. 1,433,544 people have benefitted from adaptive social protection programmes in 2017 across the Sahel, including 217,000 people benefitting from cash based transfers.

In 2017, DFID funded the treatment of 226,419 malnourished children and provided food assistance to 104,085 people, and supplied water, sanitation or hygiene help to over 500,000 people in the Sahel. In 2017-18, DFID contributed £112 million to the region, supporting people with life-saving humanitarian aid as well as dealing with the effects of climate change and other major shocks.

Hurricanes Irma and Maria

Category 5 hurricanes Irma and Maria struck the Caribbean within the space of a fortnight in September 2017, causing unprecedented destruction across the region. More than 2 million people were affected. In the immediate aftermath, DFID played a leading role in the cross-government response. In all, the UK delivered 827 tonnes of urgent humanitarian supplies – including food, water, and shelter – and deployed over 70 humanitarian and logistics experts to coordinate the relief effort, spending over £185 million.

Working with partners across the region, DFID provided thousands of families with direct cash transfers to help them meet urgent needs and restore their livelihoods. In addition to providing building supplies to support early recovery, DFID is working with governments in the Caribbean to 'build back better' and strengthen their resilience against future storms. Before and after the 2017 hurricanes, DFID has worked to strengthen regional preparedness for natural disasters: providing support to improve weather forecasting, early warning systems, and regional disaster management institutions; supporting development of innovative disaster risk finance instruments; and investing in major projects which build climate resilience through the £300m UK Caribbean Infrastructure Fund (UKCIF).

The UK pioneered Caribbean Catastrophic Risk Insurance Facility (CCRIF) is an insurance mechanism which makes pay outs to Caribbean national governments when they are impacted by a disaster. The CRIFF is now independently financed. Pay outs for countries affected by Hurricane Irma were activated to fund immediate humanitarian needs. It paid out US$50.7 million to Caribbean territories affected by the 2017 Hurricanes.

Humanitarian reform

In October 2017, the UK set out a new Humanitarian Reform Policy[16] explaining innovations and improvements in the UK's humanitarian response and pushing for a more ambitious reform of the international humanitarian system. The UK will:

- **Continue to protect people in crises:** upholding humanitarian law and principles, and support our partners to do the same.
- **Deliver bigger, better, faster responses to rapid onset disasters,** as demonstrated in the Caribbean.

16 https://www.gov.uk/government/publications/uk-governments-humanitarian-reform-policy

- **Invest in resilience and preparedness** to respond, including using insurance and other risk-based finance to better manage risks from natural hazards.
- **Adopt a new long-term approach to protracted crises,** including support to countries hosting long-term refugees to generate livelihoods, trading opportunities and invest in people's future.
- **Challenge the international humanitarian system** to hold itself to account for delivering better for people affected by crises, and ensuring the most vulnerable people in the world are protected in line with best practice on safeguarding in the humanitarian system.

Where markets work, cash transfers are cheaper, safer and provide more choice to people in need than aid in kind. The UK has committed to more than double the proportion of aid it delivers through cash and vouchers by 2025, from a baseline of 14.5% in 2016.

Recognising our role as donors in delivering the vision of a more effective system in the face of unprecedented humanitarian needs worldwide, the UK is using its core funding to create incentives for multilateral organisations to perform better. From 2018, 30% of the UK's core funding to humanitarian agencies will be performance-based, dependent on the delivery of vital reforms agreed to at the World Humanitarian Summit (WHS) in 2016.

A new approach to protracted crises and refugees

The UK is driving a new approach to building stability and tackling protracted and recurrent crises. In 2017, the UK set up the Centre for Global Disaster Protection with the World Bank and Germany to help developing countries enhance their resilience to climate change and disasters. The Centre uses scientific research, risk analysis, and forecasting to help countries strengthen their disaster preparedness, embed early action, and establish pre-arranged disaster risk finance to help them respond and recover more rapidly and effectively in emergencies. DFID is also actively supporting the development of early response mechanisms that make use of forecasts to trigger agreed actions before disaster strikes, minimising the impact of known threats and reducing risk to the most vulnerable people; including shock-responsive social protection and forecast-based early action. We are funding world-class research and embedding emerging best practice in our day-to-day work.

DFID has also been strongly engaged in the development of a new UN Global Compact on Refugees aimed at embedding a longer term, more sustainable response that boosts refugees' self-reliance by delivering jobs, education and better services to both refugees and host communities.

The UK has been piloting new approaches to crisis response in Lebanon, Jordan and Ethiopia through refugee compacts agreed with host governments that support access to jobs and education. In Somalia, South Sudan and the DRC, the UK is putting new approaches in practice and working with others to address the root causes of crises through support to, for example, healthcare, education, economic development and governance.

Combating extremism, terror, and the perpetration of violence against people because of their faith, gender or sexuality

In collaboration with the FCO, DFID tackles violence against people because of their sexuality or faith in multilateral forums, by raising individual cases bilaterally and working to highlight discriminatory legislation and practices and by funding targeted project work.

DFID has worked closely with the FCO and the Home Office to highlight the important role that development can play in tackling the long-term drivers of violent extremism and terrorism. Our contribution is reflected in the National Security Capability (NSC) Review,[17] the UK's Counter Terrorism strategy CONTEST[18] and in the NSC strategies in priority country offices.

17 https://www.gov.uk/government/publications/national-security-capability-review-nscr
18 https://www.gov.uk/government/publications/counter-terrorism-strategy-contest-2018

Science and technology spend on global public health risks such as antimicrobial resistance (AMR)

Worldwide, millions die from preventable causes, especially the most disadvantaged. Countries with weak health systems are vulnerable to health shocks including disease outbreaks, and to AMR, including in relation to tuberculosis, malaria and HIV.

DFID directly supports developing countries to achieve universal health coverage (UHC), including strengthening health systems to enable better access to quality essential services without risk of financial hardship, and build capacity for preparedness and response. Globally, DFID is investing in strengthening WHO's role in UHC, health systems and emergency preparedness and response.

In 2017, the UK co-hosted a successful AMR call to action, securing increased international commitments. DFID co-funded the AMR Benchmark launched at the World Economic Forum in January 2018, which is the first independent analysis of pharmaceutical efforts to tackle drug resistance. With around 2 billion people lacking access to essential medicines, the pharmaceutical industry has a vital role to play in supporting access to safe, effective, quality and affordable essential medicines for all and in combatting AMR.

DFID is providing £250 million from the Ross Fund Portfolio to support the development of new products (eg diagnostics, drugs, vaccines) for diseases that pose public health risks such as tuberculosis, malaria, meningitis, neglected tropical diseases, outbreak diseases or where existing treatments are losing effectiveness due to AMR.

Support for efforts to mitigate and adapt to climate change and prevent environmental degradation

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 increasing its international climate finance by 50% to at least £5.8 billion between 2016-17 and 2020-21. DFID climate finance has supported 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 to gain improved access to clean energy.

DFID is leading reform of the international climate architecture, including the Green Climate Fund, to ensure it significantly reduces future greenhouse gas emissions as well as delivering tangible benefits for the poorest people who are already experiencing the severe effects of climate change. These activities will contribute towards achieving Global Goal 13 on combatting climate change and its impacts.

DFID is working with the Department for Environment, Food and Rural Affairs (Defra) across a number of areas to address catastrophic environmental degradation. Notably, Defra is now a co-funder of the Global Environment Facility (GEF), the leading mechanism for funding developing countries to address global challenges including biodiversity loss, land degradation, international waters, climate change, and chemicals and waste. DFID and Defra are working closely on the design and funding of the next four years of the GEF and pushing for increased focus on UK priorities including the illegal wildlife trade and marine plastic pollution. DFID also provides technical support to Defra policy-led programmes, for example, the Illegal Wildlife Trade Challenge Fund. Both departments have been working closely together over recent months on developing action to address waste management in developing countries as part of the government's commitment to tackle plastic waste.

DFID has committed to spending £65 million on clean energy Research, Development and Demonstration in 2020-21 as part of the wider UK commitment to the Missions Innovation initiative and we're increasing our spend year on year to reach that point. Programmes are being developed to deliver the best results for this commitment. In the past year, contributing programmes have supported technologies as diverse as second-life battery repurposing, off-grid refrigeration, smart mini-grids, and solar crop processing technologies.

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Correction:

Text previously read:

From 2015 to the end of 2016, CDC mobilised approximately US $2.8 billion in private investment

Text now reads:

From 2015 to the end of 2016, CDC mobilised approximately US $2.6 billion in private investment

Strategic Objective 3 (SO3): Promote 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, in partnership with the Department for International Trade, 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.

At the same time, it is crucial that we work with middle income countries to create an offer that helps keep them moving forward, rather than slipping backward, ultimately reducing poverty in countries at all stages of development.

Global Goals

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

Activities and achievements

Promote economic development and prosperity in the developing world

Jobs and incomes

In support of Global Goals 1, 8 and 10 we are increasing our effort to support more, better, and more productive jobs, especially for the poorest and most excluded groups, that generate rising economic returns and improve working conditions. This can only be done through dynamic partnerships with the private sector, civil society and governments.

As outlined in DFID's Economic Development Strategy,[19] private sector investment and international trade are powerful drivers of job creation, improved livelihoods, higher incomes and lasting poverty reduction. More than ever we are taking a 'whole of government' approach to supporting economic development in partner countries, whilst improving our offer to businesses wanting to trade and invest in these countries.

From 2015-16 to 2017-18, DFID supported 3 million people to raise their incomes or maintain/gain a better job or livelihood. From 2015 to the end of 2016, CDC mobilised approximately US $2.6 billion in private investment.[20] The Private Investment Development Group (PIDG) is estimated to have mobilised £4.9 billion from 2015 to 2017 in private investment.[21]

19 https://www.gov.uk/government/publications/dfids-economic-development-strategy-2017
20 2017 figures will be published in July 2018.
21 PIDG figures reflect total commitments for private sector investment reaching financial close in 2016 and 2017. CDC figures reflect the amount of private investment mobilised by CDC in 2016 using OECD methodology. These figures use different methodologies and so are not comparable.

Economic empowerment of women and girls

In support of Global Goals 1, 5, 8 and 10, DFID is investing in the economic empowerment of women and girls, which is critical for achieving genuinely inclusive growth. At the global level, the UN High Level Panel on women's economic empowerment, supported by DFID, has pushed for further action by producing practical toolkits to address the main factors affecting women and girls' economic empowerment.

DFID's programme portfolio was strengthened through a commitment of £7.4 million to the Women Entrepreneurs Finance Initiative (WeFI), which is an international platform for advocacy on women's entrepreneurship issues, providing women entrepreneurs with access to debt, equity, venture capital, insurance products, capacity building, networks and mentors, and opportunities to link into domestic and global markets. The Work and Opportunities for Women (WOW) programme is working towards establishing partnerships with the private sector and establishing a helpdesk to mainstream women's economic empowerment across the UK government's international Economic Development portfolio.

DFID's broader economic development programming continues to improve the lives of women and girls. For example, Land Investment for Transformation (LIFT) provides support to the Government of Ethiopia in the provision of map-based land certificates to farmers. The project aims to secure land ownership for 6.1 million households, of whom more than 80% are women. LIFT strengthens property rights, improves access to finance and stimulates land rental markets.

DFID continues to support innovative solutions to empowering adolescent girls. The SPRING (Assets to Adolescent Girl's Programme) business accelerator has supported 75 businesses in 9 countries in East Africa and South Asia to develop prototypes which disproportionately benefit adolescent women and girls. These prototypes help girls aged 10 to 19 to earn, learn, save and stay safe. Since 2014, SPRING has reached over 30,000 girls through its businesses and is on track to reach 200,000 girls.

Infrastructure, urban and energy

DFID is directly contributing to Global Goal 11 with its infrastructure portfolio, which spans a wide range of sectors including energy, water and sanitation, transport and trade, and urban.

DFID has a growing urban development portfolio including the Cities and Infrastructure for Growth (CIG) programme, which will advise partner governments and agencies, helping reform and strengthen the policy environment and promote investment, growth and job creation with a strong focus on urban development.

In contributing towards Global Goals 12 and 13, DFID is focused on developing a whole system approach to energy. As a result we are putting a stronger focus on energy efficiency and innovation, including support to new business models to deliver increasingly competitive solar energy. For example, we have launched two new programmes on mini-grids and grid rehabilitation in Sierra Leone that will deliver energy access to 1 million people.

From 2015-16 to 2017-18, DFID has installed 182 megawatts of clean energy.

Agricultural development

We continue to drive inclusive and sustainable growth, whilst tackling food security and nutrition in support of Global Goals 1 and 2. More than 8 million people have benefited from DFID's current agriculture programmes since 2010, which support smallholder farmers through improved inputs, access to markets and climate resilience.

DFID is working to catalyse private sector investment in agriculture in order to drive economic growth that creates jobs and raises incomes, alongside human development outcomes. DFID supports the Global Agriculture Food Security Programme (GAFSP), which has already reached over 9 million farmers in almost 40 countries. UK funding alone has benefitted up to 1 million people through this programme since 2011.

DFID's flagship programme on land governance, LEGEND, has been extended by a further £18 million to protect people's property rights and facilitate investment. This work plays an important part in securing a return for investors, as well as improving livelihoods in these communities. For example, our partner Namati is empowering communities in Sierra Leone and Myanmar to negotiate with companies that want to access their land. This will create long-term benefits for the community, as well as a financial return for the company.

CDC

CDC is helping to create jobs and enable businesses to grow in developing countries, attracting investment into the hardest to reach markets. CDC's new 5-year Strategic Framework was launched in July 2017. The new strategy builds on the substantial achievements of the 2012 strategy and aims to expand CDC's development impact. CDC has also made strategic commitments to women's economic empowerment and tackling climate change, and will increase its accountability by leading the way among its Development Finance Institution (DFI) peers on transparency and tax.

Contribute to the reduction of poverty whilst strengthening UK trade and investment opportunities around the world

Trade as an engine for poverty reduction

At the World Trade Organisation's Ministerial Conference (MC11) in December 2017, the UK announced its contribution of over £16 million to the second phase of the Enhanced Integrated Framework (EIF); an aid-for-trade fund dedicated to the Least Developed Countries. This contribution will make us the EIF's largest donor.

Duty-free, quota-free access for the world's Least Developed Countries to UK markets

In the Trade White Paper, published in October 2017, the UK announced that we will put in place a UK trade preferences scheme for developing countries as we leave the EU which will, as a minimum, provide the same level of access as the current EU trade preference scheme. We will also seek to replicate the EU's Economic Partnership Agreements (EPAs), which are development focused trade deals with Africa, Caribbean and Pacific countries.

As part of this, DFID will build on our track record as a champion of trade and development by offering a fully integrated trade and development package that strengthens support to developing countries.

Working with the private sector

Inclusive growth that creates jobs, drives innovation and ensures investment in key infrastructure – key elements of Global Goals 8 and 9 – requires efficient and transparent capital markets. DFID is actively working with countries to support their access to long-term finance. By supporting countries to assess their needs and develop sound financial sector regimes, capital can be allocated to those areas that need it most. For example, DFID Financial Sector Deepening Africa initiative has recently entered into a partnership with the Bank of Ghana to help support the development of the credit market – a critical part of the financial system enabling people to invest. This is all part of DFID's broader approach to leverage the City of London as the financial centre of choice for Africa.

Strategic Objective 4 (SO4): Tackle extreme poverty and help 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 sustainable 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, such as people with disabilities. DFID is preparing to hold a Global Disability Summit in July 2018, and continues to provide international leadership on women and girls – the Secretary of State launched a new Strategic Vision on Gender Equality in March 2018. Our work under SO3 also delivers towards SO4 by ensuring that the poorest and most disadvantaged groups benefit from economic prosperity.

We are also considering how we can best reform the multilateral system to make it as effective as possible, including through engagement with the countries which are becoming more influential on the world stage to shape the global architecture.

Global Goals

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

Activities and achievements

Lead the world to end extreme child poverty

DFID supported poor and vulnerable people in 23 countries through our cash transfer and broader social protection programmes, helping a significant proportion of poor and vulnerable children. This includes helping them to go to school, eat a more diverse diet, afford medicines and health care, and cope better with shocks.

DFID continues to improve maternal, newborn and child health with 22 programmes in 16 countries, and through large regional and multilateral investments. We are on track to deliver the UK results target through Gavi (Vaccine Alliance) to immunise 76 million children and save 1.4 million lives between 2016 and 2020. The UK contributed to immunising 15 million children and saving over 300,000 children's lives in 2017-18.

We have helped 13.5 million people gain access to water and sanitation services, a significant proportion of these are children, which helps to reduce disease and deaths in under-5s.

DFID has also increased its focus on protection of children from violence, abuse and exploitation through its support to the Global Partnership to End Violence Against Children and efforts to address modern slavery.

Supporting the world's poorest people to ensure that every person has access to basic needs

Education

DFID's new Education Policy was published on 2 Feb 2018: 'Get Children Learning'.[22] This confirms DFID's focus on getting all children learning, with specific priorities to: invest in good teaching, back system reform which delivers results in the classroom, and step up targeted support to the most marginalised. The UK, along with World Bank and France, has designated 2018 to be a 'Global Year of Learning' to shine a spotlight on the learning crisis and galvanise global action.

In February 2018, DFID pledged to keep 880,000 children in school each year, with a further £75 million a year of funding to the Global Partnership for Education. This ensures we remain one of the largest donors.

Health

In 2017, UK-funded programmes delivered over 144 million treatments for Neglected Tropical Diseases (NTD) and over 60,000 surgeries, to reduce or avoid disability, including blindness. In April 2017, the UK announced investment of £360 million up to March 2022, to tackle NTDs.

DFID is a long-standing supporter of the Guinea Worm Eradication Programme. In March 2018, South Sudan declared that it had been Guinea Worm free for a year. This marks one step further on the path to global eradication of this disease, with only two countries (Chad and Ethiopia) reporting cases during 2017.

Strengthening health systems is a key priority for the UK to ensure they are resilient and responsive, can respond to the health needs of the population, and can efficiently detect and respond to disease outbreaks. In addition to embedding the strengthening of health systems across our health activities, we are also supporting global policy. For example, the UK has supported over 30 countries to develop and strengthen their health financing strategies and reforms. This work is being followed up by a new programme, 'Making Country Health Systems Stronger', approved in late 2017, which will focus on health financing, access to medicines and health information systems.

The UK has considerable expertise to share. By 2018, the DFID Health Partnerships Scheme had supported 180 partnerships in 31 developing countries. Over 2,000 NHS staff volunteered overseas to train over 84,000 health workers, building the capacity of their overseas counterparts and bring back benefits to the UK as NHS volunteers return with enhanced skills, motivation and confidence. In October 2017, DFID announced the £30 million programme 'Stronger Health Partnerships for Stronger Health Systems'. This will continue the UK's support to global health partnerships.

DFID funding in the Ross Fund Portfolio has supported research into the biggest threats to global health, including diseases that cause epidemics (such as Ebola and Lassa Fever), diseases where some existing treatments no longer work effectively due to antimicrobial resistance (such as tuberculosis and malaria) and neglected tropical diseases (such as sleeping sickness) that impact on the poorest people.

UK funded health research is saving and changing lives all over the world. Work DFID has supported includes:

- The development of a new vaccine against a virus (rotavirus) that causes diarrhoea.
- The development of a simple to use, rapid diagnostic test for sleeping sickness. The test can be performed with minimal training, does not need to be refrigerated and provides a result in 15 minutes.
- Over 350 million child-friendly treatments of a sweet tasting malaria drug (CoartemD®) delivered in 50 countries.
- 60 countries have adopted the first ever appropriately dosed TB drug formulation to treat children with drug sensitive tuberculosis.

22 https://www.gov.uk/government/publications/dfid-education-policy-2018-get-children-learning

- Research that has been instrumental in developing surveillance systems to track the growing problem of malaria parasite resistance to existing treatments, and are testing the use of Triple Artemisinin-based Combination Therapies to see if this treatment can be used effectively to help contain the resistance.

Since 1988, the UK has been at the forefront of the fight against polio, providing support to the Global Polio Eradication Initiative (GPEI). We are now closer than ever before to making polio only the second human disease in history to be eradicated after smallpox. GPEI has led global efforts to reduce wild poliovirus cases by more than 99% from 350,000 cases a year in 125 countries in 1988 to 22 cases in 2017; the lowest number of annual cases ever. The UK has committed £1.3 billion to GPEI since 1988. This includes an additional commitment of £100 million made in 2017 for support over 2018-2020.

Better nutrition

In October 2017, DFID published 'Saving lives, investing in future generations and building prosperity: the UK's Global Nutrition position paper'.[23] This new global nutrition strategy sets out how the UK plans to deliver results and show leadership on tackling global undernutrition.

In November 2017, DFID helped convene the Global Nutrition Summit 2017 in Italy, hosted by the Italian government and Mayor of Milan. The summit brought together governments, cities, international agencies, foundations, civil society organisations and businesses to accelerate the global response to malnutrition, an underlying cause of nearly half of all global child deaths. It galvanised US$3.4 billion to tackle the global nutrition crisis, including US$640 million in new commitments. The Milan Summit was the final stage of a series of UK ministerial engagements on nutrition in 2017. It followed the Spotlight on Nutrition event, co-hosted by the World Bank and DFID at the World Bank Spring Meetings, and the Human Capital Summit in October at the Annual Meetings.

Clean water and sanitation

By spring 2018, we had achieved two-thirds of our target of reaching 60 million beneficiaries with clean water and/or sanitation by 2020.

We are focusing on ensuring the sustainability of our WASH (Water, hygiene and sanitation) programmes and will be commissioning an assessment of how many of the 64.5 million people we reached between 2011 and 2015 have maintained access to services. We will use the lessons that come from this assessment to develop future programmes of building national systems for WASH service delivery.

The WASH Results Programme has continued to play a leading role in the sector through its use of payment by results. Through our partnerships with UNICEF at country and global levels, we have supported them to improve value for money.

DFID has continued to work closely with the Sanitation and Water for All partnership to ensure greater support and investment in water and sanitation and to improve the global architecture for monitoring SDG 6.

Rights of girls and women

The UK is proud of the leading role we play on the global stage in tackling the barriers girls and women face to achieving their potential, and providing them with the opportunities to thrive – from securing unprecedented global commitments on priorities such as family planning, which are delivering sustained results for women and girls across the globe; to supporting millions of girls and women through UK aid funded programmes.

23 https://www.gov.uk/government/publications/saving-lives-investing-in-future-generations-and-building-prosperity-the-uks-global-nutrition-position-paper

Gender equality

Gender equality is a top development priority for DFID. In March, we launched a new Strategic Vision for Gender Equality.[24] It is a global Call to Action to everyone, recognising that we all need to take action in everything we do, for gender equality to become a reality. It sets out the UK's global leadership in securing, with our partners, the rights of all girls and women globally, particularly in fragile and conflict-affected states and in humanitarian and protracted crises. A key commitment in this is to place a stronger emphasis on integrating and tracking results on gender equality in everything we do.

We also launched the National Action Plan on Women, Peace and Security in January, together with the Foreign and Commonwealth Office and the Ministry of Defence. This sets out how the UK will place women at the centre of overseas efforts to prevent and resolve conflict. It commits the UK to progress against 7 strategic outcomes, on topics including gender-based violence, humanitarian response, security, and justice and leadership in peacebuilding decision-making processes, and identifies nine focus countries, including Afghanistan and Syria.

Girls' education

DFID, with the Foreign and Commonwealth Office and Department for Education, outlined a collaboration on girls' education focused on leading by example to get girls learning. This includes through DFID's flagship Girls' Education Challenge (GEC); building international political commitment; boosting global education investment and improving results for marginalised girls; harnessing UK expertise and thought leadership; and connecting even better with the British and global public.

The Girls Education Challenge (GEC) is a flagship DFID programme that currently supports up to 1 million marginalised girls to benefit from a quality education. Since its launch in 2012, GEC has reached 2.2 million girls, including 50,000 girls with a disability. The GEC also aims to deepen global understanding of what works for girls' education, particularly during adolescence and in the transition through education and to work.

Sexual and reproductive health and rights (SRHR)

In 2017-18 alone, we supported 14 million women to use modern methods of contraception. This helped to prevent 4.4 million unintended pregnancies, 1.2 million unsafe abortions, saved 4,900 maternal lives, and prevented the traumas of 53,500 still births and 31,400 newborn deaths.

In July 2017, the Prime Minister co-hosted the Family Planning Summit and committed to spending an average of £225 million every year for the next five years on family planning. This represents a 25% increase in current DFID spending levels. Ensuring no woman is left behind, DFID used the summit to shine a light on two neglected groups – adolescents and women and girls in crises. We led and signed up to the Global Adolescent Data Commitment and at the summit committed to ensuring all our future SRHR programmes include a specific focus on adolescents.

We committed to delivering the revised Minimum Initial Service Package for Reproductive Health in Crises and are leading new initiatives to increase the delivery of life-saving SRHR services in humanitarian crises. These include an innovation challenge for grassroots organisations, funding to improve global data and accountability for SRHR in crisis settings, and increased programming in Syria, Nigeria and Bangladesh. We also committed to helping increase domestic financing and are investing in robust processes to monitor this.

The UK is committed to enabling all girls and women to manage menstruation safely, hygienically and with dignity, allowing them to stay in school and participate in society during their period. In 2017, we funded schools-based menstrual hygiene projects in 12 countries and supported the publication of a Menstrual Hygiene Management Toolkit for humanitarian actors.

24 https://www.gov.uk/government/publications/dfid-strategic-vision-for-gender-equality-her-potential-our-future

Disability inclusion

The Secretary of State has reaffirmed DFID’s commitment to achieving progress for people with disabilities, stating that the department will put disability inclusion at the heart of its work.

On 30 November, in her first major speech, she announced that DFID would hold a Global Disability Summit in July 2018 to tackle the barriers that prevent people living with disabilities in the world’s poorest countries from reaching their full potential. In partnership with the International Disability Alliance and the Kenyan government, the summit will aim to strengthen global efforts to achieve greater inclusion of people with disabilities into society and be the starting point for major change on this neglected issue.

DFID is committed to promoting the rights and amplifying the voices of people with disabilities in developing countries. Through the Disability Catalyst Programme, DFID supported people with disabilities and disabled persons’ organisations in countries including Uganda, Bangladesh and Rwanda to advocate for their rights.

We recognise the potential of innovation and technology to transform the lives of people with disabilities. Through the Amplify Challenge programme we have funded development of cutting edge solutions to tackle the barriers faced by people with disabilities including in Nepal and Zambia.

DFID has been doing important groundwork to ensure people with disabilities are not left behind in conflict and humanitarian emergencies. In March, HelpAge International published DFID-funded humanitarian inclusion standards for older people and people with disabilities – including practical support and advice which is ready to be put into practice by humanitarian actors. DFID is also working with Humanity and Inclusion (HI) to produce guidance to strengthen disability data in humanitarian settings.

Strategic Objective 5 (SO5): Improve the value for money and efficiency 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 – and serves the UK's interests. 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.** Strategic objective 5 therefore drives all that DFID does.

VfM means that we work to maximise the impact of each pound spent to support the world's poorest people and promote our national interests. We apply VfM approaches as follows:

- At a **strategic level**, we work to improve the impact of all UK ODA, 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 UK taxpayer.

Across all of these levels, DFID invests in the key factors that contribute 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 VfM work-plan will further drive VfM across all these levels.

Global Goals

DFID's work under SO5 is contributing to the following Global Goals:

Activities and achievements

Deliver value for money

Official Development Assistance (ODA)

The latest data shows that the UK continued to meet the international commitment to spend 0.7% of GNI on ODA, providing £13,933 million[25] of ODA in calendar year 2017.

All 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.

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 ODA contributors throughout the year. We report to the OECD and publish National Statistics releases twice a year. It is the responsibility of each ODA-spending department to ensure that all of their ODA offers value for money for the UK taxpayer and that it complies with OECD rules.

DFID provides a range of support to other departments and cross-government funds in different areas of work involved in administering ODA. This includes advice on implementing programmes, the principles and implementation of DFID Smart Rules,[26] value for money and transparency. Other government departments have access to DFID's Evaluation Quality Assurance and Learning Service (EQUALS) and 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 threshold). DFID leads work to share learning about evaluating ODA through a cross-government monitoring and evaluating ODA group.

The ODA rules are crucial to ensuring the quality and consistency of aid given by the world's biggest donors. Reforming the rules is about ensuring we have a global aid system that keeps pace with new challenges. We also want to make sure we get the most out of the 0.7% commitment for the world's poorest and UK taxpayers. Last year's devastating hurricanes in the Caribbean demonstrated all too clearly the need for appropriate flexibility in the ODA rules. As a direct result of the UK highlighting the issue, DAC members agreed to work on creating a new mechanism to allow countries and territories to regain their ODA-eligible status, if their income per person falls low enough. This achievement addresses a long-standing gap in the rules and recognises the fact that development is not always linear.

Drive efficiency and effectiveness in all our programmes

DFID uses a Portfolio Quality Index (PQI) score to measure the extent to which projects are on track to deliver their expected outputs. In 2017-18, DFID's PQI score ranged between 102.3 and 104.3, indicating that, on average, DFID's outputs met or exceeded expectations.

DFID continues to strengthen programme and financial management procedures and controls through the department's Better Delivery reforms. In the past 12 months this has included reviewing and improving the Business Case process and the Annual Review process. Work is underway to improve how we design programmes and manage portfolios. The Smart Rules continue to be refined, with six monthly reviews, to ensure they reflect organisational priorities and are clear and focused. The Smart Guides that provide practical advice to programme delivery teams are regularly refreshed and new guidance produced in response to emerging priorities and learning.

DFID continues to strengthen our approach to managing delivery chain risk. The launch of DFID's Aid Diversion response strategy, and new internal delivery chain mapping process, emphasise DFID's primary partners' responsibilities in assessing and mitigating fiduciary and other risks across a

25 Based on provisional statistics on ODA available at the time of publication. Final statistics on 2017 ODA will be published in autumn 2018.
26 https://www.gov.uk/government/publications/dfid-smart-rules-better-programme-delivery

delivery chain's downstream partners. DFID has produced guidance for primary partners to help them do this efficiently and effectively.

DFID achieved £114.9 million of commercial savings from effective procurement against a target of £114 million in the financial year ending 31 March 2018. In 2016-17, 80% of valid invoices were paid within 5 days of receipt against a target of 80%. DFID spent more than £230 million (18%) in 2017-18 for direct spend through small and medium-sized enterprises. Indirect figures are projected to be 20% to give an indicative total of 38%.

The department's overall administration spend has decreased as a percentage of Total DEL from 1.58% (£123 million) in 2011-12 to 0.97% (£97 million) in 2016-17. This represents a reduction of 21%.

Research and evidence

We use the evidence base from our research and evaluation to drive reform and encourage improvement across the global aid system. The newly created Evidence Department brings together teams in the Research and Evidence Division that focus on: generating evidence and supporting learning within DFID; strengthening internal evidence systems; and improving evidence systems in developing countries. The department works directly with teams across DFID on defining and addressing priority evidence needs, including direct support to DFID offices in the South Asia, East Africa, and the Middle East and North Africa regions. This includes mapping and synthesising evidence in strategic areas such as migration, modern slavery, countering violent extremism, and disability inclusion, to harness evidence for effective decision-making.

Provide greater transparency

Improving transparency

In the UK Aid Strategy, the government committed that every government and organisation that we fund should meet 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) by 2020.

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 Aid Transparency Index in 2016. DFID raised its requirements of partners in the Bilateral and Multilateral Development Reviews, and we now insist that our partners should expect all organisations in their delivery chains to also publish to international transparency standards.

These requirements were reinforced in DFID's new Transparency Agenda 'Open aid, open societies: A vision for a transparent world'[27] launched in February 2018 which sets out how DFID will promote global transparency initiatives and standards and improve the value and use of aid data to ensure that transparency delivers impact and strengthens accountability. DFID also published guidance for implementing partners on publishing to the International Aid Transparency Initiative (IATI) standard and on their responsibilities to produce relevant, timely and high-quality data.

DFID offers guidance, technical advice and training to support other government departments to meet the transparency target set out in the UK Aid Strategy.

Multilateral reform

90% of DFID's core multilateral funding goes to agencies rated as top performers in the Multilateral Development Review[28] (MDR, December 2016). Since the MDR was published DFID has expanded the use of performance-based financing. Strict performance improvement plans have been introduced for the worst performing agencies. A total of 18 multilaterals are now subject to performance-related funding with targets agreed up-front on the reforms and results we expect to see on the ground. During 2017, DFID significantly changed its approach to UN funding in response to MDR findings and in the context of the UN Secretary General's own UN reform campaign. Ten agencies that receive voluntary funding were grouped (humanitarian cluster and development

27 https://www.gov.uk/government/publications/open-aid-open-societies-a-vision-for-a-transparent-world
28 https://www.gov.uk/government/publications/raising-the-standard-the-multilateral-development-review-2016

cluster) with the explicit objective to promote collaboration across these agencies and to push a common set of reforms, linked to 30% of funding.

Countering 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.

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 2017-18. 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. Details of our fraud loss statistics are published on the GOV.UK website.[29]

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, and the Audit Risk and Assurance Committee, 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.

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 Independent Commission for Aid Impact (ICAI) to provide independent evaluation and scrutiny of all UK Government aid spending.

The role of ICAI is "to provide independent evaluation and scrutiny of the impact and value for money of all UK government ODA". ICAI reports to the International Development Committee in Parliament and makes its reports available online. In addition, DFID-commissioned independent evaluations and reports from these along with 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 made its Global Evaluation Framework Agreement (GEFA) open to other departments, ensuring that they have access to evaluation contractors with experience and expertise in international development. To support the technical quality of other government department's evaluations DFID has opened up access to its Evaluation Quality Assurance and Learning Service (EQuALS) which provides independent quality assurance of evaluations and also provides technical assistance in evaluation design and management.

29 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/657395/Summary-losses-closed-fraud-cases-201617.pdf

DFID has established a cross-government group to share best practice and lessons learned in monitoring and evaluating ODA and DFID's Evaluation Unit provides technical assistance to two prioritised evaluations that are being managed by other government departments: The Prosperity Fund (Foreign and Commonwealth Office) and the Fleming Fund (Department of Health).

DFID is subject to further external scrutiny by the International Development Committee, which monitors the policy, administration and spending of DFID, the Committee of Public Accounts, which scrutinises the value for money of public spending, and the National Audit Office, which scrutinises public spending for parliament.

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

DFID is committed to tripling the size of the International Citizen Service by the end of this parliament. With 6,548 new volunteers in 2017-18, there are now more than 34,000 young people from the UK and developing countries who have taken part in the programme. Volunteers work together on sustainable development projects overseas and carry out civic action in the UK. This enables a generation of young adults to contribute to global poverty reduction and make a positive contribution to society as global citizens.

UK Aid Match

In 2017-18, DFID spent £46.4 million on the UK Aid Match scheme. Last year, the scheme gave the UK public the opportunity to double every pound they donated to 27 UK aid-matched international development charity appeals. These appeals spanned a wide range of issues, including tackling violence against women and girls; hunger and malnutrition; provision of clean water; and demining, among others. This meant that an estimated £33.5 million of UK aid will be matched to causes the public chose to support, with funding provided over the course of the next three years.

Responding to correspondence from the public

In 2017-18, DFID received 6,013 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 2016-17' noted that one complaint against DFID was accepted for investigation during the financial year 2016-17. The complaint was fully upheld. The Ombudsman made two recommendations, both of which DFID complied with.

This is the most recent information available.

DFID takes all complaints about our service very seriously. Our complaints process is published on the GOV.UK website[30] to encourage people to get in touch with any problems that they have encountered so that we can improve our service in the future.

30 https://www.gov.uk/government/organisations/department-for-international-development/about/complaints-procedure

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 2017-18 against Estimates subheadings is reported in the analysis of net resource outturn by section. The Departmental Board, supported by the Management Board, controls and monitors expenditure against these targets throughout the year.

DFID's total resource and capital budgets for 2017-18 were £11,210.4 million (2016-17: £10,607.6 million) and actual outturn was £10,968.6 million (2016-17: £10,441.9 million). The total outturns represent an underspend of £241.7 million (2016-17: £165.7 million) from Estimates, of which £109.5 million was within AME and £132.2 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.

2017-18 voted budget and outturn information is summarised in the table below.

	2017-18			2016-17		
Voted	**Estimate £m**	**Outturn £m**	**Saving £m**	**Estimate £m**	**Outturn £m**	**Saving £m**
RDEL – Resource	7,155	7,119	37	6,973	6,909	64
CDEL – Capital	2,747	2,713	34	2,607	2,591	16
AME – Resource	412	303	109	192	159	33
AME – Capital	395	395	–	285	285	–
Total – Voted	10,709	10,530	180	10,057	9,944	113

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 99.3% of available DEL compared with the Voted Estimate for the year. Underspends of £36.6 million on RDEL and £33.6 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 analysis of net resource outturn by section (SOPS1.1) and analysis of net capital outturn by section (SOPS 1.2). An underspend of £109.5 million was recorded against the Voted AME Estimate (2016-17: £32.8 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 £1,753.7 million of programme capital spend that is recognised as an operating cost in the Consolidated Statement of Comprehensive Net Expenditure. In addition, £439.0 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[31] on an accruals accounting basis, including that which sits outside of the Estimate.

The Departmental Group's net operating expenditure amounted to £9,208.8 million in 2017-18, up from £9,085.8 million spent in 2016-17.

A key factor driving the increase in expenditure was accounting adjustments for the time value of money associated with the disbursement of development capital loans.

31 Departmental Group comprises DFID, ICAI and CSC.

Consolidated Statement of Financial Position

The Departmental Group's net assets at 31 March 2018 amounted to £5,219.2 million, an increase of £1,975.7 million on net assets held at 31 March 2017. Key movements in the department's Statement of Financial Position are included in the table below:

	2017-18 £m	2016-17 £m	Movement £m	Significant factors contributing to movement
Property, vehicles and equipment	92.6	61.2	31.4	▪ Revaluation of 22-26 Whitehall land and buildings.
Financial investments	9,908.5	8,942.7	965.8	▪ Equity injection of £395.0 million to the CDC Group plc. ▪ Contributions to International Financial Institutions totalling £97.2 million. ▪ Additions of £29.8 million to DFID's development capital investment portfolio. ▪ Investment revaluations amounting to £443.9 million: (i) A decrease of £72.8 million in the fair value of CDC Group plc as there has been a portfolio loss overall, but looking at the portfolio return in USD gives a positive return. The £:$ movement has driven the loss. 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 £561.4 million driven by increases in the value of underlying assets. (iii) A decrease in the revaluation of development capital investment portfolio of £13.3 million and a transfer of two DC assets valued £31.4 million from DFID to CDC for no consideration.
Trade and other receivables	1,182.1	837.6	344.5	▪ Net increase of £369.0 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 £820.0 million which is reported at an amortised cost of £347.6 million (all within trade and other receivables due after more than 1 year). ▪ £15.9 million reduction in consolidated fund debtor balance.

	2017-18 £m	2016-17 £m	Movement £m	Significant factors contributing to movement
Trade and other payables	(4,891.3)	(5,372.3)	481 .0	▪ Net decrease of £484.6 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 £1,490.7 million in 2017-18. Significant new notes related to IDA (£371.7 million), CDC Group plc (£395.0 million), the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) (£317.1 million) and African Development Fund (£152.8 million). Other notes deposited totalled £254.1 million. (ii) Promissory notes totalling £1,971.9 million were encashed in 2017-18. (iii) Foreign exchange rate losses of £3.4 million incurred on promissory notes denominated in US dollars. (iv) Promissory notes are payable on demand and are therefore recorded within current liabilities.
Pension liability	(35.2)	0	(35.2)	▪ Recognition of Cordoba and Gibraltar Social Insurance fund pension liability from 31 March 2018 (in 2016-17 this fund had been recognised as a provision rather than a pension liability).
Provisions	(1,038.0)	(1,218.4)	180.4	▪ Decrease related principally to utilisation of provisions held in respect of 2 multilateral programmes: the International Finance Facility for Immunisation and the Advance Market Commitment programme. Liability for both programmes is fully provided, therefore main movements now relate to utilisation of these two provisions hence the year on year decrease in the liability.

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 government's environmental targets and has a strong record of improving our environmental performance through a combination of investment in new technologies and equipment and behavioural changes. Our procurement practices are consistent with key legislation and international principles on labour, social and environmental matters. DFID is also committed to supporting the government's efforts to eradicate consumer single-use plastics from the government estate.

The Smart Rules[32] provide the operating framework for DFID's programmes. These are clear about the need to consider sustainability and resilience in our programming to possible future shocks, including political, economic, security, environmental, social, and climatic – further guidance is provided internally by the Climate and Environment Smart Guide. DFID will also be taking action on the basis of the ICAI recommendations made in February 2018 to further embed resilience into processes and tools, including by increasing the sharing and uptake of learning on resilience across the organisation.

Governance

DFID's Sustainable Operations Board (SOB) sets the environmental policy framework for the DFID UK estate and reviews progress against the Greening Government Commitments (GGCs). There are two departments with responsibility for environmental matters; Climate and Environment Department, which leads on programme/policy issues; and DFID Estates, which manages environmental issues within the DFID UK estate.

Smarter Working

DFID remains a strong advocate of the cross-departmental 'The Way We Work' programme[33] (or Smarter Working), which aims to create better working environments for all staff around modern workplaces, flexible working, substantially improving IT tools and streamlining security requirements. Home working 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 space utilisation and deliver a more productive, flexible and efficient office. We are working with eight other government departments in a `cluster' arrangement 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 FCO estates planning and governance structures under One HMG.

Scope of Reporting

Sustainable operations in the UK

The government is committed to sustainable development and its integration into the way we make policy, run our buildings and purchase goods and services. It has recently published a wide-ranging 25 Year Environment Plan[34] setting out an ambitious agenda to help reduce the environmental impact of the actions we take. As part of the drive to positively impact the environment, the government first published a set of environmental targets in 2009-10, the Greening Government Commitments (GGCs). The GGCs, which originally ran for five years and provided a framework for achieving reductions to the UK Government's environmental impact, have now been extended to 2020 and require departments to further reduce greenhouse gas (GHG) emissions, waste and the number of domestic flights. DFID has made significant progress towards meeting the original GGCs and will

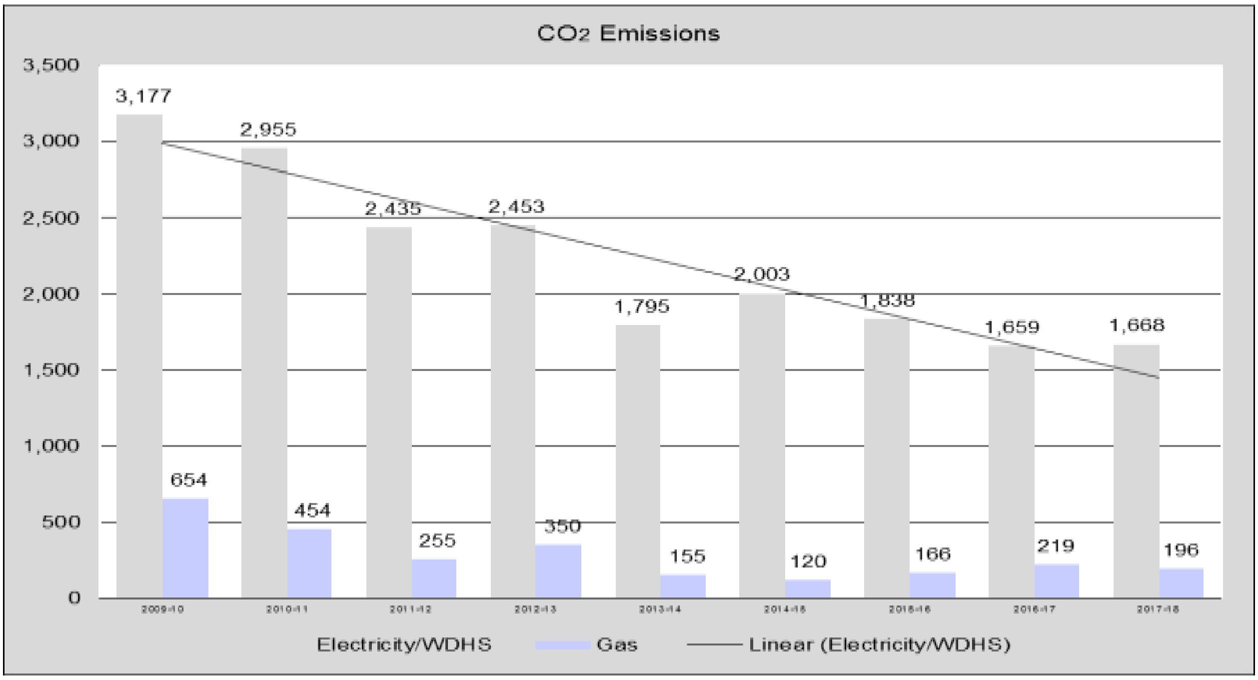
32 https://www.gov.uk/government/publications/dfid-smart-rules-better-programme-delivery
33 https://www.gov.uk/government/publications/the-way-we-work-tw3-best-practice-guidelines-for-smarter-working
34 https://www.gov.uk/government/publications/25-year-environment-plan

continue to strive to meet the new, revised, targets. DFID has set out our ambition for the future in a Carbon Management Plan, running to 2020. This allows us to integrate environmental considerations into the day-to-day running and upkeep of the estate and helps us 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	2017-18
Non-financial indicators (tCO_2)	Total Gross Emissions	3,831	3,409	2,690	2,803	1,950	2,123	2,004	1,878	1,864
	Gross Emissions (Scope 1 (direct)	654	454	255	350	155	120	166	219	196
	Gross Emissions Scope 2 & 3 (indirect)	3,177	2,955	2,435	2,453	1,795	2,003	1,838	1,659	1,668
Related Energy Consumption (thousand Kwh)	Electricity: Non renewable	5,930	5,455	4,121	3,959	3,712	3,716	3,705	3,477	3,528
	Electricity: Renewable	–	–	–	–	–	–	–	–	–
	Gas	3,564	2,464	1,485	1,891	844	786	900	1,188	1,063
	LPG	–	–	–	–	–	–	–	–	–
	Biomass	–	–	–	–	–	268	194	2	211
	Whitehall District Heating Scheme (WDHS)	–	–	–	–	105	592	511	276	294
Financial indicators (£'000)	Expenditure on Energy	£479.0	£550.0	£513.0	£604.0	£468.0	£492.0	£521.0	£521.0	£589.0
	CRC licence Expenditure	£0.0	£0.0	£0.0	£0.0	£0.0	£0.0	£0.0	£0.0	£0.0
	Expenditure on accredited offsets	£303.0	£121.0	£180.0	£160.0	£53.0	£51.0	£0.0	£55.0	£61.0
	Expenditure on official business travel	£4,437.0	£3,938.0	£4,050.0	£5,611.0	£6,418.0	£5,585.0	£5,432.0	£5,655.0	£0.0



DFID has made considerable progress in reducing GHG emissions across all areas and since 2009-10 we have achieved savings of over 40%. Many of the savings are as a result of projects we have put in place such as the improved management of plant operation, server and printer rationalisation and general estate rationalisation. DFID has also carried out improvements to the fabric of its buildings including better insulation and draught proofing.

Reducing waste

Waste		2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Non-financial indicators	**Tonnes of Waste**	**322**	**283**	**267**	**210**	**210**	**214**	**221**	**201**	**134**
	Waste Recycled	265	232	186	152	152	144	165	135	61
	Waste to Landfill	57	51	15	6	6	0	0	4	1
	Waste Incinerated	0	0	66	52	52	70	56	62	72
Financial indicators (£k)	Waste Recycled	£35.7	£40.2	£41.3	£37.2	£45.1	£36.4	£47.3	£34.9	£13.9
	Waste to Landfill	£7.7	£8.7	£9.1	£3.2	£1.9	£0.0	£0.0	£1.0	£0.2
	Waste Incinerated (without energy recovery)	£0.0	£0.0	£0.0	£12.8	£15.7	£17.9	£16.0	£16.1	£16.0

In the revised GGC to 2020, the specific commitment is to reduce the amount of waste going to landfill to less than 10%, which DFID are within. The other aspect to the new GGCs is to require departments to improve their waste management. As part of an ongoing strategy, we are in the process of procuring and installing new bins and signage to improve the way we stream, segregate and recycle waste.

Travel related emissions

Domestic air miles		2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
	No of flights	3,610	–	3,177	3,718	4,876	4,390	4,147	4,577	4,693
Non–financial indicators (tCO_2)	Domestic air miles (m)	1.50	1.35	1.30	1.80	1.78	0.00	1.70	1.83	1.93
	Carbon (tCO_2e)	463	410	356	505	496	524	425	472	445
Financial indicators (£000)	Expenditure on official business travel	£4,437	£3,938	£4,050	£5,611	£6,418	£5,585	£5,181	£5,655	£5,926

The vast majority (more than 85%) of domestic flights were between London and Glasgow, connecting DFID's UK headquarters. We have a policy in place where staff, who need to travel by air within the UK, fly economy class. In addition, we have increased the use of video conferencing facilities, encouraged staff to use rail travel and raised awareness of the impact of air travel on climate change. The introduction of an air miles tracker system will improve the monitoring/management of all air miles flown.

Water consumption

Water usage		2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Non–financial indicators (consumption m^3)	Total water consumption (m^3)	8,459	7,376	7,374	9,666	7,024	6,842	6,777	8,740	10,415
Financial indicators (£'000)	Expenditure	£43.4	£59.5	£46.7	£59.9	£58.1	£44.6	£50.5	£49.1	£49.1

Paper

Paper Use	2009-10	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
A4 Equivalent	16,003	12,300	11,835	12,050	8,950	8,035	9,115	7,950

Plastics

DFID is committed to supporting the government's efforts to eradicate consumer single-use plastics from the government estate and has developed an ambitious strategy to improve recycling of waste, phase out single-use plastics on sale in the UK estate and enhance the culture and behaviours of

DFID employees in support of this. DFID will also seek to influence the tendering for the next cross-government facilities management and catering contracts to make plastic-free products a mandatory requirement. DFID will seek to work closely with the Foreign and Commonwealth Office to further improve waste management across the overseas estate.

Sustainable Procurement

Over the last year DFID has reviewed and revised our Statement of Priorities and Expectations for suppliers, replacing it with a strengthened and more robust Supply Partner Code of Conduct, which is now integrated within, and a binding part of the DFID Standard Terms and Conditions of Contract.

Full compliance and annual verification is mandatory for supply partners and commits them to key performance indicators in 6 priority areas including:

- Value for money and governance
- Ethical behaviour
- Transparency and delivery chain management
- Environmental issues
- Terrorism and security
- Social responsibility and human rights.

Supply Partners must demonstrate that they are pursuing continuous improvement to reduce waste and improve efficiency in their internal operations and within the delivery chain.

They must be committed to high environmental standards, recognising that DFID activities may change the way people use and rely on the environment, or may affect or be affected by environmental conditions. Supply Partners must demonstrate they have taken sufficient steps to protect the local environment and community they work in, and to identify risks that are imminent, significant or could cause harm or reputational damage to DFID.

Commitment to environmental sustainability is not limited to but may be demonstrated by:

- Formal environmental safeguard policies
- Publication of environmental performance reports
- Membership or signature of relevant codes, both directly and within the supply chain such as conventions, standards or certification bodies.

Promoting Sustainable Development Overseas

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

Biodiversity and Natural Environment

DFID does not have any Sites of Specific Scientific Interest and there is no biodiversity at our site in London. We do have biodiversity at our site in East Kilbride and are looking at ways to enhance it.

Matthew Rycroft CBE

Accounting Officer for the Department for International Development

21 June 2018

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 57. These include:

- details of the senior management team
- 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.

Personal data losses

There were no protected personal data-related incidents that needed to be reported to the Information Commissioner's Office in 2017-18 (2016-17: No incidents reported).

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.

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 EU General Data Protection Regulations/Data Protection Bill.

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 2017-18	Total 2016-17
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	–	–

2.1.2 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 2017 No. 1256 (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.

Statement on the disclosure of relevant audit information

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.

2.1.3 Governance Statement

Accounting Officer's foreword

As Accounting Officer for the Departmental Group, I am responsible for ensuring that the Department for International Development (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.

An overview of the performance of the department is set out in Section 1. Our most significant issues in 2017-18 have been in dealing with the continued global challenges including poverty and disease, mass migration, insecurity and conflict. Despite success at averting a famine last year, drought is still a serious threat in Somalia. The Rohingya crisis is the world's fastest growing humanitarian catastrophe. Conflict persists in Syria, Yemen, and South Sudan and is escalating in DRC. Conflict, disease and instability all contribute to the Mediterranean migration crisis. DFID has continued to provide desperately needed life-saving aid to vulnerable refugees and migrants. DFID remains at the forefront of driving the agenda for reform of the global aid system.

Our work has continued to transform lives. Poverty eradication remains our core objective. As countries develop, what they require from the UK will change. We are considering how our work should evolve in several areas including our engagement with a range of middle-income countries, tackling threats that don't respect borders, and rethinking our tools for development finance. All this is needed for the UK to remain at the cutting edge of poverty reduction. We are considering where we need to operate and how our work fits with other cross-government priorities as the UK leaves the EU and builds new international relationships.

In October we launched the UK humanitarian reform policy. The policy reiterates our steadfast commitment to International Humanitarian Law and principles, to the protection of the most vulnerable, and to responding better and faster when disaster strikes. It sets out significant changes: more investment in resilience and preparedness to respond, including using insurance and other risk-based finance, to better manage natural hazards to deliver long term solutions to protracted crises; and challenge the international system to demonstrate greater efficiency, effectiveness, transparency and accountability.

The Official Development Assistance (ODA) rules are crucial to ensuring the quality and consistency of aid given by the world's biggest donors. Reforming the rules will ensure we have a global aid system that keeps pace with new challenges. We must ensure we get the most from the 0.7% commitment both for the world's poorest and for UK taxpayers. Last year's devastating hurricanes in the Caribbean demonstrated all too clearly the need for appropriate flexibility in the ODA rules. As a direct result of the UK highlighting the issue, Development Assistance Committee members agreed to work on creating a new mechanism to allow countries and territories to regain their ODA-eligible status, if there is significant reduction in income per person.

On International Women's Day in March 2018 we launched our Strategic Vision for Gender Equality, putting girls and women at the heart of everything we do. It is a global Call to Action to everyone – we all need to take action, in everything we do, for gender equality to become a reality. The Strategic Vision aims to reach women and girls most at risk of being left behind, whether because of their ethnicity, disability or location. It commits us to stepping up for women and girls caught-up in conflict or crisis, ensuring they are empowered and have a seat at the table when it comes to finding a lasting peace. It also highlights our increased focus on women and girls' political participation, ensuring their voices are heard, so they can influence decisions that affect their lives.

Sexual exploitation, abuse and harassment undermine confidence in the aid sector. There has rightly been a public outcry over recent disclosures. The exploitation of vulnerable people is unacceptable. At the Safeguarding Summit in March, DFID announced a series of robust actions to strengthen safeguarding procedures. This included our Secretary of State writing to our major partners setting out the standards we expect and seeking statements of assurance on their safeguarding policies, organisational culture, transparency and their handling of allegations and incidents. New due diligence standards for all organisations that work with DFID have also been announced. Meeting these standards is a prerequisite for organisations to receive DFID funding.

Our new Safeguarding Unit is dedicated to dealing with these issues and will help drive up standards, particularly in relation to sexual exploitation and abuse, and ensure DFID's systems and processes are fit for purpose. We reviewed all our historic internal cases and were assured that all substantiated cases had been dealt with appropriately in line with DFID policy and process. We were also able to identify areas where these might be further strengthened.

We have taken this message to the international community by meeting senior UN interlocutors and other donors in New York. We have worked across UK Government to ensure a coherent response, via a new Safeguarding Group convened by the Cabinet Office, and the Official Development Assistance group. DFID's Human Resources department has also commenced a review of policies and procedures to support a shift in culture across the whole sector to keep people safe from harm and bring some lasting good out of this crisis.

Over the last year we have consulted staff on DFID's approach to diversity and inclusion. Our aims are to ensure a diverse and inclusive workplace and a workforce that reflects the communities we serve. The outcome of this consultation was a refresh of our Diversity and Inclusion policies. Our aspiration is that every member of staff fulfils their potential. They should challenge themselves and others on bias, assumptions and behaviour to help draw out different values, perspectives and ideas. We recently launched a statement on core behaviours focused on inclusion, collaboration, learning and agility.

We are committed to achieving maximum impact and value for money. This year, the department began implementing a series of new measures to improve accountability and transparency among our supplier base. We launched two codes of conduct: one for suppliers to ensure the highest standards of ethical and professional behaviour and one for DFID staff, setting out the boundaries within which DFID staff are required to operate when managing external relationships. We have also implemented an enhanced Strategic Relationship Management programme to drive learning and efficiencies across our largest suppliers; we introduced new clauses in contracts to allow DFID to inspect the costs, overheads and fees of suppliers in detail, monitor profit levels and cut out waste; and we are reaching out to new businesses across the country, including small and micro suppliers.

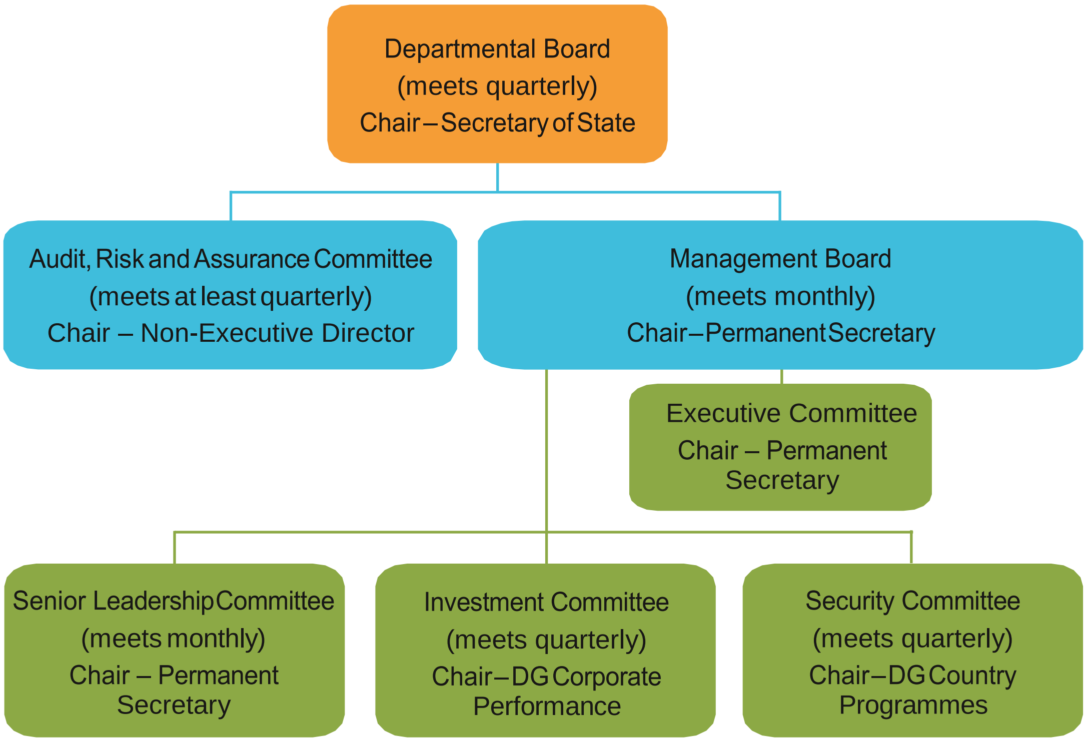
The maturity of our risk management systems continues to evolve and risk identification, awareness, management and culture have improved. A Control and Assurance Framework was introduced to help strengthen our control environment and DFID's 'Corporate Gateway' was launched in November 2017. This consolidates in one place the corporate rules, policies and guidance. In addition we are developing new workforce planning tools to better link our strategy, structure and capabilities.

We continue to engage fully with the Cabinet Office (CO) Fraud, Error, Debt and Grants Function that sets cross-government standards. We have joined the CO Internal Fraud in Government Initiative and have participated in the Grants Efficiency Programme and Fraud Functional Standards exercise. This aims to drive up professionalism complementing the work of our internal counter fraud investigations team that have a strong track record on the recovery of funds lost to aid diversion.

There were no protected personal data-related incidents that needed to be reported to the Information Commissioner's Office in 2017-18 (2016-17: No incidents reported). More information can be found in page 55, Personal Data Losses).

This year's Board Effectiveness Review was conducted with independent input by a non-executive director from another government department. It found that the Departmental Board continued to work effectively with particular improvements in the quality of Board papers and the extensive involvement of non-executive directors in work across the department. The focus in 2019–20 will be strengthening the governance structure and further improving the Board agenda. There were no ministerial directions during the reporting period 2017-18.

How we are structured



Non-Executive Directors

Vivienne Cox – Lead Non-Executive Director

Appointed in December 2010, until December 2017[34] (the Cabinet Office gave permission for her 6-year tenure to be extended to allow the recruitment of a replacement).

Vivienne 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. He will be standing down as a non-executive director and as Chair of the Audit Risk and Assurance Committee later in 2018 following the appointment of a successor.

Richard sits on the Investment Committee and is Chair of the Audit Risk and Assurance Committee. He is a former senior partner at PricewaterhouseCoopers. Richard's other current roles include Non-Executive Director of Department for Transport, Merrill Lynch International, NATS Holdings Ltd

34 A lead NED has now been appointed and will commence the role shortly.

and Wessex Water Services Ltd. Richard also chairs the board of Glaziers Hall Ltd and was formerly a Non-Executive Director of Sainsbury's Bank plc, Council member of the University of Birmingham and member of the Audit and Risk Committee at Royal Botanic Gardens, Kew.

Tim Robinson – Non-Executive Director

Appointed in June 2013, and his tenure has been extended to June 2019.

Tim sits on the Security Committee and is Chair of DFID's Digital Advisory Panel, where he has driven a step change in the Department's approach to digital, and supported the development and execution of DFID's digital strategy for 'doing development in a digital world'.

Tim is CEO of LGC, a global life sciences company that traces its origins to the privatised Laboratory of the Government Chemist. Prior to LGC Tim has been CEO/senior executive for a number of global technology companies having started his career with IBM. He is also currently 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.

Sally Jones-Evans – Non-Executive Director

Sally was appointed in September 2016 for 3 years (and it 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 worked in both general management and HR executive roles within Lloyds Banking Group and has both Board and Advisory experience. Sally currently serves as a Non-Executive Director on a number of Boards within the public, private and not-for-profit sectors including the Principality Building Society and Hafren Dyfrydwy Ltd, part of Severn Trent Plc. Sally is also a Trustee Director of Tearfund.

Lucy Slinger – Non-Executive Member

Appointed in September 2014 for 2 years; her tenure has been extended until September 2018 (and it may be extended but not to exceed 6 years).

Lucy sits on the Audit, Risk and Assurance Committee. She has over 20 years' experience with Shell in a wide range of financial positions in the trading, retail, LPG and aviation businesses, mergers and acquisitions, investor relations, group reporting, group planning and is currently global finance manager for Shell's wells activities. Lucy is also a member of the Audit Risk and Assurance Committee for Ark Academies.

Anne Tutt – Non-Executive Member

Appointed in September 2014 for 2 years; her tenure has been extended until September 2018 (and it may be extended but not to exceed 6 years).

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 Committees of Oxford University Hospitals NHS Foundation Trust, Oxford Hospitals Charity and is a Director and Chair of the Audit Committee of the International Network for the Availability of Scientific Publications. Anne is also an independent member of the Internal Audit Standards Advisory Board and an Advisor to the Episcopal Church University of South Sudan and Sudan University Partnership.

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 Chair of Transparency International UK, a Director and Chair of the Audit Committee of Forum for the Future and the Capital City College Group, and also serves on the Board of the Overseas Development Institute. She is a UK chartered accountant 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 extended until May 2019 (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 and Finance Director who has expertise in restructuring, change management, mergers and acquisitions, integration and profit improvement. Previously, she was a Chief Financial Officer at Liberty and has held interim CFO/FD roles at Carphone Dixons, Jigsaw and Waterstones. 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 extended until May 2019 (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.

Departmental Board

Chair – Secretary of State

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: - Gives advice on the implementation of policy priorities and the effective management of the department; - Scans the horizon and considers strategic challenges and risks to the organisation.	The Board met 3 times during this reporting year, covering a wide range of strategic, operational and financial issues. The Board took updates from its sub-committees, allowing for detailed discussion on audit and risk, investment and security issues. 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 DFID's Single Departmental Plan, resource allocation and putting disability at the heart of DFID's agenda.

The Board is required to ensure that it complies with the provisions of the Corporate Governance in Central Government Departments: Code of Good Practice 2017 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.

Members of the Board 2017-18	Meetings attended	Out of
The Rt Hon. Priti Patel, MP, Secretary of State (appointed July 2016 to November 2017)	2	2
The Rt Hon Penny Mordaunt, MP, Secretary of State (appointed November 2017)	1	1
The Rt Hon Rory Stewart, MP, Minister of State (appointed July 2016 until January 2018)	1	2
The Rt Hon Lord Bates, Minister of State (appointed October 2016)	3	3
The Rt Hon Alistair Burt, MP, Minister of State (appointed June 2017)	3	3
The RT Hon Harriet Baldwin, MP, Minister of State (appointed January 2018)	1	1
Vivienne Cox, Lead Non-Executive Director	1	2
Richard Keys, Non-Executive Director	1	3
Tim Robinson, Non-Executive Director	3	3
Sally Jones-Evans, Non-Executive Director	2	3
Matthew Rycroft, Permanent Secretary (appointed January 2018)	1	1
Nick Dyer, Acting Permanent Secretary (from July 2017 to January 2018) and Director General Economic Development and International Relations (from January 2018). He is also currently overseeing the PGP Directorate until a replacement is recruited.	3	3
Joy Hutcheon, Director General, Finance and Corporate Performance	2	3
Lindy Cameron, Director General, Country Programmes	3	3
Rachel Turner, Acting Director General, Economic Development from January 2017 to January 2018	1	2

All Non-Executive Directors are members of the Departmental Board.

Management Board (MB) – previously the Executive Management Committee (EMC)

The Management Board comprises the Permanent Secretary and the 4 Directors General. It is chaired by the Permanent Secretary and meets monthly in open session. Non-Executive Directors are invited to Management Board meetings.

Matthew Rycroft CBE, Permanent Secretary

Matthew Rycroft CBE joined DFID as Permanent Secretary on 22 January 2018. The Permanent Secretary is the most senior civil servant in the department and as Accounting Officer for the department is answerable to Parliament on the management of expenditure. He chairs the Management Board which provides strategic direction to the management of DFID's operations, staff and financial resources.

Sir Mark Lowcock, Permanent Secretary (until July 2017)

Sir Mark Lowcock was appointed in June 2011. He was the Accounting Officer for the department, was answerable to Parliament for how the department spent money and chaired the Executive Management Committee.

Joy Hutcheon, Director General, Finance and Corporate Performance

Joy Hutcheon 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 DFID's finance and corporate performance. She also leads on business change and strategy. Joy is DFID's Diversity and Inclusion Champion.

Lindy Cameron, Director General, Country Programmes

Lindy Cameron was appointed 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 (until July 2017)**
- **Interim Permanent Secretary (from July 2017 until January 2018)**
- **Director General, Economic Development and International and Interim Director General, Policy, Research and Humanitarian (from January 2018)**

Nick Dyer was appointed Director General for Policy and Global Programmes in 2013. He was responsible for overseeing DFID's policy agenda, International Relations Division, research portfolio (including the chief Scientist's office), Chief Economist's office and Conflict, Humanitarian and Security and Justice Division.

He was appointed Interim Permanent Secretary in July 2017. As Accounting Officer he was answerable to Parliament on the management of expenditure; and chaired the Executive Management Committee.

Nick took up the appointment of Director General, Economic Development and International and is responsible for overseeing DFID's commitment to boost economic development, international finance, growth and resilience, and trade and development. Nick also has temporarily oversight for Policy, Research and Humanitarian and is responsible for overseeing DFID's policy agenda, the chief Economist's office and DFID's research portfolio (including the Chief Scientist's office). In this role Nick is also responsible for overseeing DFID's Humanitarian, Security and Migration Department.

Rachel Turner, Acting Director General, Economic Development (from January 2017 until January 2018)

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

Management Board roles and responsibilities

Chair – Matthew Rycroft CBE, 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 Single Departmental Plan (SDP). ▪ Communicating the vision, direction and priorities of DFID to staff and other stakeholders. ▪ Monitoring and advising on significant risks to implementation. ▪ 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 Management Board met 11 times. Each Board meeting opens with an operational update by the Permanent Secretary and includes standing items on the DFID Strategic Risk Register, DFID management information and the UK's exit from the EU. Key issues which are given priority either require a decision or discussion. During the reporting year, these were measuring DFID's progress on Single Departmental Plan commitments (including demining, family planning, international climate finance, clean energy, fragile and conflict affected states, humanitarian aid, education, reform of the multilateral system and improving tax systems) as well as items on safeguarding, beneficiary feedback, talent, DFID's results framework, learning agenda, technology strategy and DFID's supplier review.

Attendance at Management Board meetings

Management Board Member	Meetings attended	Out of
Matthew Rycroft, Permanent Secretary (appointed January 2018)	3	3
Nick Dyer, Director General, Policy and Global programmes (April –July 2017) Acting Permanent Secretary (July 2017 – January 2018) Director General, Economic Development and International Relations (from January 2018)	11	11
Mark Lowcock, Permanent Secretary (resigned July 2017)	3	3 (left Jul)
Joy Hutcheon, Director General, Finance and Corporate Performance	10	11
Lindy Cameron, Director General, Country Programmes	11	11
Rachel Turner, Acting Director General, Economic Development (from January 2017 until January 2018)	7	8 (stepped down from acting DG role in Jan 2018)
Vivienne Cox, Lead Non-Executive Director	3	8 (left DFID Dec 2017)
Richard Keys, Non-Executive Director	3	11
Tim Robinson, Non-Executive Director	6	11
Sally Jones-Evans, Non-Executive Director	7	11

All Non-Executive Directors are invited to Management Board meetings.

Audit, Risk and Assurance Committee

Chair – Richard Keys, Non-Executive Director

Roles and responsibilities	Issues covered
The Audit, Risk and Assurance Committee (ARAC) comprises of 2 Non-executive Directors and 3 Non-executive members. It normally meets 5 times a year. The Audit, Risk and Assurance Committee reviews and advises the Board and the Accounting Officer on: - The effectiveness of internal controls, including compliance with corporate rules. - The effectiveness of processes and actions in relation to risk management across DFID including for strategic risk. - Accounting policies, financial statements, and annual reports of DFID and DFID's Overseas Pensions. - Annual audit plans and results for both internal and external audit. Adequacy of management response to issues identified by audit activity. - The reporting of fraud and resulting investigations, anti-fraud policies and procedures, whistleblowing processes. - In conducting its work, it meets regularly with internal and external auditors without the presence of management.	During the 2017-18 financial year the Committee met 5 times. Particular focus has been on: - Reviewing and recommending approval of the 2016-17 annual report and financial statements. - Reviewing the on-going development and application of DFID's risk policy, risk mapping and risk appetite statements. - Oversight of continuing improvements to DFID's risk management approaches - Oversight of DFID's Control and Assurance framework. - Oversight of DFID's interpretation of accounting standards and its treatment of investments. - Review of DFID's preparation for, and roll out of, the General Data Protection Regulations (GDPR). - Reviewing regular updates and reports from the Internal Audit Department and the Counter Fraud Section, including approval of plans for 2018-19. - Reviewing DFID's oversight of cyber security. - Review of the National Audit Office external audit plans and the results of their annual audit.

Investment Committee

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

Roles and responsibilities	Issues covered
The Investment Committee comprises the 4 Directors General, 3 Non-Executive Members and key staff. It meets quarterly. The Investment Committee provides assurance to the Departmental Board and Management Board 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. The QAU aims to provide independent quality assurance with the objective of enhancing the continuing focus on value for money from DFID's programmes and activities. The Programme Cycle Committee is a sub-committee of the Investment Committee, and oversees changes to the Smart Rules governing the programme lifecycle.	Monitoring portfolio performance and quality, including: ▪ Scrutiny of DFID's programme portfolio. ▪ Monitoring the pipeline of programme spend and programme performance. ▪ Strengthening programme management including; leadership and oversight of; review of annual reviews and delivery plans, relaunch of the programme management profession, the commercial strategy and supplier review including strengthening delivery chain mapping and risk management. ▪ Leadership and oversight of DFID's programme management cycle, from design through delivery and closure to evaluation. Supporting staff to deliver value for money, including: ▪ Commissioning and later approving new VfM guidance notes (Smart Guides) to support staff assessing, monitoring and driving VfM. ▪ Oversight of DFID's programme evaluation function. ▪ Overseeing DFID's strategic review of the World Bank Group's Trust Funds.

Security Committee

Chair – Lindy Cameron, Director General, Country Programmes

Roles and responsibilities	Issues covered
The Security Committee is a sub-committee of the Management Board and includes a Non-Executive Director, selected Directors and a representative from the Foreign and Commonwealth Office (FCO). The Security Committee is responsible for providing assurance on the adequacy and effectiveness of DFID's global security. Its primary focus has been on people security but its remit includes all aspects of physical, personal and information with an increasing focus on security, including information security and cyber risk. The Security Committee meets on a quarterly basis.	During the reporting period the committee met 4 times. Key areas of work for the Security Committee over the last year included the following: - Consideration of the wider security issues overseas following the murder of a member of staff. - Consideration of threat assessments, updated Operational Risk Register, Overseas Security Adviser recommendations and security incidents affecting staff to identify emerging trends and responses. - Consideration of cyber and security threats. - Information security policies including the use of official mobile devices overseas. - Policies on hostile environment training and travel risk assessments for staff overseas. - Review of reports on security breaches and agreed measures to improve the security culture and awareness across the department.

Senior Leadership Committee

Chair – Matthew Rycroft, Permanent Secretary

Roles and responsibilities	Issues covered
The Senior Leadership Committee comprises the 5 members of the Management Board, the Director, People, Operations and Systems and the lead Non–Executive Director. The Senior Leadership Committee is responsible for: - Ensuring DFID's Senior Civil Servant (SCS) structure and roles are designed to meet our future and changing leadership needs. - Managing DFID's SCS workforce, including ratifying all SCS appointments. - Managing SCS performance and associated reward. - Leading on SCS talent and succession management. The Senior Leadership Committee meets on a monthly basis and is supported by the Human Resources Secretariat.	During the year, the Senior Leadership Committee focused on: - Building capability, particularly in relation to financial and commercial capability. - Supporting applications from high potential staff to Civil Service-wide talent schemes (e.g. High Potential Development Scheme) to strengthen the SCS pipeline. - Reinforcing key messages as part of the annual SCS conference. - Continuing the focus on honest and meaningful talent conversations with SCS for career and development planning purposes and addressing development needs, issues, gaps and risks. - Setting up the end of the performance year to ensure robust assessment of performance (both what and how).

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

In DFID we strive for the highest standards of integrity and accountability in all our work. We deliver aid and development in diverse, fragile and conflict-affected environments. We must manage risk effectively to maximise value for money and development impact, whilst protecting our staff, assets, vulnerable people and the environment.

To achieve a consistent, high quality approach to risk management across the organisation, we have developed a risk policy and risk management framework. Tools, guidance and a range of training offers are available. To increase the level of confidence we have in our implementing partners, we continue to enhance our due diligence process, raise standards on safeguarding and fraud risk assurance and have introduced mandatory delivery chain risk mapping to improve visibility and management of risk throughout delivery chains.

Robust fraud risk management is important across all DFID's work, as we recognise the delivery and reputational damage that fraud and aid diversion cause. We have strengthened fraud risk management through guidance, access to case learning materials, and links to specialist support on fraud. Case studies are used to improve fraud awareness and help with its detection, control and management. Professional development courses help build staff skills and confidence in risk management. This year we introduced risk standards into the Programme Delivery Capability Framework (PDCF) to ensure our training reaches all who require it.

We have continued to enhance the way that we use management information and data through improving our programme management system. This now provides the platform for teams to create and load risk registers onto the system allowing them analyse data on the spread and level of risk in the programmes, and assist in oversight and better understanding of programme and portfolio risks and their mitigation.

The Departmental Board and Management Board identify and manage risks to the delivery of DFID's overall objectives through the Strategic Risk Register. Risks reflect the objectives of the Single Departmental Plan and are assessed against DFID's risk appetite.

We closely monitored a number of strategic risks in 2017-18. We took mitigating measures as the risks changed. Examples include the rising conflict and humanitarian needs, safeguarding, climate financing, and staff and cyber security. The ongoing crises in Syria, Yemen, the DRC, and the response to natural disasters, notably the Caribbean, required increased engagement with international humanitarian organisations and the use of the ODA crisis reserve.

Duty of care to our staff and contractors is paramount to DFID's ability to deliver in difficult contexts. DFID's Security Committee has actively monitored security threats to people, assets and cyber threat, ensuring appropriate pre-deployment resilience support and robust risk assessments through the 1HMG platform. The Management Board has continued to monitor duty of care and the risks to physical or electronic loss of sensitive information or data.

Other strategic risks monitored in 2017-18 relate to the UK's collaboration and spending on tax reform in poor countries and their ability to generate domestic revenue for service provision, our ability to deliver through third party organisations in active conflict situations, and the potential loss of resources through aid-diversion, including fraud.

The Management Board considers the effectiveness and accountability for each of the strategic risks to the organisation, and assesses the quality of risk information in supporting decision making and risk mitigation. Periodic deep dives with the Management Board and the Audit, Risk and Assurance Committee members took place to explore fully how specific risk management is carried out. In 2017-18 they focused on DFID's risk management work with multilateral organisations, the management of the aid programme cycle at country level and the development of the internal aid management system for management information.

The safeguarding crisis highlighted a new strategic risk. In response we have significantly strengthened our leadership, capability and resources to safeguard vulnerable people. Following the Safeguarding Summit in March, the Secretary of State announced that DFID would put in place new, enhanced and specific safeguarding standards for delivery partners. These new standards will be assessed as part of DFID's due diligence assessment process. Following a pilot study in March with a range of NGO organisations and geographic locations, the new standards will be rolled out in the first quarter of 2018-19. Delivery partners will need to provide evidence on implementation of safeguarding, whistleblowing and risk management policies. DFID reviewers have been provided with guidance and technical support to support risk-based assessments.

The Risk Management Assurance Review by Internal Audit Department in late 2017 illustrated significant progress on risk management across DFID over the past two years. The main challenges over the next period are to further deepen practice and drive consistency across the organisation.

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 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 2017-18. 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 2017-18, 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 2017 to 31 March 2018.

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 2017-18. It is intended to provide a high-level indicator of the overall adequacy of the frameworks of control for 2017-18.

Our analysis shows DFID's positive progress in the enhancement of its control framework, risk management, and programme management. There are, however, challenges for DFID in implementing and enhancing its strategic control framework notability in the corporate space. In our view, this challenge to DFID's operating model should be considered holistically focusing the balance of effort and capability across all three lines of defence. Although we have identified some thematic risks and areas for DFID to address, we do not consider that these represent systematic ineffective governance, risk management or control to warrant a qualification or emphasis of matter to our opinion.

We judge that the balance of these results means that the overall assurance opinion should be unqualified.

Whistleblowing

DFID has whistleblowing arrangements in place and a policy that meets the UK's legislative framework, as set out in the Public Interest Disclosure Act (PIDA). We monitor and maintain the effectiveness of our Whistleblowing arrangements through DFID's dedicated specialist Counter Fraud Section. To ensure employee trust in the system, the Whistleblowing Policy is reviewed on a regular basis and the confidential whistleblowing hotline and e-mail account is promoted through our internal and external websites and Development Tracker.

To ensure the highest levels of confidentiality and security, the Counter Fraud Section maintain up to date operating procedures, and our specialist staff receive ongoing training. The Audit Risk and Assurance Committee receive reports regularly and monitor the whistleblowing policy to ensure the appropriate operation and investigation of all matters reported under the policy. In DFID all reports are treated seriously and we act on all complaints. Regular confidential updates are provided to the DFID Management Board on all whistleblowing concerns and investigations.

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 an 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 covers 20 internal programme and corporate control areas. New criteria were introduced in 2017-18 for each control area helping to ensure greater objectivity and consistency in the assurance gained across the organisation. By aggregating responses from individual departments a number of common themes emerged:

- Some departments reported high forecasting variances. In some cases these variances were less concerning as they occurred as a result of positive and proactive financial management, for example pausing payments for performance or fraud issues or the dynamic management of funds across multiple departments to support the achievement of strategic objectives. In others, variances were a result of weaker performance highlighting a need for strengthened capacity and capability within spending teams.
- The launch of a new aid diversion policy and supporting guidance in November contributed to departments acknowledging limited awareness and understanding of the latest terminology and as a result this had not always been communicated to partners.
- Departments demonstrated a growing maturity in their risk management citing clearer risk strategies, appetite statements, escalation processes and mapping suppliers through the delivery chain. Despite this, DFID's ambition for greater oversight and control was reflected in departments identifying further opportunities for improvement including assessing risks in the delivery chain and strengthening portfolio level risk management.

We have updated and published the Accounting Officer System Statement (AOSS). The AOSS is a HM Treasury initiative which all central government departments have signed up to producing from 2016-17. The document will be published alongside the Annual Report and Accounts on the GOV.UK website. It is a personal statement by the Accounting Officer to Parliament setting out the accountability system and relationships within the department making it clear who is accountable within all parts of the system. This has been refreshed for 2018 to reflect continuous improvement in our systems and processes.

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, such as its approach to value for money, its supplier market, and building resilience to natural disasters, as well as other studies relating to a number of cross-government funds. DFID publishes its responses to ICAI reports[35] and gives evidence on them to the House of Commons International Development Select Committee.

The NAO scrutinised and reported on the department during 2017-18 and published two reports.[36] In July 2017 the NAO published a report on managing the ODA target. The report identified that currently DFID has responsibility for 74% of ODA spending. It recognised that the department has improved its management of the budget and identified wider challenges across other ODA-spending departments, including accountability and forecasting. In November 2017 the NAO published a report on the International Citizen Service (ICS) highlighting that DFID had committed a total of £173 million to the ICS between 2011 and 2019. The report concluded that the programme had some successes and it made a number of recommendations for future programming including safeguarding. DFID is incorporating these recommendations into the design of the business case for the next phase of the programme.

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) remit is to provide independent evaluation and scrutiny of the impact and value for money of all UK Government ODA. It reports directly to Parliament through the International Development Select Committee (IDC). Expenditure by ICAI in 2017-18 was £3.7 million (2016-17: £3.1 million).

- The Secretary of State is accountable to Parliament for ICAI and, in delivery of this responsibility the Secretary of State and the department’s Management Board meet the ICAI Commissioners regularly.
- As required by the Framework Agreement, ICAI Commissioners have approved a Corporate Plan setting out internal control and risk management arrangements.
- 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.

In accordance with Cabinet Office requirements, a review was undertaken to challenge the need for ICAI in function and form, and to examine its efficiency and governance arrangements[37]. The report, published in December 2017, found that ICAI’s continuing existence is assured, its functions are still required, and that a Non Departmental Public Body remains the most appropriate model for delivery. The report also found that ICAI maintains good corporate governance processes, and made a number of recommendations to enhance its effectiveness.

The Commonwealth Scholarships Commission in the United Kingdom (CSC) manages the UK contribution to the Commonwealth Scholarship and Fellowship Programme. DFID’s grant-in-aid to the CSC in 2017-18 was £26.2 million (2016-17: £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.

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35 https://icai.independent.gov.uk/reports/

36 https://www.nao.org.uk/wp-content/uploads/2017/07/Managing-the-Official-development-Assistance-target-a-report-on-progress.pdf

37 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/665905/Tailored-Review-ICAIb.pdf

CDC has an investment portfolio of £3.8 billion (as at Sept 2017), comprising over 1,200 companies across 70 plus countries, including over 600 companies in Africa and over 300 in South Asia. The total value of new commitments made by CDC in 2017 was over £1 billion.

Over the last 6 years, CDC has achieved an average Annual Portfolio Return (APR) of 10.4% (although year on year sterling APRs show a high degree of variability, in part driven by exchange rate changes against the dollar).

In 2016, CDC-backed businesses helped create 1.29 million new jobs (54% Africa and 45% South Asia), generated over US$4.1 billion worth of local tax revenue, and produced 69,310GWh of electricity.

CDC is governed by a Board of Directors. 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.

The CDC board determines the direction and strategy of CDC in accordance with the Investment Policy. It delegates investment authority to the Investment Committees and oversees results, while ensuring high quality risk mitigation processes are in place and the organisation adheres to high ethical standards. DFID as sole shareholder, exercises oversight and monitors CDC's performance through the board, through open communications with CDC and a 'no surprises 'policy; and through a combination of formal reporting and frequent formal and informal interactions with CDC. DFID meets quarterly with CDC's Chairman, CEO, CFO and Chief Operations Officer and annually with the Chairman, the CEO, the Board and the Chair persons of each committee of the CDC board.

CDC Developments in 2017

- The CDC Act (passed in February 2017) raised the cumulative level of financial support that the UK government is able to provide to CDC from £1.5 billion to £6 billion overall, with the option of extending this up to £12 billion.
- In March 2017, CDC appointed Nick O'Donohoe (formerly CEO of Big Society Capital) to succeed Diana Noble as CEO.
- In July 2017 CDC's new 5 year Strategic Framework (2017-2021) was launched. The new strategy builds on the achievements of CDC's previous 2012 strategy and responds to issues raised by stakeholders during the passage of the CDC Bill.
  - It maintains CDC's focus on investing in the poorest and most fragile countries in Africa and South Asia.
  - It also sets out a number of innovative approaches to maximise the transformational impact of CDCs investments through accepting higher risk where justified to unlock greater developmental impact.
  - CDC has also made strategic commitments to women's economic empowerment and tackling climate change and will increase its accountability by leading the way among its Development Finance Institution peers on transparency and tax.
- In October 2017 DFID published a new Capital Increase Business Case for CDC. DFID will invest up to £3.5 billion (up to £703 million per year) over the next 5 years, to support CDC's new strategy and scale-up its job-creating investment activities. These funds will be drawn down as needed by CDC in response to market demand. A first promissory note for £336 million was deposited in November 2017. A second promissory note for £59 million was deposited in March 2018.

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.

Matthew Rycroft CBE

Accounting Officer for the Department for International Development

21 June 2018

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 536 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.
- 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 Management Board (MB) 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)[9]		Total (to nearest £1,000)	
Ministers	**2017-18**	**2016-17**	**2017-18**	**2016-17**	**2017-18**	**2016-17**	**2017-18**	**2016-17**
The Rt Hon. Priti Patel *Secretary of State (to 8/11/17)*	57,788[2]	46,567	–	–	10,000	12,000	68,000	59,000
Rory Stewart OBE *Minister of State (to 9/1/18)*	26,400[3]	21,120	–	–	7,000	10,000	33,000	31,000
The Rt Hon. Lord Bates[4] *Minister of State*	–	–	–	–	–	–	–	–
James Wharton *Parliamentary Under Secretary of State (to 9/6/17)*	9,832[5]	14,917	–	–	1,000	4,000	11,000	19,000
The Rt Hon. Alistair Burt[6] *Minister of State (from 13/6/17 to 31/3/18)*	–	–	–	–	–	–	–	–
The Rt Hon. Penny Mordaunt *Secretary of State (from 9/11/17 to 31/3/18)*	24,673[7]	–	–	–	7,000	–	32,000	–
Harriett Baldwin *Minister of State (from 9/1/18 to 31/3/18)*	5,819[8]	–	–	–	2,000	–	8,000	–

[1] These disclosures are subject to audit

[2] £67,505 (full-year equivalent), £69,844 (entitled salary*). Total salary for 2017-18 includes a termination payment of £16,876

[3] £31,680 (full-year equivalent), £33,490 (entitled salary*)

[4] Lord Bates holds an unpaid post

[5] £22,375 (full-year equivalent), £23,947 (entitled salary*). Total salary for 2017-18 includes a termination payment of £5,594

[6] Paid by FCO

[7] £67,505 (full-year equivalent), £69,844 (entitled salary*)

[8] £31,680 (full-year equivalent, £33,490 (entitled salary*)

[9] 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

* Ministerial salary entitlements are set in legislation; however, the Prime Minister has decided Ministers should claim a reduced salary from what they are entitled to. Ministers have agreed this by signing a waiver. Claimed salary is the reduced salary Ministers receive, and the entitled salary is the salary in legislation that Ministers have waived.

Compensation for loss of office (audited)

The Rt Hon. Priti Patel left under severance terms on 8 November 2017 and received a severance payment of £16,876. James Wharton left under severance terms on 9 June 2017 and received a severance payment of £5,594.

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	**2017-18**	**2016-17**	**2017-18**	**2016-17**	**2017-18**	**2016-17**	**2017-18**	**2016-17**	**2017-18**	**2016-17**
Mark Lowcock *Permanent Secretary (to 24/7/17)*	50–55[4]	165–170	–	–	–	–	3,000	34,000	55–60	200–205
Matthew Rycroft Permanent Secretary (from 22/1/18 to 31/3/18)	30–35[5]	–	–	–	–	–	42,000	–	70–75	–
Joy Hutcheon *Director General*	115–120[6]	120–125	10–15	10–15	–	–	27,000	46,000[7]	150–155	185–190
Nick Dyer *Director General*[8]	125–130	110–115	5–10	–	–	–	4,000	24,000	140–145	135–140
Lindy Cameron *Director General*[9]	110–115[10]	105–110	5–10	5–10	–	–	62,000	89,000	180–185	200–205
Rachel Turner *Acting Director General (to 31/1/18)*[11]	85–90[12]	25–30	5–10	–	–	–	78,000	28,000	175–180	50–55

[1] These disclosures are subject to audit

[2] Bonuses are based on performance levels attained and are made as part of the appraisal process. The bonuses reported in 2017-18 relate to performance in 2016-17 and the comparative bonuses reported for 2016-17 relate to performance in 2015-16.

[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] 165–170 full-year equivalent

[5] 160–165 full-year equivalent

[6] 120–125 full-year equivalent – full-year equivalent has been reduced to take account of a period of discretionary leave

[7] Recalculation by MyCSP due to retrospective update to earnings

[8] Acting Permanent Secretary 1/7/17 – 21/1/18

[9] Temporary Promotion from 1/4/17 to 30/6/17, substantively promoted on 1/7/17

[10] 115–120 full-year equivalent

[11] Temporary Promotion from 1/1/17 until 31/1/18

[12] 105–110 full-year equivalent.

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. 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 (£76,011 from 1 April 2017) 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.

During 2017-18, the following fees and taxable expenses were paid to non-executive members of the Board:

- Vivienne Cox – 2017-18: £15,000 (left 31/12/17) (2016-17: £20,000)
- Richard Keys – 2017-18: £20,000 (2016-17: £20,000)
- Tim Robinson – 2017-18: £nil (£15,000 entitled fee) (2016-17: £nil; £15,000 entitled fee)[1]
- Sally Jones-Evans – 2017-18: £15,000 (2016-17: £7,897.73 (start date 22/9/2016 – £15,000 full-year equivalent fee))

[1] Entitled fee donated to charity.

The following table summarises the number of SCS by pay band, as at 31 March 2018 and 31 March 2017.

SCS pay band	31 March 2018 (headcount)	31 March 2017 (headcount)
1	72	69
2	14	13
3	3	4
Perm Sec	1	1
Total	**90**	**87**

Salary ranges for SCS pay bands are:

Pay band 1 – £65,000 to £117,800

Pay band 2 – £88,000 to £162,500

Pay band 3 – £107,000 to £208,100

Perm Sec – £142,000 to £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 (audited)

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 2017-18 was £165,000 to £170,000 (2016-17, £165,000 to £170,000) (see remuneration table on page 76).

In 2017-18 and 2016-17 no employee received remuneration in excess of the highest-paid director. Remuneration ranged from £16,000 to £170,000 (2016-17, £16,000 to £170,000).

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 has remained static due to continued pay restraint across all grades (SCS and delegated grades).

Pension benefits[1]

Minister	Accrued pension at age 65 as at 31/3/18 £000	Real increase in pension at age 65 £000	CETV at 31/3/18 or end date, whichever is earlier £000	CETV at 31/3/17 or start date, whichever is later £000	Real increase in CETV £000
The Rt Hon. Priti Patel *Secretary of State (from 1/4/17 to 8/11/17)*	0–5	0–2.5	30	22	3
Rory Stewart OBE *Minister of State (to 9/1/18)*	0–5	0–2.5	19	13	3
The Rt Hon. Lord Bates *Minister of State (from 1/4/17 to 31/3/18)*	–	–	–	–	–
James Wharton *Parliamentary Under Secretary of State (to 9/6/17)*	0–5	0–2.5	6	6	–[2]
The Rt Hon. Alistair Burt[3] *Minister of State (from 13/6/17 to 31/3/18)*	–	–	–	–	–
The Rt Hon. Penny Mordaunt *Secretary of State (from 9/11/17 to 31/3/18)*	0–5	0–2.5	27	21	2
Harriett Baldwin *Minister of State (from 10/1/18 to 31/3/18)*	0–5	0–2.5	19	16	1

[1] These disclosures are subject to audit.

[2] Taking account of inflation, the CETV funded by the taxpayer has decreased in real terms.

[3] Paid by FCO.

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.[1]

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 from 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 re-valued 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.

[1] PCPF details.

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 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[1]

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.

[1] These disclosures are subject to audit.

Officials	Accrued pension at pension age as at 31/3/18 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/3/18	CETV at 31/3/17 (restated)	Real increase in CETV	Employer contribution to partnership pension account
	£000	£000	£000	£000	£000	Nearest £100
Mark Lowcock *Permanent Secretary (to 24/7/17)*	60–65 plus lump sum of 190–195	0–2.5 plus lump sum of 0–2.5	1,314	1,296	2	–
Matthew Rycroft *Permanent Secretary (from 22/1/18 to 31/3/18)*	60–65	0–2.5	929	894	28	–
Joy Hutcheon *Director General*	50–55 plus lump sum of 135–140	0–2.5 plus lump sum of 0	948	874[1]	7[2]	–
Nick Dyer *Director General*[3]	45–50 plus lump sum of 140–145	0–2.5 plus lump sum of 0–2.5	969	901	2	–
Lindy Cameron *Director General*[4]	40–45	2.5–5	548	485	30	–
Rachel Turner *Acting Director General (to 31/1/18)*[5]	40–45 plus lump sum of 125–130	2.5–5 plus lump sum of 10–12.5	888	770	72	–

[1] Figure recalculated by MyCSP.

[2] Real increase in CETV shown in last year's report was 29, MyCSP recalculated this to be 23.

[3] Acting Permanent Secretary 1/7/17 – 21/1/18.

[4] Temporary Promotion from 1/4/17 to 30/6/17, promoted on 1/7/17.

[5] Temporary promotion from 1/4/17 to 31/1/18.

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 one 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 two 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 4.6% and 8.05% for members of **classic, premium, classic plus, nuvos** and **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 three 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 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 particular 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.

The figures include the value of any pension benefit in another scheme or arrangement where the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out 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 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 the Independent Commission for Aid Impact (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 Note 3.

Staff costs[1]

	Permanently employed staff £000	Others £000	Ministers £000	Special advisers £000	2017-18 Total £000	2016-17 Total £000
Wages and salaries	148,177	539[2]	125	156[3]	148,997	131,553
Social security costs	11,180	–	12	20	11,212	9,338
Other pension costs	25,884	–	–	17	25,901[4]	25,316
Sub total	**185,241**	**539**	**137**	**193**	**186,110**	**166,207**
Less recoveries in respect of outward secondments	(270)	–	–	–	(270)	(137)
Total net costs	**184,971**	**539**	**137**	**193**	**185,840**	**166,070**

[1] These disclosures are subject to audit.

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

[3] This is aggregate figure for four Special Advisers employed through the year.

[4] These costs relate to the total employers' pensions contributions (£24,382,385) payable for UK civil servants and overall contributions to Staff Appointed In Country (SAIC) pension schemes in individual countries (£1,454,493). This also includes £64,500 which has been allocated to other pension costs via a range of invoiced transactions in DFID's finance system.

Analysis of total

	Charged to Administration Budget £000	Charged to Programme Budget £000	Charged to Capital Budget £000	Total £000
DFID	67,919	116,551	1,370	185,840
Agencies	–	–	–	–
Other designated bodies	–	–	–	–
Total	**67,919**	**116,551**	**1,370**	**185,840**

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as "Alpha" – are unfunded multi-employer defined benefit schemes but DFID is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the PCSPS as at 31 March 2012. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation at www.civilservicepensionscheme.org.uk/about-us/resource-accounts/.

For 2017-18, employers' contributions of £23,924,595 were payable to the PCSPS (2016-17: £21,326,789) at one of four rates in the range 20.0% to 24.5% of pensionable earnings, based on salary bands. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2017-18 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 £440,604 (2016-17: £405,490) 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 £17,186, 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 2017-18 totalled £64,305 (2016-17, £21,700)[1]

A limited volume of consultancy spend has been recorded to obtain very specific advice or support where expertise was not readily available in DFID. Consultancy advice during the period related to legal, business technology, and optimisation of DFID office space.

[1] As per the definitions of consultancy from Cabinet Office guidelines.

Contingent labour[1]

Contingent Labour costs for 2017-18 totalled £538,861.31 (2016-17, £966,892).

Contingent labour reflects the use of agency workers and contractors who are engaged to fill short term and immediate vacancies when all other routes to fill have been explored in line with DFID and Civil Service resourcing policies and processes.

[1] This information has not previously been reported.

Average number of persons employed (audited)

The average number of whole-time equivalent persons employed by DFID during 2017-18 was 3,182 (2016-17: 2,876). 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 deliver on our commitment to spend 0.7% of GNI on International Development.

The breakdown of staff employed at 31 March 2018 and 31 March 2017 was:

	2017-18					2016-17
Division	**Permanently employed staff – UK**	**Permanently employed staff – SAIC**	**Ministers**	**Special advisers**	**Total**	**Total**
Corporate Performance	671	28	–	–	699	576
Top Management Group	45	–	4	1	50	51
Policy and Global Programmes	725	26	–	–	751	709
Country Programmes	822	767	–	–	1,589	1,493
Economic Development	266	2	–	–	268	156
Total	**2,529**	**823**	**4**	**1**	**3,357**[1]	**2,985**

[1] This figure relates to Home Civil Servant (HCS) staff on payroll and total SAIC as at 31 March 2018.

The gender breakdown of SCS at 31 March 2018 was:

Grade	Male	Female	Grand total
SCS-G1A (Perm Sec)	1	0	1
SCS-G2 (Band 3)	1	2	3
SCS-G3 (Band 2)	10	4	14
SCS-G5 (Band 1)	35	37	72
Grand total	**47**	**43**	**90**

Trade Union disclosures[1]

We recognise the Public and Commercial Services Union and the FDA Trade Unions and meet with them on a regular basis on a range of employee matters, including pay and policy.

[1] This information has not previously been reported.

Relevant union officials

The total number of DFID employees who were relevant union officials during 2017-18 was:

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
1	1

Percentage of time spent on facility time

The number of DFID employees who were relevant union officials employed during the 2017-18 spent the following percentage of their working hours on facility time was:

Percentage of time	Number of employees
0%	0
1–50%	1
51%–99%	0
100%	0

Percentage of pay bill spent on facility time

The percentage of DFID's total pay bill spent on paying employees who were relevant union officials for facility time during 2017-18 was:

Description	Figures
Provide the total cost of facility time	£27,010
Provide the total pay bill	£185,884,000
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.0145%

Paid trade union activities

Of the total facility time hours available to DFID employees who were relevant union officials the table below represents the percentage of that time spent on union activities during 2017-18:

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: *(total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100*	98.9%

Diversity and inclusion

DFID is fully committed to diversity and inclusion in all that we do globally. This means providing a workplace for all staff, whether HCS or SAIC, that is welcoming and respectful, considering the needs of everyone and ensuring the right conditions are in place for each person to have the opportunity to achieve their potential. DFID commenced a long-term cultural transformation agenda in April 2017. The aims of the change are to turn DFID into one of the most diverse and inclusive places to work across the Civil Service; and support the Civil Service vision to be the most inclusive employer in the UK by 2020.

DFID and our programmes will benefit from a more inclusive workforce. Our staffing at all levels – including SCS – should represent the diversity of the UK population as a whole, in terms of gender, race, disability, faith, sexuality and socio-economic background.

Our diversity and inclusion targets for 2017-18 and the progress on these are:

1. ***To carry out a thorough staff consultation to understand what Diversity and Inclusion means to them; what works to drive diversity and inclusion in organisations (in the UK and globally); and what should be our focus for Diversity and Inclusion going forward.*** We have completed a Diversity and Inclusion consultation. Our new approach focuses more explicitly on inclusion of all our staff (HCS and SAIC) and provides a vision, framework and targets for DFID to work to over the next 4 years.
2. ***DFID systematically considers equality and diversity across all programmes.*** We introduced new guidance for our programmes on the Public Sector Equality Duty and Gender.
3. ***DFID has a representative workforce at every level who feel valued and enabled to reach their full potential.*** For our HCS we have 55% women this year (compared to 56% in 2016-17 and 55% in 2015-16) so we are maintaining the level of representation for women while our headcount increases. We have made substantial effort over the years, and achieved notable progress. e.g. 47% of our SCS are women, up from 31% 9 years ago, and 56% of our SCS Heads of Office are now women (15 out of 27). For SAIC we have 56% women and 44% men and have been working hard to support our SAIC to take up roles at higher grades with the result that we have 18% more 'A' band staff than 2 years ago. Our staff are more confident in telling us their diversity data than they were this time last year, in particular our staff with disabilities. We are diversifying our advertising and candidate attraction to provide a wider representative candidate base.

The DFID culture respects, celebrates and promotes the value of Diversity and Inclusion. Our consultation has started a conversation in DFID and we are continually nudging behaviours through learning, blogs, communications and local initiatives to make diversity and inclusion relevant for everyone. This will continually improve our inclusive culture.

Disability in DFID

We need to address the concerns of staff with disabilities and work in both the short and long term to ensure that those with disabilities feel that they are an equal and valued part of DFID.

We have worked this year to ensure that we continually improve our offer to those with disabilities within DFID, and for those who wish to join us.

DFID is a Disability Confident Leader. We are doing more work than ever before to ensure we target those with disabilities in our recruitment advertising, are promoting internships with Leonard Cheshire and the Civil Service and operate anonymous recruitment and a guaranteed interview scheme. Within DFID we have agreed a new Workplace adjustments policy for those with disabilities to help level the playing field. We have implemented Disability Inclusive Management Courses in February, for which staff need to do the Disability Confident online learning prior to attending.

Our networks have produced popular blogs to encourage all staff to become more comfortable about sharing their diversity information and our disability networks have held open sessions for staff to be able to ask questions about disability in a safe environment.

All of this contributes to challenging attitudes towards, and increasing understanding of, disability.

The following table provides a breakdown of HCS staff by gender at 31 March 2018 and 31 March 2017.

	31 March 2018		31 March 2017	
Male	1,129	45%	951	44%
Female	1,400	55%	1,230	56%
Total	**2,529**		**2,181**	

The following table provides a breakdown of SAIC by gender at 31 March 2018 and 31 March 2017.

	31 March 2018		31 March 2017	
Male	359	44%	326	43%
Female	464	56%	431	57%
Total	**823**		**757**	

Health, safety and well-being

DFID is committed to providing a safe and healthy working environment for all staff. 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 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 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.

The managing attendance policy applies to all HCS 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 2017-18 based on the central reporting guidance.

Whilst the figures show an overall increase both in the number of working days lost, and in respect of the number of staff who have had sick absence, the majority of the increases can be attributed to the increase in staff numbers in the organisation (12% more staff in the organisation at the end of 2017-18 year than at the end of the previous year). However even taking account of the increases in staff numbers there is a marginal overall increase in the average number of working days lost per staff member from 4.1 days per person to 4.3 days per person. Our overall sick absence figures continue to compare favourably against the average sick absence rates within the civil service and within private sector.

	2017-18	2016-17
Working days lost (short term absence)	5,199	4,098
Working days lost (long term absence)	5,702	4,983
Total working days lost	10,901	9,081
Number of staff absent as a result of sickness	978	788
Percentage of staff with no sick absence	64%	67%

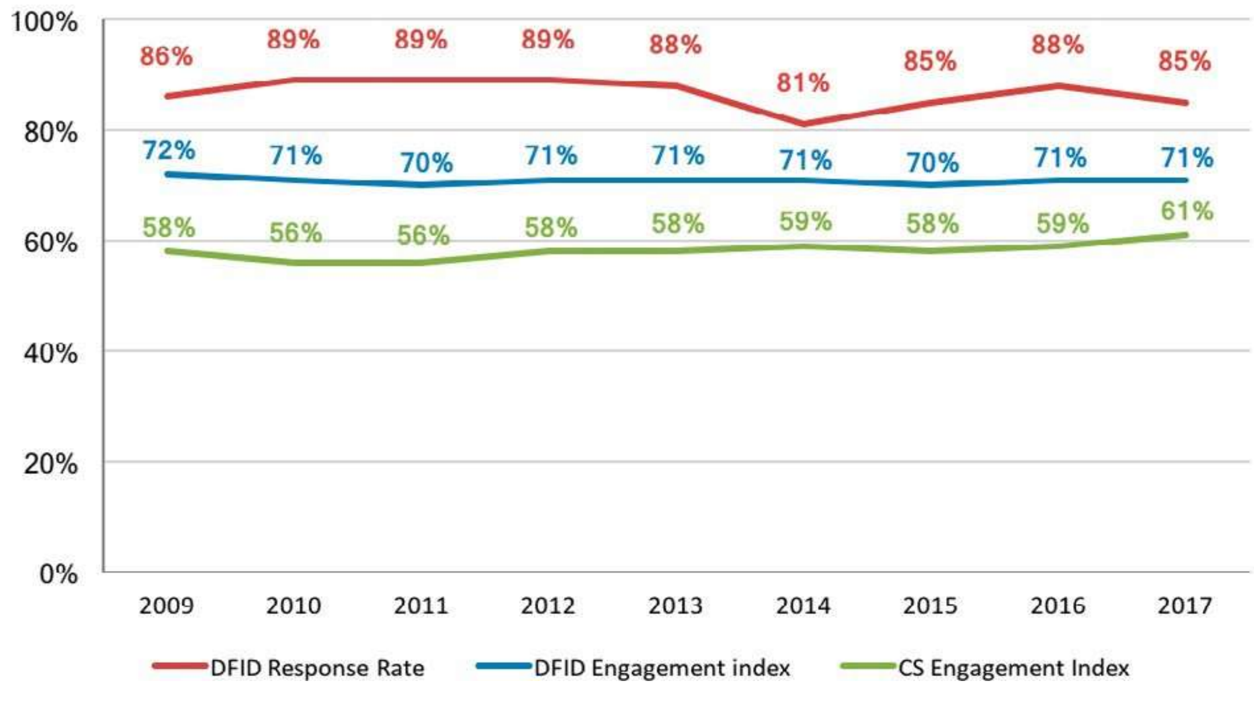
Employee engagement

The response rate by DFID employees to the 2017 Civil Service People Survey was very high. Our employee engagement index of 71% ranks 9 points above the Civil Service average index and is the fifth equal highest score across the 98 Civil Service departments that participated.

In the 2017 survey, 94% of staff said they were interested in their work and 87% 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 2018. The responses to these areas scored 87% and while this is still 5 points above the Civil Service average, it does sit comparably with other high-performing departments.

The following table shows the comparison between DFID's engagement index to the Civil Service average over a 9-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 Civil Service principles. Objectives are agreed at the beginning of the performance year (April) and include both delivery and behavioural expectations. Performance is assessed quarterly (meeting expectations; not meeting expectations). Individuals and teams can be nominated for performance awards at any time during the year. These can be for short-term impact, or for those who have made a longer-term and sustained impact on individual, team or organisational performance. Nominations are reviewed by Heads (Deputy Directors) on a quarterly basis.

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	0(0)	4(0)	4(0)
£10,000–£25,000	0(0)	6(0)	6(0)
£25,000–£50,000	0(0)	2(2)	2(2)
£50,000–£100,000	0(0)	0(5)	0(5)
£100,000–£150,000	0(0)	0(0)	0(0)
£150,000–£200,000	0(0)	0(0)	0(0)
Total number of exit packages	0(0)	12(7)	12(7)
Total cost £000			177(458)

[1] These disclosures are subject to audit.

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, 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[1]

The table below provides information on all off-payroll engagements as of 31 March 2018, for more than £245 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[2]
Number of existing engagements as of 31 March 2018	0	0	0

The table below provides information on new off-payroll engagements, or those that reached 6 months in duration, between 1 April 2017 and 31 March 2018, for more than £245 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 2017 and 31 March 2018	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 2017 and 31 March 2018.

	Main department	Agencies	ALBs
Number of off-payroll engagements of Board members and/or senior officials with significant financial responsibility during the financial year[1]	0	0	0
Total no. of individuals on payroll and off-payroll that have been deemed “board members, and/or, senior officials with significant financial responsibility”, during the financial year. This figure should include both on payroll and off-payroll engagements[2]	8	0	5

[1] As defined in HM Treasury Public Expenditure System (PES (2017) 11) guidance. These disclosures are subject to audit.

[2] Arms Length Bodies as defined in The Government Financial reporting Manual 2017-18: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/669344/2017-18_Government_Financial_Reporting_Manual.pdf

2.3 Parliamentary Accountability and Audit report

Statement of Parliamentary Supply

Summary of Resource and Capital Outturn 2017-18

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.

								2017-18	2016-17
				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	7,155,280	501,000	7,656,280	7,118,656	439,000	7,557,656	36,624	7,407,090
– Capital	SOPS 1.2	2,746,924	–	2,746,924	2,713,306	–	2,713,306	33,618	2,590,568
Annually Managed Expenditure									
– Resource	SOPS 1.1	412,200	–	412,200	302,682	–	302,682	109,518	159,282
– Capital	SOPS 1.2	395,000	–	395,000	395,000	–	395,000	–	284,964
Total budget		**10,709,404**	**501,000**	**11,210,404**	**10,529,644**	**439,000**	**10,968,644**	**179,760**	**10,441,904**
Non–budget									
– Resource		–	–	–	–	–	–	–	–
Total		**10,709,404**	**501,000**	**11,210,404**	**10,529,644**	**439,000**	**10,968,644**	**179,760**	**10,441,904**

Total resource		7,567,480	501,000	8,068,480	7,421,338	439,000	7,860,338	146,142	7,566,372
Total capital		3,141,924	–	3,141,924	3,108,306	–	3,108,306	33,618	2,875,532
Total		**10,709,404**	**501,000**	**11,210,404**	**10,529,644**	**439,000**	**10,968,644**	**179,760**	**10,441,904**

Net Cash Requirement 2017-18

				2017-18	2016-17
			£000	£000	£000
	Note	2017-18 Estimate £000	Outturn	Outturn compared with Estimate: saving/ (excess)	Outturn
Net cash requirement	SOPS3	10,745,204	10,674,285	70,919	10,326,040

Administration costs 2017-18

	2017-18 Estimate £000	2017-18 Outturn £000	2016-17 Outturn £000
Administration costs	114,020	100,419	97,254

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.

Breakdown of variances between Estimate and Outturn are given in SOPS note 1 and explanation of variances are given in the Financial Review on page 45.

Notes to the Departmental Resource Accounts – Statement of Parliamentary Supply

SOPS1 Net outturn

SOPS1.1 Analysis of net resource outturn by section

											2017-18 £000	2016-17 £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	1,603	–	1,603	24,583	–	24,583	26,186	25,252	(934)	21		25,473
B: Total Operating Costs	98,535	(65)	98,470	178,894	(6)	178,888	277,358	291,748	14,390	14,390		262,064
C: Independent Commission for Aid Impact (NDPB) (net)	346	–	346	3,367	–	3,367	3,713	4,323	610	610		3,145
D: Conflict, Stability and Security Fund	–	–	–	115,096	–	115,096	115,096	116,195	1,099	1,099		121,116
E: Regional Programmes	–	–	–	3,721,433	(34)	3,721,399	3,721,399	3,719,498	(1,901)	33		3,853,504
F: Other Central Programmes	–	–	–	(6,780)	(3,587)	(10,367)	(10,367)	9,439	19,806	16,917		(6,497)
G: Policy Priorities, International Organisations and Humanitarian	–	–	–	2,986,287	(1,016)	2,985,271	2,985,271	2,988,825	3,554	3,554		2,650,285
Non-Voted Expenditure												
H: European Union Attributed Aid	–	–	–	439,000	–	439,000	439,000	501,000	62,000	62,000		498,000
Total Spending in DEL	100,484	(65)	100,419	7,461,880	(4,643)	7,457,237	7,557,656	7,656,280	98,624	98,624		7,407,090
Annually Managed Expenditure (AME)												
Voted												
I: Regional Programmes	–	–	–	–	–	–	–	–	–	–		(46)
J: Other Central Programmes	–	–	–	328,902	(26,220)	302,682	302,682	412,200	109,518	109,518		159,328
Total Spending in AME	–	–	–	328,902	(26,220)	302,682	302,682	412,200	109,518	109,518		159,282
Total	**100,484**	**(65)**	**100,419**	**7,790,782**	**(30,863)**	**7,759,919**	**7,860,338**	**8,068,480**	**208,142**	**208,142**		**7,566,372**

Explanations of variances between Estimate and outturn are given in the Financial Review on page 45.

SOPS1.2 Analysis of net capital outturn by section

						2017-18 £000	2016-17 £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	548,376	–	548,376	562,775	14,399	14,399	500,674
F: Other Central Programmes	11,750	(21,396)	(9,646)	4,874	14,520	14,520	(9,561)
G: Policy Priorities, International Organisations and Humanitarian	2,174,575	–	2,174,575	2,179,275	4,700	4,700	2,099,455
Non-Voted							
H: European Union Attributed Aid	–	–	–	–	–	–	–
Total Spending in DEL	2,734,701	(21,396)	2,713,305	2,746,924	33,619	33,619	2,590,568
Annually Managed Expenditure (AME)							
Voted							
I: Other Central Programmes	–	–	–	–	–	–	–
J: Policy Priorities, International Organisations and Humanitarian	395,000	–	395,000	395,000	–	–	284,964
Total Spending in AME	395,000	–	395,000	395,000	–	–	284,964
Total	**3,129,701**	**(21,396)**	**3,108,305**	**3,141,924**	**33,619**	**33,619**	**2,875,532**

Explanations of variances between Estimate and outturn are given in the Financial Review on page 45.

SOPS2 Reconciliation of outturn to net operating expenditure

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

	Note	2017-18 £000 Outturn	2016-17 £000 Outturn
Total resource outturn in Statement of Parliamentary Supply			
Budget	1.1	7,860,338	7,566,372
Non-budget	1.1	–	–
		7,860,338	7,566,372
Add:			
Capital Grants		1,753,737	2,031,741
Capital Grant in Kind – Expense		2,469	–
Notional grant – transfer of investments		31,421	
		1,787,627	2,031,741
Less:			
Income payable to the Consolidated Fund		(159)	(14,291)
Non-voted[1] EU attribution		(439,000)	(498,000)
		(439,159)	(512,291)
Net Operating Expenditure in Consolidated Statement of Comprehensive Net Expenditure		9,208,806	9,085,822

[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 resource outturn to net cash requirement

	SOPS Note	Estimate £000	Outturn £000	Net total outturn compared with Estimate: saving/ (excess) £000
Resource outturn	1.1	8,068,480	7,860,338	208,142
Capital outturn	1.2	3,141,924	3,108,305	33,619
Accruals to cash adjustments:				
Adjustments to remove non-cash items:				
Depreciation and impairment		(18,000)	(7,227)	(10,773)
New Provisions and adjustments to previous provisions		(547,755)	38,786	(586,541)
Other non-cash items		(4,845)	(485,535)	480,690
Adjustments for ALBs:				
Remove voted resource and capital		(29,575)	(29,898)	323
Add cash grant-in-aid		29,575	29,951	(376)
Adjustments to reflect movements in working balances				
Increase in receivables		–	(12,156)	12,156
Decrease in payables		466,000	469,115	(3,115)
Use of provisions		140,400	141,606	(1,206)
		11,246,204	11,113,285	132,919
Removal of non-voted budget items:				
Consolidated Fund Standing Services		(501,000)	(439,000)	(62,000)
Other adjustments		–	–	–
Net cash requirement		**10,745,204**	**10,674,285**	**70,919**

Explanations of variances between Estimate and outturn are given in the Financial Review on page 45.

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 2017-18 £000		Outturn 2016-17 £000	
	Income	***Receipts***	**Income**	***Receipts***
Operating income outside the ambit of the Estimate	(159)	*(159)*	(14,291)	*(14,291)*
Excess cash surrenderable to the Consolidated Fund	–	–	–	–
Total income payable to the Consolidated Fund	**(159)**	***(159)***	**(14,291)**	***(14,291)***

Parliamentary Accountability Disclosures

Losses and special payments (audited)

Losses statement

	2017-18		2016-17	
	DFID	**Departmental Group**	**DFID**	**Departmental Group**
Total number of losses	64	64	41	41
Total value of losses (£000)	1,024	1,024	3,147	3,147

DFID takes a robust approach to pursuing loss recovery.

There were no significant constructive losses or individual reportable losses (greater than £300,000) during the year.

Special payments

	2017-18		2016-17	
	DFID	**Departmental Group**	**DFID**	**Departmental Group**
Total number of special payments	17	17	2	2
Total value of special payments (£000)	3,930	3,930	1,136	1,136

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

Details of special payments greater than £300,000:	**2017-18 £000**
Extra-contractual payment to Leeds University to cover the period between a contract expiring and agreement of a new contract	459
Extra-contractual payment to Save the Children to cover the period between a contract expiring and the completion of the project.	2,245
Total special payments greater than £300,000	**2,704**

Remote contingent liabilities (audited)

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 £14,522.8 million (2016-17: £15,171.1 million) and comprise:

- £14,301.1 million (2016-17: £14,951.3 million) in respect of callable capital on investments in International Financial Institutions (IFIs). 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 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.
- £45.3 million (2016-17: £50.8 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). Members are required to make payments to IBRD if their currencies (Sterling for UK) depreciate significantly from the subscription date, relative to the US Dollar. This promissory note has never been drawn down.

- £157.0 million (2016-17: £151.6 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. Prior to any call on member states, the European Investment Bank must first exhaust its own capital resources and so a call is considered remote.
- £19.4 million (2016-17: £17.4 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 2018-19 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 2018 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 in Annex C.

Matthew Rycroft CBE

Accounting Officer for the Department for International Development

21 June 2018

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

Opinion on financial statements

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 2018 under the Government Resources and Accounts Act 2000. The Department comprises the core Department and its advisory non-departmental 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 2017. 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, including the significant accounting policies. 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 Accountability Report that is described in that report as having been audited.

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 2018 and of the Department's net operating expenditure and Departmental Group's net operating expenditure for the year then ended; and
- 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 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 2018 and shows that those totals have not been exceeded; and
- the income and expenditure 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.

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of the Department for International Development in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Accounting Officer for the financial statements

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.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000.

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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the Department for International Development's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the Department for International Development's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the group financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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.

Other Information

The Accounting Officer is responsible for the other information. The other information comprises information included in the Performance Report and the Accountability Report, other than the parts of the Accountability Report described in that report as having been audited, the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000;
- in the light of the knowledge and understanding of the group and the parent and its environment obtained in the course of the audit, I have not identified any material misstatements in the Performance Report or the Accountability Report; and
- the information given in the Performance and Accountability Reports 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; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- 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: 27 June 2018**

Comptroller and Auditor General

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

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[38]

for the year ended 31 March 2018

	Note	DFID £000	2017-18 Departmental Group £000	DFID £000	2016-17 Departmental Group £000
Total operating income		**(30,071)**	**(31,087)**	**(15,746)**	**(16,161)**
Staff costs	3	185,840	185,840	166,070	166,070
Grants and current expenditure	3	7,024,756	7,051,959	6,959,311	6,985,199
Promissory note deposits	3	1,490,721	1,490,721	1,658,125	1,658,125
Discounting	3	486,622	486,622	221,132	221,132
Other costs	3	24,751	24,751	71,457	71,457
Grant in aid to NDPBs		26,238	–	25,667	–
Total operating expenditure		**9,238,928**	**9,239,893**	**9,101,762**	**9,101,983**
Net operating expenditure		**9,208,857**	**9,208,806**	**9,086,016**	**9,085,822**
Other comprehensive net expenditure					
Items which will not be reclassified to net operating expenditure:					
– Net gain on revaluation of property, vehicles and equipment	14	(30,257)	(30,257)	(438)	(438)
Items which may be reclassified to net operating expenditure:					
– Net loss/(gain) on revaluation of Development Capital Investments	5, 14	13,288	13,288	(14,243)	(14,243)
– Net gain on revaluation of International Financial Institution investments	5, 14	(561,351)	(561,351)	(409,671)	(409,671)
– Net loss/(gain) on revaluation of investment in CDC	5, 14	72,800	72,800	(604,136)	(604,136)
Comprehensive net expenditure for the year		**8,703,337**	**8,703,286**	**8,057,528**	**8,057,334**

The notes on pages 103 to 137 form part of these accounts.

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

Consolidated Statement of Financial Position[1]

as at 31 March 2018

	Note	DFID	31 March 2018 Departmental Group	DFID	31 March 2017 Departmental Group
		£000	£000	£000	£000
Non-current assets					
Property, vehicles and equipment	4	92,580	92,580	61,221	61,221
Intangible assets		9,740	9,740	10,626	10,626
Financial investments	5	9,908,539	9,908,539	8,942,659	8,942,659
Trade and other receivables	9	980,211	980,211	614,922	614,922
Total non-current assets		**10,991,070**	**10,991,070**	**9,629,428**	**9,629,428**
Current assets					
Trade and other receivables	9	201,911	201,911	222,660	222,660
Cash and cash equivalents	8	842	1,457	1,401	1,601
Total current assets		**202,753**	**203,368**	**224,061**	**224,261**
Total assets		**11,193,823**	**11,194,438**	**9,853,489**	**9,853,689**
Current liabilities					
Bank overdraft	8	(10,730)	(10,730)	(19,492)	(19,492)
Trade and other payables	10	(4,864,666)	(4,865,031)	(5,341,175)	(5,341,176)
Provisions[2]	11	(123,693)	(123,693)	(153,278)	(153,278)
Total current liabilities		**(4,999,089)**	**(4,999,454)**	**(5,513,945)**	**(5,513,946)**
Total assets less current liabilities		**6,194,734**	**6,194,984**	**4,339,544**	**4,339,743**
Non-current liabilities					
Trade and other payables	10	(26,309)	(26,309)	(31,126)	(31,126)
Pension liability[2]		(35,150)	(35,150)	–	–
Provisions[2]	11	(914,305)	(914,305)	(1,065,112)	(1,065,112)
Total non-current liabilities		**(975,764)**	**(975,764)**	**(1,096,238)**	**(1,096,238)**
Total assets less total liabilities		**5,218,970**	**5,219,220**	**3,243,306**	**3,243,505**
Taxpayers' equity and other reserves					
General fund	13	(951,154)	(950,904)	(2,416,728)	(2,416,529)
Revaluation reserve	14	6,170,124	6,170,124	5,660,034	5,660,034
Total equity		**5,218,970**	**5,219,220**	**3,243,306**	**3,243,505**

[1] DFID includes core department and ICAI (an advisory NDPB). The Departmental Group also includes CSC.

[2] The value of liabilities in respect of the Cordoba & Gibraltar Social Insurance Fund has been separately disclosed as at 31 March 2018. The liability was previously included as a provision. The comparative liability for the prior year was: DFID £50.0 million and Departmental Group £50.0 million. See note 11.

Matthew Rycroft CBE
Accounting Officer for the Department for International Development
21 June 2018

The notes on pages 103 to 137 form part of these accounts.

Consolidated Statement of Cash Flows

for the period ended 31 March 2018

	Note	2017-18 Departmental Group [1] £000	2016-17 Departmental Group [1] £000
Cash flows from operating activities			
Net operating expenditure		(9,208,806)	(9,085,822)
Adjustment for grant in kind		2,469	–
Adjustments for non-cash transactions		480,460	295,147
Decrease/(increase) in trade and other receivables		19,599	(21,699)
Decrease in trade payables		(468,750)	(519,717)
Use of provisions	11	(141,606)	(122,250)
Net cash outflow from operating activities		**(9,316,634)**	**(9,454,341)**
Cash flows from investing activities			
Purchase of intangible assets		(1,946)	(3,153)
Purchase of property, vehicles and equipment		(2,349)	(3,142)
Proceeds of disposal of property, vehicles and equipment		250	16
Additions to financial investments	5	(522,065)	(417,055)
Additions to loans		(842,000)	(436,000)
Repayment from other bodies		11,036	1,643
Net cash outflow from investing activities		**(1,357,074)**	**(857,691)**
Cash flows from financing activities			
From the Consolidated Fund (supply) – current year		10,668,993	10,229,563
From the Consolidated Fund (supply) – prior year		25,703	–
Advances from the Contingencies Fund		–	345,855
Repayments to the Contingencies Fund		–	(345,855)
Net financing		**10,694,696**	**10,229,563**
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		**20,988**	**(82,469)**
Payment of amounts due to the Consolidated Fund		(12,370)	(3,431)
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		**8,618**	**(85,900)**
Cash and cash equivalents at the beginning of the period	8	(17,891)	68,009
Cash and cash equivalents at the end of the period	8	**(9,273)**	**(17,891)**

[1] Only the Departmental Group cashflow is shown as there is no material difference between DFID and Departmental Group figures.

The notes on pages 103 to 137 form part of these accounts.

Consolidated Statement of Changes in Taxpayers' Equity[1]

for the period ended 31 March 2018

	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 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**
Net Parliamentary Funding - drawn down	13	10,668,993	–	10,668,993	10,668,993	–	10,668,993
Supply receivable adjustment	13	9,853	–	9,853	9,853	–	9,853
Operating income payable to the Consolidated Fund	13	(159)	–	(159)	(159)	–	(159)
Comprehensive net expenditure for the year	13, 14	(9,208,857)	505,520	(8,703,337)	(9,208,806)	505,520	(8,703,286)
Non-cash adjustments:							
Non-cash charges - auditor's remuneration	3	314	–	314	314	–	314
Movements in Reserves							
Realised element to General Fund	13, 14	(4,570)	4,570	–	(4,570)	4,570	–
Balance at 31 March 2018		**(951,154)**	**6,170,124**	**5,218,970**	**(950,904)**	**6,170,124**	**5,219,220**

[1] DFID includes core department and ICAI (an advisory NDPB). The Departmental Group also includes CSC.

The notes on pages 103 to 137 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 2017-18 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 and accordingly are drawn up on that basis to give a true and fair view. 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 2017 No 1256 The Government Resources and Accounts Act 2000 (Estimates and Accounts) (Amendment) Order 2017. 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. Statement of accounting policies (continued)

1.3 Coverage of accounts

These accounts cover the activities of DFID and its 2 non-departmental public bodies only, the Commonwealth Scholarship Commission in the United Kingdom (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 2010 and HM Treasury direction, CDC is not consolidated; in accordance with Statutory Instrument 2017 No 1256 The Government Resources and Accounts Act 2000 (Estimates and Accounts) (Amendment) Order 2017 (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 (and IFRS 9, from 2018-19).

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.

1.4 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 (note 3).

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. Statement of accounting policies (continued)

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 as part of the fair value revaluation. Exchange differences on provisions are recognised within the Consolidated Statement of Comprehensive Net Expenditure, all others 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 accounted for at market value based on professional valuations carried out at not more than 5-year intervals.

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. Statement of accounting policies (continued)

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
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 2018 and 2017 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 (taking into consideration the department's assessment of impairment or material changes to fair value for bodies with non-coterminous reporting dates) is used as a measure for determining fair value. This applies to DFID's investment in CDC. CDC's financial investments are held at fair value under IFRS, and changes in the value of CDC's net assets are recorded as changes in the value of 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 based on appropriate evidence and likelihood of default. 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 judged to be 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 financial assets in this classification, an impairment review is carried out at the reporting date. Indicators of impairment for these other financial assets 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 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

IFRS 9 'Financial instruments' replaces IAS 39 'Financial instruments: Recognition and measurement' and amends IAS 32 'Financial Instruments: Presentation' and IFRS 7 'Financial Instruments: Disclosures' and will be adopted by the public sector from 1 April 2018. An assessment of the impact is provided below. The FReM removes the option to adopt IFRS 9 retrospectively, and therefore DFID will recognise any difference between the previous carrying amount and the carrying amount under IFRS 9 on 1 April 2018.

DFID carried out a review of its Statement of Financial Position as at 31 March 2018 to assess potential changes due to the introduction IFRS 9. The impact as at 1 April 2018 expected by the department on adoption of IFRS 9 has been set out below.

(a) Classification and measurement of financial assets and financial liabilities

IFRS 9 will require DFID's financial assets to be classified as either held at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL), dependent on the business model and cash flow characteristics of the financial asset.

The following classification and measurement effects will take place under IFRS 9:

- Equity investments will continue to be measured at FVTOCI (continuing to make an irrevocable election at initial recognition to do this because the investments are not held for trading);
- Loans and receivables will continue to be measured at amortised cost;
- Debt instruments will continue to be measured at amortised cost under IFRS where the objective is to collect contractual cash flows which are solely of principal and interest; and
- Debt instruments which do not meet the conditions to be measured at amortised cost or FVTOCI will be measured at FVTPL.

Three debt instruments will be reclassified to FVTPL under IFRS 9: two are currently measured at FVTOCI and the other is an embedded derivative which has been separated under IAS 39 into a loan held at amortised cost and warrants held at fair value. The impact of this will be that on adoption, the cumulative gain or loss previously recognised in Taxpayer's Equity relating to the reclassified investments is recognised in the Consolidated Statement of Comprehensive Net Expenditure.

There will be no material changes to financial liabilities under IFRS 9.

(b) Impairment

IFRS 9 replaces the 'incurred loss model' in IAS 39 with a forward looking 'expected credit loss' (ECL) model, which is a three-stage model of impairment and is based on the level of credit risk. There is no change to how impairment on equity investments is recognised, or on debt instruments measured at FVTPL. Therefore the new impairment model mainly impacts DFID's loans and receivables balances, debt instruments measured at amortised cost, and some trade and other receivables balances. It also potentially impacts on DFID's callable capital and financial guarantee contracts.

IFRS 9 requires a loss allowance to be recognised at an amount equal to either 12-month or lifetime ECLs, dependent on the level of credit risk. Lifetime ECLs are the ECLs that result from all possible default events over the life of a financial instrument, whereas 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date. This will require considerable judgement and ECLs will be determined on a probability-weighted basis.

The majority of DFID's receivables balances have a low credit risk at the reporting date. However, for trade receivables, the FReM requires government departments to recognise lifetime ELCs if the credit risk of any investment increases significantly from initial recognition.

1. Statement of accounting policies (continued)

The department will consider a financial asset to be in default when the borrower is unlikely to pay its credit obligations to DFID in full.

The department will consider reasonable and supportable information that is relevant and available without undue cost of effort when determining whether credit risk has increased significantly since initial recognition. This will include qualitative and quantitative information and analysis based on historical experience, expert credit assessment (where available) and forward-looking information.

The credit risk at initial recognition for some of DFID's historic loan balances is not known. However, many of these balances are fully provided for already. For those without an existing provision, all available information will be used to determine the level of loss allowances required.

For callable capital, DFID will consider the balance likely to be drawn down in the next 12 months from the reporting date and will calculate loss allowances based on this. For financial guarantee contracts, no fees are received and so there is no associated financial asset. However, where the risk of default increases significantly a provision for the potential payments will be recognised and will be assessed in accordance with principles of IFRS 9.

(c) Estimated impact of adoption

Carrying values of categories of financial assets and liabilities in the Statement of Financial Position

The table below shows how DFID's financial assets are measured as at 31 March 2018 under IAS 39, the fair value of the financial assets which will be reclassified under IFRS 9, and the opening balances under IFRS 9 on 1 April 2018 by classification.

Financial assets	**FVTPL**	**FVTOCI**	**Amortised cost**	**Total carrying value**
	£000	**£000**	**£000**	**£000**
As at 31 March 2018 (under IAS 39)				
- Loans and receivables	168,736	–	1,019,696	1,188,432
- Available for sale assets	–	9,758,974	–	9,758,974
	168,736	9,758,974	1,019,696	10,947,406
Assets reclassified to FVTPL	13,694	(13,524)	(170)	–
Assets reclassified to FVTOCI	–	–	–	–
Assets reclassified to amortised cost	–	–	–	–
As at 1 April 2018 (under IFRS 9)	182,430	9,745,450	1,019,526	10,947,406

There are no changes to the classifications of financial liabilities.

Expected Credit Losses by Asset Class

The expected credit losses on financial assets which will be recognised on adoption of IFRS 9 are set out below. As noted in (b) above, the FReM requires that departments recognise lifetime expected credit losses on trade receivables. A number of DFID's loan receivable balances are repaid only if underlying third parties make repayments, and so the credit risk assessment has taken the credit ratings of the third parties into account. The FReM removes the accounting policy choice given by the standard to restate prior periods upon transition.

1. Statement of accounting policies (continued)

Expected credit losses to be recognised at 1 April 2018	**12 month expected credit losses**	**Lifetime expected credit losses - not credit impaired**	**Lifetime expected credit losses - credit impaired**	**Total**
	£000	**£000**	**£000**	**£000**
Financial assets held at FVTPL	–	661	–	661
Financial assets held at FVTOCI	–	–	–	–
Financial assets held at amortised cost	32	8,816	–	8,848
Callable capital	–	–	–	–
Financial guarantees	324	–	–	324
	356	9,477	–	9,833

IFRS 15

IFRS 15 'Revenue from contracts with customers' will be adopted by the public sector from 1 April 2018. The standard will not have a material impact on the department as income is not a material balance.

IFRS 16

IFRS 16 'Leases' will 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 Management Board. 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 Management Board 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. The 2016-17 figures have been restated to reflect an organisation change from 2017-18.

For the year ended 31 March 2018

Director General	Division	Gross expenditure £000	Income £000	2017-18 Net expenditure £000
Corporate Performance	Central Department	389,914	(29,967)	359,947
	Business Change and Strategy Division	2,211	–	2,211
	Business Solutions Division Level	22,369	–	22,369
	Communications Division	3,370	–	3,370
	Finance and Corporate Performance Division	11,584	–	11,584
	Group Operations	19,538	–	19,538
	Human Resources	8,983	–	8,983
	Internal Audit	2,498	–	2,498
	Non-Departmental Public Body	3,713	–	3,713
Corporate Performance		**464,180**	**(29,967)**	**434,213**
Permanent Secretary	Top Management Group	4,051	–	4,051
Permanent Secretary		**4,051**	**–**	**4,051**
Policy, Research and Humanitarian	Policy Division	1,700,806	–	1,700,806
	International Relations Division	995,012	(1,016)	993,996
	Research and Evidence Division	429,194	–	429,194
	Humanitarian, Security and Migration Division	376,352	–	376,352
	PRH Cabinet	1,470	–	1,470
Policy, Research and Humanitarian		**3,502,834**	**(1,016)**	**3,501,818**
Country Programmes	Asia, Caribbean and Overseas Territories	1,201,997	–	1,201,997
	East and Central Africa	1,525,403	(70)	1,525,333
	Country Programmes Cabinet	1,984	–	1,984
	West and Southern Africa	911,261	(34)	911,227
	Middle East and North Africa Division	798,256	–	798,256
Country Programmes		**4,438,901**	**(104)**	**4,438,797**
Economic Development	Economic Development Division	829,927	–	829,927
Economic Development		**829,927**	**–**	**829,927**
Total		**9,239,893**	**(31,087)**	**9,208,806**

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

For the year ended 31 March 2017 (Restated)

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, Research and Humanitarian	Policy Division	1,383,687	–	1,383,687
	International Relations Division	1,944,824	(415)	1,944,409
	Research and Evidence Division	367,833	–	367,833
	Humanitarian, Security and Migration Division	396,527	–	396,527
	PRH Cabinet	1,287	–	1,287
Policy, Research and Humanitarian		**4,094,158**	**(415)**	**4,093,743**
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
	Country Programmes Cabinet	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**
Economic Development	Economic Development Division	205,574	–	205,574
Economic Development		**205,574**	**–**	**205,574**
Total		**9,101,983**	**(16,161)**	**9,085,822**

3. Expenditure

	Note	DFID	Departmental Group	DFID	Departmental Group
		2017-18		2016-17	
		£000	£000	£000	£000
Rentals under operating leases		45	45	891	891
Charges under finance leases		–	–	–	–
		45	45	891	891
Staff costs [1]					
Wages and salaries		148,997	148,997	131,553	131,553
Social security costs		11,212	11,212	9,338	9,338
Other pension costs		25,901	25,901	25,316	25,316
Recoveries in respect of outward secondments		(270)	(270)	(137)	(137)
Grants and current expenditure		7,024,756	7,051,959	6,959,311	6,985,199
Promissory note deposits	10.2	1,490,721	1,490,721	1,658,125	1,658,125
Grant in kind[2]	4	2,469	2,469	–	–
Notional grant - transfer of investments	5	31,421	31,421	–	–
Non-cash items					
(Gain)/loss on foreign exchange		(8,221)	(8,221)	8,482	8,482
(Decrease)/increase in provisions (provision provided for in year less any release)	11	(43,654)	(43,654)	51,315	51,315
Increase in pension liability		35,150	35,150	–	–
Borrowing costs (unwinding of discount) on provisions	11	10,331	10,331	44,800	44,800
Other discounting[3]		476,291	476,291	176,332	176,332
Depreciation: property, vehicles and equipment	4	3,741	3,741	4,843	4,843
Amortisation: intangible assets		2,555	2,555	3,195	3,195
Impairment of financial investments	5	–	–	2,430	2,430
Impairment of loans[4]	6	931	931	–	–
Gain on disposal of property, vehicles and equipment	6	(148)	(148)	(3)	(3)
Loss on disposal of intangible assets	6	148	148	–	–
Auditors' remuneration and expenses [5]		314	314	304	304
Total net expenditure		**9,212,690**	**9,239,893**	**9,076,095**	**9,101,983**

[1] For more information on staff costs refer to the Staff Report section of the Remuneration Report on page 81.

[2] Grant in kind reflects a further transfer of DFID overseas assets to FCO as part of the One HMG agenda, where the FCO consolidated DFID's overseas corporate services.

[3] Year on year change in discount due to new loan disbursements in 2017-18.

[4] During the year, the interest rate for one of DFID's loans was reduced from 2% to 0.5%. This resulted in an impairment charge of £0.9 million to reduce the carrying value of the loan. The asset sits within the Country Programmes operating segment and the impairment has been recognised in other costs within total operating expenditure for the year.

[5] In addition, DFID directly paid the National Audit Office (NAO) cash fees of £nil during 2017-18 (2016-17: £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 £75,352 in 2017-18 (2016-17: £120,679). The NAO also received fees of £nil in 2017-18 (2016-17: £50,950) from multi-donor programmes, where DFID was one of several donors funding the programmes.

4. Property, vehicles and equipment

Consolidated 2017-18	Land, buildings and dwellings £000	Leasehold related assets £000	Vehicles £000	Furniture and fittings £000	Information technology £000	Assets under construction £000	2017-18 Total £000
Cost or valuation							
At 1 April 2017	**53,091**	**3,333**	**2,606**	**4,667**	**17,962**	**2,463**	**84,122**
Additions	446	48	–	523	5,721	674	7,412
Revaluation[1]	25,458	–	28	18	200	–	25,704
Brought into use / reclassifications	155	(107)	–	1,140	306	(1,488)	6 [2]
Grant in kind	–	(1,901)	(1,354)	(1,510)	(128)	(1,023)	(5,916)
Disposals	–	(183)	(103)	(199)	(2,821)	–	(3,306)
At 31 March 2018	**79,150**	**1,190**	**1,177**	**4,639**	**21,240**	**626**	**108,022**
Depreciation							
At 1 April 2017	**(4,449)**	**(1,859)**	**(2,044)**	**(2,400)**	**(12,149)**	**–**	**(22,901)**
Charged in year	(984)	(231)	(179)	(382)	(1,965)	–	(3,741)
Depreciation on revaluation[1]	4,691	–	(17)	(6)	(115)	–	4,553
Brought into use / reclassification	(17)	17	–	–	–	–	–[2]
Grant in kind	–	1,340	1,128	904	75	–	3,447
Disposals	–	157	103	173	2,767	–	3,200
At 31 March 2018	**(759)**	**(576)**	**(1,009)**	**(1,711)**	**(11,387)**	**–**	**(15,442)**
Carrying amount at 31 March 2018	**78,391**	**614**	**168**	**2,928**	**9,853**	**626**	**92,580**
Carrying amount at 31 March 2017	**48,642**	**1,474**	**562**	**2,267**	**5,813**	**2,463**	**61,221**

[1] £30.1 million revaluation in Land, buildings and dwellings is revaluation of 22/26 Whitehall.
[2] £6 thousand was brought into use/reclassified from intangibles during 2017-18.

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 on 31 March 2017 by Montagu Evans LLP using Royal Institute of Chartered Surveyors (RICS) guidelines. A revised market value based on existing use of £75.0 million (land £45.0 million, buildings £30.0 million) was reported. 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.

4. Property, vehicles and equipment (continued)

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.

5. Financial investments

	Other development capital £000	International Financial Institutions £000	CDC Group plc £000	Total £000
At 1 April 2017	**112,033**	**4,040,326**	**4,790,300**	**8,942,659**
Additions	29,837	97,228	395,000	522,065
Disposals	(31,421)	–	–	(31,421)
Impairments	–	–	–	–
Revaluations	(13,288)	561,351	(72,800)	475,263
Financing cost [1]	(27)	–	–	(27)
At 31 March 2018	**97,134**	**4,698,905**	**5,112,500**	**9,908,539**
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**

[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 2018, these include equity investments (£67.4 million), debt instruments (£13.5 million) and other returnable grant arrangements (£16.2 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 2017-18, two DC assets were transferred from DFID to CDC for no consideration. The transfer took place on 30 September 2017 and the fair value of the transferred assets was £31.4 million. These assets had previously been managed by CDC on DFID's behalf, and form part of CDC's new higher risk portfolio.

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 2017-18 US$4.1 million (£3.2 million) and US$0.3 million (£0.2 million) were encashed from the promissory note by the Asia Climate Partners Fund and the IFC Catalyst Fund respectively. At 31 March 2018, US$29.3 million (£20.9 million) and US$6.9 million (£4.9 million) of the promissory notes were not yet drawn down (note 10.3). It is expected that the promissory notes for both Funds will be encashed fully by 2020-21.

5. Financial investments (continued)

International financial institutions

Investments in 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.

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 each of US$122 million (approximately £87 million as at 31 March 2018).

HM Treasury, on behalf of the UK Government, made the initial instalment of US$122 million in January 2016. In February 2017, DFID made the second investment of US$122 million (equivalent of £98 million) and also made the third investment of US$122 million (equivalent of £91 million) in January 2018. DFID held the AIIB investment at cost in 2016-17 but in 2017-18 revalued the total investment in line with accounting policies.

During 2018-19, DFID will transfer the second and third investments and associated callable capital to HM Treasury. The final 2 annual instalments of US$122 million are a future capital commitment of HM Treasury (a total of US$244 million or £174 million).

In 2017-18 there was a one-off transfer of assets to Asian Development Bank from the Asian Development Fund, an organisation managed by the Bank. This led to a large increase in the net asset value of the Bank during the year.

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).

		2017-18		2016-17
	Currency 000	£000	Currency 000	£000
International Bank for Reconstruction and Development	$1,613,882	1,152,082	$1,534,983	1,229,304
International Finance Corporation	$1,181,432	843,374	$1,073,583	859,788
European Bank for Reconstruction and Development	€ 1,390,969	1,223,841	€ 1,328,116	1,136,220
Asian Development Bank	$1,026,638	732,873	$351,560	281,550
Inter-American Development Bank	$310,545	221,685	$254,815	204,071
African Development Bank (in Units of Account)	125,843	131,452	115,962	126,355
Caribbean Development Bank	$83,741	59,779	$83,439	66,822
Multilateral Investment Guarantee Agency	$58,597	41,830	$47,744	38,236
Asian Infrastructure Investment Bank	$409,029	291,989	$122,180	97,980
		4,698,905		4,040,326

5. Financial investments (continued)

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 and management.

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/.

In 2017 CDC and DFID agreed a new strategic framework for the five years to 2021 in order to support DFID's economic development policy. The new framework is an extension of the 2012 investment policy whereby CDC invests only in Africa and South Asia, seeking to focus in the countries and sectors where there is the most potential for development impact. This provides the added ability for CDC to make investments under a new Higher Risk Portfolio to generate significant development impact by accepting greater risks that would not be possible under the existing Commercial Risk Portfolio. Further information on CDC is provided in the Governance Statement within section 2.

The fair value of the CDC investment is based on the net asset value of CDC per the audited financial statements at 31 December 2017 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 2018 which noted no significant changes to the business or to the fair value of DFID's investment. The key financial data from CDC financial statements at 31 December is shown in the table below:

CDC Group plc – Ordinary shares	31 December 2017 £m	31 December 2016 £m
Portfolio return (before tax)	(28.4)	677.4
Operating costs	(59.1)	(47.9)
Other net income/(expense)	14.7	(25.4)
Total (loss)/return after tax	**(72.8)**	**604.1**
Portfolio	3,939.4	3,839.2
Net cash and short-term deposits	413.4	220.1
Other net assets	700.7	731.0
Total net assets (valuation basis)	**5,053.5**	**4,790.3**

CDC total net assets increased during 2017 from £4,790.3 million to £5,053.5 million, a rise of 5.5% (2016: 22.8%). CDC's investment portfolio of £3,939.4 million at 31 December 2017 (2016: £3,839.2 million) comprised £421.0 million debt, £1,462.6 million equity, £2,040.0 million funds and £15.8 million forward foreign exchange contracts (2016: £391.5 million debt, £1,287.2 million equity and £2,158.8 million funds and £1.7 million forward foreign exchange contracts). The net increase of £100.2 million in CDC's investment portfolio was driven primarily by net new investments and valuation gains driven by the growth of underlying companies, net of foreign exchange losses. The portfolio return measured a gain in US dollars of 7.8% (2016: 5.2% gain). Most of the CDC portfolio is denominated in US dollars and the sterling result has suffered from currency translation losses following an increase in the sterling to US dollar exchange rate.

5. Financial investments (continued)

During the year ending 31 March 2018, DFID subscribed for a further 395 million shares in CDC Group Plc for £395.0 million consideration (2016-17: 285 million shares for £285.0 million consideration). These transactions were funded through the use of promissory notes (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 £413.4 million, stand by revolving credit facility of £887.8 million and a promissory note receivable of £696.0 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 39 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.	▪ Focusing investments into geographies and sectors where there is most potentioal for development impact using a Development Impact Grid and developing a Development Impact thesis for each potential investment, which are 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.
Strategic and external risk	Risks which arise from the context in which CDC is operating and the strategic decisions that CDC has made, including the effect of external events on CDC.	▪ Maintaining the confidence of key opinion formers and political stakeholders in the role of CDC. ▪ Being aware and preparing for the impact of political changes that could affect CDC. ▪ Developing plans to ensure the continuity of business-critical processes

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.

		2017-18			2016-17		
	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	–	(85)	(85)	–	(351)	(351)
Revaluation of furniture and fittings	4	–	(12)	(12)	–	(70)	(70)
Revaluation of vehicles	4	–	(11)	(11)	–	(17)	(17)
Revaluation of land, buildings and dwellings	4	–	(30,149)	(30,149)	–	–	–
Gain on disposal of property, vehicles and equipment	3	(148)	–	(148)	(3)	–	(3)
Loss on disposal of intangible assets	3	148	–	148	–	–	–
Revaluation of International Financial Institutions	5	–	(561,351)	(561,351)	–	(409,671)	(409,671)
Revaluation of other development capital	5	–	13,288	13,288	–	(14,243)	(14,243)
Revaluation of investment in CDC	5	–	72,800	72,800	–	(604,136)	(604,136)
Impairment of other development capital	5	–	–	–	(2,430)	–	(2,430)
Impairment of loans	3	931	–	931	–	–	–
Transfer of investments	5	31,421	–	31,421	–	–	–
Total		**32,352**	**(505,520)**	**(473,168)**	**(2,433)**	**(1,028,488)**	**(1,030,921)**

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	2017-18 Total Carrying Value £000
Financial assets					
Non-current					
Financial investments	5	–	–	9,908,539	9,908,539
Trade and other receivables[1]	9	980,211	–	–	980,211
Current		–	–	–	
Trade and other receivables	9	41,554	–	–	41,554
Cash and cash equivalent	8	1,457	–	–	1,457
Total financial assets		**1,023,222**	**–**	**9,908,539**	**10,931,761**
Financial liabilities					
Current					
Bank overdraft	8	–	(10,730)	–	(10,730)
Trade and other payables	10	–	(4,865,031)	–	(4,865,031)
Total financial liabilities		**–**	**(4,875,761)**	**–**	**(4,875,761)**

[1] During the year, DFID issued a loan containing a warrant to convert up to £0.75 million of the outstanding loan into shares. The loan will be fully repaid by 31 March 2028. The warrant has a fair value of £nil at 31 March 2018.

	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	8	1,601	–	–	1,601
Total financial assets		**676,090**	**–**	**8,942,659**	**9,618,749**
Financial liabilities					
Current					
Bank overdraft	8	–	(19,492)	–	(19,492)
Trade and other payables	10	–	(5,341,176)	–	(5,341,176)
Total financial liabilities		**–**	**(5,360,668)**	**–**	**(5,360,668)**

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 (i.e. as prices) or indirectly (i.e. 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	2017-18 £000	2016-17 £000
Financial assets			
Level 1			
Cash and cash equivalents	8	1,457	1,601
Level 2			
Trade and other receivables	9	1,021,765	674,489
Level 3			
Financial investments	5	9,908,539	8,942,659
		10,931,761	**9,618,749**
Financial liabilities			
Level 1			
Bank overdraft	8	(10,730)	(19,492)
Level 2			
Trade and other payables	10	(4,865,031)	(5,341,176)
Level 3		–	–
		(4,875,761)	**(5,360,668)**

There have been no transfers between Level 1 and Level 2 of the fair value hierarchy in 2017-18 or 2016-17.

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 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**
Additions	5	522,065
Disposals	5	(31,421)
Revaluation	5	475,263
Other movements	5	(27)
Balance at 31 March 2018		**9,908,539**

There have been no transfers into or out of Level 3 during 2017-18 or 2016-17.

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. Bilateral and multilateral loans within trade and other receivables at the Consolidated Statement of Financial Position date, which are past due, have been provided against (2017-18: £32.9 million, 2016-17: £29.4 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 good 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 2018	**Sterling**	**Euro**	**US dollar**	**Other**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**
Financial investments	5,117,173	1,223,841	3,381,131	186,394	9,908,539
Trade and other receivables	951,956	37,699	32,110	–	1,021,765
Cash and cash equivalents	(10,060)	–	196	(24)	(9,888)
Trade and other payables	(4,837,666)	–	(27,365)	–	(4,865,031)
Net exposure	**1,221,403**	**1,261,540**	**3,386,072**	**186,370**	**6,055,385**

7. Financial instruments (continued)

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**

Sensitivity analysis

A 10% strengthening of the following currencies against the pound sterling at 31 March 2018 and at 31 March 2017 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.

		Equity		(Profit) or loss
	2017-18 £000	2016-17 £000	2017-18 £000	2016-17 £000
€	140,171	130,878	(4,189)	(4,632)
$	376,230	313,087	(549)	(99)
	516,401	**443,965**	**(4,738)**	**(4,731)**

A 10% weakening of the above currencies against the pound sterling at 31 March 2018 and at 31 March 2017 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 rates 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:

	2017-18 £000	2016-17 £000
Fixed rate instruments		
Trade and other receivables	954,013	579,727
	954,013	**579,727**
Variable rate instruments		
Cash and cash equivalents	578	808
Trade and other receivables	2,003	2,445
	2,581	**3,253**

For the financial year ending 31 March 2018 the department earned interest from financial instruments of £2.1 million (2016-17 £3.4 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 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 2018, 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 £469.9 million (at 31 March 2017: £404.0 million).

DFID's investment in CDC is based on the net assets as included in their most recent audited financial statements drawn up to 31 December 2017 and reflecting any capital contributions by DFID in the period between that date and 31 March 2018. The resultant value is adjusted to reflect any other material movements in fair value over that three month period based on management information provided. As at 31 March 2018, a 10% reduction in the fair value of this organisation, with all other variables held constant, would result in the department's net assets being reduced by £511.3 million (at 31 March 2017: £479.0 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 £4,516.5 million (2016-17: £5,001.1 million) due on demand and £348.6 million (2016-17: £340.1 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 2018-19 amounts has already been provided and there is no reason to believe the allocation for 2019-20 and beyond will not be forthcoming.

8. Cash and cash equivalents

	DFID	31 March 2018 Departmental Group	DFID	31 March 2017 Departmental Group
	£000	£000	£000	£000
Balance at 1 April	(18,091)	(17,891)	67,528	68,009
Net change in cash and cash equivalent balances	8,203	8,618	(85,619)	(85,900)
Balance at 31 March	**(9,888)**	**(9,273)**	**(18,091)**	**(17,891)**
Of which:				
Cash & cash equivalents	842	1,457	1,401	1,601
Bank overdraft	(10,730)	(10,730)	(19,492)	(19,492)
Balance at 31 March	**(9,888)**	**(9,273)**	**(18,091)**	**(17,891)**
The following balances at 31 March were held at:				
Government Banking Service – Core Department [1]	(10,466)	(10,466)	(18,899)	(18,899)
Government Banking Service – NDPB	–	615	–	200
Commercial banks and cash in hand	578	578	808	808
Balance at 31 March	**(9,888)**	**(9,273)**	**(18,091)**	**(17,891)**

[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. Local commercial bank accounts and imprest balances are held in a variety of local currencies.

9. Trade and other receivables

	31 March 2018	31 March 2017
	£000	£000
Amounts falling due within 1 year		
Development capital loans	15,902	11,522
Bilateral and multilateral loans	7,420	8,138
Deposits and advances	8,379	14,204
Prepayments and accrued income	160,357	163,093
Amounts due from the Consolidated Fund in respect of supply	9,853	25,703
	201,911	**222,660**
Amounts falling due after more than 1 year		
Development capital loans	46,794	41,802
Bilateral and multilateral loans	933,417	573,120
	980,211	**614,922**
Total	**1,182,122**	**837,582**

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 2018		31 March 2017	
	DFID	Departmental Group	DFID	Departmental Group
	£000	£000	£000	£000
Amounts falling due within 1 year				
Other taxation and social security	3,813	3,813	3,686	3,686
Other payables	19,235	19,235	22,320	22,320
Accruals and deferred income	325,138	325,503	301,882	301,883
	348,186	348,551	327,888	327,889
Promissory notes: due on demand	4,516,480	4,516,480	5,001,075	5,001,075
Consolidated Fund extra receipts due to be paid to the Consolidated Fund - received	–	–	12,212	12,212
	4,864,666	4,865,031	5,341,175	5,341,176
Amounts falling due after 1 year				
Accruals and deferred income	26,309	26,309	31,126	31,126
Total	**4,890,975**	**4,891,340**	**5,372,301**	**5,372,302**

10.2 Promissory notes payable: movement during the year

	£000	£000
Balance at 1 April 2016		(5,573,009)
Charge to operating expenditure 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)
Charge to operating expenditure in 2017-18 - new notes deposited	(1,490,721)	
Cash drawn down against notes previously issued	1,971,876	
Foreign exchange losses	3,440	
		484,595
Balance at 31 March 2018		(4,516,480)

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 £2,210.1 million which is expected to be encashed within 1 year and £2,306.4 million which is expected to be encashed after 1 year based on non-legally binding encashment schedules.

10. Trade payables and other liabilities (continued)

10.3 Promissory notes payable: analysis by institution

	At 31 March 2018 £000	At 31 March 2017 £000
International Development Association	2,136,165	2,428,821
Global Fund to Fight Aids, TB and Malaria	317,060	437,940
Climate Investment Funds (CIFs)	342,443	409,276
African Development Fund	544,788	567,075
CDC	395,000	359,964
Green Climate Fund	220,000	220,000
International Fund for Agricultural Development	37,476	156,548
Global Environment Fund	95,548	106,048
Asian Development Fund	87,015	112,462
Private Infrastructure Development Group	45,877	42,600
German Development Corporation	22,657	28,807
Asia Climate Partnership Fund	20,929	26,783
Other capital notes (Caribbean Development Bank and Asia Development Bank)	12,036	17,655
KfW Group	20,311	21,943
Caribbean Development Bank	123,176	56,300
IFC Catalyst Fund	4,901	5,755
Multilateral Investment Guarantee Agency	3,098	3,098
World Health Organisation	88,000	–
Total	**4,516,480**	**5,001,075**

11. Provisions

	IFFIm	AMC	Cordoba and Gibraltar Social Insurance Fund	Other	Total
	£000	£000	£000	£000	£000
Balance at 1 April 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
Provided in the year	–	–	–	8,022	8,022
Release of provision	(1,545)	–	(50,000)	(131)	(51,676)
Provision utilised in the year	(101,443)	(35,909)	–	(4,254)	(141,606)
Foreign exchange movement	–	(5,463)	–	–	(5,463)
Borrowing costs (unwinding of discount)	10,449	(109)	–	(9)	10,331
Balance at 31 March 2018	**979,250**	**44,821**	**–**	**13,927**	**1,037,998**

Analysis of expected timing of discounted flows as at 31 March 2018 [1]	IFFIm	AMC	Cordoba and Gibraltar Social Insurance Fund	Other	Total
	£000	£000	£000	£000	£000
No later than 1 year	111,581	–	–	12,112	123,693
Later than 1 year and not later than 5 years	510,699	44,821	–	293	555,813
Later than 5 years	356,970	–	–	1,522	358,492
	979,250	**44,821**	**–**	**13,927**	**1,037,998**

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**

[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 41.5% of the total amounts pledged at 31 March 2018. Provision for IFFIm represents the net present value of DFID's remaining contribution. As at 31 March 2018, the UK is liable for £979.3 million in net present value terms (after deducting payments made), which will be covered by payment obligations through to 2029.

11. Provisions (continued)

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 2018, after deducting payments already made, is £44.8 million, which will be covered by payment obligations up to 2020.

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.

During 2017-18, the Cordoba and Gibraltar Social Insurance Fund liability was derecognised as a provision and as at 31 March 2018, it is now separately disclosed as a pension liability as this better reflects the nature of the liability. This liability will transfer to DFID Overseas Superannuation accounts in 2018-19.

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.

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 practicable to assess the value of the carried interest element of the sale proceeds 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 2018 DFID received no carried interest payments (2016-17: US$10.4 million).

12.2 Contingent liabilities

Contingent liabilities of £2,933.2 million (2016-17: £409.8 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 (2016-17: £40.0 million) 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)

12.3 Guarantees, indemnities and letters of comfort

During the year, the department entered into a guarantee arrangement for £169.0 million (2016-17: none), being the sterling equivalent of US$236.7 million, in respect of the UK guarantee of part of the US$1,000 million loan provided to the Government of Egypt by the International Bank for Reconstruction and Development.

There is a guarantee arrangement for £369.3 million (2016-17: £374.8 million), being the sterling equivalent of US$517.4 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 third 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

In 2016-17 DFID's future capital commitment to the Asian Infrastructure Investment Bank (AIIB) was US$366.5 million or £293.5 million. It is now nil as responsibility for making future payments transfers to HM Treasury in 2018-19 (note 5).

There are no other future capital commitments for DFID or the Group.

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 2016		**(3,642,765)**		**(3,642,760)**
Net operating expenditure 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 [1]	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 expenditure		304		304
Realised element of revaluation reserve				
Operating income payable to Consolidated Fund		(14,291)		(14,291)
CFERs payable to the Consolidated Fund		–		–
Net decrease in general fund		**1,226,037**		**1,226,231**
General fund at 31 March 2017		**(2,416,728)**		**(2,416,529)**
Net operating expenditure for the year		**(9,208,857)**		**(9,208,806)**
Net parliamentary funding - current year	10,668,993		10,668,993	
Current year receivable for supply	9,853		9,853	
Financing provided		**10,678,846**		**10,678,846**
Notional costs within operating expenditure		314		314
Realised element of revaluation reserve		(4,570)		(4,570)
Operating income payable to Consolidated Fund		(159)		(159)
Net decrease in general fund		**1,465,574**		**1,465,625**
General fund at 31 March 2018		**(951,154)**		**(950,904)**

[1] The 2015-16 consolidated fund creditor figure was over stated by £4.6 million. The overstatement is adjusted within the 2017-18 current year receivable for supply figure.

14. Revaluation reserve

	£000
Balance at 1 April 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**
Gain on revaluation - International Financial Institutions	561,351
Loss on revaluation - Other Development Capital	(13,288)
Loss on revaluation - CDC	(72,800)
Gain on revaluation - Information technology	85
Gain on revaluation - Furniture & fittings	12
Gain on revaluation - Vehicles	11
Gain on revaluation - Land, buildings and dwellings	30,149
Realised element to General Fund	4,570
Balance at 31 March 2018	**6,170,124**

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 2018 £000	31 March 2017 £000
Amounts held in third party account	1,791	1,563

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 336 million ordinary shares in CDC Group plc on 16 November 2017 for £336.0 million consideration and 59 million ordinary shares on 12 March 2018 for £59.0 million consideration (see note 5). During the year, the two CDC impact funds were transferred from DFID to CDC Group plc for no consideration (see note 5). Prior to the transfer, CDC acted as the fund manager for the two 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 did not receive a carried interest payment in 2017-18 (2016-17: £8.2 million).

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

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 2018, amounts due to other government departments and other central government bodies totalled £6.6 million and amounts due from such entities totalled £11.3 million. No amounts have been written off during 2017-18 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.

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 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 Sir Mark Lowcock (the previous 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 in the United Kingdom (CSC)

Advisory NDPB

Independent Commission for Aid Impact (ICAI)

For more information please refer to section 2.1.3 Governance Statement.

17. Events after the reporting date

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

Secretary of State Penny Mordaunt was appointed Minister for Women and Equalities on 30 April 2018. Discussions are on-going regarding whether the budgets for Government Equalities Office (GEO) and its associated statutory NDPB The Equality and Human Rights Commission (EHRC) transfer to DFID.

The Accounting Officer authorised these financial statements for issue on the date of the Comptroller and Auditor General's signature.

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 resource allocation round. 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 2017-18, budget for 2018-19, and indicative planning allocations for 2019–20.

All future plans are subject to revision as, by its nature, the Department's work is dynamic and annual budgets can change due to fluctuations in GNI projections and from other ODA allocation decisions made at the Budget. 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, including humanitarian crises. The precise way in which DFID spends will reflect changing demands and the speed at which different programmes are implemented and new programmes developed, while at the same time protecting ministerial commitments. For 2019–20, projected budget has reduced from original Spending Review allocation due to lower than expected GNI forecasts as outlined in the November 2017 Budget. Provisional departmental budgets have been provided for planning purposes. These are planning assumptions only and final allocations will be confirmed next year.

While the following tables show the breakdown of budgets and indicative planning assumptions currently allocated to individual countries for 2018/19 and 2019/20, it should be noted that this does not reflect the full range of UK aid spent in these individual countries. For example, other UK Government Departments are spending an increasing amount of ODA overseas. Details on ODA spent by other Government Departments can be found in their Annual Report and Accounts.

Table A.1 DFID programme spend and allocations by department

	2017-18 Programme outturn (£000)	2018-19 Programme plans (£000)	2019-20 Programme plans (£000)
Regional Programmes			
West and Southern Africa Division			
DFID DRC	173,763	182,000	137,000
DFID Ghana and Liberia	50,470	41,500	41,000
DFID Malawi	74,504	64,800	65,000
DFID Mozambique	48,832	47,000	45,000
DFID Nigeria	282,350	235,000	220,000
DFID Sierra Leone	109,249	88,400	80,000
DFID Zambia	50,760	42,000	42,000
DFID Zimbabwe	93,761	86,000	86,000
West and Southern Africa Division Total	**883,689**	**786,700**	**716,000**
East and Central Africa Division			
Africa Regional Department	117,501	161,940	199,000
DFID Ethiopia	322,729	302,000	292,000
DFID Kenya	130,470	111,000	98,000
DFID Rwanda	58,876	57,000	54,000
Sahel	107,954	83,000	75,000
DFID Somalia	245,346	158,000	118,000
DFID South Sudan	162,698	150,000	130,000
DFID Sudan	59,203	65,000	50,000
DFID Tanzania	165,246	153,000	153,000
DFID Uganda	124,803	100,000	96,000
East and Central Africa Division Total	**1,494,826**	**1,340,940**	**1,265,000**
Asia, Caribbean and Overseas Territories Division			
Asia Regional Team	35,639	71,000	52,000
DFID Afghanistan	147,504	155,000	155,000
DFID Bangladesh	172,893	170,000	192,000
DFID Burma	110,240	87,500	88,000
DFID Caribbean	87,852	104,000	41,000
DFID Central Asia	4,004	8,000	13,000
DFID India [1]	44,691	52,000	46,000
UK Climate Change, Indonesia	14,745	13,000	13,000
DFID Nepal	96,421	82,000	82,000
Overseas Territories Department	70,827	75,000	70,000
DFID Pakistan	367,201	325,000	302,000
DFID Ukraine [2]	6,702	5,000	5,000
Asia, Caribbean and Overseas Territories Division Total	**1,158,718**	**1,147,500**	**1,059,000**
Middle East and North Africa Division			
MENAD Regional	2,244	2,000	4,000
DFID Iraq	47,605	30,000	20,000
DFID Jordan	49,645	110,000	120,000
DFID Lebanon	84,895	85,000	80,000
North Africa Joint Unit	1,460	2,000	–
DFID Occupied Palestinian Territories	64,940	59,000	56,000
DFID Syria (including Turkey)	278,909	280,000	250,000
DFID Yemen	202,844	120,000	110,000
Middle East and North Africa Division Total	**732,540**	**688,000**	**640,000**
Regional Programmes TOTAL	**4,269,774**	**3,963,140**	**3,680,000**

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 investment which generates a return to the taxpayer. DFID has a cap of £30m for technical assistance to India in each year.

2 DFID's support to the Ukraine is humanitarian funding, in response to the protracted humanitarian situation in the Ukraine.

	2017-18 Programme outturn (£000)	2018-19 Programme plans (£000)	2019-20 Programme plans (£000)
Policy Priorities, International Organisations and Humanitarian			
Research and Evidence Division			
Chief Heads of Profession	4,962	4,952	4,000
Evidence Department	24,600	35,613	33,600
Global Statistics	17,186	17,000	11,000
Research Department	368,777	368,859	354,400
Research and Evidence Division Total	**415,526**	**426,424**	**403,000**
Economic Development Division			
Growth and Resilience Dept	74,315	105,473	105,000
Multilateral Effectiveness Department	1,118	928	1,000
Private Sector Department	532,927	849,385	1,014,000
Trade for Development	10,124	11,163	11,000
Europe Department	582,171	662,672	636,000
EC Attribution	439,000	464,000	442,000
Governance, Open Societies & Anti-Corruption Dept	35,484	53,717	55,000
Economic Development Division Total	**1,675,139**	**2,147,338**	**2,264,000**
Policy Division			
Climate and Environment Group	131,901	202,804	129,479
Emerging Policy, Innovation & Capability (EPIC)	5,964	20,655	23,961
Human Development Group	135,027	210,422	208,708
Inclusive Societies Department	80,777	144,578	131,797
Children Youth and Education Department	231,957	240,874	257,879
Global Funds Department	1,047,515	601,184	871,176
Policy Division Total	**1,633,141**	**1,420,517**	**1,623,000**
International Relations Division			
Global Partnerships Department	1,196	1,085	1,000
IFID	1,675,081	1,515,894	1,221,000
United Nations and Commonwealth Dept (UNCD)	251,503	204,529	210,000
International Relations Division Total	**1,927,780**	**1,721,508**	**1,432,000**
Conflict, Humanitarian, Security and Stabilisation Division			
Conflict, Humanitarian and Security Department	332,956	322,762	296,056
Migration and Modern Slavery Department	9,285	33,000	36,200
Stabilisation Unit	866	–	–
Conflict, Humanitarian, Security and Stabilisation Division Total	**343,107**	**355,762**	**332,256**
Policy Priorities, International Organisations and Humanitarian TOTAL	**5,994,692**	**6,071,549**	**6,054,256**
Conflict, Stability and Security Fund			
Asia, Caribbean and Overseas Territories			
Asia Regional Team	–	365	–
DFID Afghanistan	2,904	2,928	–
DFID Burma	–	400	–
DFID Caribbean	195	156	–
DFID Central Asia	2,300	1,349	–
DFID Pakistan	10,749	12,823	–
Good Governance Fund	18,914	18,772	–
Asia, Caribbean and Overseas Territories Total	**35,062**	**36,793**	**–**
West and Southern Africa Division			
DFID Nigeria	300	2,700	–
West and Southern Africa Division Total	**300**	**2,700**	**–**

	2017-18 Programme outturn (£000)	2018-19 Programme plans (£000)	2019-20 Programme plans (£000)
East and Central Africa Division			
Africa Regional Department	228	1,000	–
DFID Somalia	1,770	999	–
DFID South Sudan	373	361	–
East and Central Africa Division Total	2,372	2,360	–
Middle East and North Africa Division			
MENAD Regional	123	100	–
DFID Iraq	9,834	8,250	–
DFID Jordan	7,985	5,300	–
DFID Lebanon	12,478	5,900	–
North Africa Joint Unit	1,634	500	–
DFID Occupied Palestinian Territories	1,634	1,000	–
DFID Syria	18,247	14,500	–
Middle East and North Africa Division Total	**51,935**	**35,550**	**–**
Research and Evidence Division			
Research Department	–	432	–
Research and Evidence Division Total	**–**	**432**	**–**
Economic Development Division			
Private Sector Department	–	270	–
Trade for Development	–	3,652	–
Economic Development Division Total	**–**	**3,922**	**–**
Policy Division			
Human Development Group	–	3,781	–
Policy Division Total	**–**	**3,781**	**–**
Conflict, Humanitarian, Security and Stabilisation Division			
Conflict Funds	7,820	7,200	–
Stabilisation Unit	13,260	11,538	–
Conflict, Humanitarian and Security	4,347	–	–
Conflict, Humanitarian, Security and Stabilisation Division Total	**25,427**	**18,738**	**–**
Conflict, Stability and Security Fund TOTAL [1]	**115,096**	**104,276**	**–**
Prosperity Fund TOTAL [2]	**6,117**	**39,900**	**–**
Non-Departmental Public Bodies			
Commonwealth Scholarship Commission	23,568	24,820	26,000
Independent Commission for Aid Impact	2,854	2,650	2,783
Non-Departmental Public Bodies TOTAL	**26,422**	**27,470**	**28,783**
Other Central Programmes TOTAL	**-34,763**	**72,442**	**21,217**
Crisis Reserve [3]	**–**	**200,000**	**200,000**
TOTAL	**10,377,338**	**10,478,777**	**9,984,256**

1 Conflict, Stability and Security allocations are still to be confirmed for 2019/20.
2 Prosperity Fund allocations are still to be confirmed for 2019/20.
3 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 for allocation to emerging crises during the year with the balance of £300 million 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 2017 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*[39] 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
Largest spending department of UK net ODA by recipient country	Table B.3
Sector Table	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 Ban	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	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.

39 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
	2013	2014	2015	2016	2017[1]
Total Bilateral ODA	**6 721**	**6 822**	**7 662**	**8 534**	**8 698**
as a % of GNI	0.42	0.41	0.44	0.45	0.43
of which: Administration costs[2]	352	373	390	470	467
of which: Debt Relief	53	3	0	2	3
of which: Non DFID Department[3]	30	3	0	2	3
Total Multilateral ODA	**4 686**	**4 878**	**4 473**	**4 843**	**5 234**
as a % of GNI	0.29	0.29	0.26	0.25	0.26
of which: Total European Commission	1 219	1 143	1 327	1 503	1 354
Total World Bank	1 210	1 667	1 263	1 171	1 365
Total UN Agencies	438	518	440	503	605
Total Other Organisations[4]	1 818	1 549	1 444	1 665	1 910
TOTAL ODA	**11 407**	**11 700**	**12 136**	**13 377**	**13 933**
as a % of GNI	**0.70**	**0.70**	**0.70**	**0.70**	**0.70**

1. 2017 data is provisional. Final 2017 ODA will be published in Statistics on International Development: Final UK spend 2017 in Autumn 2018.
2. Includes Front Line Delivery Costs. This is in line with OECD DAC Statistical Reporting Directives.
3. Export Credits Guarantee Department (operational name: UN Export Finance).
4. Includes regional development banks and other multilateral agencies on the DAC List of Multilateral Organisations.

Table B.2: Total UK net ODA[1] and humanitarian assistance by recipient country

		2012	2013	2014	2015	2016 £000	Main spend departments in 2016 (% share)
Africa							
Algeria	UK Net Bilateral ODA	2,151	3,111	9,772	2,676	3,252	FCO 72%, CSSF 28%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.04%	0.05%	0.14%	0.03%	0.04%	
Angola	UK Net Bilateral ODA	352	359	916	1,296	391	FCO 76%, Prosperity Fund 24%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.01%	0.01%	0.02%	0.00%	
Benin	UK Net Bilateral ODA	17	0	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%	
Botswana	UK Net Bilateral ODA	568	788	498	1,056	279	FCO 96%, Colonial Pensions 4%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.01%	0.01%	0.01%	0.00%	
Burkina Faso	UK Net Bilateral ODA	977	542	332	88	132	DEFRA 67%, BEIS 33%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.02%	0.01%	0.00%	0.00%	0.00%	
Burundi	UK Net Bilateral ODA	734	4,177	6,108	205	3,189	DFID 82%, CSSF 15%, Other 3%
	of which Humanitarian Assistance	0	0	0	0	2,612.61	
	Percentage of Total Net Bilateral ODA	0.01%	0.06%	0.09%	0.00%	0.04%	
Cameroon	UK Net Bilateral ODA	1,237	842	53,540	6,223	1,705	DFID 73%, DEFRA 20%, Other 7%
	of which Humanitarian Assistance	0	0	10,000	4,500	0	
	Percentage of Total Net Bilateral ODA	0.02%	0.01%	0.78%	0.08%	0.02%	
Cape Verde	UK Net Bilateral ODA	633	41	80	117	77	DEFRA 100%
	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%	
Central African Republic	UK Net Bilateral ODA	54	1,666	16,065	18,279	18,914	DFID 100%
	of which Humanitarian Assistance	0	1,666	15,797	18,279	18,914	
	Percentage of Total Net Bilateral ODA	0.00%	0.02%	0.24%	0.24%	0.22%	
Chad	UK Net Bilateral ODA	58	10	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%	
Comoros	UK Net Bilateral ODA	0	0	6	5	10	FCO 50%, DEFRA 50%
	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	138,944	161,640	166,594	142,721	129,546	DFID 99%, CSSF 1%
	of which Humanitarian Assistance	48,441	36,121	38,444	35,395	32,869	
	Percentage of Total Net Bilateral ODA	2.50%	2.41%	2.44%	1.86%	1.52%	
Congo	UK Net Bilateral ODA	50	0	0	0	89	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%	
Cote d'Ivoire	UK Net Bilateral ODA	47,315	-409	2,032	698	585	FCO 52%, BEIS 48%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.85%	-0.01%	0.03%	0.01%	0.01%	
Djibouti	UK Net Bilateral ODA	70	66	0	19	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%	
Egypt	UK Net Bilateral ODA	8,895	20,999	-24,004	12,125	11,479	FCO 35%, CSSF 34%, Other 31%
	of which Humanitarian Assistance	16	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.16%	0.31%	-0.35%	0.16%	0.13%	
Eritrea	UK Net Bilateral ODA	2,529	4,660	5,877	304	594	CSSF 100%, FCO -1%
	of which Humanitarian Assistance	2,425	4,410	5,590	0	0	
	Percentage of Total Net Bilateral ODA	0.05%	0.07%	0.09%	0.00%	0.01%	

1. ODA can be negative due to returns from ODA eligible investments or from projects and programmes.
2. Based on the OECD DAC classification where projects/programmes benefitting a single country is recorded as a recipient. Centrally managed programmes that can be geocoded to multiple countries are recorded as developing country unspecified under this classification.

Table B.2: Total UK net ODA[1] and humanitarian assistance by recipient country
(continued)

		£000					Main spend departments in 2016 (% share)
		2012	2013	2014	2015	2016	
Ethiopia	UK Net Bilateral ODA	265,685	329,435	321,708	338,779	334,320	DFID 99%, FCO 1%
	of which Humanitarian Assistance	34,698	50,024	58,711	78,957	73,194	
	Percentage of Total Net Bilateral ODA	4.78%	4.90%	4.72%	4.42%	3.92%	
Gabon	UK Net Bilateral ODA	0	0	-221	0	150	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%	
Gambia	UK Net Bilateral ODA	8,823	8,102	9,170	9,542	10,804	BEIS 100%, FCO 0%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.16%	0.12%	0.13%	0.12%	0.13%	
Ghana	UK Net Bilateral ODA	52,457	103,344	66,086	60,630	58,147	DFID 97%, FCO 3%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.94%	1.54%	0.97%	0.79%	0.68%	
Guinea	UK Net Bilateral ODA	1,644	3,731	281	316	111	DEFRA 72%, FCO 28%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.03%	0.06%	0.00%	0.00%	0.00%	
Guinea-Bissau	UK Net Bilateral ODA	57	2	73	18	22	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	101,656	159,405	134,850	155,575	133,813	DFID 93%, CSSF 3%, Other 4%
	of which Humanitarian Assistance	20,011	14,941	30,470	24,078	17,396	
	Percentage of Total Net Bilateral ODA	1.83%	2.37%	1.98%	2.03%	1.57%	
Lesotho	UK Net Bilateral ODA	3,127	2,725	205	429	5,693	DFID 97%, BEIS 2%, Other 2%
	of which Humanitarian Assistance	1,000	1,500	-28	0	0	
	Percentage of Total Net Bilateral ODA	0.06%	0.04%	0.00%	0.01%	0.07%	
Liberia	UK Net Bilateral ODA	8,621	8,724	5,796	10,672	1,561	DFID 94%, FCO 4%, Other 2%
	of which Humanitarian Assistance	1,610	265	0	0	0	
	Percentage of Total Net Bilateral ODA	0.16%	0.13%	0.08%	0.14%	0.02%	
Libya	UK Net Bilateral ODA	9,893	15,801	28,663	10,434	14,353	CSSF 80%, DFID 11%, Other 9%
	of which Humanitarian Assistance	695	201	0	2,018	1,560	
	Percentage of Total Net Bilateral ODA	0.18%	0.24%	0.42%	0.14%	0.17%	
Madagascar	UK Net Bilateral ODA	1,797	366	-199	1,337	642	DEFRA 95%, FCO 5%
	of which Humanitarian Assistance	0	5	0	0	0	
	Percentage of Total Net Bilateral ODA	0.03%	0.01%	0.00%	0.02%	0.01%	
Malawi	UK Net Bilateral ODA	124,253	113,297	60,475	85,560	102,729	DFID 92%, SG 7%, Other 1%
	of which Humanitarian Assistance	17,620	19,464	5,031	16,587	25,700	
	Percentage of Total Net Bilateral ODA	2.23%	1.69%	0.89%	1.12%	1.20%	
Mali	UK Net Bilateral ODA	411	1,029	2,102	1,830	2,510	CSSF 90%, DEFRA 6%, Other 4%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.02%	0.03%	0.02%	0.03%	
Mauritania	UK Net Bilateral ODA	131	115	571	119	0	–
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.01%	0.00%	0.00%	
Mauritius	UK Net Bilateral ODA	21	329	745	777	193	FCO 97%, Colonial Pensions 3%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.01%	0.01%	0.00%	
Morocco	UK Net Bilateral ODA	5,438	3,832	7,969	3,574	3,154	FCO 79%, CSSF 21%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.10%	0.06%	0.12%	0.05%	0.04%	
Mozambique	UK Net Bilateral ODA	81,780	78,732	83,967	50,483	54,528	DFID 99%, DEFRA 1%, Other 1%
	of which Humanitarian Assistance	0	0	0	0	18,236	
	Percentage of Total Net Bilateral ODA	1.47%	1.17%	1.23%	0.66%	0.64%	

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2. Based on the OECD DAC classification where projects/programmes benefitting a single country is recorded as a recipient. Centrally managed programmes that can be geocoded to multiple countries are recorded as developing country unspecified under this classification.

Table B.2: Total UK net ODA[1] and humanitarian assistance by recipient country
(continued)

		£000					Main spend departments in 2016 (% share)
		2012	2013	2014	2015	2016	
Namibia	UK Net Bilateral ODA	190	250	285	297	137	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%	
Niger	UK Net Bilateral ODA	38	0	110	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%	
Nigeria	UK Net Bilateral ODA	197,313	248,734	236,639	262,685	319,583	DFID 96%, CSSF 3%, Other 2%
	of which Humanitarian Assistance	0	0	1,000	5,752	40,648	
	Percentage of Total Net Bilateral ODA	3.55%	3.70%	3.47%	3.43%	3.74%	
Rwanda	UK Net Bilateral ODA	28,242	103,394	48,028	101,293	68,833	DFID 98%, FCO 1%, Other 1%
	of which Humanitarian Assistance	0	1,923	0	6,868	6,771	
	Percentage of Total Net Bilateral ODA	0.51%	1.54%	0.70%	1.32%	0.81%	
Sao Tome & Principe	UK Net Bilateral ODA	0	0	95	0	58	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%	
Senegal	UK Net Bilateral ODA	3,205	960	-71	1,091	1,620	FCO 56%, CSSF 35%, Other 8%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.06%	0.01%	0.00%	0.01%	0.02%	
Seychelles	UK Net Bilateral ODA	1,143	307	380	324	122	FCO 50%, BEIS 25%, Other 25%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.02%	0.00%	0.01%	0.00%	0.00%	
Sierra Leone	UK Net Bilateral ODA	62,812	69,990	237,747	217,707	153,685	DFID 98%, BEIS 1%, Other 1%
	of which Humanitarian Assistance	1,113	957	177,581	176,095	32,364	
	Percentage of Total Net Bilateral ODA	1.13%	1.04%	3.48%	2.84%	1.80%	
Somalia	UK Net Bilateral ODA	89,754	107,274	123,791	121,828	151,715	DFID 82%, CSSF 17%, Other 0%
	of which Humanitarian Assistance	43,018	43,671	39,428	39,200	53,621	
	Percentage of Total Net Bilateral ODA	1.61%	1.60%	1.81%	1.59%	1.78%	
South Africa	UK Net Bilateral ODA	-13,962	35,605	-18,378	19,095	12,286	BEIS 48%, FCO 30%, Other 22%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	-0.25%	0.53%	-0.27%	0.25%	0.14%	
South Sudan	UK Net Bilateral ODA	108,512	136,478	167,060	207,993	160,893	DFID 97%, CSSF 2%, Other 1%
	of which Humanitarian Assistance	50,291	64,784	118,617	129,838	92,854	
	Percentage of Total Net Bilateral ODA	1.95%	2.03%	2.45%	2.71%	1.89%	
Saint Helena	UK Net Bilateral ODA	106,156	83,783	75,752	53,476	74,970	DFID 99%, DEFRA 1%
	of which Humanitarian Assistance	0	0	0	2	0	
	Percentage of Total Net Bilateral ODA	1.91%	1.25%	1.11%	0.70%	0.88%	
Sudan	UK Net Bilateral ODA	51,758	69,206	49,844	54,601	64,953	DFID 92%, CSSF 4%, Other 4%
	of which Humanitarian Assistance	24,803	49,394	33,500	29,338	30,699	
	Percentage of Total Net Bilateral ODA	0.93%	1.03%	0.73%	0.71%	0.76%	
Swaziland	UK Net Bilateral ODA	4,834	1,287	952	169	4	Colonial Pensions 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.09%	0.02%	0.01%	0.00%	0.00%	
Tanzania	UK Net Bilateral ODA	157,104	151,896	148,765	204,846	186,209	DFID 97%, BEIS 1%, Other 2%
	of which Humanitarian Assistance	4,302	8,734	9,243	12,646	13,336	
	Percentage of Total Net Bilateral ODA	2.83%	2.26%	2.18%	2.67%	2.18%	
Togo	UK Net Bilateral ODA	33	0	0	34	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%	
Tunisia	UK Net Bilateral ODA	7,103	4,816	2,082	6,308	9,838	CSSF 57%, FCO 43%
	of which Humanitarian Assistance	0	0	42	0	0	
	Percentage of Total Net Bilateral ODA	0.13%	0.07%	0.03%	0.08%	0.12%	

1. ODA can be negative due to returns from ODA eligible investments or from projects and programmes.
2. Based on the OECD DAC classification where projects/programmes benefitting a single country is recorded as a recipient. Centrally managed programmes that can be geocoded to multiple countries are recorded as developing country unspecified under this classification.

Table B.2: Total UK net ODA[1] and humanitarian assistance by recipient country
(continued)

		£000					Main spend departments in 2016 (% share)
		2012	2013	2014	2015	2016	
Uganda	UK Net Bilateral ODA	93,505	56,341	82,179	123,348	110,941	DFID 94%, BEIS 4%, Other 2%
	of which Humanitarian Assistance	1,125	10,300	18,400	11,580	19,353	
	Percentage of Total Net Bilateral ODA	1.68%	0.84%	1.20%	1.61%	1.30%	
Zambia	UK Net Bilateral ODA	53,177	59,848	91,059	50,493	57,843	DFID 98%, FCO 1%, Other 1%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.96%	0.89%	1.33%	0.66%	0.68%	
Zimbabwe	UK Net Bilateral ODA	138,831	93,836	104,024	92,896	99,743	DFID 98%, FCO 2%
	of which Humanitarian Assistance	10,957	8,000	6,960	9,633	22,012	
	Percentage of Total Net Bilateral ODA	2.50%	1.40%	1.52%	1.21%	1.17%	
North of Sahara, regional	UK Net Bilateral ODA	2,410	4,020	0	62	516	CSSF 94%, FCO 6%
	of which Humanitarian Assistance	197	19	0	0	0	
	Percentage of Total Net Bilateral ODA	0.04%	0.06%	0.00%	0.00%	0.01%	
South of Sahara, regional	UK Net Bilateral ODA	61,677	104,619	106,477	99,438	154,289	DFID 99%, BBC 1%
	of which Humanitarian Assistance	37,519	67,847	60,420	31,392	41,589	
	Percentage of Total Net Bilateral ODA	1.11%	1.56%	1.56%	1.30%	1.81%	
Africa, regional	UK Net Bilateral ODA	146,642	134,007	219,625	225,199	336,870	DFID 56%, FCO 20%, Other 23%
	of which Humanitarian Assistance	-	-	700	5,288	1,300	
	Percentage of Total Net Bilateral ODA	2.64%	1.99%	3.22%	2.94%	3.95%	
Asia and the Middle East							
Afghanistan	UK Net Bilateral ODA	273,801	211,852	197,543	299,928	235,318	DFID 60%, CSSF 36%, Other 4%
	of which Humanitarian Assistance	6,037	-65	23,522	24,139	40,987	
	Percentage of Total Net Bilateral ODA	4.92%	3.15%	2.90%	3.91%	2.76%	
Armenia	UK Net Bilateral ODA	832	827	973	1,188	438	FCO 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.01%	0.01%	0.02%	0.01%	
Azerbaijan	UK Net Bilateral ODA	1,335	2,650	2,100	2,445	1,008	FCO 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.02%	0.04%	0.03%	0.03%	0.01%	
Bangladesh	UK Net Bilateral ODA	196,120	272,005	208,245	163,697	148,540	DFID 97%, FCO 3%
	of which Humanitarian Assistance	440	3,288	5,186	9,809	6,836	
	Percentage of Total Net Bilateral ODA	3.53%	4.05%	3.05%	2.14%	1.74%	
Bhutan	UK Net Bilateral ODA	7	1	0	76	62	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%	
Cambodia	UK Net Bilateral ODA	14,574	10,962	1,931	2,780	2,045	DFID 72%, FCO 15%, Other 13%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.26%	0.16%	0.03%	0.04%	0.02%	
China (People's Republic of)	UK Net Bilateral ODA	27,187	-17,971	-33,601	44,641	46,902	BEIS 56%, FCO 27%, Other 17%
	of which Humanitarian Assistance	0	0	0	10	150	
	Percentage of Total Net Bilateral ODA	0.49%	-0.27%	-0.49%	0.58%	0.55%	
Georgia	UK Net Bilateral ODA	4,275	4,504	4,338	2,854	762	FCO 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.08%	0.07%	0.06%	0.04%	0.01%	
India	UK Net Bilateral ODA	291,791	268,041	278,796	185,580	92,620	DFID 59%, BEIS 21%, Other 20%
	of which Humanitarian Assistance	0	2,233	7	0	0	
	Percentage of Total Net Bilateral ODA	5.25%	3.99%	4.09%	2.42%	1.09%	
Indonesia	UK Net Bilateral ODA	6,155	21,981	15,696	19,864	17,449	DFID 70%, FCO 15%, Other 14%
	of which Humanitarian Assistance	16	165	74	0	0	
	Percentage of Total Net Bilateral ODA	0.11%	0.33%	0.23%	0.26%	0.20%	
Iran	UK Net Bilateral ODA	735	357	659	993	792	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%	

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2. Based on the OECD DAC classification where projects/programmes benefitting a single country is recorded as a recipient. Centrally managed programmes that can be geocoded to multiple countries are recorded as developing country unspecified under this classification.

Table B.2: Total UK net ODA[1] and humanitarian assistance by recipient country
(continued)

		£000					Main spend departments in 2016 (% share)
		2012	2013	2014	2015	2016	
Iraq	UK Net Bilateral ODA	6,873	7,008	38,370	55,437	118,881	DFID 73%, CSSF 23%, Other 4%
	of which Humanitarian Assistance	-	-	28,548	45,232	87,209	
	Percentage of Total Net Bilateral ODA	0.12%	0.10%	0.56%	0.72%	1.39%	
Jordan	UK Net Bilateral ODA	4,748	16,692	18,538	57,449	174,853	DFID 82%, CSSF 15%, Other 2%
	of which Humanitarian Assistance	196	3,492	590	32,766	34,240	
	Percentage of Total Net Bilateral ODA	0.09%	0.25%	0.27%	0.75%	2.05%	
Kazakhstan	UK Net Bilateral ODA	3,292	1,788	1,782	5,425	3,485	FCO 62%, BEIS 36%, Other 1%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.06%	0.03%	0.03%	0.07%	0.04%	
Korea (Democratic People's Republic of)	UK Net Bilateral ODA	756	1,309	277	740	216	FCO 100%
	of which Humanitarian Assistance	4	98	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.02%	0.00%	0.01%	0.00%	
Kyrgyz Republic	UK Net Bilateral ODA	4,047	5,367	5,952	2,705	1,010	DFID 78%, FCO 13%, Other 9%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.07%	0.08%	0.09%	0.04%	0.01%	
Lao People's Democratic Republic	UK Net Bilateral ODA	930	946	1,473	2,338	997	DFID 66%, FCO 18%, Other 16%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.02%	0.01%	0.02%	0.03%	0.01%	
Lebanon	UK Net Bilateral ODA	4,327	8,035	26,009	99,533	124,037	DFID 85%, CSSF 13%, Other 1%
	of which Humanitarian Assistance	16	1,731	6,685	68,350	66,107	
	Percentage of Total Net Bilateral ODA	0.08%	0.12%	0.38%	1.30%	1.45%	
Malaysia	UK Net Bilateral ODA	6,395	3,808	-1,842	5,604	4,263	BEIS 50%, FCO 37%, Other 14%
	of which Humanitarian Assistance	0	0	0	0	15	
	Percentage of Total Net Bilateral ODA	0.12%	0.06%	-0.03%	0.07%	0.05%	
Maldives	UK Net Bilateral ODA	221	154	-53	184	137	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	2,933	427	444	633	363	DEFRA 60%, FCO 36%, Other 3%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.05%	0.01%	0.01%	0.01%	0.00%	
Burma	UK Net Bilateral ODA	30,324	99,659	73,278	113,895	106,922	DFID 95%, FCO 3%, Other 2%
	of which Humanitarian Assistance	4,024	10,445	16,911	12,749	19,451	
	Percentage of Total Net Bilateral ODA	0.55%	1.48%	1.07%	1.49%	1.25%	
Nepal	UK Net Bilateral ODA	69,502	93,330	111,898	88,210	103,030	DFID 98%, FCO 2%
	of which Humanitarian Assistance	5,047	0	0	35,902	13,189	
	Percentage of Total Net Bilateral ODA	1.25%	1.39%	1.64%	1.15%	1.21%	
Oman	UK Net Bilateral ODA	0	0	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%	
Pakistan	UK Net Bilateral ODA	189,218	338,220	266,324	373,783	462,648	DFID 92%, CSSF 5%, Other 4%
	of which Humanitarian Assistance	28,859	30,922	20,034	15,590	12,513	
	Percentage of Total Net Bilateral ODA	3.40%	5.03%	3.90%	4.88%	5.42%	
Philippines	UK Net Bilateral ODA	1,664	35,072	56,022	9,117	5,666	BEIS 36%, FCO 30%, Other 34%
	of which Humanitarian Assistance	2	32,814	48,299	2,753	40	
	Percentage of Total Net Bilateral ODA	0.03%	0.52%	0.82%	0.12%	0.07%	
South Asia, regional	UK Net Bilateral ODA	1,193	1,750	8,335	8,192	58,131	FCO 75%, BBC 12%, Other 13%
	of which Humanitarian Assistance	0	0	0	0	66	
	Percentage of Total Net Bilateral ODA	0.02%	0.03%	0.12%	0.11%	0.68%	
Sri Lanka	UK Net Bilateral ODA	5,460	9,256	5,237	24,613	5,492	FCO 62%, CSSF 38%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.10%	0.14%	0.08%	0.32%	0.06%	

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2. Based on the OECD DAC classification where projects/programmes benefitting a single country is recorded as a recipient. Centrally managed programmes that can be geocoded to multiple countries are recorded as developing country unspecified under this classification.

Table B.2: Total UK net ODA[1] and humanitarian assistance by recipient country (continued)

		£000					Main spend departments in 2016 (% share)
		2012	2013	2014	2015	2016	
Syrian Arab Republic	UK Net Bilateral ODA	39,547	138,750	129,631	257,708	351,796	DFID 63%, CSSF 21%, Other 17%
	of which Humanitarian Assistance	36,565	126,193	99,480	201,596	220,959	
	Percentage of Total Net Bilateral ODA	0.71%	2.06%	1.90%	3.36%	4.12%	
Tajikistan	UK Net Bilateral ODA	8,627	7,756	13,795	12,064	4,393	DFID 100%, FCO 0%
	of which Humanitarian Assistance	102	396	101	95	10	
	Percentage of Total Net Bilateral ODA	0.16%	0.12%	0.20%	0.16%	0.05%	
Thailand	UK Net Bilateral ODA	-13,397	-945	12,109	3,764	6,709	FCO 52%, BEIS 46%, Other 2%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	-0.24%	-0.01%	0.18%	0.05%	0.08%	
Timor-Leste	UK Net Bilateral ODA	131	71	45	67	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%	
Turkmenistan	UK Net Bilateral ODA	416	512	366	459	84	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%	0.00%	
Uzbekistan	UK Net Bilateral ODA	1,636	1,539	1,239	1,505	982	FCO 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.03%	0.02%	0.02%	0.02%	0.01%	
Vietnam	UK Net Bilateral ODA	51,664	23,209	15,189	12,322	9,166	FCO 32%, BEIS 24%, Other 44%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.93%	0.35%	0.22%	0.16%	0.11%	
West Bank & Gaza Strip	UK Net Bilateral ODA	42,884	69,478	83,358	51,428	22,729	DFID 46%, CSSF 39%, Other 15%
	of which Humanitarian Assistance	1,508	520	19,868	912	985	
	Percentage of Total Net Bilateral ODA	0.77%	1.03%	1.22%	0.67%	0.27%	
Yemen	UK Net Bilateral ODA	39,555	95,146	82,119	82,050	126,850	DFID 97%, CSSF 2%, Other 1%
	of which Humanitarian Assistance	18,469	36,457	40,160	74,649	113,632	
	Percentage of Total Net Bilateral ODA	0.71%	1.42%	1.20%	1.07%	1.49%	
Middle East, Regional	UK Net Bilateral ODA	32,472	182,172	148,604	20,472	36,644	FCO 60%, DFID 28%, Other 12%
	of which Humanitarian Assistance	14,034	148,311	139,792	7,981	4,745	
	Percentage of Total Net Bilateral ODA	0.58%	2.71%	2.18%	0.27%	0.43%	
Asia, Regional	UK Net Bilateral ODA	19,967	33,067	42,834	64,516	68,682	DFID 42%, FCO 40%, Other 18%
	of which Humanitarian Assistance	0	0	0	0	1	
	Percentage of Total Net Bilateral ODA	0.36%	0.49%	0.63%	0.84%	0.80%	
Rest of the World							
Albania	UK Net Bilateral ODA	643	759	540	659	368	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%	0.00%	
Anguilla	UK Net Bilateral ODA	347	1,805	0	0	0	–
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.03%	0.00%	0.00%	0.00%	
Antigua and Barbuda	UK Net Bilateral ODA	3	20	3	3	1	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	2,041	946	961	1,577	1,008	FCO 96%, Prosperity Fund 4%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.04%	0.01%	0.01%	0.02%	0.01%	
Barbados	UK Net Bilateral ODA	0	0	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%	
Belarus	UK Net Bilateral ODA	554	650	472	878	393	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%	0.00%	

Table B.2: Total UK net ODA[1] and humanitarian assistance by recipient country
(continued)

		£000					Main spend departments in 2016 (% share)
		2012	2013	2014	2015	2016	
Belize	UK Net Bilateral ODA	142	1,664	973	1,145	423	DEFRA 58%, FCO 42%, Other 1%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.02%	0.01%	0.01%	0.00%	
Bolivia	UK Net Bilateral ODA	644	611	685	826	220	DEFRA 58%, FCO 42%
	of which Humanitarian Assistance	0	0	0	0	3	
	Percentage of Total Net Bilateral ODA	0.01%	0.01%	0.01%	0.01%	0.00%	
Bosnia and Herzegovina	UK Net Bilateral ODA	2,256	1,839	3,506	4,432	3,626	CSSF 84%, FCO 16%
	of which Humanitarian Assistance	0	0	0	990	0	
	Percentage of Total Net Bilateral ODA	0.04%	0.03%	0.05%	0.06%	0.04%	
Brazil	UK Net Bilateral ODA	46,836	5,444	10,169	20,886	53,674	DEFRA 56%, BEIS 22%, Other 22%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.84%	0.08%	0.15%	0.27%	0.63%	
Chile	UK Net Bilateral ODA	886	1,973	1,589	4,653	6,724	BEIS 66%, FCO 23%, Other 11%
	of which Humanitarian Assistance	4	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.02%	0.03%	0.02%	0.06%	0.08%	
Colombia	UK Net Bilateral ODA	25,051	7,187	6,874	40,310	24,883	CSSF 64%, FCO 20%, Other 15%
	of which Humanitarian Assistance	1	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.45%	0.11%	0.10%	0.53%	0.29%	
Costa Rica	UK Net Bilateral ODA	657	111	3,687	1,100	803	FCO 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.00%	0.05%	0.01%	0.01%	
Croatia	UK Net Bilateral ODA	0	0	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%	
Cuba	UK Net Bilateral ODA	1,449	1,096	3,957	1,329	2,688	ECGD 84%, FCO 16%
	of which Humanitarian Assistance	850	35	0	0	0	
	Percentage of Total Net Bilateral ODA	0.03%	0.02%	0.06%	0.02%	0.03%	
Dominica	UK Net Bilateral ODA	34	32	0	492	44	FCO 105%, Colonial Pensions 1%, Other -6%
	of which Humanitarian Assistance	0	0	0	492	17	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.01%	0.00%	
Dominican Republic	UK Net Bilateral ODA	145	243	409	1,461	7	FCO 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.01%	0.02%	0.00%	
Ecuador	UK Net Bilateral ODA	340	434	244	315	92	FCO 57%, DEFRA 43%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.01%	0.00%	0.00%	0.00%	
El Salvador	UK Net Bilateral ODA	-82	289	212	476	36	FCO 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.01%	0.00%	
Fiji	UK Net Bilateral ODA	667	953	1,086	1,262	194	Colonial Pensions 62%, FCO 38%
	of which Humanitarian Assistance	24	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.01%	0.02%	0.02%	0.00%	
Former Yugoslav Republic of Macedonia	UK Net Bilateral ODA	1,373	1,923	2,139	2,144	1,839	CSSF 67%, FCO 33%
	of which Humanitarian Assistance	13	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.02%	0.03%	0.03%	0.03%	0.02%	
Grenada	UK Net Bilateral ODA	11	2	1	48	0	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%	
Guatemala	UK Net Bilateral ODA	9,478	49,271	1,077	1,068	1,100	BEIS 58%, FCO 35%, Other 6%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.17%	0.73%	0.02%	0.01%	0.01%	

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Table B.2: Total UK net ODA[1] and humanitarian assistance by recipient country
(continued)

		£000					Main spend departments in 2016 (% share)
		2012	2013	2014	2015	2016	
Guyana	UK Net Bilateral ODA	563	406	1,042	2,229	658	DFID 50%, CSSF 25%, Other 24%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.01%	0.02%	0.03%	0.01%	
Haiti	UK Net Bilateral ODA	3,264	9,585	4,685	3,850	5,996	DFID 98%, FCO 2%
	of which Humanitarian Assistance	2,954	9,585	3,627	2,731	4,873	
	Percentage of Total Net Bilateral ODA	0.06%	0.14%	0.07%	0.05%	0.07%	
Honduras	UK Net Bilateral ODA	6,875	39	27	184	176	FCO 53%, DEFRA 47%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.12%	0.00%	0.00%	0.00%	0.00%	
Jamaica	UK Net Bilateral ODA	8,979	12,434	6,177	7,709	6,460	DFID 74%, FCO 10%, Other 16%
	of which Humanitarian Assistance	0	0	0	8	0	
	Percentage of Total Net Bilateral ODA	0.16%	0.19%	0.09%	0.10%	0.08%	
Kiribati	UK Net Bilateral ODA	17	14	18	12	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	10,291	5,932	5,839	4,686	3,500	CSSF 85%, FCO 15%
	of which Humanitarian Assistance	0	0	0	314	0	
	Percentage of Total Net Bilateral ODA	0.19%	0.09%	0.09%	0.06%	0.04%	
Marshall Islands	UK Net Bilateral ODA	5	2	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%	
Mexico	UK Net Bilateral ODA	3,713	5,726	-959	12,927	11,465	BEIS 34%, FCO 33%, Other 33%
	of which Humanitarian Assistance	0	0	0	0	4	
	Percentage of Total Net Bilateral ODA	0.07%	0.09%	-0.01%	0.17%	0.13%	
Moldova	UK Net Bilateral ODA	1,181	1,072	1,464	1,292	210	FCO 100%
	of which Humanitarian Assistance	0	0	0	9	0	
	Percentage of Total Net Bilateral ODA	0.02%	0.02%	0.02%	0.02%	0.00%	
Montenegro	UK Net Bilateral ODA	488	540	507	1,011	583	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%	
Montserrat	UK Net Bilateral ODA	21,265	31,222	20,302	33,108	28,534	DFID 97%, FCO 2%, Other 1%
	of which Humanitarian Assistance	587	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.38%	0.46%	0.30%	0.43%	0.33%	
Nauru	UK Net Bilateral ODA	0	0	15	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%	
Nicaragua	UK Net Bilateral ODA	11,404	52	74	160	16	FCO 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.21%	0.00%	0.00%	0.00%	0.00%	
Palau	UK Net Bilateral ODA	0	0	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%	
Panama	UK Net Bilateral ODA	434	421	448	1,871	857	FCO 100%
	of which Humanitarian Assistance	10	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.01%	0.01%	0.02%	0.01%	
Papua New Guinea	UK Net Bilateral ODA	1,328	593	1,097	947	785	BEIS 63%, DEFRA 22%, Other 15%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.02%	0.01%	0.02%	0.01%	0.01%	
Paraguay	UK Net Bilateral ODA	76	75	150	488	121	DEFRA 71%, FCO 29%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.01%	0.00%	

Table B.2: Total UK net ODA[1] and humanitarian assistance by recipient country
(continued)

		£000					Main spend departments in 2016 (% share)
		2012	2013	2014	2015	2016	
Peru	UK Net Bilateral ODA	2,688	2,109	11	2,158	2,989	Prosperity Fund 41%, FCO 37%, Other 22%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.05%	0.03%	0.00%	0.03%	0.04%	
Samoa	UK Net Bilateral ODA	0	174	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%	
Serbia	UK Net Bilateral ODA	3,280	3,234	2,995	3,813	2,081	FCO 83%, CSSF 17%
	of which Humanitarian Assistance	0	0	0	990	0	
	Percentage of Total Net Bilateral ODA	0.06%	0.05%	0.04%	0.05%	0.02%	
Solomon Islands	UK Net Bilateral ODA	227	431	784	517	112	FCO 55%, Colonial Pensions 45%
	of which Humanitarian Assistance	0	150	300	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.01%	0.01%	0.01%	0.00%	
Saint Kitts-Nevis	UK Net Bilateral ODA	2,354	57	0	0	0	–
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.04%	0.00%	0.00%	0.00%	0.00%	
Saint Lucia	UK Net Bilateral ODA	161	100	188	175	43	FCO 98%, Colonial Pensions 2%
	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%	
Saint Vincent & Grenadines	UK Net Bilateral ODA	48	31	0	110	0	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%	
Suriname	UK Net Bilateral ODA	0	0	0	32	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%	
Tonga	UK Net Bilateral ODA	19	22	8	1	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%	
Trinidad & Tobago	UK Net Bilateral ODA	0	0	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%	
Turkey	UK Net Bilateral ODA	8,617	5,454	8,485	6,290	95,513	DFID 89%, FCO 5%, Other 5%
	of which Humanitarian Assistance	224	0	3,884	1,290	4,031	
	Percentage of Total Net Bilateral ODA	0.15%	0.08%	0.12%	0.08%	1.12%	
Tuvalu	UK Net Bilateral ODA	20	2	0	26	0	–
	of which Humanitarian Assistance	0	2	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	
Ukraine	UK Net Bilateral ODA	3,041	2,535	7,505	28,640	31,615	CSSF 53%, DFID 34%, Other 13%
	of which Humanitarian Assistance	0	20	1,250	11,246	7,809	
	Percentage of Total Net Bilateral ODA	0.05%	0.04%	0.11%	0.37%	0.37%	
Uruguay	UK Net Bilateral ODA	123	357	238	1,523	694	FCO 100%
	of which Humanitarian Assistance	7	16	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.01%	0.00%	0.02%	0.01%	
Vanuatu	UK Net Bilateral ODA	20	57	12	2,451	960	DFID 90%, FCO 10%, Other 1%
	of which Humanitarian Assistance	0	0	0	2,403	860	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.03%	0.01%	
Venezuela	UK Net Bilateral ODA	1,007	1,989	1,428	1,408	1,004	FCO 100%
	of which Humanitarian Assistance	9	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.02%	0.03%	0.02%	0.02%	0.01%	
North & Central America, regional	UK Net Bilateral ODA	1,412	1,001	2,102	4,376	24,573	FCO 92%, BBC 7%, Other 2%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.03%	0.01%	0.03%	0.06%	0.29%	

1. ODA can be negative due to returns from ODA eligible investments or from projects and programmes.
2. Based on the OECD DAC classification where projects/programmes benefitting a single country is recorded as a recipient. Centrally managed programmes that can be geocoded to multiple countries are recorded as developing country unspecified under this classification.

1. ODA can be negative due to returns from ODA eligible investments or from projects and programmes.
2. Based on the OECD DAC classification where projects/programmes benefitting a single country is recorded as a recipient. Centrally managed programmes that can be geocoded to multiple countries are recorded as developing country unspecified under this classification.

Table B.2: Total UK net ODA[1] and humanitarian assistance by recipient country
(continued)

						£000	Main spend departments in 2016 (% share)
		2012	2013	2014	2015	2016	
West Indies, regional	UK Net Bilateral ODA	11,190	10,766	6,548	7,772	61,366	DFID 100%, FCO 0%
	of which Humanitarian Assistance	66	4	231	0	0	
	Percentage of Total Net Bilateral ODA	0.20%	0.16%	0.10%	0.10%	0.72%	
America, regional	UK Net Bilateral ODA	57	95	61	2,312	5,541	CSSF 64%, BEIS 16%, Other 20%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.03%	0.06%	
Europe, regional	UK Net Bilateral ODA	139	122	183	1,208	16,574	FCO 93%, BBC 4%, Other 3%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.02%	0.19%	
Oceania, regional	UK Net Bilateral ODA	3,275	2,855	4,367	3,073	3,688	DFID 94%, DEFRA 4%, Other 2%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.06%	0.04%	0.06%	0.04%	0.04%	
Total Africa	**UK Net Bilateral ODA**	**2,170,853**	**2,494,113**	**2,636,502**	**2,759,072**	**2,858,083**	**DFID 89%, FCO 4%, Other 7%**
	Percentage of Total Net Bilateral ODA	**39.05%**	**37.11%**	**38.64%**	**36.01%**	**33.49%**	
	Percentage of Gross National Income	**0.14%**	**0.15%**	**0.16%**	**0.16%**	**0.15%**	
Total Asia	**UK Net Bilateral ODA**	**1,372,201**	**1,948,783**	**1,818,014**	**2,084,432**	**2,344,122**	**DFID 41%, FCO 21%, Other 38%**
	Percentage of Total Net Bilateral ODA	**24.68%**	**29.00%**	**26.65%**	**27.20%**	**27.47%**	
	Percentage of Gross National Income	**0.09%**	**0.12%**	**0.11%**	**0.12%**	**0.12%**	
Rest of the World	**UK Net Bilateral ODA**	**201,037**	**176,757**	**114,384**	**222,537**	**404,249**	**DFID 50%, FCO 20%, Other 30%**
	Percentage of Total Net Bilateral ODA	**3.62%**	**2.63%**	**1.68%**	**2.90%**	**4.74%**	
	Percentage of Gross National Income	**0.01%**	**0.01%**	**0.01%**	**0.01%**	**0.02%**	
Unspecified region	**UK Net Bilateral ODA**	**1,815,617**	**2,101,213**	**2,253,590**	**2,596,162**	**2,927,705**	**DFID 70%, BEIS 7%, Other 24%**
	Percentage of Total Net Bilateral ODA	**32.66%**	**31.26%**	**33.03%**	**33.88%**	**34.31%**	
	Percentage of Gross National Income	**0.12%**	**0.13%**	**0.13%**	**0.15%**	**0.15%**	
Total UK Net Bilateral ODA	**UK Net Bilateral ODA**	**5,559,707**	**6,720,865**	**6,822,491**	**7,662,203**	**8,534,159**	**DFID 75%, BEIS 6%, Other 19%**
	Percentage of Total Net Bilateral ODA	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	
	Percentage of Gross National Income	**0.36%**	**0.41%**	**0.41%**	**0.44%**	**0.45%**	
Low Income Countries	**UK Net Bilateral ODA**	**2,170,612**	**2,536,672**	**2,563,631**	**2,766,410**	**2,591,475**	**DFID 92%, BEIS 5%, Other 3%**
	Percentage of Total Net Bilateral ODA	**39.04%**	**37.74%**	**37.58%**	**36.10%**	**30.37%**	
	Percentage of Gross National Income	**0.14%**	**0.16%**	**0.15%**	**0.16%**	**0.14%**	
Total UK Net Multilateral ODA	**UK Net Multilateral ODA**	**3,242,212**	**4,685,995**	**4,877,981**	**4,473,393**	**4,842,973**	**DFID 73%, Non-DFID EC attribution 10%, Other 17%**
	Percentage of Gross National Income	**0.21%**	**0.29%**	**0.29%**	**0.26%**	**0.25%**	

1. ODA can be negative due to returns from ODA eligible investments or from projects and programmes.
2. Based on the OECD DAC classification where projects/programmes benefitting a single country is recorded as a recipient. Centrally managed programmes that can be geocoded to multiple countries are recorded as developing country unspecified under this classification.

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

DFID is the majority spending department in the following countries:

		£000	
	DFID Net ODA spend in 2016	**Total UK Net ODA in 2016**	**Percentage of Total ODA by dept.**
Afghanistan	141,973	235,318	DFID 60%, CSSF 36%, Other 4%
Bangladesh	143,707	148,540	DFID 97%, FCO 3%
Burundi	2,613	3,189	DFID 82%, CSSF 15%, Other 3%
Cambodia	1,468	2,045	DFID 72%, FCO 15%, Other 13%
Cameroon	1,250	1,705	DFID 73%, DEFRA 20%, Other 7%
Central African Rep.	18,914	18,914	DFID 100%
Congo, Dem. Rep.	128,499	129,546	DFID 99%, CSSF 1%
Ethiopia	331,917	334,320	DFID 99%, FCO 1%
Ghana	56,137	58,147	DFID 97%, FCO 3%
Guyana	332	658	DFID 50%, CSSF 25%, Other 24%
Haiti	5,893	5,996	DFID 98%, FCO 2%
India[1]	54,209	92,620	DFID 59%, BEIS 21%, Other 20%
Indonesia	12,292	17,449	DFID 70%, FCO 15%, Other 14%
Iraq	87,214	118,881	DFID 73%, CSSF 23%, Other 4%
Jamaica	4,800	6,460	DFID 74%, FCO 10%, Other 16%
Jordan	143,909	174,853	DFID 82%, CSSF 15%, Other 2%
Kenya	124,546	133,813	DFID 93%, CSSF 3%, Other 4%
Kyrgyz Republic	783	1,010	DFID 78%, FCO 13%, Other 9%
Laos	660	997	DFID 66%, FCO 18%, Other 16%
Lebanon	105,954	124,037	DFID 85%, CSSF 13%, Other 1%
Lesotho	5,500	5,693	DFID 97%, BEIS 2%, Other 2%
Liberia	1,470	1,561	DFID 94%, FCO 4%, Other 2%
Malawi	94,147	102,729	DFID 92%, Scottish Gov 7%, Other 1%
Montserrat	27,799	28,534	DFID 97%, FCO 2%, Other 1%
Mozambique	53,717	54,528	DFID 99%, DEFRA 1%, Other 1%
Myanmar	101,584	106,922	DFID 95%, FCO 3%, Other 2%
Nepal	100,802	103,030	DFID 98%, FCO 2%
Nigeria	305,253	319,583	DFID 96%, CSSF 3%, Other 2%
Pakistan	423,927	462,648	DFID 92%, CSSF 5%, Other 4%
Rwanda	67,712	68,833	DFID 98%, FCO 1%, Other 1%
Sierra Leone	151,358	153,685	DFID 98%, BEIS 1%, Other 1%
Somalia	124,881	151,715	DFID 82%, CSSF 17%, Other 0%
South Sudan	156,173	160,893	DFID 97%, CSSF 2%, Other 1%
St. Helena	74,214	74,970	DFID 99%, DEFRA 1%, Other 0%
Sudan	59,937	64,953	DFID 92%, CSSF 4%, Other 4%
Syria	220,959	351,796	DFID 63%, CSSF 21%, Other 17%
Tajikistan	4,382	4,393	DFID 100%, FCO 0%
Tanzania	180,635	186,209	DFID 97%, BEIS 1%, Other 2%
Turkey	85,451	95,513	DFID 89%, FCO 5%, Other 5%
Uganda	104,739	110,941	DFID 94%, BEIS 4%, Other 2%
Vanuatu	860	960	DFID 90%, FCO 10%, Other 1%
West Bank & Gaza Strip	10,449	22,729	DFID 46%, CSSF 39%, Other 15%
Yemen	122,423	126,850	DFID 97%, CSSF 2%, Other 1%
Zambia	56,648	57,843	DFID 98%, FCO 1%, Other 1%
Zimbabwe	97,764	99,743	DFID 98%, FCO 2%

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

DFID is the majority spending department in the following countries:

	£000		Percentage of Total ODA by dept.
	DFID Net ODA spend in 2016	**Total UK Net ODA in 2016**	
Africa, regional	188,983	336,870	DFID 56%, FCO 20%, Other 23%
Asia, regional	28,787	68,682	DFID 42%, FCO 40%, Other 18%
Developing countries, unspecified[2]	1,905,145	2,927,705	DFID 70%, BEIS 7%, Other 24%
Oceania, regional	3,475	3,688	DFID 94%, DEFRA 4%, Other 2%
South of Sahara, regional	152,188	154,289	DFID 99%, BBC 1%
West Indies, regional	61,215	61,366	DFID 100%, FCO 0%

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)

The Foreign and Commonwealth Office is the majority spending department in the following countries:

		£000	
	FCO Net ODA spend in 2016	Total UK Net ODA in 2016	Percentage of Total ODA by dept.
Albania	368	368	FCO 100%
Algeria	2,340	3,252	FCO 72%, CSSF 28%
Angola	296	391	FCO 76%, PF 24%
Argentina	969	1,008	FCO 96%, PF 4%
Armenia	438	438	FCO 100%
Azerbaijan	1,008	1,008	FCO 100%
Belarus	393	393	FCO 100%
Botswana	268	279	FCO 96%, Colonial Pensions 4%
Comoros	5	10	FCO 50%, DEFRA 50%
Costa Rica	803	803	FCO 100%
Cote d'Ivoire	305	585	FCO 52%, BEIS 48%
Dominica	47	44	FCO 105%, Colonial Pensions 1%, Other -6%
Dominican Republic	7	7	FCO 100%
Ecuador	53	92	FCO 57%, DEFRA 43%
Egypt	3,983	11,479	FCO 35%, CSSF 34%, Other 31%
El Salvador	36	36	FCO 100%
Georgia	762	762	FCO 100%
Guinea-Bissau	22	22	FCO 100%
Honduras	94	176	FCO 53%, DEFRA 47%
Iran	792	792	FCO 100%
Kazakhstan	2,176	3,485	FCO 62%, BEIS 36%, Other 1%
Korea, Dem. Rep.	216	216	FCO 100%
Maldives	137	137	FCO 100%
Mauritius	187	193	FCO 97%, Colonial Pensions 3%
Moldova	210	210	FCO 100%
Montenegro	583	583	FCO 100%
Morocco	2,480	3,154	FCO 79%, CSSF 21%, Other 0%
Namibia	137	137	FCO 100%
Nicaragua	16	16	FCO 100%
Panama	857	857	FCO 100%
Senegal	913	1,620	FCO 56%, CSSF 35%, Other 8%
Serbia	1,723	2,081	FCO 83%, CSSF 17%
Seychelles	61	122	FCO 50%, BEIS 25%, Other 25%
Solomon Islands	62	112	FCO 55%, Colonial Pensions 45%
South Asia, regional	43,310	58,131	FCO 75%, BBC 12%, Other 13%
Sri Lanka	3,389	5,492	FCO 62%, CSSF 38%
St. Lucia	42	43	FCO 98%, Colonial Pensions 2%
Thailand	3,515	6,709	FCO 52%, BEIS 46%, Other 2%
Timor-Leste	18	18	FCO 100%
Turkmenistan	84	84	FCO 100%
Uruguay	694	694	FCO 100%
Uzbekistan	982	982	FCO 100%
Venezuela	1,004	1,004	FCO 100%
Vietnam	2,955	9,166	FCO 32%, BEIS 24%, Other 44%

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

The Foreign and Commonwealth Office is the majority spending department in the following countries:

	£000		
	FCO Net ODA spend in 2016	Total UK Net ODA in 2016	Percentage of Total ODA by dept.
Europe, regional	15,493	16,574	FCO 93%, BBC 4%, Other 3%
Middle East, regional	22,067	36,644	FCO 60%, DFID 28%, Other 12%
North & Central America, regional	22,564	24,573	FCO 92%, BBC 7%, Other 2%

The Department for Business, Energy and Industrial Strategy is the majority spending department in the following countries:

	£000		
	BIS Net ODA spend in 2016	Total UK Net ODA in 2016	Percentage of Total ODA by dept.
Chile	4,464	6,724	BEIS 66%, FCO 23%, Other 11%
China	26,273	46,902	BEIS 56%, FCO 27%, Other 17%
Gambia	10,768	10,804	BEIS 100%, FCO 0%
Guatemala	641	1,100	BEIS 58%, FCO 35%, Other 6%
Malaysia	2,113	4,263	BEIS 50%, FCO 37%, Other 14%
Mexico	3,934	11,465	BEIS 34%, FCO 33%, Other 33%
Papua New Guinea	494	785	BEIS 63%, DEFRA 22%, Other 15%
Philippines	2,044	5,666	BEIS 36%, FCO 30%, Other 34%
South Africa	5,905	12,286	BEIS 48%, FCO 30%, Other 22%

Conflict Stability and Security Fund (CSSF) is the majority spending body in the following countries:

	£000		
	CSSF Net ODA Spend in 2016	Total UK Net ODA in 2016	Percentage of Total ODA by dept.
Bosnia-Herzegovina	3,052	3,626	CSSF 84%, FCO 16%
Colombia	16,042	24,883	CSSF 64%, FCO 20%, Other 15%
Eritrea	600	594	CSSF 101%, FCO -1%
Former Yugoslav Republic of Macedonia (FYROM)	1,239	1,839	CSSF 67%, FCO 33%
Kosovo	2,984	3,500	CSSF 85%, FCO 15%
Libya	11,547	14,353	CSSF 80%, DFID 11%, Other 9%
Mali	2,261	2,510	CSSF 90%, DEFRA 6%, Other 4%
Tunisia	5,569	9,838	CSSF 57%, FCO 43%
Ukraine	16,879	31,615	CSSF 53%, DFID 34%, Other 13%
America, regional	3,532	5,541	CSSF 64%, BEIS 16%, Other 20%
North of Sahara, regional	484	516	CSSF 94%, FCO 6%

The Department for Environment, Food and Rural Affairs is the majority spending department in the following countries:

	£000		
	Defra Net ODA spend in 2016	**Total UK Net ODA in 2016**	**Percentage of Total ODA by dept.**
Belize	243	423	DEFRA 58%, FCO 42%, Other 1%
Bhutan	62	62	DEFRA 100%
Bolivia	128	220	DEFRA 58%, FCO 42%, Other 0%
Brazil	30,147	53,674	DEFRA 56%, BEIS 22%, Other 22%
Burkina Faso	88	132	DEFRA 67%, BEIS 33%, Other 0%
Cape Verde	77	77	DEFRA 100%
Congo, Rep.	89	89	DEFRA 100%
Gabon	150	150	DEFRA 100%
Guinea	80	111	DEFRA 72%, FCO 28%
Madagascar	612	642	DEFRA 95%, FCO 5%
Mongolia	219	363	DEFRA 60%, FCO 36%, Other 3%
Paraguay	87	121	DEFRA 71%, FCO 29%
Sao Tome & Principe	58	58	DEFRA 100%

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. Developing countries, unspecified 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 ‘Developing countries, unspecified’.

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

					£000
Sector description	**2012**	**2013**	**2014**	**2015**	**2016**
Social Infrastructure & Services:					
Education	632,140	917,873	823,916	655,618	967,665
Health	654,090	953,686	772,548	648,512	717,120
Population policies/programmes and reproductive health	425,541	327,748	480,557	371,613	338,224
Water supply and sanitation	107,735	139,152	180,847	184,616	170,458
Government & Civil Society	792,705	836,337	865,446	1,032,961	1,132,940
Other social infrastructure and services	210,226	318,316	201,850	294,593	431,940
Economic Infrastructure & Services:					
Transport and storage	170,427	208,059	159,582	153,717	160,606
Communications	21,584	18,930	11,885	1,299	9,039
Energy	291,420	164,722	108,993	114,028	200,489
Banking and financial services	155,691	157,549	306,077	538,501	392,604
Business and other services	30,854	52,079	39,153	90,091	89,780
Production sectors:					
Agriculture, forestry & fishing	182,734	188,238	282,161	423,575	363,985
Industry, mining & construction	51,459	68,930	91,619	87,098	119,568
Trade policies and regulations	60,298	76,629	60,005	53,746	45,919
Tourism	1,745	1,003	12	1,169	1,573
Multi sector/cross cutting:					
General environmental protection	286,360	358,366	358,318	328,437	318,790
Other multisector	210,288	302,274	300,891	388,328	588,135
Non Sector Allocable:					
General budget support	220,033	135,080	52,635	49,706	60,000
Developmental food aid/food security assistance	65,555	94,071	23,781	23,750	35,392
Action relating to debt	70,958	53,311	3,232	0	2,249
Humanitarian Assistance	426,250	825,736	1,118,958	1,271,577	1,299,391
Administrative costs of donors	333,254	358,759	385,878	400,096	469,749
Support to non-governmental organisations	246,738	296,789	312,751	301,492	254,353
Refugees in Donor Countries	28,370	32,325	134,791	244,655	410,094
Non Sector Allocable	83,789	100,254	113,970	88,928	66,406
Total UK Gross Bilateral ODA	**5,760,241**	**6,986,217**	**7,189,857**	**7,748,103**	**8,646,472**

1. DFID projects can be allocated up to eight input sector codes. In this table, only one sector code per project is included. This is in line with OECD DAC Statistical Reporting Directives.

Table B.5: Imputed UK share of multilateral net ODA by country[1, 3]

					£000
	2012R	2013R	2014R	2015R	2016
Country-specific					
Afghanistan	41,341	56,630	63,647	40,982	66,687
Albania	10,946	9,524	10,753	11,009	9,067
Algeria	4,562	6,021	7,133	5,758	5,910
Angola	9,664	16,078	16,612	12,453	15,094
Anguilla	312	386	0	0	0
Antigua and Barbuda	30	114	125	25	212
Argentina	7,998	2,395	1,573	1,327	2,090
Armenia	8,710	14,091	9,933	17,055	13,098
Azerbaijan	5,377	13,343	9,526	5,066	4,328
Bangladesh	75,542	130,265	127,938	135,225	133,026
Barbados	0	0	0	0	0
Belarus	2,222	3,831	3,238	2,740	3,771
Belize	1,296	1,863	1,483	2,162	3,584
Benin	16,689	37,692	32,474	20,765	26,112
Bhutan	4,499	3,128	3,368	3,280	1,849
Bolivia	9,469	16,884	9,310	22,324	14,619
Bosnia and Herzegovina	24,759	28,499	29,260	24,029	26,352
Botswana	985	2,418	3,375	1,574	1,565
Brazil	15,544	11,430	3,796	29,728	10,687
Burkina Faso	38,147	49,223	58,950	59,941	76,402
Burma	11,651	71,951	29,004	25,324	37,475
Burundi	21,361	30,436	25,598	20,664	18,341
Cambodia	10,741	19,691	20,487	13,456	14,711
Cameroon	25,940	38,244	40,190	27,048	29,420
Cape Verde	2,589	3,389	5,660	4,626	4,315
Central African Republic	10,650	8,892	28,907	20,169	36,924
Chad	18,020	24,777	21,206	82,484	62,933
Chile	929	2,006	4,033	1,433	1,700
China	24,853	24,386	11,191	11,729	19,442
Colombia	5,194	10,059	7,746	7,779	11,524
Comoros	4,516	12,480	4,026	3,445	2,750
Congo	6,414	7,667	5,492	5,584	5,743
Cook Islands	105	70	210	298	265
Costa Rica	774	1,382	1,127	2,215	2,687
Croatia	0	0	0	0	0
Cuba	1,236	3,105	1,554	2,113	2,106
Democratic People's Republic of Korea.	2,559	4,361	4,379	3,527	3,175
Democratic Republic of the Congo	76,072	124,505	130,706	111,872	102,221
Djibouti	2,744	4,882	5,213	3,246	3,661
Dominica	384	1,051	469	1,914	1,524
Dominican Republic	5,669	7,146	5,809	3,824	5,109
Ecuador	3,807	4,706	3,056	16,466	7,415
Egypt	55,442	12,410	33,315	35,518	32,815
El Salvador	2,237	4,967	1,947	2,049	2,699
Equatorial Guinea	394	305	256	293	360
Eritrea	4,268	7,495	6,345	3,529	4,183
Ethiopia	103,996	200,370	188,055	130,648	189,132
Fiji	1,155	1,948	1,511	2,510	2,057
Former Yugoslav Republic of Macedonia	6,492	10,283	12,372	16,920	12,411
Gabon	858	1,088	980	1,226	1,553
Gambia	6,036	7,533	7,299	4,512	6,138
Georgia	19,956	27,919	21,234	18,921	21,870
Ghana	60,268	68,447	62,985	106,076	161,102
Grenada	377	2,587	3,216	3,904	4,519
Guatemala	3,375	5,080	5,077	3,851	3,631
Guinea	38,426	18,700	27,518	33,488	45,353
Guinea-Bissau	3,296	6,957	7,733	6,569	8,479

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]
Guyana	2,673	3,533	2,421	2,446	6,767
Haiti	18,220	23,163	23,252	23,425	42,298
Honduras	11,702	19,050	15,893	13,322	9,459
India	76,458	168,261	345,024	174,101	215,000
Indonesia	17,605	30,500	25,543	17,212	13,668
Iran	1,683	2,535	2,232	975	3,953
Iraq	11,453	14,233	15,909	15,475	20,486
Ivory Coast	44,237	41,316	53,899	49,431	52,201
Jamaica	1,760	6,712	5,016	5,941	4,822
Jordan	21,545	23,882	25,288	29,016	35,333
Kazakhstan	2,539	4,502	2,863	10,435	2,452
Kenya	66,379	126,343	138,384	102,234	90,262
Kiribati	452	1,334	2,405	1,703	1,236
Kosovo	15,106	20,057	19,036	20,311	13,837
Kyrgyz Republic	9,782	15,453	13,680	13,755	25,251
Lao People's Democratic Republic	9,014	12,737	11,146	6,190	11,456
Lebanon	12,369	20,652	23,940	22,089	21,171
Lesotho	6,054	12,744	5,248	3,304	5,574
Liberia	14,694	21,749	26,317	43,674	39,781
Libya	2,664	5,539	7,118	2,839	3,254
Madagascar	13,426	29,195	37,042	35,667	52,751
Malawi	35,929	48,875	44,463	38,144	76,814
Malaysia	751	3,204	1,365	410	1,152
Maldives	1,692	1,540	1,536	1,037	1,090
Mali	18,521	57,266	48,190	49,755	70,409
Marshall Islands	21	457	70	142	135
Mauritania	9,773	10,546	9,008	8,567	12,883
Mauritius	6,558	7,259	1,085	5,030	3,806
Mayotte	0	0	0	0	0
Mexico	3,934	10,350	26,760	6,262	20,688
Micronesia	57	187	205	317	1,032
Moldova	19,550	15,637	18,549	11,792	21,726
Mongolia	4,550	4,662	4,907	3,847	3,995
Montenegro	4,311	6,482	6,593	8,040	6,375
Montserrat	448	481	384	413	31
Morocco	35,401	173,002	205,179	169,545	79,123
Mozambique	44,499	66,189	77,810	67,528	59,809
Namibia	4,106	7,355	4,518	2,852	3,399
Nauru	128	94	167	24	132
Nepal	22,786	39,838	41,393	49,192	42,120
Nicaragua	8,333	13,663	11,100	11,451	11,920
Niger	30,838	41,302	58,950	51,143	61,324
Nigeria	73,843	161,435	167,982	123,022	130,383
Niue	46	54	56	22	123
Oman	0	0	0	0	0
Pakistan	81,198	104,401	218,696	186,903	130,908
Palau	6	26	23	25	219
Panama	760	1,896	1,523	621	2,133
Papua New Guinea	6,663	12,294	9,859	8,745	7,790
Paraguay	1,947	3,017	1,862	2,430	4,410
Peru	3,545	5,720	3,637	3,148	5,709
Philippines	6,207	9,821	11,960	9,071	8,357
Rwanda	28,873	52,404	56,527	42,634	96,354
Saint Helena	0	597	443	16	462
Saint Kitts and Nevis	1,343	1,224	0	0	0
Saint Lucia	1,759	2,149	1,028	2,884	3,503

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

					£000
	2011R	**2012R**	**2013R**	**2014R**	**2015R**
Saint Vincent and the Grenadines	713	1,203	1,076	1,814	2,084
Samoa	1,691	3,203	1,849	3,205	2,554
Sao Tome and Principe	1,543	3,096	1,998	1,339	3,199
Senegal	28,092	37,079	35,021	30,502	33,186
Serbia	64,581	58,244	31,475	44,367	42,996
Seychelles	1,163	1,227	406	217	965
Sierra Leone	16,813	19,606	32,890	36,263	48,422
Solomon Islands	2,041	2,339	1,757	2,047	2,163
Somalia	15,435	17,626	18,474	23,610	21,061
South Africa	23,257	36,217	55,200	71,452	22,897
South Sudan	8,471	28,075	25,761	26,938	29,537
Sri Lanka	18,076	24,029	28,413	25,268	30,417
Sudan	23,736	34,247	25,152	17,436	20,876
Suriname	586	972	189	310	656
Swaziland	2,202	7,245	2,968	4,275	4,895
Syria	7,221	17,162	16,514	25,844	34,054
Tajikistan	6,934	14,064	11,443	10,919	9,911
Tanzania	75,685	143,551	140,475	105,151	81,167
Thailand	4,288	90,303	7,039	3,596	5,250
Timor-Leste	4,451	3,987	4,263	3,277	4,552
Togo	9,091	14,149	14,745	10,036	10,123
Tokelau	5	6	10	5	17
Tonga	697	2,665	2,771	1,891	1,997
Trinidad and Tobago	0	0	0	0	0
Tunisia	41,805	40,048	39,236	38,191	37,734
Turkey	206,488	220,226	218,647	233,611	290,175
Turkmenistan	676	1,119	969	778	1,177
Tuvalu	249	580	860	793	1,030
Uganda	49,057	73,867	61,981	57,856	58,228
Ukraine	20,129	38,490	39,854	25,645	47,465
Uruguay	685	1,354	1,000	786	617
Uzbekistan	8,127	11,852	17,183	16,018	16,460
Vanuatu	539	600	355	2,541	2,163
Venezuela	1,372	1,156	1,031	1,153	1,181
Vietnam	100,328	155,493	184,983	104,229	90,265
Wallis and Futuna	427	235	42	19	29
West Bank and Gaza Strip	48,778	41,816	54,545	58,604	56,928
Yemen	16,859	34,986	42,004	13,980	21,435
Yugoslavia – Ex-states unspecified	23	30	16	70	34
Zambia	22,552	48,046	27,838	26,825	33,649
Zimbabwe	18,274	32,847	22,311	22,539	18,430
Regional					
North Africa, regional	7,276	3,950	12,804	6,667	9,433
Sub-Saharan Africa, regional	48,804	37,902	44,257	33,541	44,405
Africa, regional	43,614	49,400	64,345	57,098	123,271
Middle East, regional	4,181	10,023	5,715	9,506	7,584
South Asia, regional	503	1,104	1,022	1,196	3,489
Central Asia, regional	1,911	3,683	2,300	4,374	3,174
South & Central Asia, regional	3,530	2,510	2,302	2,475	1,097
Far East Asia, regional	1,781	3,460	6,440	5,027	4,049
Asia, regional	7,514	11,599	7,556	8,467	12,949
Caribbean, regional	3,279	1,709	3,139	3,506	2,849
Latin America and the Caribbean, regional	6,249	10,042	7,923	4,521	4,335
South America, regional	6,871	7,940	4,611	3,683	8,765
America, regional	7,392	12,455	11,420	7,471	10,623
Europe, regional	26,785	43,174	29,614	36,725	38,108
Pacific countries, regional	3,934	6,998	4,027	3,676	2,588

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]
Unspecified country/region					
Developing countries unspecified	576,382	565,000	531,876	638,829	652,757
Total net multilateral ODA	**3,242,212**	**4,685,995**	**4,877,981**	**4,473,393**	**4,842,973**
Low Income Countries[2]					
Total imputed UK multilateral ODA to low income countries	1,119,890	1,888,780	1,857,185	1,651,084	1,917,209
% of country specific total	*44.9%*	*48.2%*	*44.9%*	*45.3%*	*49.0%*

Key

1. It is not possible to track directly the destination or purpose of UK funding to the general core budgets of the multilateral organisations, where the multilaterals have general control over the use of the funding. However a good indication of where UK funding goes is provided by OECD DAC data where the multilaterals report aid spend by country and sector. These estimates have been calculated on the basis of the UK's share of the multilaterals' reported aid spending to the OECD.
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.
3. The OECD data cover most of the main multilaterals the UK funds. About 15% of the UK's core multilateral funding is not covered by the OECD data, and this unreported spending is allocated to the developing countries unspecified category. More details on the estimates' quality is found in the Imputed multilateral share quality report.
R Revised to reflects updates reported to the OECD DAC.

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 (ie 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 donors' 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.

ANNEX C

Regulatory reporting

Table 1. Public Spending

The tables below shows published budget outturn for the past 5 years (including year just ended) and plans for the next Spending Review period.

From 2013-14, DFID's basis of assessing aid delivery was to allocate aid across thematic pillars. From 2015-16, this basis has changed. DFID's Estimate is now broken down by organisational structure to be more intuitive and reflective of DFID's organisational structure, and also to make senior staff more overtly accountable. As outturn for the prior years was not based on this methodology, it is not appropriate to restate these figures on this basis. As a result the original Estimate headings are displayed for outturn from 2013-14 to 2014-15 and from 2015-16 the new basis is shown. This is consistent with information available on Online System for Central Accounting and Reporting (OSCAR).

Basis from 2013-14 to 2014-15	£000 2013-14 Outturn	£000 2014-15 Outturn
Resources (excluding capital grants)		
of which:		
Spending in Departmental Expenditure Limits	**8,088,380**	**7,318,063**
A: CSC (NDPB) (net) scholarship relating to developing countries	24,080	24,691
B: Wealth Creation	575,108	479,820
C: Climate Change	271,311	387,867
D: Governance and Security	735,505	584,785
E: Direct Delivery of Millennium Development Goals	4,295,992	3,908,378
F: Global Partnerships	1,262,056	1,264,645
G: Total Operating Costs	239,280	245,900
H: Central Programmes	(19,860)	(23,208)
I: Joint Conflict Pool	29,416	25,518
J: Independent Commission for Aid Impact (NDPB) (net)	3,653	3,667
Non-Voted		
K: European Union Attributed Aid	671,838	416,000
Spending in Annually Managed Expenditure	**68,996**	**109,004**
Voted		
L: Wealth Creation	38,071	(462)
M: Direct Delivery of Millennium Development Goals	3,769	(75,130)
N: Total Operating Costs	(2,722)	(370)
O: Central Programmes	9,320	184,966
P: Climate Change	20,557	–
Total	**8,157,375**	**7,427,067**

New basis from 2015-16	£000 2015-16 Outturn	£000 2016-17 Outturn	£000 2017-18 Outturn	£000 2018-19 Plans	£000 2019-20 Plans
Resources (excluding capital grants)					
of which:					
Spending in Departmental Expenditure Limits	**7,137,648**	**7,407,090**	**7,557,656**	**7,479,400**	**7,290,121**
A: CSC (NDPB) (net) scholarship relating to developing countries	27,028	25,473	26,186	26,440	27,624
B: Total Operating Costs	239,354	262,064	277,358	316,166	316,164
C: Independent Commission for Aid Impact (NDPB) (net)	2,246	3,145	3,713	3,051	3,182
D: Conflict, Stability and Security Fund	90,287	121,116	115,096	104,276	–
E: Regional Programmes	3,616,685	3,853,504	3,721,399	3,436,740	3,237,000
F: Other Central Programmes	(20,933)	(6,497)	(10,367)	273,443	204,151
G: Policy Priorities, International Organisations and Humanitarian	2,689,204	2,650,285	2,985,271	2,815,384	3,060,000
H: Prosperity Fund	–	–	–	39,900	–
Non-Voted					
H: European Union Attributed Aid	493,777	498,000	439,000	464,000	442,000
Spending in Annually Managed Expenditure	**173,153**	**159,282**	**302,682**	**1**	**–**
Voted					
I: Regional Programmes	(422)	(46)	–	1	–
J: Other Central Programmes	173,575	159,328	302,682	–	–
Total	**7,310,801**	**7,566,372**	**7,860,338**	**7,479,401**	**7,290,121**

CAPITAL **Basis from 2013-14 to 2014-15**	**£000** **2013-14** **Outturn**	**£000** **2014-15** **Outturn**
Resources (including capital grants)		
of which:		
Spending in Departmental Expenditure Limits	**1,945,584**	**2,350,200**
A: CSC (NDPB) (net) scholarship relating to developing countries	–	–
B: Wealth Creation	302,403	282,267
C: Climate Change	75,354	230,153
D: Governance and Security	11,086	6,872
E: Direct Delivery of Millennium Development Goals	51,483	120,355
F: Global Partnerships	1,508,583	1,708,406
G: Total Operating Costs	–	–
H: Central Programmes	(3,325)	2,147
I: Joint Conflict Pool	–	–
J: Independent Commission for Aid Impact (NDPB) (net)	–	–
Non-Voted		
K: European Union Attributed Aid	–	–
Spending in Annually Managed Expenditure	–	–
Voted		
L: Wealth Creation	–	–
M: Direct Delivery of Millennium Development Goals	–	–
N: Total Operating Costs	–	–
O: Central Programmes	–	–
P: Climate Change	–	–
Total	**1,945,584**	**2,350,200**

CAPITAL New basis from 2015-16	£000 2015-16 Outturn	£000 2016-17 Outturn	£000 2017-18 Outturn	£000 2018-19 Plans	£000 2019-20 Plans
Resources (including capital grants)					
of which:					
Spending in Departmental Expenditure Limits	**2,124,909**	**2,590,569**	**2,713,305**	**2,651,886**	**2,115,322**
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	393,505	500,674	548,376	523,900	443,000
F: Other Central Programmes	(8,019)	(9,561)	(9,646)	17,321	17,322
G: Policy Priorities, International Organisations and Humanitarian	1,739,423	2,099,455	2,174,575	2,110,665	1,655,000
Non-Voted					
H: European Union Attributed Aid	–	–	–	–	–
Spending in Annually Managed Expenditure	**450,000**	**284,964**	**395,000**	**683,000**	**897,000**
Voted					
I: Policy Priorities, International Organisations and Humanitarian	450,000	284,964	395,000	683,000	897,000
Total	**2,574,909**	**2,875,532**	**3,108,305**	**3,334,886**	**3,012,322**

Table 2. Administration Budgets

The tables below shows published administration budget outturn for the past 5 years (including year just ended) and plans for the next Spending Review period.

From 2013-14, DFID's basis of assessing aid delivery was to allocate aid across thematic pillars. From 2015-16, this basis has changed. DFID's Estimate is now broken down by organisational structure to be more intuitive and reflective of DFID's organisational structure, and also to make senior staff more overtly accountable. As outturn for the prior years was not based on this methodology, it is not appropriate to restate these figures on this basis. As a result the original Estimate headings are displayed for outturn from 2013-14 to 2014-15 and from 2015-16 the new basis is shown. This is consistent with information available on Online System for Central Accounting and Reporting (OSCAR).

Basis from 2013-14 to 2014-15	**£000 2013-14 Outturn**	**£000 2014-15 Outturn**
Resources		
of which:		
Spending in Departmental Expenditure Limits	**115,973**	**110,113**
A: CSC (NDPB) (net) scholarship relating to developing countries	1,769	1,629
B: Wealth Creation	–	–
C: Climate Change	–	–
D: Governance and Security	–	–
E: Direct Delivery of Millennium Development Goals	–	–
F: Global Partnerships	–	–
G: Total Operating Costs	113,728	107,785
H: Central Programmes	–	179
I: Joint Conflict Pool	–	–
J: Independent Commission for Aid Impact (NDPB) (net)	476	520
Non-Voted		
K: European Union Attributed Aid	**–**	**–**
Spending in Annually Managed Expenditure	**–**	**–**
Voted		
L: Wealth Creation	–	–
M: Direct Delivery of Millennium Development Goals		
N: Total Operating Costs	–	–
O: Central Programmes	–	–
P: Climate Change		
Total	**115,973**	**110,113**

New basis from 2015-16	£000 2015-16 Outturn	£000 2016-17 Outturn	£000 2017-18 Outturn	£000 2018-19 Plans	£000 2019-20 Plans
Resources					
of which:					
Spending in Departmental Expenditure Limits	**101,872**	**97,254**	**100,419**	**116,400**	**116,400**
A: CSC (NDPB) (net) scholarship relating to developing countries	1,606	1,594	1,603	1,620	1,624
B: Total Operating Costs	99,920	95,345	98,470	114,379	114,377
C: Independent Commission for Aid Impact (NDPB) (net)	346	315	346	401	399
D: Conflict, Stability and Security Fund	–	–	–	–	–
E: Regional Programmes	–	–	–	–	–
F: Other Central Programmes	–	–	–	–	–
G: Policy Priorities, International Organisations and Humanitarian	–	–	–	–	–
Non-Voted					
H: European Union Attributed Aid	–	–	–	–	–
Spending in Annually Managed Expenditure	**–**	**–**	**–**	**–**	**–**
Voted					
I: Regional Programmes	–	–	–	–	–
J: Other Central Programmes	–	–	–	–	–
Total	**101,872**	**97,254**	**100,419**	**116,400**	**116,400**

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