



Foreign, Commonwealth
& Development Office



Annual Report and Accounts 2021-22

Foreign, Commonwealth & Development Office

Annual Report and Accounts 2021–22

For the year ended 31 March 2022

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Ordered by the House of Commons to be printed on 19 July 2022



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Cover: Foreign Secretary Liz Truss poses for a family photograph with Foreign Ministers at the G7 Summit at the Museum of Liverpool, December 2021.

CORRECTION SLIP

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Correction:

p.11

Text currently reads:

During the 2021-22 financial year, UK funded assistance supported around 240,000 individuals every month in Yemen to alleviate food insecurity. In Afghanistan, we provided £89 million of funding to the World Food Programme. This helped reach over 15 million people with food, nutrition, and resilience interventions.

Text should read:

During the 2021-22 financial year, UK funded assistance supported around 290,000 individuals every month in Yemen to alleviate food insecurity. In Afghanistan, we provided £89 million of funding to the World Food Programme. This helped reach over two million people with food, nutrition, and resilience interventions.

Date of correction: 22 July 2022

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Correction:

p.30

Text currently reads:

As part of our contribution towards UN Sustainable Development Goal (SDG) 2 —zero hunger, to alleviate food insecurity in Yemen, the UK supported around 240,000 individuals every month during financial year 2021-22. In Afghanistan, we provided £89 million of funding to the World Food Programme, which helped reach over 15 million people.

Text should read:

As part of our contribution towards UN Sustainable Development Goal (SDG) 2 – zero hunger, UK funded assistance provided cash to around 290,000 individuals every month during 2021 to alleviate food insecurity in Yemen. In Afghanistan, we provided £89 million of funding to the World Food Programme, which helped reach over two million people with food, nutrition and resilience interventions.

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Correction:

p.119

Text currently reads:

The Parliamentary and Health Service Ombudsman (PHSO) investigates complaints about a central government department and/or its agencies, when referred to them by a Member of Parliament on behalf of a complainant. The FCDO has not been made aware of any complaints or investigations by the PHSO.

Text should read:

The Parliamentary and Health Service Ombudsman (PHSO) investigates complaints about a central government department and/or its agencies, when referred to them by a Member of Parliament on behalf of a complainant. The PHSO share their findings with Parliament, to help it to scrutinise public service providers. Findings are also shared more widely to help drive improvements in public services and complaint handling. In 2021-22, there were eight referrals relating to the FCDO which were under consideration by the PHSO. Three of these were raised prior to April 2021. Of these eight, one was

closed as the PHSO decided not to investigate, four were under consideration before investigation and three investigations were ongoing.

Date of correction: 27 July 2022

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SECTION 1

Performance report

SECTION 1.1 PERFORMANCE OVERVIEW

The performance overview section of this report sets out key information about the department, including the structures that have been established to ensure we deliver effectively. This section also outlines our objectives and includes a performance appraisal for the 2021-22 financial year.

Foreign Secretary's Foreword

In the last year, we have seen a global paradigm shift on the scale of 9/11. Russia's illegal invasion of Ukraine has shattered the foundations of security. We are seeing growing evidence of atrocities committed across Ukraine, with over a third of the population forced to leave their homes.

The Foreign, Commonwealth and Development Office is at the heart of the international response. We stood side-by-side with our friends under the UK's G7 Presidency in warning the Kremlin that any aggression against Ukraine would face massive consequences. We are now following through alongside our G7 partners by imposing severe costs through sanctions and isolating Russia on the world stage.

We have taken a distinct and clear leadership role on Russia's illegal war, from diplomacy to defence as well as economic development. In defence of Ukraine's freedom, we've stepped up to provide weapons, humanitarian aid and economic support. We are working with our friends and allies worldwide to bring Putin's appalling war to an end.

This shows the new approach we are pioneering, based on military strength, economic security and deeper global alliances.

We are driving efforts to reinforce European security by working with our allies to strengthen NATO. We are standing up for peace and the rule of law beyond the Euro-Atlantic region through the AUKUS partnership with the US and Australia, and closer cooperation with countries like Japan, India and Indonesia.

We are using our economic levers to deepen ties with free nations across the world and end strategic dependency on authoritarian regimes. We are providing transformational support on development energised by structured and tailored finance solutions for partner countries through the creation

of British International Investment (formerly CDC).

Together with our friends and allies we are building a network of strong, interconnected partnerships that stretch around the world. We stand up for sovereignty and self-determination and build shared prosperity. This is what I have described as the 'network of liberty'.

By mobilising all our strengths and working with our partners, we have challenged aggressors and rallied a global coalition at COP26 to agree the Glasgow Climate Pact.

We brought our G7 partners together under our Presidency to combat the pandemic by getting more life-saving vaccines to low-income countries. Our development budget focuses on strategic

priorities to deliver the greatest impact, and we have restored spending on women and girls to its full strength.

Our assertive approach is crucial to forging and building a better world, where free nations are in the ascendant and aggressors are curbed in their ambitions. Together with our friends and partners, we are focussed on shaping a new era of peace, security and prosperity.

I am proud to lead the Foreign Commonwealth, and Development Office (FCDO) alongside my brilliant ministerial team and to lay this report in Parliament, setting out the department's achievements in an ever-changing world.



Below: Permanent Under Secretary Sir Philip Barton.

Right: Non-Executive Directors John Coffey, Ann Cormack and Beverley Tew.

Statement from the Permanent Under-Secretary



This annual report sets out the FCDO's performance during another year of unprecedented challenges on the global stage. It also marks the FCDO's first full year as a single, merged department, bringing together the UK's diplomatic and development activity to maximise our global impact.

Our mission as a department is to lead the UK in influencing and inspiring the world and, in doing so, to promote the best of Britain internationally. To do this, we use the United Kingdom's strategic partnerships to drive progress on economic and security ties, technological advancement

and development. We continue to protect British interests and British nationals overseas by tracking and countering threats and strengthening our horizon scanning and foresight capabilities.

The unique reach of our global network has allowed us to develop further our reporting and analysis capabilities. This year we have harnessed that expertise to support the government to deliver in an increasingly competitive, complex and interconnected international environment.

I am proud of what the department has achieved and delivered this year for people in the UK and overseas. In a year of UK international leadership, we have played key roles in the UK's G7 Presidency, including agreeing action on the most critical global issues at the G7 Foreign and Development Ministers meetings in May and December 2021 and delivery of the COP26 summit in Glasgow. In addition, following a machinery of government change in January 2022, the FCDO took on responsibility for the totality of the UK's relationship with EU. We also led the government's

international response to Russia's invasion of Ukraine and the changes this has brought to the geo-political landscape.

As well as delivering against a backdrop of the long-term and far-reaching impacts of COVID-19, the FCDO responded quickly to emerging crises. In August 2021, we played a central role in the government's response to events in Afghanistan. This included the challenging and complex work to evacuate over 15,000 people from Kabul. We have reviewed lessons learned from our response to that crisis and are implementing those lessons, including in our response to Russia's invasion of Ukraine.

Looking forwards, Russia's actions in Ukraine have altered the wider geopolitical landscape. This represents a paradigm shift that changes the context for our work. I therefore announced, in March 2022, that the FCDO would restructure to ensure we are best placed to deliver a sustained response to this work and to carry forward our other priorities. This report also sets out progress on building the FCDO as a single department.

Statement from the FCDO's Non-Executive Directors



This year's geo-political developments have brought new challenges to the FCDO's operation and delivery model. This comes alongside the department's ongoing work to realise the benefits of transformation following creation of the FCDO in September 2020.

Throughout the year, as the FCDO's Non-Executive Directors (NEDs), we have provided objective challenge to the Executive Team on key issues facing the department.

In particular, we have been actively involved in discussions on FCDO transformation, and work to ensure the FCDO's approach to risk evolves in line with the department's responsibilities.

As chair of the Audit and Risk Assurance Committee (ARAC), John Coffey provided significant support and feedback, within the committee and beyond, in the drafting of the FCDO's new risk

management policy. John continues to provide advice on refining how the FCDO captures, mitigates, and monitors risks.

Ann Cormack, in her role as lead NED for human resources, deployed her expertise to support the department throughout the merger and establishment of business as usual processes. In particular, she has provided challenge and guidance to the FCDO's People Committee, Senior Appointments Board and Chief People Officer on a range of transformation related work. This work affects staff across the FCDO and lies at the heart of the department's effective management of its people.

Beverley Tew, in her role as lead NED for finance and as a member of the ARAC provided key expertise, insight, and external challenge during the review, design, and implementation phases of our finance and commercial practices as a new department. Beverley's work ensured that we possessed robust processes

that work for the FCDO and are not a consolidation of legacy processes.

As a team of Non-Executives, we have brought an external perspective to important issues and engaged with expertise from outside of government. Looking ahead, we are leading workstreams on strengthening the FCDO's communications, streamlining internal processes improving agility in our HR processes, and ensuring that the FCDO is poised to efficiently respond to changing contexts.

Overall, the department has made significant progress since the merger. Nearly 17,000 staff have come together into a single organisation with new leadership structures and a new operating model. While there is more to be done, we are now seeing the benefits of bringing development and diplomacy together. The FCDO is well on the way to becoming an outward looking and fully integrated department.

Signed
John Coffey, Beverley
Tew, Ann Cormack

Key achievements



The Australia, United Kingdom, and United States partnership (AUKUS)

Together with the United States and Australia, we are delivering nuclear-powered submarine capability to the Royal Australian Navy. All three countries are committed to enhancing the development of joint capabilities and technology sharing. British involvement cements our status as a science and technology superpower.



British International Investment (BII)

In November 2021, the Foreign Secretary revamped Britain's development finance institution. British International Investment (BII), formerly CDC, provides reliable and honest sources of finance to create jobs and opportunities for Britain's people. BII will help grow economies overseas while drawing them closer toward free-market democracies like ours, thereby building a network of liberty across the world. BII will form a major part of a wider UK initiative to mobilise up to £8 billion of investment per year by 2025.



Women and girls

In July 2021, we co-hosted the Global Education Summit with Kenya that raised a record US\$4 billion for the Global Partnership for Education. This formed part of our pledge to stand up for the right of every girl to receive 12 years of quality education.



COP26

Between 31 October and 12 November 2021, the UK hosted the 26th UN Climate Change Conference of the Parties (COP26) in Glasgow, in partnership with Italy. On 13 November, we achieved our aim to keep the 1.5C limit alive and the Glasgow Climate Pact was agreed.



G7

In May and December 2021, the UK hosted G7 Foreign and Development Ministers in London and Liverpool respectively. The events deepened our strategic and economic alliances and developed ties among newly appointed ministers from Germany, Canada, and Japan.



Sanctions

In response to Russia's invasion of Ukraine, and in lockstep with our allies, we are introducing the largest and most severe economic sanctions that Russia has ever faced, and that we have ever imposed. This will degrade the Russian economy for years to come.



CEPI/Global Pandemic Preparedness Summit

The UK hosted the Global Pandemic Preparedness Summit on 7 and 8 March 2022. We pledged £160 million to support the Coalition for Epidemic Preparedness Innovations (CEPI) to speed up vaccine development.



COVAX/vaccine rollout

At the UK hosted G7 summit in June 2021, leaders pledged to donate or contribute an additional 870 million doses by mid-2022. The majority of doses were to be channelled through COVAX, which implemented new capacity and processes to manage donations.



Humanitarian support to conflict zones

During the 2021-22 financial year, UK funded assistance supported around 290,000 individuals every month in Yemen to alleviate food insecurity. In Afghanistan, we provided £89 million of funding to the World Food Programme. This helped reach over two million people with food, nutrition, and resilience interventions.

Where we work and FCDO leadership



282 officially designated overseas posts which breaks down as follows:



161 Embassies/
High Commissions (also
referred to as Sovereign Posts)



63 Consulates/
Consulates-General/
Deputy High Commissions



11 Permanent Missions



12 Overseas Territories Posts



4 Resident Commissioners



31 Other representation

FCDO leadership

The chart represents the FCDO's leadership between 1 April 2021 and 31 March 2022

Ministers



The Rt Hon Elizabeth Truss MP*

Secretary of State for Foreign, Commonwealth and Development Affairs and Minister for Women and Equalities



The Rt Hon James Cleverly MP
Minister for Europe and North America



The Rt Hon Amanda Milling MP
Minister for Asia and the Middle East



Lord Ahmad of Wimbledon*

Minister for South and Central Asia, North Africa, United Nations and the Commonwealth



The Rt Hon Lord Goldsmith
Minister for the Pacific and the International Environment



Vicky Ford MP*
Minister for Africa, Latin America and the Caribbean

Senior staff



Sir Phillip Barton
Permanent Under-Secretary (PUS)

Sir Tim Barrow
Political Director and Second PUS (from 21/03/2022)

Jenny Bates
Director General Indo-Pacific

Julian Braithwaite
Director General Europe (from 28/01/2022)

Juliet Chua
Director General Finance and Corporate

Thomas Drew
Director General Middle East North Africa, Afghanistan and Pakistan

Nick Dyer
Director General Humanitarian & Development (from 17/03/2022)

Nic Hailey
Director General Transformation (to 21/09/2021)

Kumar Iyer
Director General Delivery

Moazzam Malik
Director General Africa

Sir Iain MacLeod
Director General Legal (to 25/02/2022)

Harriet Mathews
Director General Geopolitics and Security (from 17/03/2022)

Vijay Rangarajan
Director General Americas & Overseas Territories

Special representatives

Lord Ahmad of Wimbledon
Prime Minister's Special Representative on Preventing Sexual Violence in Conflict

The Rt Hon Anne-Marie Trevelyan MP
UK International Champion on Adaptation and Resilience for the COP26 Presidency

The Rt Hon Lord Pickles
United Kingdom Special Envoy for post-Holocaust issues

Fiona Bruce MP
Prime Minister's Special Envoy for Freedom of Religion or Belief

David Burrowes
Prime Minister's Deputy Special Envoy for Freedom of Religion or Belief

Helen Grant MP
Prime Minister's Special Envoy for Girls' Education

Sir Simon Gass
Prime Minister's Special Representative for the Afghan Transition

Air Chief Marshal Sir Stuart Peach GBE KCB ADC DL
Prime Minister's Special Envoy to the Western Balkans

The Rt Hon Lord Herbert of South Downs CBE PC
Prime Minister's Special Envoy on LGBT+ Rights

Nick Bridge CMG
Special Representative for Climate Change

Nigel Casey MVO
Special Representative on Afghanistan and Pakistan

Robert Fairweather OBE
Special Representative for Sudan and South Sudan

Nick Dyer
Special Envoy for Famine Prevention and Humanitarian Affairs

Alicia Herbert OBE
Special Envoy for Gender Equality

Jo Lomas
Commonwealth Envoy

Andrew Patrick
Migration and Modern Slavery Envoy

For governance arrangements, please see our governance statement on p.101.

*ministers with equalities responsibilities

The FCDO's purpose and activities

Our strategic vision is to deliver for the UK internationally, leading the government's diplomatic, development and consular work around the world.





The FCDO's mission is to lead the UK in influencing and inspiring the world. We do this by building a network of liberty that is rooted in economic and development partnerships. We secure technology leadership and security ties for a stronger Britain and a stronger world. In doing so, the FCDO promotes the best of Britain internationally, countering malign influence, promoting freedom and democracy, and deepening enduring ties with our allies.

Against a shifting geopolitical landscape in the context of Russia's invasion of and war on Ukraine, the FCDO has five core priorities:

- » promoting Britain and our values— freedom and democracy
- » building strategic partnerships—economic, security, technology, climate change and the environment, and development
- » protecting British interests
- » supporting Britons travelling and living abroad
- » providing global insight and analysis

To deliver these priorities, we take a positive, proactive and patriotic approach, and lead in strengthening international alliances including the G7, NATO and the UN. Our focus is on expanding our influence, strengthening our security and supporting development around the world.

Russia's actions in Ukraine have altered the wider geopolitical landscape. This represents a global shift that changes the context for our work and for achieving UK objectives. In March 2022 the Permanent Under-Secretary announced a reorganisation of the FCDO's leadership structures, agreed by the Foreign Secretary.

The changes are designed to:

- » shift our emphasis to tackle the consequences of the Russia/Ukraine crisis including Russian disinformation, by reinforcing the senior team dedicated to this
- » provide clearer leadership of our geographic work
- » establish a Director General (DG) with the explicit role of leading our development work, initially focused on the Ukraine and Afghanistan humanitarian crises and refugee flows
- » establish a DG Economics, Science and Technology to lead this agenda including our international sanctions regimes.

We are working hard to build a network of economic, diplomatic and security partnerships that deliver for the people and businesses of Britain.

We are a ministerial department, supported by 12 agencies and public bodies. To deliver flexibly across the globe, we work with the private-sector, non-governmental organisations and a range of other actors including multilateral organisations.

We use a range of funding instruments to fulfil our objectives, including grants, contracts, and financial investments. Our accountability system includes an evidence-based business planning process, supported by governance, monitoring, audit, assurance and risk management processes. We employ 16,124 staff worldwide, including in 282 overseas embassies, high commissions and other missions and offices.



The pyramid shows how the mission, purpose and priorities fit together to make up “One FCDO”

Future plans

In 2022-23 we need to adapt to a new geopolitical context: maintaining a muscular response to Russia's invasion of Ukraine, while embedding longer term thinking on economic security and the wider global architecture. The Commonwealth Heads of Government Meeting, G7, NATO and G20 summits this summer will deliver sustained UK geo-political leadership. We will establish a new relationship with the EU and maintain momentum on the wider global priorities set out in the Integrated Review: on climate and nature, science and technology, and the Indo-Pacific tilt. We will also be implementing the new International Development Strategy, published in May 2022 – including through growing British Investment Partnerships, delivering the Freedom of Religion or Belief and Preventing Sexual Violence in Conflict conferences.

We are continuing work to build *One FCDO* – one organisation with one mission, purpose and culture. We continue to work on key HR issues, including alignment of terms and conditions, and to invest in building skills, knowledge, and expertise. The FCDO will shortly have a unified technology platform. This will increase flexibility and improve collaboration. Our single integrated finance and HR product (Hera) will commence deployment in July 2022. Hera aligns with the government shared services strategy to shift to cloud-based systems and standardised HR and finance processes. It will improve user experience, drive efficiency, provide better management information and will form the basis for the development of the Overseas Shared Services cluster, led by the FCDO.

We are conducting robust planning to support our strategic vision and the delivery of our priority outcomes for the rest of the Spending Review period.

Our priority outcomes and strategic enablers

The FCDO published its first [Outcome Delivery Plan](#) in July 2021. This set out three priority outcomes for 2021–22, as well as enabling activities for the department. These were to:

CURRENT REPORTING PERIOD POs for 2021–22



PRIORITY OUTCOME 1

Shape the international order and ensure the UK is a force for good in the world by: supporting sustainable development and humanitarian needs; promoting human rights and democracy; and establishing common international standards



PRIORITY OUTCOME 2

Make the UK safer and more resilient to global threats



PRIORITY OUTCOME 3

Extend and amplify the UK's influence in the world, including through successful application for Association of South East Asian Nation (ASEAN) dialogue partner status

Strategic Enablers

To deliver those priority outcomes, the FCDO committed to the following four strategic enablers:



STRATEGIC ENABLER ONE **Workforce, skills and location**

We committed to creating a strong culture of learning and development to foster an exceptional workforce. We also committed to providing flexible policies that enable staff to operate effectively wherever they are in the world. We are dedicated to using the merger to develop a workforce that reflects the new organisation's requirements across the world.



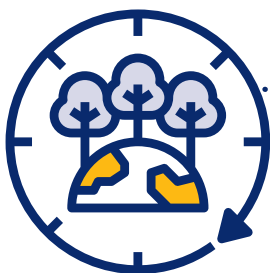
STRATEGIC ENABLER TWO **Innovation, technology and data**

We dedicated ourselves to becoming a world-leading department for the use of digital, data, information, and technology to deliver diplomatic and development outcomes. Our vision for 2023 is to have laid the FCDO's digital foundations. By 2025, our goal of becoming a data driven organisation will be realised. We continuously invest in structural innovations and nurture staff so they can turn ideas into solutions.



STRATEGIC ENABLER THREE **Delivery, evaluation and collaboration**

We sought to improve outcomes through strong delivery, evaluation, and collaboration. We committed to developing robust frameworks to support, track and analyse real world change. We also focused on skill and capability building. Our vision is to put evidence and analysis at the heart of our approach. This will advance and strengthen the use and quality of our analysis to make our interventions more efficient, sustainable, and impactful.



STRATEGIC ENABLER FOUR **Sustainability**

We committed to taking steps to find innovative ways to put sustainability at the heart of what we do and lead by example by reducing our environmental impact, transitioning to net zero emissions, and minimising our contribution to climate change. We sought to equip staff with an understanding of environmental responsibilities to achieve high standards of environmental sustainability throughout all our operations.

You can find analysis of progress against our strategic enablers at page 57.

Foreign Secretary Liz Truss chairs the Commonwealth Foreign Affairs Ministers Meeting from her office in London.

Overall performance assessment

Within the shifting geo-political landscape, the FCDO's diplomatic and development expertise has delivered for the UK across the world. We have shaped the international order and made the UK safer and more resilient to global threats.





International leadership through G7 and COP26

During its 2021 G7 Presidency, the UK delivered an ambitious agenda addressing the world's major challenges and advancing shared G7 interests and values. By strengthening G7 collaboration and advancing our enduring ideals as free open societies and democracies, we and our partners successfully re-established the G7 as a cornerstone of the international architecture.

In June, G7 leaders met in Cornwall determined to tackle COVID-19 and build back better. Under UK leadership, the G7 agreed to intensify its collective effort to vaccinate the world and strengthen its collective defences against threats to global health. Leaders committed to championing freer, fairer trade and agreed a step change in the G7's approach to financing honest and reliable infrastructure investment. Finance ministers also agreed a ground breaking global tax system that reverses a race to the bottom. The UK championed gender equality, female empowerment and girls' education throughout its Presidency.

G7 Foreign and Development Ministers met in London (May) and Liverpool (December) to agree collective action on the most pressing foreign and security challenges. United by a common respect for human rights, democracy and the rules-based

📷 UK-funded food aid reaches people in need in remote parts of Afghanistan



international order, the G7 committed to strengthening their collaboration as economic and security partners, and reaffirmed their commitment to global cooperation. In Liverpool, the UK used its G7 Presidency to set the foundations for a coordinated G7 response to Russia's invasion of Ukraine.

The COP26 conference hosted by the UK in November 2021 saw 197 parties agree to the Glasgow Climate Pact. Consequently, we have narrowed the emissions ambition gap. Net zero commitments cover 90% of the world's economy, up from 30% two years ago, when the UK took on the presidency.

Progressing geopolitical aspects of the Integrated Review

In August 2021, the UK was granted dialogue partnership with the Association of South East Asian Nations (ASEAN). This is the first partnership ASEAN has agreed in 25 years and will lead to closer cooperation between the UK and the region on a range of issues. This is a key milestone towards strengthening our position in the Indo-Pacific region.

In September 2021, the UK announced the Australia/UK/US Security Partnership (AUKUS). This is a landmark partnership

designed to deepen cooperation on a range of security and defence capabilities. In particular, this includes delivering nuclear-powered submarine capability to the Royal Australian Navy. British involvement cements our status as a science and technology superpower.

The FCDO is consistently growing our international network and deepening our relationships with likeminded partners. Some key bilateral achievements include:

- » a comprehensive Bilateral Roadmap at the **UK-Israel** Strategic Dialogue to deepen our already close relationship
- » working closely with **Australia** to tackle global issues, promote democracy, and boost trade and investment in the Indo-Pacific, as well as through AUKUS
- » a historic new Atlantic Charter and joint statement signed by the Prime Minister and President Biden, setting an ambitious agenda for **UK-US** co-operation
- » the **UK-India** Roadmap, launched in May 2021, to advance our Comprehensive Strategic Partnership and support security and prosperity
- » deepening the UK's relationship with the Gulf through co-investment partnerships with **Saudi Arabia, Qatar, UAE, and Kuwait**, focusing on green infrastructure and clean technology in partner countries.

Progressing the UK's relationship with the EU

Following machinery of government changes in January 2022, the FCDO is now responsible for leading the totality of the UK's relationship with the EU. Our national interest is best served by a positive relationship with the EU underpinned by trade and our shared belief in freedom and democracy. The EU is, collectively, our largest trading partner. The UK-EU Trade and Cooperation Agreement

and the Withdrawal Agreement structures are generally functioning well. We are focussing on ensuring this new relationship delivers for our citizens and businesses, and driving forward our relationship with Europe outside of the EU.

After months of negotiations, on 13 June 2022 the government introduced the Northern Ireland Protocol Bill to fix the practical problems the Protocol has created in Northern Ireland. The FCDO is the sponsoring department. It remains the government's position that a negotiated solution is preferable.

COVID-19 response

On COVID-19, the FCDO is supporting COVAX's efforts to vaccinate the world, committing £548 million to COVAX's Advance Market Commitment and donating over 80 million doses through COVAX and directly with partner countries. With global supply now rapidly increasing, we are focusing on working closely with the COVAX Delivery Partnership on actions to improve uptake, especially for vulnerable groups. We are also supporting the transition toward long term COVID-19 control. In March 2022, we hosted the Global Pandemic Preparedness Summit to support the Coalition for Epidemic Preparedness Innovations. Partners pledged more than US\$1.5 billion for vaccine research and development.

Supporting British nationals abroad

We support British people in around 20,000 new cases a year, and approximately 8,000 ongoing cases. These include arrest, death, hospitalisation, forced marriage, victims of crime including rape and sexual assault, missing persons, and child welfare. We seek to do more for those who we consider to be vulnerable, and in every consular case we offer help appropriate to the individual's circumstances and local situation, taking into

account the relevant legal frameworks. In complex cases we consider all the diplomatic tools available and use a taskforce approach bringing together colleagues from geographic and consular teams in the UK and across the Embassy or High Commission to provide the most effective support. Every year, we issue around 30,000 Emergency Travel Documents to people whose passports are lost, stolen or expired and who need to travel urgently.

British International Investment

In November 2021, the Foreign Secretary announced the revamping of the UK's development finance institution. The institution formerly known as CDC has been renamed British International Investment (BII). BII will help to deliver on our vision for the Clean Green Initiative, helping countries to grow their economies sustainably and fight climate change.

Crisis response

In August 2021 the Afghan government collapsed and the Taliban overran Kabul. In response, the UK government delivered one of the most challenging and complex evacuations of recent decades and closed one of the UK's

largest overseas platforms. Over the evacuation period, the UK facilitated the departure of over 15,000 people from Afghanistan on over 100 flights. The FCDO was formally in crisis mode for 47 days, with 1,336 staff rostered onto the crisis response. This included 11 rapid deployment teams, with 62 staff in 11 different locations. Since the end of the evacuation, the government has supported over 4,600 people to leave Afghanistan, or to come to the UK via third countries.

The FCDO crisis structure draws on established international best practice and allows responses to complex crises to be scaled-up rapidly. It has been used for crises as diverse as the COVID-19 repatriations, the Nepal earthquake, the Sousse and Sharm-el-Sheikh terror attacks and the evacuations from Libya and Lebanon. As is the case after all crises, the FCDO is committed to learning lessons and using its experience to improve the way the organisation prepares for and responds to crises. An internal lessons learned review was conducted focusing on the systems, structures and ways of working involved in the FCDO's crisis response. The resulting report identified 11 groups of recommendations to enhance our ability to respond to future crises. We are actively using the lessons learned from our



Foreign Secretary Liz Truss visits FCDO Crisis Centre

Afghanistan withdrawal in our response to Russia's invasion of Ukraine, including by:

- » introducing new systems for managing correspondence
- » creating greater central management of staff resourcing
- » providing more in-depth consular contingency planning
- » engaging more closely with Parliament
- » increasing senior oversight of our operational and diplomatic response

Progress will be reviewed by the FCDO's Audit, Risk and Assurance Committee in autumn 2022. The Foreign Affairs Committee has been briefed on this approach, including through a letter from the PUS on 9 March 2022. This letter set out the context of the review; the process that the FCDO followed; an overview of the lessons learned; and how the FCDO plans to implement these lessons. The Foreign Affairs Committee published a report into the Afghanistan crisis on 24 May. The FCDO will respond formally, meeting the deadline requested by the committee.

As part of our response to Russia's invasion of Ukraine, the FCDO has imposed an unprecedented package of sanctions that will degrade the Russian economy for years to come. The government has also announced £220 million of humanitarian assistance for Ukraine. This will deliver life-saving assistance to people fleeing the conflict and shape a more effective international response. We made our largest ever Aid Match contribution to the Disasters Emergency Committee (DEC) Ukraine Humanitarian Appeal, matching the first £25 million donated. The DEC appeal has raised over £130 million so far, including £25 million in matched FCDO funding.

Key risks and mitigations

The FCDO plays a central role in delivering the vision of 'Global Britain in a Competitive Age' set out in the 2021 Integrated Review. It delivers ambitious objectives in an increasingly competitive, complex, and interconnected international environment, and faces a wide range of risks.

In 2021-22, we continued to manage significant risks from the COVID-19 pandemic to the FCDO's people, policies, programmes, and resources. We have taken steps to protect continuity of public services and to support all our staff across our global network.

A number of crises, in particular Afghanistan and the invasion of Ukraine, have required much of the FCDO to pivot to deliver a response. Lessons learned are consistently incorporated into the FCDO's crisis response approach, including on management of staff resource and contingency planning.

Our People risks have remained elevated given the ambitious change programme to deliver *One FCDO*, the effects of the pandemic and the wider challenges of delivery in the current global context. The FCDO will continue its enhanced focus on staff resilience, welfare, wellbeing and inclusion in 2022-23.

Managing crises, high levels of organisational change, and a need to re-balance delivery of long-term objectives against our crisis response has generated a level of uncertainty this year. This has exacerbated an already complex risk profile detailed on page 59.

Foreign Secretary Liz Truss poses for the family photo with foreign ministers as she attends the NATO Summit in Riga, Latvia.

SECTION 1.2 PRIORITY OUTCOMES AND STRATEGIC ENABLERS

Performance analysis

This section provides a detailed analysis of the FCDO's progress against our three priority outcomes for the financial year 2021-22. It also reports progress against our strategic enablers, the UN Sustainable Development Goals, and performance in other areas.





#WEARENATO



PERFORMANCE ANALYSIS

Priority outcomes

📷 UK aid for Ukrainian refugees is delivered to Chisinau, Moldova, March 2022





Priority outcome 1

Shape the international order and ensure the UK is a force for good in the world by supporting sustainable development and humanitarian needs, promoting human rights and democracy, and establishing common international standards.

📷 The Foreign Secretary visits a UNHCR warehouse to look at humanitarian aid being sent to Ukraine

Humanitarian preparedness and response

During 2021-22, global humanitarian need continued to increase driven by the COVID-19 pandemic and the worsening impact of multiple crises. These included conflicts in Ethiopia, Afghanistan and Ukraine.

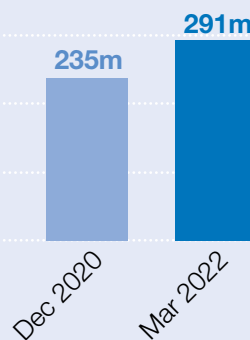
The number of people in need of humanitarian assistance increased from 235 million in December 2020 to at least 291 million by March 2022. The number of people in emergency food insecurity grew from 25 million to over 41 million between September 2020 and November 2021. Countries at risk of famine increased from three to six over the same period.

As part of our contribution towards UN Sustainable Development Goal (SDG) 2 – zero hunger, UK funded assistance provided cash to around 290,000 individuals every month during 2021 to alleviate food insecurity in Yemen. In Afghanistan, we provided £89 million of funding to the World Food Programme, which helped reach over two million people with food, nutrition and resilience interventions.

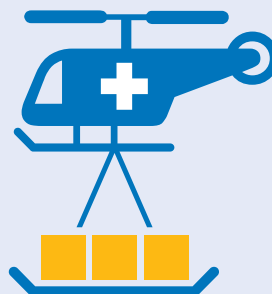
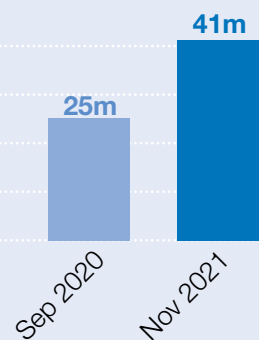
In 2021, as part of its G7 Presidency, the UK promoted the adoption of the G7 famine prevention and humanitarian



People in need of humanitarian assistance



People in emergency food insecurity



Our humanitarian reach

UK humanitarian and social protection assistance is estimated to have reached **1.7 million people** during the reporting period



Untied aid

The FCDO unties its aid in line with and beyond the requirements of the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) recommendation on untying Official Development Assistance (ODA). The FCDO also supports other ODA spending departments by sharing relevant expertise and advice on aid effectiveness and best practice.

crises compact. Additionally, the UK used its position on the World Bank Board to secure agreement to double the Early Response Financing window.

In June 2021, in the G7 Summit Communiqué, G7 leaders denounced the use of sexual violence in conflict situations and said that such acts may constitute war crimes or crimes against humanity. They noted the varied legal and institutional frameworks in place and invited Foreign and Development Ministers to “consider how best to strengthen international architecture around conflict-related sexual violence”. They also condemned sexual violence in Tigray.

At the UN Security Council, the UK pressed for a resolution establishing a humanitarian exception under the UN Afghanistan sanctions regime. We also co-hosted the Global Humanitarian Overview launch event in December 2021, which mobilised partners to work together to tackle climatic shocks in humanitarian crises.

In 2021-22, the FCDO provided humanitarian and social protection support both at country-level and centrally to strengthen the effectiveness of the global

humanitarian system. In exceptional crisis situations, the FCDO stepped up its humanitarian funding. For example, we have delivered on the Prime Minister’s commitment to double assistance for Afghanistan in 2021-2022, delivering humanitarian assistance to over 6.1 million people. The FCDO provided £286 million of funding for urgent life-saving activities, including £17 million for support to Afghan refugees in the region.

We disbursed £54 million by 31 March 2022 to save lives and protect the most vulnerable people in Ukraine and the region. UK humanitarian and social protection assistance is estimated to have reached 11.7 million people during financial year 2021-22.

The FCDO works hard to use our diplomatic tools to support the delivery of humanitarian assistance. One example is our work to improve access and scale-up aid delivery in northern Ethiopia. The UK blended operational support, including the provision of 54 trucks to the World Food Programme, alongside coordinated international diplomatic engagement. As part of this, the British Embassy in Addis Ababa met with senior officials and political

leaders across the country to make the case for improved humanitarian access. Our efforts, alongside that of others, have helped to facilitate a significant increase in aid delivery in northern Ethiopia over the past few months. The UK continues to work to scale-up and maintain access which remains a significant challenge.

Democracy and freedom

Even before Russia's invasion of Ukraine, 2021-22 was a challenging year around the world for freedom, democracy and open societies. Although democracy indicators continued to decline,¹ the UK has been a global champion of freedom and democracy.

The FCDO has supported the objectives of SDG 16—peace, justice and strong institutions. This includes supporting partner countries on elections, accountability and tackling issues of corruption and illicit finance.

Under the UK's Presidency, in the [Carbis Bay Open Societies Statement](#), G7



leaders committed to promote freedom and democracy, and counter malign activity such as mis/disinformation, corruption and arbitrary detention.

G7 Foreign and Development Ministers made detailed commitments on media freedom, freedom of religion or belief, and a free and open internet.² G7 leaders committed to protect online and offline freedom of expression, in order to safeguard democracy and help people live free from fear and oppression.

The FCDO has worked to prioritise media freedom.

The Media Freedom Coalition (MFC), which the UK co-founded, now has over 50 members.³ Working within the MFC, we have issued statements highlighting the deteriorating situation for the media around the world, and worked to improve the effectiveness of media-focused global development aid. The FCDO continues to support the Global Media Defence Fund. To date, this fund has supported over 1,700 journalists, 170 lawyers and 65 civil society organisations across the world.⁴

The FCDO's UK Action to Support Developing

1 freedomhouse.org/sites/default/files/2022-02/FIW_2022_PDF_Booklet_Digital_Final_Web.pdf, v-dem.net/media/publications/dr_2022.pdf

2 www.g7uk.org/wp-content/uploads/2021/07/2021-Open-Societies-Statement-PDF-355KB-2-pages.pdf

3 mediafreedomcoalition.org/about/member-countries

4 ESCO reporting direct to the FCDO (from ODP and IR deliverable returns)

Countries Fighting Corruption programme funded UK law enforcement authorities to pursue and investigate money laundering and bribery related to low-income countries with links to the UK.

The FCDO's International Action Against Corruption programme delivered specialist anti-corruption technical expertise and access to international partnerships to help tackle cross-border corruption. The programme reduced corruption through asset recovery and return, and increased the transparency of company ownership.

The FCDO continued its work to promote freedom of religion or belief for all. Currently, we are implementing the recommendations in the Bishop of Truro's 2019 report on the persecution of Christians. The UK has also announced that it will hold an international conference on freedom of religion or belief in July 2022.

International norms and standards

During 2021-22 the FCDO led successful UK international election campaigns for:

- » Codex—Chair, Steve Wearn
- » International Law Commission—Commission Member, Dapo Akande

- » Interpol Executive Committee—European delegation, Will Kerr

We secured UK seats on:

- » International Maritime Organisation Council
- » International Humanitarian Fact Finding Commission

At the UN, the FCDO led work to ensure funding for Syria and Myanmar's International Impartial and Independent Mechanisms and Human Rights Council mandates. We resisted further efforts to undermine the role of UN Resident Coordinators—to hold governments to account.

Climate

COP26 was a highlight of our climate leadership in 2021, with 197 parties agreeing the Glasgow Climate Pact, reaching consensus on the need for urgent climate action. Net zero commitments now cover 90% of the world's economy, up from 30% two years ago, helping us keep the limit of 1.5C warming within sight.

Our COP26 Presidency has driven progress towards SDG 13—climate action. This has set the world on a path to net zero, speeding up emissions reduction, cleaning up our economies,

increasing resilience, and helping us adapt.

The UK leadership of the G7 spurred global action on climate and biodiversity and formed part of our contribution to SDGs 14 and 15—life on land and life below water. Our contribution led to a joint commitment to net zero greenhouse gas emissions no later than 2050, and to halving our collective emissions by 2030.

International Climate Finance (ICF) aims to tackle the causes and impacts of climate change. It is delivered jointly by the FCDO, the Department for Business, Energy, and Industrial Strategy (BEIS) and the Department for the Environment, Food and Rural Affairs (Defra).

Mitigation activities focus on reducing greenhouse gas emissions and supporting green growth. Clean energy capacity installed by ICF programmes in 2020-21 was 600 Megawatts (MW). This brings the total clean energy capacity installed up to 2,400 MW, delivered through 34 ICF programmes.

ICF adaptation initiatives support the most vulnerable to adapt to pre-existing climate change. This work forms part of our contribution towards SDG 1—no

CASE STUDY**UK's 2021 G7 Presidency**

The UK's 2021 G7 Presidency advanced an ambitious agenda, responding to the world's major challenges and promoting a cleaner, greener, freer, fairer and safer world.

Under our leadership, the G7 reasserted its value as a forum for advanced economies and democracies to:

- » shape the global conversation,
- » stand-up for human rights and democratic values and
- » deliver for their people and those around the world.

G7 foreign ministers took a strong common stance on geopolitical issues and confirmed in Liverpool their unwavering commitment to Ukraine's sovereignty and territorial integrity.

The UK also built critical momentum ahead of COP26, with historic G7 commitments to net zero, including:

- » halving our collective emissions by 2030
- » ending new direct government support for international unabated coal power generation by the end of 2021
- » conserving or protecting at least 30% of global land and at least 30% of the global ocean by 2030.

G7 leaders committed to providing one billion COVID-19 vaccine doses in 2022-23 and endorsed the UK-led 100 Day Mission. This aims to reduce the time to develop and deploy safe and effective diagnostics, therapeutics and vaccines from 300 to 100 days in future pandemics. The International Pathogen Surveillance Network was also established to help track pathogens of public health significance.

The G7 committed to an ambitious agenda to build back better for the world post-pandemic, agreeing a step change in our approach to financing quality and sustainable infrastructure in low-income countries. This approach focuses on making rapid progress towards the Sustainable Development Goals and international climate and environment commitments, including those made at COP26.

We also convened the Future Tech Forum, bringing together 200 digital leaders to discuss the digital rules of tomorrow.

The UK re-established the Gender Equality Advisory Council, which the G7 agreed to convene as a standing feature of future presidencies. G7 partners committed to further tackle conflict-related sexual violence. The UK emphasised girls' education as co-host of the Global Education Summit, where G7 partners pledged at least US\$2.75 billion over the next five years.

poverty. In 2020-21 ICF programmes supported 13 million people to cope with the effects of climate change. This brings the total number supported by ICF up to 88 million, delivered through over 100 programmes across FCDO, BEIS and Defra.

Women and girls

In May 2021, the Prime Minister launched the UK's Girls' Education Action Plan, setting priorities up to 2026. In the same month, the UK launched the £55 million What Works Hub for Global Education. This advises governments across Africa and Asia on the most impactful and cost-effective ways to



📷 COP26 Gender Day, November 2021

reform school systems and support female enrolment.

Under the UK's G7 Presidency in June 2021, leaders committed to:

- » developing gender-responsive approaches to climate financing work
- » working together to prevent and address disruption in access to sexual and reproductive health and rights (SRHR) services caused by the pandemic
- » exploring options for strengthening international architecture to tackle conflict-related sexual violence
- » two brand new milestones for SDG 4—Ensure inclusive and equitable quality education, and promote lifelong learning opportunities for all



» The Prime Minister's Special Envoy for Girls' Education Helen Grant (left) and other leaders at the Global Education Summit in Battersea Park, July 2021

- » financial support to the Global Partnership for Education (GPE), with a combined total pledge of at least US\$2.75 billion funding over the next five years.

The FCDO led efforts to secure G7 endorsement of two global targets. These are to get 40 million more girls into school and 20 million more girls reading in low and lower-middle-income countries by age 10. These targets are to be met by 2026.

The UK's Development Finance Institute (DFI), the CDC (now BII), and other G7 DFIs and finance institutions also committed to investing US\$15 billion between 2021-22. This is to help women

in emerging markets to access jobs, build resilient businesses and respond to the devastating economic impacts of COVID-19.

In July 2021, the UK co-hosted the Global Education Summit with Kenya. The summit raised £2.9 billion in donor commitments, setting the Global Partnership for Education firmly on course to reach its target of US\$5 billion over five years. This further boosted its annual programming by 20% compared to the last refinancing period 2018-21. Nineteen heads of state signed a declaration to protect education spend at pre-COVID-19 levels and work towards spending 20% of government budgets



📷 12-year-old Fatima left Syria in 2012 and dreams of becoming a doctor



“
In July 2021, the UK co-hosted the Global Education Summit with Kenya. The Summit raised £2.9 billion in donor commitments.

on education. This marks a historic commitment.

The FCDO has made progress towards its priorities on ending violence against women and girls. This is demonstrated most notably with the 2021 launch of the ‘What Works to Prevent Violence: Impact at Scale’ programme. Building on the success of the internationally recognised first phase of ‘What Works’, the £67.5 million successor programme started in October, and is the first global effort to scale-up proven violence prevention approaches worldwide.

The UK successfully hosted the [COP26 Gender Day](#)

in November 2021, where £165 million was announced to tackle climate change and gender inequality hand-in-hand. This will be achieved by empowering grassroots women’s groups to challenge gender inequalities and adapt to the impacts of climate change.

At COP26, we put girls’ education on the agenda, demonstrating that this is central to responding to the impact of the climate crisis. The Foreign Secretary further stepped up the UK’s global leadership on ending violence against women and girls, announcing a new package of funding of over £22 million to:

- » end child marriage

- » support survivors
- » fund women's rights organisations on the frontlines of tackling violence

This funding included £18 million to end child marriage. Additionally, a £3 million boost was given to organisations on the frontline of tackling violence through the UN Trust Fund to End Violence Against Women.

The UK also made a commitment to explore all options for strengthening the international framework for responding to conflict-related sexual violence, including the possibility of a new international convention and by hosting an international conference in 2022. This is part of our global leadership on conflict related sexual violence, through the Preventing Sexual Violence in Conflict Initiative (PSVI). Lord Ahmad of Wimbledon is the Prime Minister's Special Representative on PSVI and the Foreign Secretary has placed ending sexual violence at the heart of UK foreign policy. In Summer 2022 the FCDO will publish its PSVI strategy, we will set out our increased ambition, and how we will work with international partners to support survivors, hold perpetrators to account

and put an end to these heinous acts for good.

In November 2021, Lord Ahmad launched the call to action to ensure the rights and wellbeing of children born of sexual violence in conflict. This was a first step in galvanising international action to support children who can be marginalised and stigmatised by their families and communities. So far, the call to action has been endorsed by seven governments: the United States, Norway, Mexico, Guatemala, Kosovo, South Sudan, and the UK. Additional endorsement came from three UN Special Representatives of the Secretary-General: sexual violence in conflict, for children and armed conflict, and on violence against children.

Throughout 2021-22, the UK also continued to support the development of the Murad Code – a global code of conduct to ensure those gathering information from survivors of conflict-related sexual violence understand how to do so safely, ethically and effectively. The Murad Code was launched by Lord Ahmad and Nadia Murad, survivor and Nobel Laureate, during the UK's Presidency of the Security Council in April 2022.



New education targets

FCDO-led efforts secured G7 endorsement of global targets to get **40 million** more girls into school and **20 million** more girls reading by 2026



Global education spending

At the UK-co-hosted Global Education Summit, 19 Heads of State signed a declaration to work towards spending **20%** of government budgets on education



Tackling violence against women

The Foreign Secretary announced new package of funding of **over £22 million** to end child marriage, support survivors, and fund women's rights organisations

The FCDO also recognises that violence against women and girls happens in the digital space. In November 2021, the FCDO, in association with the Department for Digital, Culture, Media and Sport (DCMS) and the Home Office, held an expert event at Wilton Park. A [tackling online harms report](#) identified potential interventions to prevent and respond to online violence against women and girls and to identify gaps in knowledge and policy. This year the UK agreed to join a new global partnership for action on gender based online abuse and harassment with other member states, including the United States, Australia, Denmark, Sweden and the Republic of Korea.

The UK is proud to champion sexual and reproductive health and rights (SRHR). SRHR is also central to achieving the government's manifesto commitment to end the preventable deaths of mothers, newborns and children by 2030. This is reinforced by the FCDO's ['ending preventable deaths'](#) approach paper and the ['health systems strengthening'](#) position paper. SRHR is also key to achieving the government's further commitments

on girls' education and COVID-19 recovery.

The UK has successfully included gender provisions in our recent Free Trade Agreements (FTAs), positioning the UK as a world leader in this area. Our FTAs with Australia and New Zealand contain standalone trade and gender equality chapters.

To mark International Women's Day this year on 8 March 2022, the UK launched a new Girls' Education Skills Partnership programme with the private sector. This will target one million adolescent girls and young women to provide them with skills training to boost their entrepreneurial skills and employability.

On the same day, and in response to Russia's invasion of Ukraine, the UK was proud to launch new funding for women's rights organisations and civil society actors supporting the critical needs of women and children both inside and displaced outside of Ukraine. The fund will support Ukrainian women leaders and women's rights organisations serving their communities at the forefront of the crisis.



Finally, at the UN Afghanistan Conference on 31 March 2022, the UK announced a further £286 million of lifesaving aid for Afghanistan. The Foreign Secretary also committed to putting women



and girls at the heart of the UK's response, highlighting that at least 50% of UK aid to Afghanistan should reach women and girls. We continue to work with Afghan Women leads to inform policy and programmes.

Global health

Global health is a key sector in which the UK both shapes the international order and enables low-income countries to make progress toward the SDGs. In particular, our work on global health contributes to SDG 3 – good health and wellbeing.

We made significant progress on both these aims in 2021-22. In addition to our convening power around COVID-19 vaccines, reported in priority outcome 2, we have made significant contributions to improving the health of women, newborns and children.

We have developed more robust tools for assessing our progress in these areas and are in the process of finalising our identification of priority countries for more concentrated support. We are developing plans for specific technical assistance, research, and wider support on ending preventable deaths of mothers, babies and children. This will complement our central and bilateral programmes and help unblock bottlenecks in progress for women and children's health.

We have continued to show global leadership following the COVID-19 pandemic. In March 2022 the UK hosted the Pandemic Preparedness Summit raising over US\$1.5 billion for the Coalition for Epidemic Preparedness Innovations (CEPI) – including £160 million from the UK. CEPI aims to reduce the time it takes to develop new vaccines to 100 days, enabling us to halt outbreaks fast and end pandemics for ever. CEPI is already supporting development of a pan-coronavirus vaccine candidate that would protect against COVID19 variants and other Coronaviruses.

The UK has also pledged £1.65 billion of support to Gavi's core mission between 2021 and 2025—the biggest contribution by any donor. The UK's pledge is supporting Gavi's, the vaccine alliance's mission to immunise a further 300 million children and save up to 8 million lives from vaccine preventable diseases.⁵ The UK also supported the Global Fund to Fight AIDS, Tuberculosis and Malaria to strengthen service delivery and related systems.

⁵ UK's burden share of these results is approximately 25%

📹 UK-donated vaccines through the COVAX scheme arrive in Malawi, August 2021





Priority outcome 2

Make the UK safer and more resilient to global threats.

Below right: In Somalia, the CSSF-funded Early Recovery Initiative project facilitated a series of reconciliation and peace talks in territory recently reclaimed from al-Shabaab. Credit: Early Recovery Initiative

National security diplomacy, defence and resilience

The FCDO's work on national security complements the UK's defence and intelligence capabilities including addressing threats from non-state actors such as terrorism, serious and organised crime, and cyber security. The FCDO supported cyber security capacity-building in 28 countries. This increased partners' resilience to cyber threats and their capability to tackle cybercrime and respond to malicious activity in cyberspace.

An important part of the FCDO's portfolio of cyber capacity-building activity is the Digital Access Programme, an FCDO-led partnership with the DCMS. This drives inclusive, secure digital access in five ODA-eligible middle-income countries (Brazil, Indonesia, Kenya, Nigeria and South Africa). In February 2022, the UK signed the UK-Singapore Digital Economy Agreement, strengthening the UK's relationship with our largest trading partner in ASEAN.

The FCDO advanced the UK's vision of a free, open, peaceful and secure cyberspace in multilateral forums. In May 2021 the UN Group of Government Experts agreed to a report aligned



CASE STUDY Russia/Ukraine

As a free and democratic country, Ukraine has the right to determine its own future. To ensure the security and defence of all our Allies, we will continue to work together to make sure that Russia cannot further undermine European stability. On 17 June 2022 Prime Minister Boris Johnson met President Zelenskyy in Kyiv to discuss Ukraine's valiant fight against Russia. Together with our allies we are refocusing to reinforce efforts across all aspects of our response, and demonstrating the strength of opposition against Russian aggression.

The FCDO has promptly pivoted its capabilities and resources to support Ukraine following the Russian invasion. Through our Conflict Stability and Security Fund (CSSF) cyber portfolio, we are providing the government of Ukraine with incident response capability. This actively prevents cyber-attacks, including wiper ware and espionage, and supports Ukraine to clean their systems. Threat information is shared to help Ukraine understand the evolving threat picture.

The FCDO has led cross-government and international efforts to hold Russia to account for malicious cyber activity against Ukraine as part of their illegal invasion. The National Cyber Security Centre (NCSC) have worked closely with UK industry to improve cyber resilience at pace and raise defences to the growing risk of attacks.

Alongside our Five Eyes partners (Australia, Canada, New Zealand and the United States), the UK:

- » attributed February's distributed denial-of-service attacks in Ukraine to Russia
- » imposed sanctions on the GRU (Russia's foreign military intelligence agency) for legacy attacks against critical national infrastructure
- » publicly attributed cyber-attacks to Russian dissidents and the FSB (Russia's federal security service)



with the UK's framework for the norms of responsible state behaviour and the applicability of international law to cyberspace. This was subsequently adopted by the UN General Assembly.

Conflict resolution

Examples of delivery against our conflict resolution objectives include Yemen and Somalia. In Yemen the FCDO provided technical advice on peace processes to the Office of the Special Envoy of the Secretary-General for Yemen. In Somalia, the FCDO led efforts on successful United Nations Security Council authorisation of a reconfigured African Union Transition Mission, as one element of work to counter Al Shabaab.

The FCDO has undertaken sustained diplomatic engagement with parties to the conflict in Tigray to end hostilities, support humanitarian access and begin national dialogue, delivering joint messaging with the US and EU. Additionally, deployment of UK Preventing Sexual Violence in Conflict Initiative experts through the Human Rights Council has supported action on conflict-related sexual violence in Ethiopia.

Consular and crisis

During 2021-22 the FCDO's consular teams responded to successive crises, resulting in exceptional spikes in demand for consular services, and managed ongoing operational challenges presented by

COVID-19. Against this backdrop, the FCDO continued to exceed its satisfaction targets of 80% of respondents rating our overall service as 8/10 or above.

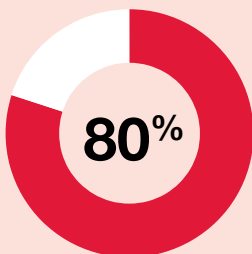
The latest annual figures show a reduction from 86% to 84% which reflects the exceptionally challenging operating context given the impact of COVID-19.

During 2021-22, consular teams handled almost 460,000 telephone enquiries up 17% from 2020-21. Implementing lessons learned from the Afghanistan crisis response saw significant improvements in response times to Ukraine related enquiries. The average wait was less than 10 seconds for the more than 4,200 people who contacted the FCDO.

Below: British Embassy staff in Poland assist a British National at the border with Ukraine, March 2022.
 Right: A UK Government official talks to a woman at a Covid19 vaccination centre in Jamaica, August 2021.

The response to the Ukraine crisis was supported by the early launch of the new 'Register Your Presence' service on GOV.UK, a lesson learned following the Afghanistan evacuation. The FCDO could target messages to British people who registered their presence in Ukraine before the invasion and enabled more effective tracking of complex cases.

Despite ongoing issues of access to prisoners because of local COVID-19 protocols, consular teams have improved response and contact time for vulnerable British nationals who requested assistance. Notable achievements for the FCDO include the release of British nationals Nazanin Zaghari-Ratcliffe and Anoosheh Ashoori after years of detention by



Consular satisfaction rating

We have consistently exceeded our target of **80%** of respondents rating the consular support that they received at an 8 out of 10 or above.



Telephone enquiries

Consular teams handled **460,000** this year, up 17% from 2020-21.



Ukraine-related enquiries

The **4200** people who contacted us experienced an average wait time of under 10 seconds.



the government of Iran. Their release was a result of tenacious and creative British diplomacy.

COVAX Financing

In addition to our work on global health under priority outcome 1, the UK has been at the heart of the international effort to finance and deliver vaccination programmes across the world.

It is strongly in the UK's interest to ensure that COVID-19 is brought to

an end quickly overseas. The UK has led in its response by building wider global partnerships for resilient health systems and by making significant contributions. This includes vaccination in lower and middle-income countries. With persisting low vaccination coverage in low-income countries, COVID-19 can circulate largely unchecked in many parts of the world. This raises the risk of new variants of concern emerging that could fuel instability and delay global and UK recovery.

COVAX, the multilateral response to the global health emergency of the COVID-19 pandemic, faced many supply and delivery challenges in 2021. It had to operate and adapt to a fast-changing context as the virus evolved. COVAX supplies were lower than expected in the first half of 2021 due to regulatory delays and export constraints.

As part of our work toward SDG 17—partnerships for the goals, G7 leaders pledged to donate or contribute an additional 870 million

📷 The UK Governor of Montserrat inspects delivery of the COVID-19 vaccine



doses by mid-2022. The majority of these were to be channelled through COVAX, which put in place new capacity and processes to manage donations. The COVAX Advanced Market Commitment (AMC) delivered 829 million doses to 86 participating AMC countries by the end of December 2021, against a target of 950 million doses. Almost 50% of these were from donations, and most were supplied in the last four months of the year. Gavi, the Vaccine Alliance, reported that, as of end March 2022, low and middle income countries had used COVAX supplied vaccines to fully vaccinate 10% of their populations against an original target of 20% coverage. COVAX has secured over US\$800 million and as of March

2022, Gavi had disbursed or fully committed over US\$560 million.

Overseas Territories

The FCDO continues to lead the government's enduring support to the British Overseas Territories in line with our constitutional responsibilities. The Territories are an integral part of the British family.

The FCDO supported the economic resilience of its ODA-eligible Territories through annual financial aid settlements, which finance 60-70% of the recurrent budgets for Montserrat and St Helena. The FCDO supported governance reforms in these Territories, including through support provided

by the Conflict, Stability and Security Fund (CSSF).

The FCDO worked closely with the non-ODA eligible territories to ensure compliance with fiscal frameworks to encourage good public financial management and fiscal responsibility. In Anguilla, one of the most economically vulnerable Territories, we worked with the government to drive forward vital financial reforms, complemented by a new three-year programme launched in March 2022.

The FCDO supported the decision by the Governor of the British Virgin Islands to launch an independent Commission of Inquiry to review the Territory's governance and make recommendations for improvement. The FCDO

funded the core cost of the Inquiry.

The Territories are custodians of internationally important habitats and contribute to the UK's pledge by 2030 to protect 30% of the world's oceans. In financial year 2021-22, FCDO teams allocated £4.9 million of the Environmental Sustainability and Climate Change programme (funded by the CSSF) across the Overseas Territories, including £1.4 million to support COP26 related climate change projects.

We continued to bolster the resilience of the Territories against the impacts of COVID-19, including through the provision of vaccines for boosters and children. In financial year 2021-22, vaccines were delivered to all inhabited Territories, plus the British Antarctic Territory and South Georgia. This resulted in double vaccination of over 80% of the combined Overseas Territories adult populations. In all, 63 consignments were delivered, covering adults, children and boosters.

In the reporting period, the FCDO strengthened the Overseas Territories' response to Serious Organised Crime (SOC),

allocating over £2.2 million to a range of projects, including:

- » UK police support for investigations and development of minimum standards
- » firearms training in the Turks and Caicos Islands and Anguilla
- » the introduction of covert capability in the Turks and Caicos Islands.

Working with the NCA and international law enforcement agencies, FCDO programming supported the Overseas Territories' access to three key capabilities:

- » Overseas Territories Crime Intelligence System—the regional criminal database
- » Integrated Ballistics Identification System
- » a Digital Forensics Hub—to identify and disrupt SOC links across the Caribbean region.

📷 The Foreign Secretary and Australian Minister of Foreign Affairs Marise Payne in Sydney





Priority outcome 3

Extend and amplify the UK's influence in the world, including through successful application for ASEAN dialogue partner status.

📷 A visit to Liverpool FC during the G7 Foreign & Development Ministers meeting, December 2021

International cooperation to condemn Russian action in Ukraine

Russia's invasion of Ukraine dominated the international agenda at the start of 2022. The FCDO has responded to this in full force by mobilising key international groupings including the G7, UN, NATO and the Organisation for Security and Co-operation in Europe (OSCE) to support Ukraine and wider European security. G7 leaders and foreign ministers, supported by intense political director co-ordination, led the international response to Russia's aggression, including through co-ordinated waves of sanctions and political, military and humanitarian support to Ukraine.

The United Nations General Assembly resolution on 2 March condemning the Russian invasion of Ukraine, with 141 'yes' votes, was a moment of historic unity for the international community. We have called out Russia's actions at the highest level through UNSC and UNGA resolutions. We are holding Russia to account on its obligations through the International Criminal Court, Human Rights Council and OSCE investigations, as well as on technical issues



such as nuclear through the International Atomic Energy Agency (IAEA). The UK and partners have also worked to ensure Russia's suspension from the Council of Europe and the UN Human Rights Council, alongside a number of other institutions.

Australia

Our partnership with Australia has continued to strengthen through a number of high-level dialogues this year. At Prime Minister and Foreign Secretary

meetings with the Australian Prime Minister in London in June 2021, leaders agreed to intensify cooperation on security, climate change, and science and technology. The Foreign Secretary's visit to Australia in January 2022, along with the Defence Secretary, reaffirmed the vital importance of the bilateral relationship. This was the first Australia-UK ministerial meeting since before the pandemic.

Ministers committed to strengthening our



partnership to meet global challenges, including:

- » deepening strategic co-operation in the Indo-Pacific
- » defending international rules and norms and our liberal democratic values
- » strengthening defence, deterrence and countering malign threat

These commitments were reinforced in February 2022 during the UK-Australia virtual summit between our Prime Ministers.

The launch of the AUKUS partnership with Australia and the United States strengthens our collective security and forms a strategic opportunity for stability in the Indo-Pacific. It illustrates our commitment to deepen cooperation, partnerships and engagement in the region.

The UK's 2021 G7 Presidency

G7

United Kingdom 2021



1st Foreign & Development Ministers Summit

London, May

Featured discussions with the ASEAN Chair

Leader's Summit

Cornwall, June

Included Australia, India, the Republic of Korea and South Africa

2nd Foreign & Development Ministers Summit

Liverpool, December

ASEAN Foreign Ministers joined alongside Australia and the Republic of Korea

📷 The Foreign Secretary surveys a robotic dog as she visits the Osborne Naval Shipyard in South Australia

On development and humanitarian aid, the UK and Australia also agreed during the Foreign Secretary's visit to Australia in January 2022 to closer cooperation to offer clean, reliable and transparent finance for investment in infrastructure that meets the needs and priorities of our Indo-Pacific partners.

This will set the scope for joint and complementary financing and technical assistance for high-standard development projects.

The UK and Australia are also working together to provide humanitarian support. This is reflected in our response to the January 2022 tsunami in Tonga, and most recently to help people displaced by the conflict in Ukraine.

G7

The UK government used the G7 Presidency to revitalise cooperation between

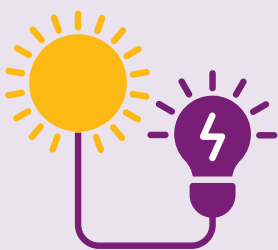
democratic societies and to strengthen partnerships beyond the G7. The UK invited Australia, India, the Republic of Korea and South Africa to join the G7 Leaders' Summit in June 2021.

ASEAN foreign ministers joined the second G7 Foreign and Development Ministers meeting in December 2021, alongside Australia and the Republic of Korea. They discussed strengthening co-operation in the Indo-Pacific on security, infrastructure investment and development finance, building on the Build Back Better World initiative.

The meeting rounded off the UK's presidency and convened 15 ministers in-person and 11 virtually. The event deepened our strategic and economic alliances and developed ties among newly appointed ministers from Germany, Canada and Japan. Discussions



Investments by British International Investment (BII):



Supported off-grid solar solutions for **1.66 million** customers



Reached over **4 million** farmers



Treated **14.5 million** patients



Taught **802,290** students



deepened G7 resolve on challenges from China, and the Foreign Secretary built the case for making more of our combined G7 investment in partner countries. G7 partners credited the UK with resuscitating the G7 and setting an ambitious agenda for G7 leadership.

British Investment Partnerships (BIP)

This year the FCDO launched the British Investment Partnerships (BIP) initiative being rolled out in 2022. This brings together tailored packages of UK support to incentivise investment into infrastructure and other areas, including through:

- » development finance
- » UK export finance
- » concessional finance
- » guarantees
- » technical expertise (including around technology) to support economic growth in partner countries.

A core part of this package is British International Investment (BII). In November 2021, the FCDO announced that BII is expanding its investments to new markets including ODA-eligible countries in the Indo-Pacific and Caribbean. This comes in addition to its existing markets in Africa and South Asia.

BII seeks to build on the development mandate that has been at the heart of its work for over 70 years. This means remaining committed to investing long-term, patient capital to bring about productive, sustainable and inclusive development in emerging economies. It will continue to invest across sectors such as infrastructure, digital solutions, and financial services.

Across other sectors, BII's investments generated and distributed over 55 terawatt hours (TWh) of electricity. Investments also supported off-grid solar solutions for 1.66 million customers,

Below: The Foreign Secretary holds a bilateral meeting with Erywan Yusof, Minister of Foreign Affairs of Brunei.

as well as many others via ports, telecoms, water and sanitation. Their investments reached over 4 million farmers, treated 14.5 million patients, and taught 802,290 students. In addition, over US\$2.2 billion in local taxes was paid by BII-backed firms to partner governments in Africa and Asia.

Science and technology

The UK put science and technology collaboration at the heart of our international partnerships, including committing to:

- » joint projects on tackling the damage of marine plastics
- » collaboration on infectious disease
- » working together on Industry 4.0 technologies

We are working with like-minded partners to push new frontiers of innovation in areas like Artificial Intelligence, quantum computing and bio-technology.

This year also marked a step-change in ASEAN-UK collaboration on digital innovation and technology. The UK's Asia Pacific Digital Trade Network is now fully operational, and the ASEAN-UK Digital Innovation Partnership launched this year. In January 2022, Australia



CASE STUDY

ASEAN Dialogue Partner Status for the UK

This year was pivotal for the development of UK relations with ASEAN and its member states in South East Asia. ASEAN is the pre-eminent multilateral group in Asia and is a market of 660 million people with a combined GDP of £2.4 trillion. A strong UK-ASEAN relationship is a critical part of our global engagement, foreign policy and our Indo-Pacific tilt.

The UK was awarded Dialogue Partner status in August 2021, following a concerted 15-month campaign. Our Dialogue Partnership provides a framework within which to deliver deeper UK-ASEAN cooperation and mutual benefit. This was the first new partnership that ASEAN has approved in 25 years, demonstrating the value that ASEAN sees in deepening the relationship. As a Dialogue Partner, the UK is working with ASEAN on global challenges, supporting ASEAN's central role in regional stability and prosperity and enabling sustainable development in South East Asia.

Since becoming a Dialogue Partner, the UK has taken steps to strengthen our political, economic and sociocultural collaboration. The UK is using its influential role within the multilateral system as a P5 country and a G7 and G20 member to support closer global links with ASEAN. For example, under the UK's G7 Presidency, the ASEAN Chair attended the Foreign and Development Ministers Meeting in May 2021, the first time that ASEAN has been represented at the G7. ASEAN foreign ministers then attended the G7 Ministerial in Liverpool in December 2021.

In September 2021, we published the ASEAN-UK Joint Ministerial Declaration on Future Economic Cooperation, setting out our commitment to deliver impactful engagement across eleven key sectors. Pressing forward in this area will boost trade, opening up opportunities for British businesses and creating jobs in both the UK and across South East Asia.

agreed a Cyber and Critical Tech Partnership (CTP). This will be one of many international partnerships helping to ensure technology is used to uphold and protect liberal democratic values, and to benefit our societies, economies and national security.

Through our research and development investments in science and technology, the FCDO has contributed to UK leadership and influence on international priorities. These include:

- » launching the Adaptation Research Alliance at COP26,
- » drawing on UK science expertise in developing products to respond to COVID-19 and counter global health threats.

As part of the FCDO's contribution toward SDG 9—industry innovation and infrastructure, we are building on the G7 commitment to narrow the infrastructure investment gap in low-income countries. We are building strong economic partnerships based on clean, honest and reliable investment, primarily in the infrastructure and economic sectors.

We will work with other donors to offer tailored

packages of finance, technical assistance and technology transfer to partner countries as part of the wider BIPs. As part of this, through the Clean Green Initiative the government aims to mobilise up to £8 billion of UK-backed financing per year by 2025 to co-invest in infrastructure projects.

The UK-India roadmap

The UK has become the first European nation to achieve a comprehensive strategic partnership with India. In May 2021, our Prime Ministers agreed a 2030 roadmap covering health, climate, trade, security, defence and connecting our people.

The FCDO has worked closely with other government departments to maximise economic growth and opportunities. This includes helping to create conditions for the successful launch of negotiations on the UK-India FTA in January 2022. The aim is to conclude the majority of talks on a FTA by the end of October 2022. The Foreign Secretary announced a new joint cyber security programme during her visit to India in March 2022, designed to protect online infrastructure in both countries from attacks.

Indo-Pacific

Fourteen Indo-Pacific countries were represented at the COP26 World Leaders Summit. Here the UK announced a contribution of up to £110 million to the ASEAN catalytic green finance facility. This contribution will mobilise over £5 billion of public and private sector funds into sustainable infrastructure projects across the region.

The UK has diplomatic missions across all ten ASEAN member states, and a dedicated UK mission to ASEAN. In 2021, the UK continued working together with ASEAN on a range of global issues, such as transnational crime, climate change and the international response to COVID-19.

In financial year 2021-22 the UK continued to deliver on its £50 million commitment to support ASEAN in tackling COVID-19, for example through spending £2.4 million for the Supporting COVID Response in the Greater Mekong Sub-region programme.⁶ The UK also held two dialogues with ASEAN foreign ministers in October 2020 and April 2021.

.....
6 Total programme spend £4.8 million over 2020-2023

📍 FCDO's joint HQ, Abercrombie House, East Kilbride



PERFORMANCE ANALYSIS

Strategic enablers



Strategic enabler 1: Workforce, skills and location

The FCDO started the year having completed an organisation-wide design exercise that brought together DFID and FCO teams into one FCDO structure. This was a significant moment in the development of the FCDO and provided a good foundation for further progress on our transformation agenda. This included undertaking a Strategic Workforce Planning exercise throughout 2021 designed to recast our workforce to reflect developing FCDO priorities over the period of the Spending Review.

In June 2021, we launched the FCDO Inclusion Framework. Outcomes focused on improving our evidence base, establishing systems and policies, building capability, and implementing targeted interventions.

The challenges of integrating and transforming the FCDO post-merger while responding to COVID-19 and concurrent crises have affected our ability to meet all our workforce, capability and locations targets. The unprecedented context we have faced has tested our workforce agility and resilience with some notable achievements.

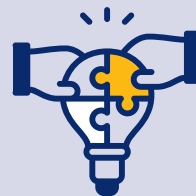
Our staff vaccine programme reached almost 33,000 people for their primary vaccinations by July 2021, which included UK Based Staff and their dependants and Country Based Staff (CBS). By end February 2022, all staff and dependants had also been able to access their booster vaccinations.

At its peak, over 1,300 people were deployed to the Afghanistan response. In February 2022, a process began that has seen 900

staff redeployed to the Ukraine response, with many others across the Department at home and overseas contributing to the UK's effort. We continue to learn lessons and build on good practices drawn from crises, while enhancing the focus on staff resilience, welfare, wellbeing and inclusion.

We have aligned pay scales for our SCS and for Country Based Staff in 27 of the 32 overseas Posts in scope. We plan to align pay scales for UK Based Staff as part of the 2022-23 pay award. We also aim to implement a new approach to pay for Country Based Staff.

In 2022-23 we will be refreshing and reenergising plans to meet our commitment to 500 additional roles in East Kilbride by 2025. The department's new People Strategy is under development and is expected to be published in 2022-23.



Strategic enabler 2: Innovation, technology and data

The FCDO is in the final phases of moving to a single technology platform called Osprey. The Hera Programme will implement the FCDO's new cloud-based enterprise resource planning solution in 2022.

We enhanced our communications network to provide faster and more resilient connectivity across the globe, and we are decommissioning legacy technologies as part of our move to the cloud.

We are progressing the digitisation of key internal and external services to improve efficiency and free-up civil servants for higher-value work. We have invested in improvements to our data architecture and standards,

and we are supporting cross-government alignment in finance and people data.

Market conditions and recruitment constraints have impacted the recruitment and retention of digital data and technology (DDaT) specialists in cyber and information management. This has resulted in delays to key programmes and a lack of capacity. To mitigate this, the FCDO's DDaT function is working with HR, finance and commercial directorates to implement a new sourcing strategy in 2022. This will improve our offer and access new talent pools across the UK, as well as forging new and more flexible commercial relationships.

An FCDO-led team reached the final of the Civil Service Data Challenge. Their proposal is to improve data held across government and open source to create a live data model showing the numbers of UK nationals living, working and holidaying around the world. The data will be used to support activity across government.



Strategic Enabler 3: Delivery, evaluation and collaboration

The FCDO has introduced and embedded its Programme Operating Framework, consolidating and improving standards of programme delivery and risk management in alignment with Infrastructure and Project Authority standards.

The supporting capability package offers programme management and leadership learning to all FCDO staff. ODA programmes manage risk using a single FCDO risk management framework which we are progressively embedding across the breadth

of the FCDO's work. ODA programmes, on average, delivered against outputs, and planning has begun to strengthen and improve consistency of performance monitoring across the portfolio.

An FCDO evaluation policy and strategy have been developed, setting out principles and standards in order to advance and strengthen the practice, quality and use of evaluation. More information on the FCDO's arrangements can be found on "Evaluation arrangements" on page 66.



Strategic Enabler 4: Sustainability

The FCDO has continued to make progress towards our new UK Greening Government Commitment (GGC) targets. Further details can be found in the sustainability section of this report on "Environmental management system" on page 82.

We continued to align and enhance internal strategies and policies to reflect the FCDO's ambition to lead by example and embed sustainable behaviours into our operations. Senior endorsement, as well as engagement with green champions and green team networks, has helped embed key messages.

Sustainability is promoted through a staff communications campaign, Destination Zero, and by promoting our new policy to reduce domestic flights. Work continues on improving oversight of the FCDO's emissions overseas. This includes discovery work on carbon data management tools to collect sustainability data and enable easier analysis and reporting.

Impact analysis: COVID-19 and EU exit

COVID-19 impact analysis

UK GDP fell by 9.7% in 2020, the largest drop since consistent records began in 1948, only returning to pre-pandemic levels at the end of 2021. The deficit is twice that of the 2007-08 financial crisis. Government borrowing is the highest it has been outside of wartime. We have been forced to prioritise public spending, including temporarily reducing our ODA spend from 0.7% of Gross National Income (GNI) to 0.5%. The UK has been at the forefront of the international response to COVID-19, spending over £2.1 billion since 2020 to help end the pandemic, address its impacts and to support global efforts to find and distribute vaccines fairly.

The COVID-19 pandemic is a health, economic, and humanitarian crisis that will have a profound impact on international development and progress towards the SDGs for years to come. Its indirect impacts will be severe and long lasting, driving up extreme poverty and impacting key FCDO goals, such as girls education and ending preventable deaths. Many FCDO staff are still working in parts of the world that have restrictions in place, which in some cases affects our ability to deliver our full range of functions.

The pandemic and its impacts continue to create economic instability and present risks to global supply chains. It further challenges our ability to deliver against the FCDO's priority outcomes of supporting sustainable development and humanitarian needs, and making the UK safer and more resilient to global threats.

EU exit impact analysis

Departure from the EU has given the UK an unprecedented opportunity to forge new alliances and strengthen our partnerships around the world. The UK's independent sanctions policy has allowed us to be more agile and to promote human rights and democracy when deciding how to use sanctions in response to the Russian invasion of Ukraine. It also allows the UK to continue co-ordinating with our international partners. This was made possible by the Sanctions and Anti-Money-Laundering Act 2018, which allows us to go beyond the scope of EU sanctions.

Leaving the EU has also shifted our foreign policy focus. In August 2021 the UK became an ASEAN dialogue partner. This is the first partnership that ASEAN has agreed in 25 years. It will extend and amplify UK influence in the region by leading to closer cooperation on a range of issues including trade, investment, climate change, the environment, science, technology and education.

In September 2021, the UK established a strategic partnership with AUKUS. We have also reaffirmed our commitment to work together with the United States to realise our vision for a more peaceful and prosperous future.

We have been able to continue to work closely with the EU on shared interests. For example, we have worked closely with the EU on the Ukraine crisis on areas such as sanctions, defence and economic support to Ukraine, and efforts to isolate Russia internationally. A further example is our work with the EU on COP26 deliverables. We also work with the EU in wider multilateral forums such as the G7 and some of the arms control regimes.

The FCDO's risk profile

The FCDO operates globally and seeks to deliver on ambitious objectives in challenging environments and therefore faces a wide range of risks. In financial year 2021-22 a number of crises have affected the department's risk profile.

There has been significant progress in the FCDO's transformation, however, the scale and scope of this complex change programme continues to present a significant risk. Alongside this, we continued to manage the effects of the COVID-19 pandemic on the FCDO's people, policies, programmes and resources. The breadth of the department's work is summarised below.

Strategy and context risks relating to the potential actions of adversaries rose over 2021-22, as did risks relating to conflict and instability. We address these through diplomatic engagement and robust, consistent, and clear messaging, and cooperation with allies and partners. The risk of divergence or misalignment between the UK's positions and those of our allies and partners, potentially undermining UK objectives, is mitigated through continuous and broad engagement and discussion with our partners at all levels.

COVID-19 continues to pose risks to our work, but these have been managed down over the course of the year.

Risks stemming from Russia's invasion of Ukraine, such as those to the global economy, rose sharply towards the end of 2021-22. We will continue to monitor and address these in 2022-23, and prepare for the potential need to manage concurrent crises.

Policy and programme delivery risks evolved over 2021-22. Risks to UK objectives associated with negotiations to agree the future UK-EU relationship were much reduced at the end of the transition period in December 2020. However, there are

still significant risks from failure or delay in resolving outstanding issues, including those linked to the Northern Ireland Protocol.

The move of responsibility for the UK's relationship with the EU to the FCDO was announced in December. Related risks are being addressed through direct political and diplomatic engagement.

The risk to the FCDO's ability to deliver effective humanitarian response remained significant over 2021-22 due to multiple crises, increased demand for humanitarian assistance and the growing complexity of delivery contexts. The FCDO continues to rigorously prioritise responses, look for opportunities to drive efficiency, and engage with other donors to deliver the best possible coordinated responses. Implementing the temporary reduction in ODA from 0.7% to 0.5% of GNI increased delivery risks in the FCDO's policy and programming at the start of the year, including risks to supply chains. We have worked in partnership with our supply partners to tackle these.

Public service delivery and operations

includes risks to the FCDO's crisis response and consular delivery, which have increased due to the crises which emerged in 2021-22, in addition to COVID-19 related pressures. We have addressed these through surging in additional resources to respond to the needs of UK citizens and continuing virtual access to previously in-person consular services. The risks to maintaining our global estate and cyber security remain high. We have programmes in place to address these challenges.

Our **people** risks remain elevated as transformation progresses. The context of our operations include:

» responding to crises

- » wider challenges of delivering diplomacy and development in the current global context
- » COVID-19 restrictions in parts of our global network

Given these pressures, the department has enhanced its focus on staff resilience, welfare and inclusion. Support for our global network has included COVID-19 vaccination and boosters and, wider support for staff and their families. We will retain this strong focus on support in 2022-23.

Safeguarding risks to programme beneficiaries and staff continue to be managed through a medium-term strategy. This works to improve the prevention of, and response to, sexual abuse and exploitation, and sexual harassment.

Financial and fiduciary risks have evolved. The risk of fraud and aid diversion remained moderate over 2021-22. We launched an FCDO counter fraud strategy and response plan in November 2021 to deliver our commitment to strengthening management of fraud risk on an ongoing basis. We have managed down new financial risks associated with implementing the temporary reduction of ODA. We have worked closely with partners, and across corporate and delivery teams to implement budgetary changes.

Reputation risks are significant because of the varied nature of the FCDO's work, the challenging environments we face, and the high public expectations of delivery. These have been addressed through:

- » prioritisation of consular delivery
- » robust management of policy and programme delivery risks
- » effective relationship management and communication

Risk management processes in the FCDO

The FCDO's work and the world we work in are inherently risky. Risk management helps

us navigate the complexity and uncertainty we face in delivering our objectives. It is an essential part of managing the FCDO, informing operational decision making, policy options, planning, and financial management and control.

Over the past year, the FCDO has strengthened its risk management approach. Our new risk management policy was launched in July 2021 and is aligned to government principles. Our Risk Appetite Statement summarises the nature and extent of the risks we are willing to take in order to achieve our objectives. Both the Risk Management Policy and Risk Appetite Statement are being embedded into key decision-making processes.

Risk management rules for the FCDO's portfolio of policy programmes are captured in our Programme Operating Framework. Risk management will be integrated into the FCDO's business and country planning process for the next spending review period and we continue to build risk management capability across the FCDO.

The FCDO's Principal Risk Report covers the most significant risks to our performance and reputation and analyses secondary risks and mitigation plans. The scope and number of principal risks is reviewed regularly. Each principal risk is owned by a director or deputy director and has a director general-level sponsor.

The Management Board discusses the FCDO's principal risks monthly, reviewing the FCDO's overall risk profile and undertaking 'deep dives' into individual risks. The Board determines accountability for each of the principal risks, reviews risk exposure against risk appetite and monitors progress in implementing controls. To do this it draws on management information, qualitative insight across the organisation and wider evidence.

Further information on our approach to risk management, including the governance of risk, can be found in Section 2.1, page 114.

Performance in other areas

FCDO Transformation

Integrating foreign policy and development allows us to respond to the biggest global challenges of our time. 2021 saw many successes, including COP26, the Global Education Summit, and the UK's G7 Presidency. This showed how integrated development and diplomatic expertise delivers for the UK and demonstrates our values to the world. Additionally, our response to

Russia's invasion of Ukraine shows how our aid budget protects the most vulnerable through life-saving humanitarian support.

The FCDO's transformation programme is delivering on an ambitious change programme, to establish a highly integrated Department and build *One FCDO*. The Foreign Secretary's strategic priorities for the department sets out our overall ambition and advances the objectives of the Integrated



📹 Sunday 13 March 22, another shipment of medical supplies from the UK arrived in Poland, ready for onward distribution to those most in need in Ukraine

FCDO's joint HQ, Abercrombie House, East Kilbride

Review. In this reporting year, we have made significant progress, operating as one FCDO, with staff working in integrated structures to deliver on our priorities.

Single country plans exist in each overseas post, capturing the whole of the government's effort in-country. Single budgets were agreed with consolidated ODA allocations. A single programme operating framework is in place for all our programme spend to ensure we get the best value for UK taxpayers. We are also building a new FCDO departmental culture and values and driving a One HMG culture overseas. In response to the ongoing Ukraine crisis and wider pressures, we will be focussing on a set of priority projects for financial year 2022-23, including IT and finance integration and people issues.

£27.6 million was spent on merging the legacy DFID and FCO departments into the FCDO during the financial year 2021-22. The accounts for 2021-22 show costs of £27.6 million, including £3.5 million on home civil servants; £1.1 million on specialist contractors; and £21.8 million on new IT and systems including software licenses and new hardware. We are implementing the merger in the most cost-effective way. Though not the primary purpose, the merger will deliver administrative, process and system efficiencies.

Safeguarding

In line with the [September 2020 UK safeguarding strategy](#) the FCDO continued to prioritise strong safeguards against sexual exploitation, abuse and sexual harassment (SEAH). This applies both internally and in the organisations we fund. We aim to prevent harm to beneficiaries and staff, and to manage related risks that undermine delivery of the SDGs and do reputational damage to the FCDO.





The FCDO promoted safeguarding against SEAH internally and continued to drive collective action globally. Our latest annual [progress reports](#) provide more details.

Since 2019, over 140 perpetrators of SEAH have been prevented from working in the aid sector through the [Misconduct Disclosure Scheme](#) and more will be stopped through [Project Soteria](#). The FCDO's [Resource and Support Hub](#) which provides safeguarding support to grassroots organisations globally, has benefitted over 200,000 people.

Over 2,500 staff working in global development enrolled on the FCDO-funded [Open University safeguarding course](#). The FCDO has increased support to survivors of SEAH in [multiple countries](#) by contributing to the UN trust fund in support of victims. Additionally, it has been made easier for victims and survivors of SEAH to report concerns through a new [online reporting tool](#).

The number of safeguarding concerns reported to the FCDO in 2021-22 was 437.⁷ These are cases across our programme portfolio, and 36 internal cases (where either the survivor or subject of complaint is an FCDO staff member).

The most common case types were SEAH, bullying and harassment and physical abuse.

For the FCDO's programme portfolio, 59% of cases concluded with disciplinary action and/or a criminal referral. In 32% of cases there was no evidence or allegations were not upheld. In 8%, partner organisations took other action such as strengthening their safeguarding policies and processes, and in 1% there was no engagement from the survivor.

For internal cases, 28% resulted in disciplinary action and/or criminal referral. In 39% of

⁷ Number of cases reported in previous years; 2017-18: 73, 2018-19: 260, 2019-20: 452, 2020-2021: 548.

cases there was no evidence or allegations were not upheld. In 28% of cases there was survivor non-engagement. In 6% of cases the FCDO partner organisation took action.⁸

Scrutiny arrangements

The FCDO is subject to parliamentary scrutiny by select committees in both Houses of Parliament. Our scrutiny arrangements additionally respond to Section 5 of the International Development (Official Development Assistance Target) Act 2015. This requires the Secretary of State to make arrangements for the independent evaluation of Official Development Assistance, and to report on how the duty has been complied within the FCDO's annual report.

The Independent Commission for Aid Impact (ICAI) provides independent evaluation and scrutiny of the impact and value for money of all government ODA. This section fulfils the FCDO's duty to report. ICAI reports to the International Development Committee in Parliament and makes its reports available online.

Evaluation arrangements

We are committed to evaluating FCDO programmes to ensure that they deliver value for money and generate learning that benefits our future work. Monitoring and evaluation experts are embedded across the FCDO. Evaluation support is provided from the centre through standard setting, guidance, technical advice, quality assurance and learning and development opportunities.

This year we have developed an evaluation strategy which outlines our actions to advance and strengthen the practice, quality and use of evaluation. We have developed our approach to central, strategic evaluation, including completion of a [thematic evaluation](#)

[on climate smart agriculture](#), and inception of an evaluation on humanitarian data collection. We have continued to provide support to World Bank evaluations through the Fund for Impact Evaluation and the Strategic Impact Evaluation Fund. An FCDO evaluation policy has been developed, outlining principles and standards to ensure systematic and objective evaluation.

The FCDO Centre for Excellence for Development Impact and Learning has pioneered **new rigorous methodologies** for hard-to-measure problems. We are also developing the FCDO's capability on evidence-based influencing. Our independent Evaluation Quality Assurance and Learning Service (EQUALS) responded to 61 requests for quality assurance between April 2021 and March 2022. Central evaluation advisers have provided bespoke **technical advice** to teams and priority work. EQUALS has also provided expert, on-demand and quick turnaround technical support – responding to 31 requests for technical assistance and conducting three learning reviews in 2021-22.

Aid Transparency

The FCDO aims to make the best use of evidence, data and digital tools to inform and improve our policy and actions, and enhance our transparency. Transparency enables us to demonstrate the value and impact of our work and supports our international standing and reputation.

During the past year, the FCDO has continued to support global aid transparency initiatives such as the International Aid Transparency Initiative (IATI), and the global Aid Transparency Index. This comes alongside fulfilling our commitments to sharing information about our aid programming on the DevTracker platform.

⁸ The subject of complainant was an employee of the partner and not an FCDO employee.

We are committed to making better use of open data in line with the National Data Strategy and UK membership of the Open Government Partnership, promoting the values of open government and transparency across the world.

We have taken initial steps to bring together FCO and DFID's systems for aid transparency, including re-structuring our published data. We are committed to improving the transparency of aid globally and maintaining our high standards for overseas spending. We have promoted this across government departments via a 'transparency community of practice'. This has established a beneficial exchange of learning between aid-spending departments. The community was temporarily suspended due to COVID-19 but re-constituted in November 2021, and now meets regularly.

SECTION 1.3

Financial review





In 2021-22, the FCDO successfully managed its finances within all Parliamentary and HM Treasury controls. This year we continued to witness the impact of COVID-19 on FCDO budgets, plus the need to respond to the crises in Afghanistan and Ukraine. We remained within an ODA budget allocation of 0.5% of GNI.

The public sector budgeting framework

The FCDO's spending is broken down into several different spending totals, for which Parliament's approval is sought. The spending totals which Parliament votes are:

- » Resource departmental expenditure limit (**resource DEL**)—programme funds, running costs, frontline diplomacy, the overseas platform, scholarships, grants to international organisations and other bodies supporting FCDO objectives, and associated non-cash items.
- » Capital departmental expenditure limit (**capital DEL**)—investment in capital assets, capital grants, research and development, loan funding to the British Council, and investments and assets to create growth in the future for either the UK or our partner governments.
- » Resource annually managed expenditure (**resource AME**)—less predictable day-to-day spending: in the FCDO's case, this includes non-cash accounting costs related to financial guarantees, impairments, provisions, unrealised foreign exchange gains or losses, the impact of changes in the valuation of the FCDO's development investments, and the refund of certain taxes and duties paid by certain foreign and Commonwealth governments.
- » Capital annually managed expenditure (**capital AME**)—this covers the FCDO's capital injections in its wholly owned self-

financing public corporation, CDC Group plc rebranded as BII on 4 April 2022.

2021-22 outturn compared to estimate

£m	Outturn	Estimate	Saving (£m)	Saving (%)
Resource DEL	7,599.2	7,856.8	257.6	3.3%
Capital DEL	1,749.6	1,771.9	22.3	1.3%
Resource AME	-123.8	719.5	843.3	117.2%
Capital AME	660.7	660.7	0.0	0.0%

The main financial performance indicators used to monitor FCDO's activities are

- » the budgetary control totals established through the main and supplementary estimates
- » the profiling of these costs on a monthly basis
- » the variance between actual and budgeted costs

Any significant variances on each operational area are identified and explained on a monthly basis. Where required, action is taken to understand and address movements.

Outturn against estimate variances

This explains how the FCDO's spending compared to the amounts voted by Parliament in the estimates. The figures are shown in the Statement of Outturn against Parliamentary Supply (SOPS) (page 154).

Resource DEL

SOPS 1.1—headings A through to G—an underspend of £257.6 million 3.3% of £7.9 billion budget.

The following underspends are ringfenced in the FCDO's settlement and cannot be used to cover other expenditure:

- » **£157.8 million** underspend on EU attributed aid, which differed from estimates provided by the EU in 2022. This is non-voted expenditure and covers: the UK's outstanding commitments under the EU-UK Withdrawal Agreement for EU development programmes, the EU budget (MFF 2014-2020) and the European Development Fund. The FCDO were notified in late June 2022 that the European Commission had made a technical mistake in calculating the UK's share of EU attributed ODA 2021. As a result the UK's share of EU attributed ODA, reduced by £139.8 million which contributed to the overall £157.8 million underspend.
- » **£16.8 million** for both depreciation and impairments for assets under construction, when brought in to use
- » **£1.8 million** for Conflict, Stability and Security Fund

Of the remaining £81.2 million underspend, the main drivers relate to:

- » **£10.8 million** net foreign exchange gain arising from the day-to-day management of global operations
- » **£35 million** related to pay budget underspends due to problems recruiting staff, delays in staff taking up posts and a lower-than-expected holiday pay accrual
- » **£16 million** due to lower-than-expected IT costs because of slippage in some IT projects as staff were surged to deal with crisis response

In addition, the FCDO held sufficient budget to deal with other year-end risks, including the timing of major asset sales and the potential associated foreign exchange losses. As the asset sale concluded after 31 March 2022, the risks did not materialise.

Resource AME

SOPS 1.1—heading H—an underspend of £843.3 million (117.2%) of £719.5m budget.

Resource AME expenditure is volatile in nature and the FCDO takes a conservative approach towards forecasting its requirements, to ensure that there is no breach of the Parliamentary control. We need to ensure there is sufficient headroom in budgets to accommodate the impact of unforeseen global events on foreign exchange rate volatility and market conditions. However, if the impacts are favourable, this can lead to large underspends and sometimes negative resource AME.

Resource AME forecasts in the year were tested to ensure that they were taut and realistic and necessarily provided cover for a reasonable worst case. This included ensuring that there was sufficient budget cover for any potential provisions including vaccines or the recognition of new financial guarantees. Following the supplementary estimates, most categories of resource AME related to balance sheet valuations were favourably impacted by foreign exchange rates, resulting in minimal resource AME spend.

There has been an accounting policy change in the year relating to financial guarantee contracts. See Note 1.4 to the Financial Statements for more information and background on this change.

Resource AME expenditure in 2021-22

Area	£000
Financial instruments unrealised foreign exchange gains, e.g. peacekeeping forward purchase contracts and promissory notes	-12,596
Reimbursement of duties and taxes	16,041
Provisions, in particular, financial commitments to the Gavi vaccines alliance	-150,640
Impairments (revaluation of worldwide properties) and AME depreciation	8,335
Movement on defined benefit pensions	112
Loan discounting	-42,395
Development capital fair value revaluations	9,873
Financial guarantee	47,435
Total	-123,836

Capital DEL**SOPS 1.2: headings A, C, D and F—an underspend of £22.3 million (1.3%) of £1.8 billion budget.**

Capital DEL underspend relates to:

- » **£11 million** for the International Development Association (IDA) payment to the World Bank which was delayed until after the end of the financial year to manage emerging budget risks in March 2022
- » **£6.2 million** for the British Council drawing down less of the loan facility than we expected – as this is ringfenced funding it did not come at any opportunity cost to the wider FCDO
- » small capital underspends and an asset sale slipping into 2022-23

Capital AME

SOPS 1.2: heading I—there was a full spend of capital AME. This represents investments in the FCDO's wholly owned self-financing public corporation, BII, formerly CDC.

Budget to accounts reconciliation

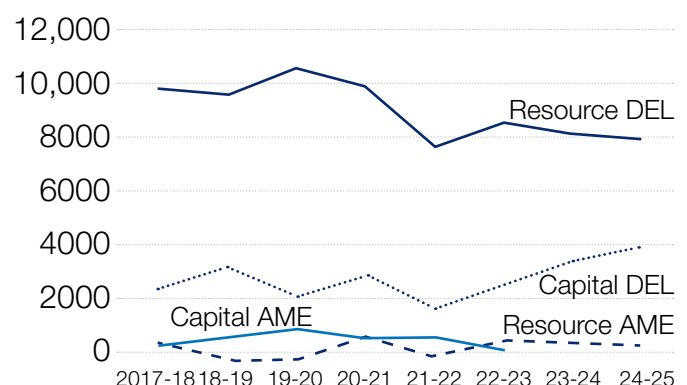
The FCDO's resource outturn (DEL and AME) was £7.5 billion compared to £8.2 billion net resource in the consolidated statement of comprehensive net expenditure (SOCNE).

The key differences are that:

- » capital grants and research and development (that meets ESA 10 criteria for the national accounts) are treated as expenditure in the resource accounts but as capital in budgets
- » profit on disposal of property, plant and equipment
- » the SOCNE does not include EU attribution, in line with rules on activities charged directly

Trend analysis

The chart below shows overall spending trends for the last five outturn years and plans for 2022-23 to 2024-25. Figures prior to 2020-21 have been combined from the former FCO and DFID budgets. Plans for 2022-23 to 2024-25 are provisional as final budgets are underpinned by the ODA commitment and the share of ODA funding allocated to other departments.

Spending trends, £m



For resource DEL and capital DEL, the reduction in 2021-22 reflects the decision to reduce temporarily the overall amount spent on aid from 0.7 to 0.5% of GNI from calendar year 2021. The temporary increase in Resource DEL in 2022-23 is to enable us to meet the UK's G7 Carbis Bay health commitments, including the pledge to donate surplus vaccine doses to countries in need.

The increase in the FCDO's capital expenditure budget over the spending review period reflects the government's ambition to unlock new finance for green growth. This will be achieved with significant capital investment over the next three years for a new strategic initiative to support clean and green infrastructure in partner countries through UK-backed investment, loans and expertise.

Resource AME is used primarily for accounting adjustments to provisions and financial instruments, such as loans and shares. AME expenditure is volatile by definition, and in some years shows as negative spend.

Capital AME budget is used to make investments in the FCDO's wholly owned self-financing public corporation, BII. Capital injections into BII contribute towards the FCDO's financial transactions target. The 2023-24 and 2024-25 figures include BII in capital DEL—a portion of this will be switched to capital AME in future estimates.

The information in the trend analysis ties to common core tables (Annex C), where further breakdowns are provided.

Analysis of the consolidated statement of financial position

Category	2021-22 £000	2020-21 £000	Change £000	Change (%)	Explanation of movement between 2020-21 and 2021-22
Property, plant and equipment	2,771,108	2,565,044	206,064	8.0%	Increase mainly driven by positive revaluation of buildings in-year (£497 million offset by depreciation), reflecting both the impact of favourable foreign exchange movements on the FCDO's overseas property portfolio along with movements in markets where the FCDO has a portfolio of properties.
Financial investments	12,546,618	10,618,691	1,927,927	18.2%	Additions of £910 million, including capital addition of £661 million shares in BII. Favourable valuation gains of £1,040 million. For more details refer to note 6 of the financial statements.
Trade and other payables	-6,265,281	-6,970,221	704,940	-10.1%	£623 million reduction in promissory notes due to fewer notes issued in-year and existing notes encashed. This reflects the decision to temporarily reduce ODA from 0.7% to 0.5% of GNI.
Provisions (current and non-current)	-1,058,312	-1,210,365	152,053	-12.6%	Reduction in provisions driven by utilisation of the International Finance Facility for Immunisation vaccine provision in-year (£138 million).
Financial guarantee	-152,873	-105,000	-47,873	45.6%	Increase in financial guarantee driven by adoption of the Government Financial Reporting Manual adaptation for International Financial Reporting Standard 9. This requires existing guarantees to be valued using lifetime rather than 12-month expected credit losses. For further details see note 12.3 of the financial statements.

Contingent liabilities

The FCDO has a portfolio of investment and guarantee financial instruments. Guarantees and other instruments, e.g. callable capital, create a contingent liability for the FCDO. This means that the department must consider the risk that it will be exposed to a call upon the contingent liability and the impact of that on in-year budgets.

Contingent liabilities disclosed in accordance with International Accounting Standard 37 (note 12) are £2,374 million. In addition, certain contingent liabilities where the likelihood of a transfer of economic benefit is remote are disclosed in the Parliamentary accountability and audit report (p.164).

During 2021-22 HM Treasury confirmed that in accordance with IFRS9, the carrying value of existing guarantees issued by the FCDO to Egypt, Jordan and Iraq needed to be adjusted. As a result, lifetime expected credit losses of £47 million have been recognised, see notes 1.4, 1.6(g) and 12.3.

Contingent liabilities are increasingly a key feature of the FCDO's financial position and need to be monitored closely with regards to their amount, timing and uncertainty on future cash flows. The FCDO has a strong pipeline of contingent liabilities which are likely to be signed in 2022-23 including guaranteeing lending to Ukraine.

The FCDO ensures that it complies with HM Treasury's Contingent Liability Approval Framework, which includes best practice when designing guarantees and indemnities, and an enhanced checklist to assess contingent liability proposals.

Detail of the type of spend incurred over the year

COVID-19

The FCDO continues to support the international response to COVID-19, including through:

- » work to increase vaccine supply, now pivoted to overcome delivery challenges
- » developing more sustainable ways to manage COVID-19 globally
- » factoring the impacts of the pandemic into its wider programming

The table below sets out how the FCDO's funds were spent on COVID-19.

Analysis of COVID-19 spend

	Committed in 2021-22 £000	Disbursed in 2021-22 £000
Vaccine sharing with developing countries and ancillary costs (see COVID-19 Vaccines section below)		199,806
Package to help vulnerable countries tackle the Omicron variant by scaling up testing, improving access to Oxygen supplies and improving sanitation, includes Unilever-led 'Hygiene, Handwashing & Behaviour Change' Coalition for COVID-19	105,000	66,885
Adaptation of existing programmes and new, in-country programmes directly related to COVID-19.		66,876
Response funding to African Union to save lives and reduce the impact of disease outbreaks and epidemics		15,000
Emergency assistance to support Jordanian families economically impacted		9,000
Support through the Girls' Education Challenge to provide education to vulnerable girls		6,423
Loan to British Council to help manage the impacts of COVID-19		4,800
Lifesaving and protection assistance to Afghan people		4,774
Support to partner governments to develop and deliver effective policies to mitigate the economic impacts of COVID-19		3,173
Operational costs, such as the cost of staff vaccinations and upgrading IT		3,000
Funding to Wilton Park to cover lost income as a result of the impact of COVID-19		1,538
Research element of the Omicron emergency response		824
FCDO Services supplier relief to assist COVID-19 response		538
Total DEL expenditure	105,000	382,637

In the FCDO's supplementary estimate 2021-22, the department received the following funding for COVID-19 costs:

Omicron

The FCDO received a reserve claim of £68 million resource DEL in 2021-22 to help reduce the health impacts of the Omicron variant in partner countries, of this £66.9 million was spent. This was funded by bringing forward £68 million of ODA resource DEL from 2022-23 into 2021-22. The FCDO agreed to return the £68 million to HM Treasury during the main estimate 2022-23.

COVID-19 Vaccines

The FCDO has donated COVID-19 vaccines to the value of 196.9 million⁹ to partner countries, including through initiatives such as COVAX. Vaccine donations have to be managed within the ODA envelope of 0.5% of GNI, but are budget neutral in the FCDO's 2021-22 accounts. Income is recognised when the FCDO receives vaccines from DHSC, and recorded as an expense when the vaccines are donated. In addition, £2.9 million was spent on ancillary costs, such as transportation.

British Council loan funding

The government has committed to providing the British Council with up to £200 million loan funding to help support their short-term cash flow and restructure. In 2021-22, British Council capital DEL loan funding was £11 million. They drew down £56.8 million and repaid the £52 million that was drawn down in 2020-21, giving a net expenditure of £4.8 million in 2021-22.

EU exit

The FCDO received £57.5 million in 2021-22 as “designated EU Exit funds” and spent £50 million to support the continuation of the UK's successful separation from the European Union after the Transition Period.

Analysis of departmental group's EU Exit expenditure

The table below sets out how FCDO's EU Exit funds were spent.

How funds were spent	Total committed (£000)	Disbursed in 2021-22 (£000)	Disbursed in 2020-21 (£000)	Disbursed in 2019-20 (£000)
DEL expenditure				
Staff and programme funding to support the UK through EU exit transition period	-	50,000	46,300	44,192
Preparations for a possible no-deal EU exit	-	-	-	2,843
UK's share of Western European Union pension liabilities	-	473	24,010	-
UK's share of EU-funded security think tank pension liabilities	-	4,663	-	-
Total DEL expenditure	-	55,136	70,310	47,035
AME expenditure				
Provision for UK's share of EU-funded security think tank pension liabilities	-	-3,152	3,152	-
Total AME expenditure	-	-3,152	3,152	-
Total DEL and AME expenditure	-	51,984	73,462	47,035

⁹ For ODA reporting, this is an estimated cost and may change. The OECD-DAC has issued guidance for how COVID-19 vaccine dose donations in 2021 should be coded in ODA. The UK reported in line with this guidance. The DAC has yet to issue guidance for treatment of donations in 2022, so costs are only estimates at this stage.

EU exit funding supports:

- » for the Europe Directorate – over 350 staff in diverse roles including political, economic, press and public affairs, consular and support
- » for multilateral, sanctions and strategic engagement – approximately 50 roles working on our new sanctions regime
- » for the Legal Directorate – approximately 17 staff working on sanctions, international treaties relevant to trade, and international maritime policy
- » for the Trade Directorate – 25 roles across geographic directorates to support the strategy and political influencing needed to pursue the government's bilateral and multilateral independent trade and prosperity policy priorities, for example:
 - FTA negotiations
 - accession processes
 - implementation challenges
 - trade tensions
 - the government's objectives in the WTO and related multilateral institutions

In addition to financing the above roles, the fund has allowed essential programme work to be carried out throughout the financial year. Two examples of this are the UK Nationals Support Fund and the Europe Future Relations Programme.

The UK Nationals Support Fund:

- » provided assistance to at-risk UK nationals in need of additional support when applying for EU residency across 13 countries in Europe
- » awarded funds to eight implementing partners to reach UK nationals through advertising campaigns, dedicated web sites and helplines, and direct outreach
- » helped 516,000 individuals access the implementing partner's services, and 23,977 UK nationals received individual support from a caseworker to help them secure their residency.

The Europe Future Relations Programme aims to:

- » deepen bilateral relations
- » promote UK interests in Europe
- » support the government's engagement and influence following EU exit

The programme's specific policy objectives for financial year 2021-22 aimed to promote bilateral cooperation on shared priorities such as:

- » the climate
- » COVID-19 recovery
- » development
- » open societies
- » security and prosperity

Through the delivery of those outcomes, funding helped posts gain access to key stakeholders, influence opinion, and create networks that open opportunities for further engagement.

ODA

In 2020, the UK government announced a temporary reduction in ODA spend from 0.7% of GNI to 0.5%. 2021 was the first year government departments planned to spend 0.5% of GNI on ODA.

The FCDO's 2021-22 ODA settlement was £8.115 billion. This increased to £8.229 billion in the supplementary estimate

This funding was allocated in accordance with UK strategic priorities against a challenging financial climate.

Item	Value (£m)
Core FCDO ODA settlement	8,115
transfer to Cabinet Office for COP26	-99
Main estimate 2021-22 ODA budget	8,016
Reserve claim for Afghanistan humanitarian aid	141
Reserve claim for Omicron support	68
transfer from BEIS for ICF projects	5
transfer to DEFRA blue belt programmes	-1
transfer from DEFRA for Taskforce on Nature-related financial disclosures	1
transfer to HMRC for trade facilitation programme	-1
Supplementary estimate 2021-22 ODA budget	8,229

The FCDO's provisional statistics on international development confirmed that the UK met the target to spend 0.5% of GNI on ODA in the 2021 calendar year.

<https://www.gov.uk/government/statistics/statistics-on-international-development-provisional-uk-aid-spend-2021>

Final performance against the 0.5% target will be confirmed in autumn 2022 when it is reported to the OECD.

Going forward, FCDO ODA budgets are allocated in line with the UK government's strategy for international development which the Foreign Secretary announced in May 2022. Our spend will focus on delivering honest, reliable investment through British Investment Partnerships; providing women and girls with the freedom they need to succeed; stepping-up our life-saving humanitarian work; and taking forward our work on climate change, nature and global health.

Further information on 2021-22 outturn is contained in Annex A and B.

SECTION 1.4

Sustainability report





📍 St James's Park, near the King Charles Street building

Overall strategy for sustainability

The FCDO is committed to sustainable diplomacy and development, and has an important role in promoting global action on climate change. We aim to lead by example through reducing the environmental impact of our own operations. In the year the UK hosted COP26, the FCDO has unified sustainability efforts to work towards the Greening Government Commitment (GGC) targets in the UK. We have also worked to maximise energy efficiency of our global estate to assist with the transition to net zero carbon.

In line with the GGCs, the FCDO set new ambitious targets to be met by 2025 on the core areas of:

- » emissions
- » domestic flights
- » waste and water
- » biodiversity and climate adaptation

COVID-19 has continued to have significant impact on environmental performance, with the FCDO adapting ways of working to create a safe working environment while embedding greener behaviours into our operations.

Our initial progress against the 2021-2025 targets has been positive. Senior endorsement, as well as engagement with green champions and green team networks through our staff communications campaign, Destination Zero, has helped embed key messages and ensure staff are able to learn and share best environmental practice.

We continue to align our internal strategies and policies in order to:

- » ensure our progress and ambition reflects the department's desire to be a leader



- » align our operations with diplomacy and development work on climate change in order to contribute to the achievement of the SDGs
- » ensure a green and resilient recovery from COVID-19
- » contribute towards the Glasgow Climate Pact
- » make the FCDO the greenest diplomatic and development service in the world

Environmental management system

The FCDO has an ISO 14001 accredited Environmental Management System (EMS), covering FCDO offices in King Charles Street and Hanslope Park. ISO 14001 certification has been held since 2006. The EMS was last recertified to ISO 140001 in August 2020 with a recent surveillance audit carried out March 2022.

A limited number of minor non-conformities were raised during this surveillance audit relating to waste management. We are working with our facilities management provider to implement solutions and ensure the FCDO maintains ISO14001 certification.

The FCDO continues to invest in the EMS to drive continuous improvement and ensure the FCDO complies with its legal obligations. We are exploring extension of the EMS to include all of the FCDO's UK estate. The FCDO undertook a number of EMS internal audits on key areas, including:



- » waste management
- » emergency preparedness
- » catering
- » transport
- » wood and metal workshops.

Greening Government Commitments

All government departments have determined GGC targets for their UK operations, setting out the actions departments and their agencies will take to reduce their impacts on the environment.

In 2021-22, the FCDO re-baselined to ensure the scope of the GGCs reflected the current FCDO estate. From 2021-22, the FCDO's GGC targets cover FCDO's two joint headquarters: King Charles Street in London and Abercrombie House in East Kilbride, in addition to sites in:

- » 22 Whitehall, Lancaster House and Carlton Gardens in London
- » Hanslope Park in Milton Keynes
- » Wilton Park in Sussex
- » British Council sites throughout the UK

Although FCDO Services, Wilton Park and the British Council are executive agencies with their

own annual reports and accounts, all of their impacts are included in the environmental figures in this report because they are included in the FCDO's GGC targets. However, financial values reported cover the FCDO's central government estate only.

Previously, FCDO Services' wider market impacts were not included. Direction from the GGC exemption panel states they will be included from 2021-22 within the FCDO's reported impacts. The environmental performance data for 2017-18 and 2021-22 reflects the FCDO's adjusted reporting scope. Performance data for 2018-19, 2019-20 and 2020-21 reflects the FCDO's scope based on the previous GGC framework.

Mitigating climate change – working towards net zero by 2050

Greenhouse gas emissions in the UK estate fell by 49% in 2021-22 compared to the baseline year of 2017-18. COVID-19 has had a significant impact on our 2021-22 greenhouse gas emission reduction due to changes in our ways of working and reduced office use.

Table 1 provides headline greenhouse gas emission consumption figures and costs associated to the FCDO's in-scope UK operations for 2021-22.

We recognise the importance of how we procure our energy. In 2021-22, the FCDO's UK estate⁹ utilised a 100% clean green tariff for the electricity that we purchase directly. Additionally, we have undertaken a project across Abercrombie House to replace lighting with LED alternatives to increase energy efficiency. King Charles Street and Hanslope Park had LED lights installed prior to 2021-22.

⁹ This excludes FCDO's ALB sites. FCDO's UK estates that moved to a 100% clean green electricity tariff include: King Charles Street, Abercrombie House, Hanslope Park, 22 Whitehall, Lancaster House and Carlton Gardens



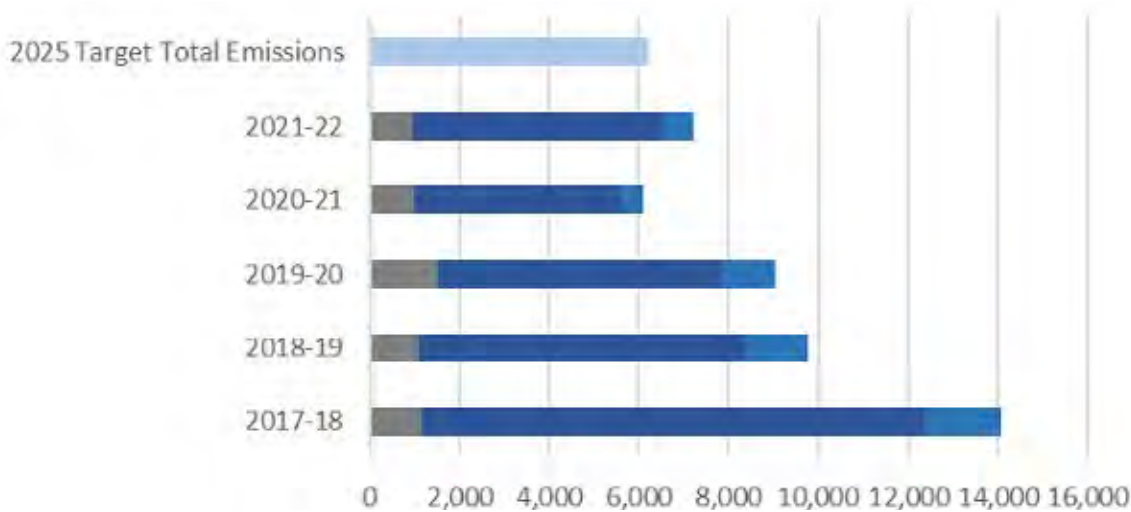
Table 1: FCDO greenhouse gas emissions consumption 2021–22

2021-22		kWh-Miles	tCO ₂ e	GBP (£)
Greenhouse gases	Electricity	21,771,002	5,032	3,816,936
	Gas	1,978,465	362	58,082
	Heating oil	1,476,866	349	57,796
	Biomass	2,541	0.04	2,646
	Biodiesel	1,971,027	7	299,516
	Whitehall District Heating Scheme	3,236,400	860	204,605
	District Heating	358,818	64	-
	Fugitive ¹⁰	-	35	-
	Domestic flights	292,746	61	72,219
	International flights (UK staff)	32,423,565	6,362	7,407,909
	UK Rail	1,046,104	60	242,661
	Private mileage	356,876	112	79,541
	Fleet	705,996	208	-
	Car services	456	0.14	46,429
	Car hire	152,804	43	7,189
Taxis	43,675	10	134,882	

Greenhouse gases	tCO ₂ e
Total emissions by scope:	
Scope 1 (Energy direct)	962
Scope 2 (Energy indirect)	5,544
Scope 3 (Other indirect)	699

¹⁰ Fugitive emission can be defined as the “release of pollutants into the free atmosphere after they have escaped an attempt to capture them with a hood, seal or any other means for ensuring the capture and retention of these pollutants”. The GGCs require emissions from refrigeration and AC equipment to be reported.

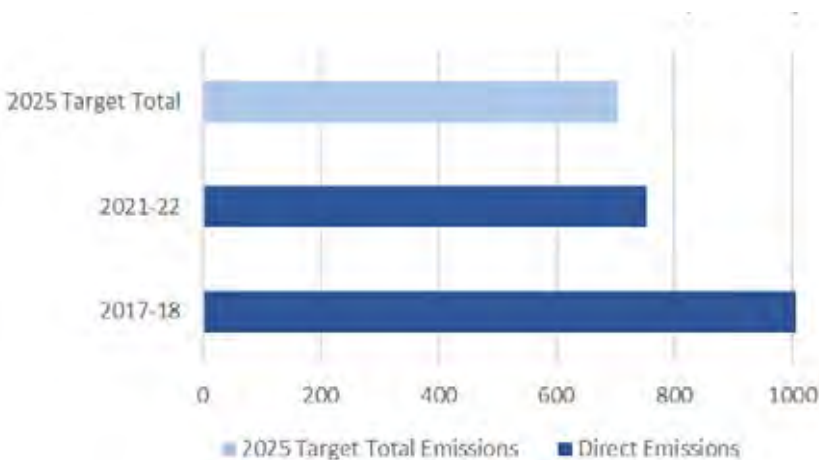
Greening Government Commitments: progress against greenhouse gas emissions consumption¹¹



Greening Government Commitments: progress against direct greenhouse gas emissions

2021-22 is the first year of the FCDO reporting on direct greenhouse gas emissions. We aim to reduce direct emissions by 30% compared to our 2017-18 baseline. In line with the GGCs, this target comprises direct emissions from estate and operations. This includes emissions arising from fuel use and fugitive emissions across the estate and on sites. This target does not include transport emissions or emissions arising from grid electricity use—these are still captured under the overall emissions target above (table 1).

Direct greenhouse gas emissions (tCO₂e)



¹¹ tCO₂ e stands for tonnes of carbon dioxide equivalent. The GGCs definition for reporting requirements for CO₂ e is: “A universal unit of measurement used to indicate the global warming potential of a greenhouse gas, expressed in terms of global warming potential of one unit of carbon dioxide.”

Domestic flights

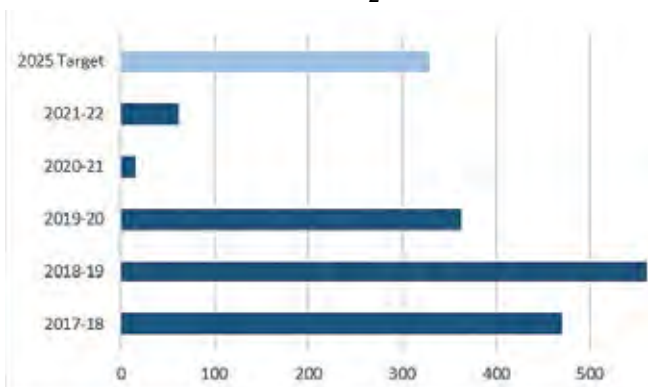
In 2021-22, our emissions from domestic flights decreased by 87% since the baseline year of 2017-18. A slight increase in flights in 2021-22 reflects increased travel between FCDO headquarters as COVID-19 travel restrictions eased however we remain on a downward trajectory which reflects the increased use of technology to collaborate without the need for travel.

Table 2 below provides headline domestic UK flight data for 2021-22.

Table 2: domestic flights

Indicator	Amount
Total domestic flights	925 flights
Non-financial indicator: Domestic UK air miles	292,746 miles
Non-financial indicator: Carbon (tCO ₂ e)	61 tonnes

Greening Government Commitments: Progress against domestic flights target by emissions (tCO₂e)



The FCDO is committed to reducing the number of UK domestic flights and increasing sustainable travel options as operations return to more normal working practices. In January 2022, we updated our duty travel policy to require all staff travelling within the UK and between England and Eurostar destinations to travel by train by default.

We continue to increase the availability of information on the impact of staff travel, giving staff the skills and knowledge required to execute and drive behavioural changes throughout the organisation.

International flights

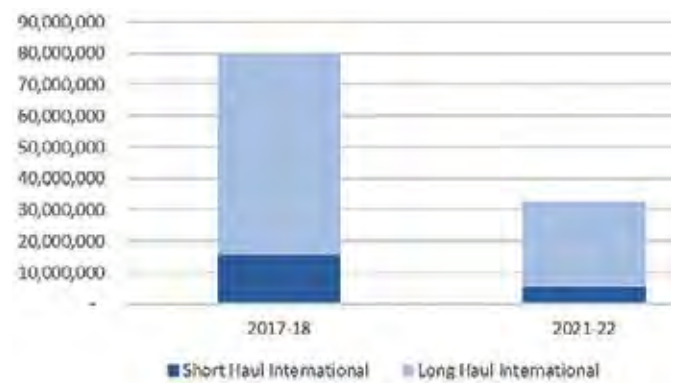
Table 3 below provides headline official duty international air travel data for staff in the UK for 2021-22.

Table 3: International Flights (official duty travel) 2021-22

Indicator	Amount
Total number UK staff international flights	24,709 flights
Non-financial indicator: International distance travelled	32,423,564 miles
Non-financial indicator: Carbon (tCO ₂ e)	6,362 tonnes

2021-22 is the first year of FCDO reporting on international flights. In line with the new GGCs, the FCDO reports on the distance travelled by international flights with a view to better understand and reduce related emissions where possible.

Greening Government Commitment: reporting international duty flights – UK staff (miles)



Government Fleet Commitment

The FCDO is committed to the Government Fleet Commitment (GFC) as set out in the Department for Transport's Road to Zero strategy. To date, the FCDO has no ultra-low emission vehicles (ULEV) or zero-emission vehicles in its UK fleet. Our UK fleet is supplied and managed by FCDO Services. We are working closely with them to meet the GFC commitment of 25% ULEV by 2022 and 100% zero tail-pipe emissions by 2027.

Minimising waste and promoting resource efficiency

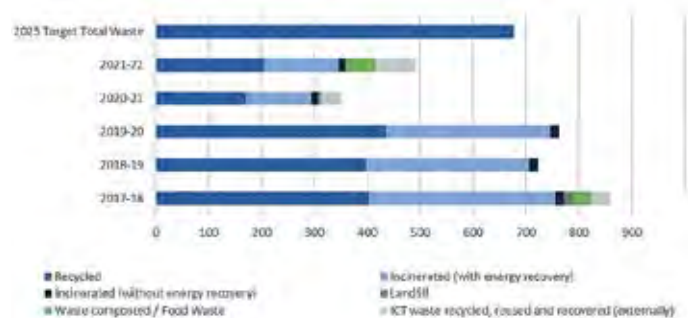
The FCDO's overall waste tonnage has decreased by 39% since the 2017-18 baseline, remaining on track to meet the GGC target to improve our waste management by reducing the overall amount of waste generated. COVID-19 has had a significant impact on our total waste reduction due to reduced office use in 2021-22. The FCDO continues to aim to achieve zero waste to landfill, increase recycling rates and reduce the overall waste produce from the FCDO's UK operations.

Table 4 below provides headline waste disposal figures and costs across FCDO's UK operations for 2021-22.

Table 4: waste, 2021–22

Type of waste	Tonnes	Financial indicator ¹²
Total waste	489	£517,098
Total waste by method of disposal:		
Recycled/reused	205	£67,963
Landfill	4	£0
Waste incinerated with energy recovery	142	£106,545
Waste incinerated without energy recovery	10	£14,967
Waste composted/ food waste	54	£6,847
ICT waste recycled, reused and recovered (externally)	76	£320,776

Greening Government Commitments: progress against waste target (tonnes)



In 2021-22, the FCDO recycled 67% of waste, an increase compared to waste recycled in 2020-21. Our ambitious target is to increase the proportion of waste which is recycled to at least 70% of overall waste. As staff continue to return to more normal working practices, we will work to improve the way we stream, segregate and recycle waste including continuing to increase food waste recycling across our full UK estate. We will continue to undertake significant communications campaigns to

¹² Financial values reported cover the FCDO's central government estate only.

educate and inform staff on the importance of good waste management practices.

Consumer single use plastic usage and reuse schemes

In line with the government's 25 Year Environment Plan, the FCDO continues to work to remove consumer single-use plastic from across UK the estate and achieve zero avoidable plastic waste by the end of 2042. We continue to drive forward reusable alternatives to single use plastic, including promoting the use of 'keep cups' in FCDO cafes. Globally, FCDO green teams at post also continue to embed lessons learned from the 2018-2020 #BeyondPlastic campaign, and we continue to encourage posts to eliminate avoidable single-use plastic while reducing overall waste.

In 2022-23 we will continue to work with our facilities management supplier to increase reporting on the number of consumer single-use plastic items that are procured, and work to find alternatives.

Paper

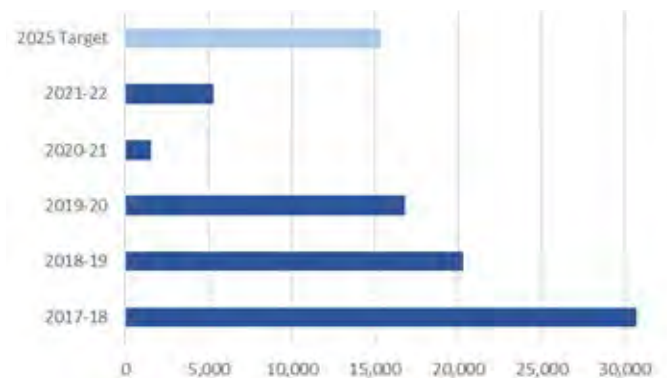
The FCDO's overall paper usage has decreased by 83% in 2021-22 compared to the 2017-18 baseline. This has been achieved because of reduced office use and increased use of new technology, including Office 365. We are exceeding the GGC target to reduce paper usage by 50% from our 2017-18 baseline by 2025.

Table 5 provides headline paper consumption figures and costs across the FCDO's operations for 2021-22.

Table 5: paper consumption (A4 equivalent)

Indicator	Amount
Paper consumption	5,283 reams

Greening Government Commitments: progress against paper consumption (reams of A4 equivalent)



Finite resource consumption and reducing our water usage

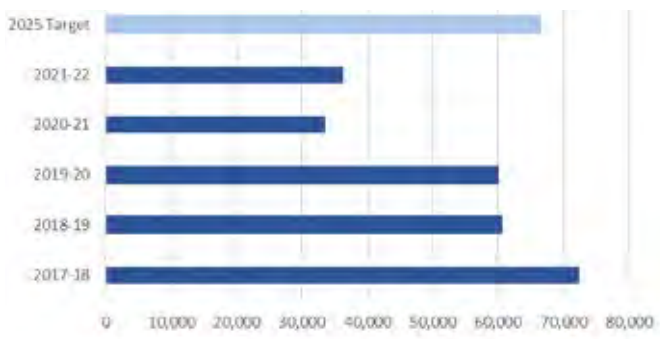
The FCDO's overall water usage decreased by 50% in 2021-22 compared to the 2017-18 baseline. The impact of COVID-19 and reduced office use in 2021-22 has contributed to this significant reduction. We continue to encourage the efficient use of water in UK offices and seek to repair and replace water devices with efficient alternatives when required. We are exceeding the GGC target to reduce water consumption by at least 8% from our 2017-18 baseline.

Table 6 below provides headline water consumption figures and costs across the FCDO's UK operations for 2021-22.

Table 6: finite resource consumption—water

Finite resource consumption—water	m ³	Financial indicator
Total consumption Supplied	36,271	£152,065

Greening Government Commitments: progress against water target, Total office water consumption (m³)

**Table 7: normalised performance**

Impact per full time equivalent (FTE)	2021-22	2020-21	2019-20
Greenhouse gas emissions (tonnes of CO ₂ e per FTE)	0.82 tonnes	0.72 tonnes	1.07 tonnes
Direct emissions ¹³ (tonnes of CO ₂ e per FTE)	0.08 tonnes	-	-
Waste arising (kg per FTE)	56 kg	37 kg	94 kg
Paper consumption (reams of A4e per FTE)	0.60 reams	0.19 reams	2.05 reams
Water consumption (m ³ per FTE)	4.13 m ³	4.10 m ³	7.34 m ³

Normalised performance

Overview

To allow for comparison between years and organisations, the following table normalises sustainability impacts by staff numbers. We are aware, due to the impacts of COVID-19, our 2020-21 and 2021-22 full-time equivalent (FTE) number does not reflect actual office use. As we continue to develop hybrid ways of working, we will work with other departments to develop an accurate approach to normalise performance in the future. For the purposes of GGC reporting, the FTE covers both FCDO and arms length bodies (ALBs). The UK estate occupancy FTE is 8,788.

FCDO's global operations

The FCDO global estate and footprint plays a significant role in our fight against climate change. We are committed to leading by example and reducing the environmental impact of our own operations, and to minimising our contribution to climate change.

At present, there is a lack of sufficiently granular data to be able to report fully on our global impacts. As part of our endeavours to ensure our global operations are managed towards becoming net zero by 2050 or earlier, we are aiming, by March 2025, to reduce worldwide energy use by at least 20% from an estimated 2019-20 baseline. Significant modernisation of our overseas estate will

¹³ 2021-22 is the first year of FCDO reporting on Direct Greenhouse Gas Emissions.

help reduce carbon emissions through replacing end-of-life infrastructure, moving to modern offices and investing in cleaner energy that will also drive down costs.

In 2021-22, we continued to improve oversight of our emissions overseas, including undertaking discovery work to start developing carbon data management tools to help posts overseas collect sustainability data and enable easier analysis and reporting. As part of an internal Data-Driven Diplomacy and Development Programme, we constructed a model of estimated carbon emissions of FCDO's global estate using the best data available to us. This model creates the most comprehensive picture yet of the FCDO's global carbon footprint. In 2022-23, we aim to use this model to start engaging with posts on their carbon intensity and work to reduce carbon consumption to reduce global energy use by 2025.

The FCDO has committed to transitioning as much of our non-armoured overseas fleet as possible to fully electric vehicles by 2030. Accordingly, the FCDO mandates low emission vehicles (LEVs) as the default option when replacing overseas non-armoured fleet vehicles. This applies except where local conditions or the intended use of the vehicle make an electric or hybrid vehicle impractical. Progress against our interim goal of 50% of flag and 25% of non-flag fleet vehicles to be LEVs by 2025 stands at 35% and 4% respectively.

Global business travel is a significant part of FCDO's environmental impact. In line with the new GGCs, the FCDO is committed to reporting distance travelled via all official duty flights for staff in the UK, with an aim to reduce emissions and increase staff engagement (see table 3 above).

The introduction of a global travel supplier in late 2020-21 has started to provide us with granular data on our flight spend and

emissions for staff based overseas. This will allow for more detailed analysis of how the FCDO could reduce global travel emissions.

Sustainable procurement

FCDO Commercial continued in 2021-2022 to implement supportive structures to leverage its procurement to deliver sustainable benefit. We have launched a sustainable procurement policy.

Sustainable procurement policy

The Sustainable Operations and Programme Board (SOPB) provides oversight and assurance for successful delivery of the FCDO environmental policy and sustainable operations agenda. This includes developing and delivering the FCDO net zero goal and overseeing the EMS. SOPB membership includes FCDO Commercial representation, and the board has endorsed Commercial's proposed contributions to the FCDO GGC work. This includes:

- » publishing an FCDO sustainable procurement policy to provide and promote the framework for commercial to deliver sustainable outcomes
- » improving visibility and understanding of, and engagement with, the sustainability agenda—in particular the GGCs among the FCDO Commercial community
- » working with suppliers to improve their sustainable performance—especially reducing environmental impacts and carbon emissions by organising plans to do so with gold supply chain partners
- » using the Flexible Framework self-assessment tool to baseline and monitor FCDO Commercial capacity and capability.

Carbon reduction plans (PPN 06/21)

From 30 September 2021, the FCDO has implemented the Cabinet Office Procurement Policy Note (PPN), “taking account of carbon reduction plans in the procurement of major government contracts”. This applies for all procurements valued at £5 million or over per annum.

As part of assessing our supplier’s technical and professional ability, we have included, as a selection criterion, a requirement for bidding suppliers to provide a carbon reduction plan. This will confirm the supplier’s commitment to achieving net zero by 2050 in the UK. Additionally, it will set out the environmental management measures which will be in effect and utilised during the performance of the contract.

Supply partner code of conduct

The FCDO supply partner code of conduct included within programme contracts is an integral and binding part of standard contract terms and conditions. The inclusion of the code in contracts means that high but realistic standards for ethical and safeguarding behaviour are set out and measured against organisational level KPIs. This allows for a focus on our supply partners’ social and environmental sustainability commitments over time.

FCDO Commercial, supply chain ethics, risks and disputes teams monitor compliance with the code.

Supply partners and delivery chains

Supply partners and their delivery chains act on behalf of the government and interact globally with:

- » other country governments
- » other aid donors and their delivery partners

- » many stakeholders—including citizens
- » directly and indirectly with aid beneficiaries

These interactions must therefore meet the highest standards of ethical and professional behaviour in order to uphold the reputation of the government.

Supply partners must demonstrate they are pursuing continuous improvement and applying stringent financial management and governance to reduce waste and improve efficiency in their internal operations and within the delivery chain.

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

Commitment to environmental sustainability may be demonstrated by the following, among others:

- » formal environmental safeguard policies
- » publication of environmental performance reports
- » signatory level membership of the UN Global Compact and further relevant codes—both directly and within the supply chain, such as conventions, standards or certification bodies

Case study: UK hosting of COP26

The 26th UN COP26 was the largest event ever held by the government and the largest COP ever delivered – attended by over 40,000 attendees including 120 world leaders. Our commercial contracts ensured FCDO delivered a sustainable and safe summit, exceeding all UNFCCC requirements, managing

local impacts, minimising emissions and complying with all COVID-19 regulations. COP26 outperformed best procurement practice. It set a benchmark for future conference and events. COP26 achieved ISO20121 certification, meaning that sustainability was successfully embedded throughout planning, procurement and operation. COP26 also achieved a validated carbon neutrality declaration, involving the most comprehensive carbon footprint ever calculated for a COP.

Reducing environmental impacts from ICT and digital

The FCDO remains committed to improving the sustainability of its technology platforms and digital products, as well as being a strong advocate for the potential for digital, data and technological solutions to reduce its carbon footprint.

However, the merger of two departments has created duplication and complexity in our technology estate that we are in the process of resolving.

The rollout of Microsoft 365 has reduced the need for travel, especially between our two UK headquarters, and the need to print and or use paper in our offices. COVID-19 resulted in an increased use of technology. We are taking lessons from these experiences to embed greener behaviours as we return to our offices.

The FCDO has begun to overhaul its digital, data and technology function to ensure it has the structures, processes and skills to meet the needs of FCDO now and into the future. This will include developing a new technology strategy that will:

- » put sustainability at the heart of our future decision making

- » align to the Greening Government ICT and Digital Services Strategy
- » implement processes to align to the Sustainability Technology Code of Practice
- » improve our data capture and management

Broader impacts and reporting requirements

Nature recovery and biodiversity action planning

The FCDO UK estate does not hold significant natural capital. In line with the new GGCs, the FCDO is beginning to explore our potential to improve nature recovery and biodiversity. In 2022-23, we will work to develop and deliver nature recovery and biodiversity action plans for the estate and operations, considering a natural capital approach where appropriate.

Our offices in Abercrombie House and Hanslope Park offer the opportunity for the FCDO to maintain biodiversity and encourage habitats and local plant species. Continuous management is undertaken in Hanslope Park to plant trees and maintain the pond and wildflower meadow. The Abercrombie House gardening group continues to inspire staff engagement in the natural environment and has successfully encouraged more insects, wildlife, and birdlife to venture around the premises.

Adapting to climate change

The FCDO has robust plans in place to manage occurrences of extreme weather events. In line with the new GGC's, we are working to develop an organisational climate change adaptation strategy across estates and operations. We are reviewing the [UK Climate Change Risk Assessment](#)

2022 to understand the key climate change risks and opportunities the UK faces today.

We are engaging across government and with the Government Property Agency to align the FCDO's organisational strategy with best practice across government. In 2022-23, the FCDO will conduct climate change risk assessments across the UK estate and operations, and develop a climate change adaptation action plan. SOPB will have accountability for this strategy.

Procurement of food and catering services

The FCDO's in-house catering provisions, through the cross-government cluster contract arrangement, strive to meet and embed the government buying standards (GBS) for food and catering services. Through the contracts that were established by FCDO Commercial for COP26, a key sustainability outcome included prioritising locally sourced, healthy and in-season food to minimise transport miles and boost local businesses. 95% of food served was seasonal and from the UK and at least 80% came from Scotland. The carbon footprint of food was shown on menus, so attendees could make sustainable choices.

Sustainable construction

The FCDO adheres to sustainable construction standards and follows the GBS. We continues to support the government's timber procurement policy.

This year the estate operations team at Hanslope Park have successfully delivered a new building, formally opened in September 2021. The building achieved a 'very good' Building Research Establishment's Environmental Assessment Method rating, and attained an 'excellent' rating by the considerate contractor scheme.

The building was constructed from ethically-sourced larch timber, from a Forest Stewardship Council certified supplier. Over 50% of the excavated ground was reused for landscaping, and a rainwater harvester system was installed. Additionally, the building is powered by a roof mounted photovoltaic panel system.

Sir Philip Barton KCMG OBE

Accounting Officer for the Foreign, Commonwealth & Development Office

14 July 2022





The background image shows the interior of a grand, classical building, likely a government or institutional structure. It features a high, vaulted ceiling with a grid of decorative panels and a central dome. Large, fluted columns support the structure, and there are ornate balustrades and friezes. The lighting is dramatic, with a strong blue tint. The text 'SECTION 2' is in yellow, and 'Accountability report' is in white.

SECTION 2
**Accountability
report**

SECTION 2.1

Corporate governance report





This section of the annual report and accounts sets out the FCDO's corporate governance structures in 2021-22, including membership and attendance of the top-level boards and committees across the financial year. Detail on the roles and responsibilities of each board and committee is also provided, as well as how risk is managed by these structures. The section concludes with an outline of the FCDO's internal control and assurance process, how the FCDO manages interests and business appointments and a summary of the department's arm's length bodies.

FCDO ministers (as at 31 March 2022, unless stated)¹⁴

Secretary of State for Foreign, Commonwealth and Development Affairs

The Rt Hon Elizabeth Truss MP
(from 15 September 2021)

The Foreign Secretary has overall responsibility for the work of the Foreign, Commonwealth and Development Office.

Secretary of State for Foreign, Commonwealth and Development Affairs:

The Rt Hon Dominic Raab MP
(until 15 September 2021)

Minister of State (Minister for Europe and North America)

The Rt Hon James Cleverly MP

Responsibilities include: United States and Canada, national security, defence and international security, Trade & Cooperation Agreement negotiations, including the Northern Ireland Protocol, Europe, Gibraltar, Eastern Europe & Russia and Iran.

Minister of State (Minister for Asia and the Middle East)

The Rt Hon Amanda Milling MP
(from 16 September 2021)

Responsibilities include: Middle East, China and North East Asia (including Great Britain-China Centre), South East Asia, Australia and New Zealand, Overseas Territories, development, migration, de-mining, British International Investment (BII), trade, economic cooperation and growth, global health & vaccines, COVID-19, consular policy, stakeholder engagement (including Wilton Park and British Council), LGBT policy, science & technology, Parliament, legal and devolution.

Minister of State (Minister for South and Central Asia, North Africa, UN and the Commonwealth)

Lord (Tariq) Ahmad of Wimbledon

Responsibilities include: India & Indian Ocean, Afghanistan, Pakistan and Central Asia, North Africa, multilateral (including G7), sanctions and strategic engagement, Special Envoy for Preventing Sexual Violence in Conflict, departmental operations (including FCDO Services), the Commonwealth, United Nations, open societies (including Westminster for Democracy), Independent Commission for Aid Impact (ICAI), humanitarian, Freedom of Religious Belief (FoRB), Human Rights and Prime Minister's Special Representative on Preventing Sexual Violence in Conflict.

Minister of State (Minister for Pacific and the Environment)

The Rt Hon Lord Goldsmith

Responsibilities include: International environment, climate, biodiversity and conservation, international

¹⁴ A full list of Ministers that served in the FCDO during 2021–2022 can be found in the Remuneration Report. The UK Parliament website holds the Register of Members' Financial Interests.

ocean (including marine litter, overseas territories marine biodiversity, UNCLOS, blue finance and Blue Belt), International Climate Finance, illegal wildlife trade and the Pacific Islands.

Parliamentary Under Secretary of State (Minister for Africa, Latin America and the Caribbean)

Vicky Ford MP (from 16 September 2021)

Responsibilities include: Africa (East & West), Africa (Central & Southern), Caribbean and Small Island Developing States, Latin America, conflict, stabilisation and mediation, international finance, delivery and analysis, safeguarding, global education, gender & equality, and scholarships.

Parliamentary Under Secretary of State (Minister for Africa)

James Duddridge MP
(until 15 September 2021)

Parliamentary Under Secretary of State (Minister for European Neighbourhood and the Americas)

Wendy Morton MP (until 19 December 2021)

Minister of State (Minister for Europe)

Chris Heaton-Harris MP
(19 December 2021 until 8 February 2022)

Minister of State (Minister for Asia)

The Rt Hon Nigel Adams MP
(until 15 September 2021)

When the Rt Hon Elizabeth Truss MP was appointed as Secretary of State for Foreign, Commonwealth and Development Affairs, she also retained her role as Minister for Women and Equalities. She made some minor changes to the portfolios of her team of four Commons and two Lords ministers, including appointing the Rt Hon James Cleverly MP as her deputy.

In December 2021, the Foreign Secretary was additionally appointed as Minister responsible for UK-EU relations, including the Northern Ireland Protocol negotiations and overseeing the implementation of the two UK-EU treaties, the Withdrawal Agreement and the Trade and Cooperation Agreement. In February 2022, the Rt Hon James Cleverly MP was appointed as Minister for Europe and the FCDO ministerial team reduced in size to three Commons and two Lords ministers. As a consequence, the Foreign Secretary made some changes to ministerial portfolios, including asking the Rt Hon Amanda Milling MP to assume responsibility for the Middle East and international development.

FCDO special advisers (as at 31 March 2022, unless stated)

FCDO Special Advisers: Adam Jones, Jamie Hope, Sophie Jarvis, Hugh Bennett, Christopher Jenkins, Reuben Solomon and Sarah Ludlow.

Previous FCDO Special Advisers: Robert Oxley, Sally Rushton, Simon Finkelstein, Beth Armstrong and William Sweet (until 15 September 2021).

Directors' report

Elements of the statutory requirements of the Directors' report are detailed in the governance statement from page 101. These include:

- » details of the senior official board members
- » names of the Non-Executive Directors
- » composition of the Management Board
- » details of company directorships and other significant interests held by senior management
- » information on personal data related incidents where these have been formally reported to the Information Commissioner's Office (ICO)

Statement of Accounting Officer's responsibilities

Under the Government Resources and Accounts Act 2000 ('GRAA'), HM Treasury has directed the FCDO to prepare consolidated resource accounts, for each financial year, detailing:

- » the resources acquired, held or disposed
- » the use of resources, during the year by the department—inclusive of its executive agencies
- » its sponsored non-departmental public bodies designated by order made under the GRAA by Statutory Instrument 2021 No. 265— together known as the 'departmental group', consisting of the department and sponsored bodies listed at note 17 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 income and expenditure, Statement of Financial Position, 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 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;

- » confirm that the annual report and accounts as a whole is fair, balanced, and understandable and take personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced, and understandable.

HM Treasury has appointed the permanent head of the department as Accounting Officer of the Foreign, Commonwealth and Development Office. 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. This is 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 FCDO Accounting Officer, I am responsible for ensuring that the department has an effective governance framework that provides strategic direction and management of the organisation.

In particular, I am responsible for overseeing delivery of ministerial strategic and policy priorities, ensuring accountability and delivery of efficient and effective organisational performance and ensuring that the supporting governance systems function as they are designed to—securing value for money and managing risk.

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 the FCDO'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.

Governance statement

FCDO Non-Executive Directors

Lead Non-Executive Director

Baroness Helena Morrissey DBE

Helena was the Lead Non-Executive Director at the FCDO until June 2022. Helena has over three decades' experience in the financial services sector and is well-known for her work on inclusion and diversity. In 2010, she founded the 30% Club, a business-led campaign for better gender-balanced boards. There are now twenty 30% Clubs throughout the world. Helena's

current roles include being Chair at AJ Bell, Chair of The Diversity Project, Advisory Board member at Edelman and Fellow (Governor) at Eton College. Helena was previously Chief Executive Officer (CEO) of Newton Investment Management and Chair of the Investment Association, the UK investment industry's trade body.

Non-Executive Director

John Coffey

John sits on the Supervisory Board. He is Chair of the FCDO Audit and Risk Assurance Committee and attends the Management Board, Investment & Delivery Committee and Health and Safety Committee. John is also a Non-Executive Director of Turkish Bank UK Ltd where he is Chair of the Audit and Risk Committee, in addition to being a Loan Book Management Advisor to Sports England. John has four decades' experience in the financial services sector and is a member of the Institute of Directors and Treasurer at Burnham-On-Crouch Royal National Lifeboat Institution.

Non-Executive Director

Beverley Tew

Beverley sits on the Supervisory Board. She attends the Management Board and the Audit and Risk Assurance Committee. Beverley has over three decades' experience as a chief financial officer and commercial leader in the public and private sectors. Her current roles include Trustee and member of the Audit Committee of Plan International (UK), Crown Representative in the Government Commercial Function (Cabinet Office), Non-Executive Director and Audit Committee Chair of Circle Health Group, Trustee and Audit Committee Chair of the Chartered Institute of Procurement and Supply, Trustee at Teentech and Audit Committee member at the British Academy of Film and Television Arts (BAFTA). Beverley was Finance Vice President at Burberry until 31 March 2021

and prior to that Group CFO at the BBC. She qualified as a chartered accountant (Institute of Chartered Accountants in England and Wales) with Ernst & Young. She has also worked in the children's charity sector for over 15 years.

Non-Executive Director

Ann Cormack

Ann sits on the Supervisory Board and attends the Transformation Board, Management Board, Senior Leadership Board and People Committee. Ann spent the first twenty years of her career in front-line business executive roles at Shell International, latterly running Shell's global internal consultancy B2B team and the European Fleet Fuel Cards business. Ann's current roles include Council Member and Trustee of Chatham House, the Royal Institute for International Affairs. Ann's previous roles include Executive Head of Human Resources at De Beers, Director International at Rolls-Royce plc, CEO D1-BP Fuel Crops Ltd and Managing Director of the Small Business Service (UK Department of Trade and Industry).

FCDO Non-Executive Members

The FCDO's committees and sub-committees have their own Non-Executive Members as appropriate. The Non-Executive Members' role is, like Non-Executive Directors, to support committees and sub-committees in their work and provide external challenge and specific expertise.

Non-Executive Member

Fiona Thompson

Fiona Thompson is a Non-Executive Member of the FCDO's Audit and Risk Assurance Committee. She is a UK chartered accountant and is currently Chair of Transparency International UK, a Director and Chair of the Audit Committee of Forum for the Future and serves on the board of the Overseas Development Institute.

Non-Executive Member

Chris Wood

Appointed as a Non-Executive Member of FCDO's Audit and Risk Assurance Committee in October 2021, Chris Wood is a fellow of the Institute of Chartered Accountants in England and Wales and is currently a Fellow and Bursar of St Hilda's College, Oxford. He is also a Non-Executive Director and Chair of the Audit Committees for Navitas University Partnerships Europe and Publica Group; and serves on the Audit Committees for the Office for Nuclear Regulation and the Valuation Office Agency.

Other Non-Executive Members of the FCDO's Audit and Risk Assurance Committee (until 30 September 2021): Anthony Dunnett, Helen Pernelet and Simon O'Regan.

Non-Executive Member

Julia Grant

Julia Grant is a Non-Executive Member of the FCDO's Investment & Delivery Committee. Julia has a portfolio of Non-Executive Director roles in the public and charity sector. She has held leadership roles in global consulting firms, insurance, and the not-for-profit sector. Julia currently works with Collington Capital Partners LLP in the impact investment sector and is a trustee at the Education Development Trust and a Forestry Commissioner.

FCDO top-level boards and committees

FCDO Supervisory Board

Chair: Secretary of State for Foreign, Commonwealth and Development Affairs

Roles and responsibilities

The FCDO Supervisory Board provides strategic direction and oversight, offering support and challenge to the department with a view to the long-term health, reputation, and success of

The FCDO's corporate governance structure

FCDO Supervisory Board

Chair: Foreign Secretary

Members: Permanent Under-Secretary, NEDs, Ministerial team, DG Finance and Corporate, DG Economics, Science and Technology.

Provide strategic direction and oversight. Support and challenge the department with a view to the long-term health, reputation and success of the FCDO.

FCDO Management Board

Chair: Permanent Under-Secretary

Members: DGs, HoM, Directors Communications, Strategy, Finance, HR, Transformation. All NEDs are invited.

Ensure the department delivers its priorities and objectives, rigorous performance, strategic risk and people management/duty of care. Key decisions on changes in management approach.

FCDO Executive Committee

Chair: Permanent Under-Secretary

Members: DGs, Directors Communications, Strategy, Finance, HR, Transformation, Chief Scientist, Chief Economist.

Decisions on strategic choices or challenges relating to sensitive or time-bound issues, day to day running of the department, emerging issues, risks or crises.

Audit & Risk Assurance Committee

Chair: NED John Coffey

Reviews processes for internal control, risk management, financial reporting and broader assurance.

Senior Leadership Board

Chair: Permanent Under-Secretary

Members: NED Ann Cormack & DGs. Senior level appointments & performance assessment. Strategic approach to senior leadership cadre.

Staff Advisory Board

Chair: SAB members, on rotation

Constructive challenge, feedback and input from staff to Management Board decision-making.

Strategy Committee

Are we fit for the future?

Chair: Permanent Under-Secretary

Informs horizon-scanning, strategy and policy development. Prioritisation, policy coherence and mainstreaming of cross-cutting themes.

Transformation Board

Creating the FCDO together

Chair: DG Finance and Corporate

The Transformation Board is a temporary structure accountable for delivery of the overall scope of the transformation portfolio.

Investment & Delivery Committee

Are we spending on the right things for the best value?

Chair: DG Finance and Corporate

Maximises value for money, approves & oversees the framework for investment decisions (SMART rules, assurance and controls) and major/novel/contentious programmes.

People Committee

Do we have the best workforce to deliver?

Chair: DG Finance and Corporate

Support, challenge, oversight and assurance on People strategy. Development and improvement of HR processes.

Health & Safety Committee

Are we meeting our H&S commitments?

Chair: DG Finance and Corporate

Supports the Management Board in ensuring effective discharge of the FCDO's H&S commitments in the UK and overseas.

the FCDO. It is advisory and supervisory in its scrutiny of departmental performance. It offers challenge on how the FCDO is performing against clear objectives, key performance indicators and management of principal risks. The Management Board and Audit and Risk Assurance Committee report to the Supervisory Board.

Issues covered

The Supervisory Board met twice during 2021-22: 16 June 2021 (chaired by the Rt Hon Dominic Raab) and on 25 March 2022 (chaired by the Rt Hon Elizabeth Truss).

The Supervisory Board has focused on critical issues to encourage the long-term success of the FCDO. This year, Board agenda items included corporate Management Information headlines, cyber threats and risk.

FCDO Management Board

*Chair: Sir Philip Barton,
Permanent Under-Secretary*

The FCDO Management Board meets monthly for three hours. Between 1 April 2021 and 31 March 2022, the Management Board met eight times. All Non-Executive Directors are invited to each meeting in an advisory capacity. Board members are required to report any related party interests. These are disclosed in note 16 of the accounts.

Roles and responsibilities

Reporting to the Supervisory Board, the Management Board ensures rigorous performance, strategic risk and people management and duty of care to staff. The Management Board takes strategic choices for long-term departmental management where a cross-departmental view, impact or action is required. The board:

- » oversees plans, the management of principal risks and performance and stewards the department to maintain its health and reputation

- » communicates the FCDO's purpose, priorities, vision and values to staff and other stakeholders

The board reviews monthly management information reports, which provide an overview of the FCDO's corporate and financial performance. The board also discusses the FCDO's risk profile monthly.

The board benefits from input from the Staff Advisory Board and Board observers. The board oversees the Executive, Strategy, Investment & Delivery, People and Health & Safety subcommittees, as well as the Transformation Board.

Issues covered

Management Board discussions in 2021-22 included:

- » continuing impacts of COVID-19
- » lessons learnt from the Afghanistan crisis
- » the FCDO Outcome Delivery Plan
- » transformation roadmap, including the FCDO operating model and capability to manage concurrent risks, FCDO values, the digital transformation and the new FCDO HR and finance system
- » International Development Strategy
- » health and safety policy and governance
- » safeguarding
- » arising risk and humanitarian emergencies
- » FCDO security culture
- » staff counsellor updates, including on staff wellbeing
- » FCDO sustainability and the Net Zero Roadmap
- » People Survey 2021 results

Management information and risk

The Supervisory Board and the Management Board are mandated to consider certain issues on a regular basis. Both reviewed management information reports, which provide an overview of the FCDO's corporate performance. These included information on finance, risk, human resources, project and programme funds, legal challenges, and major projects. The report, received by the Management Board each month, is structured to highlight risks and resource implications, any areas that require attention and any significant improvements that have been made.

In-year financial control and future-year resource management are an important part of Management Board and Executive Committee agendas. The Management Board assessed the financial risk to the department at each meeting, allowing the board to take any action required, including reprioritisation. The Management Board and Supervisory Board also considered a Principal Risk Report, which provided information about the most serious strategic risks and gave assurance that risk was being managed appropriately, enabling the Management Board to consider organisational capacity to respond.

FCDO Board Observer Scheme

The FCDO Management Board, Transformation Board, Strategy Committee, Investment & Delivery Committee and the Audit and Risk Assurance Committee are open to staff observers through the FCDO Board Observers Scheme.

This scheme allows a small number of staff to attend the Management Board and supporting board and committee meetings each month and provide feedback to board members. Observers are selected from different FCDO directorates on a rotating basis.

FCDO Executive Committee

*Chair: Sir Philip Barton,
Permanent Under-Secretary*

Roles and responsibilities

The Executive Committee meets weekly and takes decisions on strategic choices or challenges relating to sensitive or time-bound issues, day-to-day running of the department, emerging issues, risks, or crises with departmental wide implications.

The Executive Committee escalates issues and advice to the Management Board where a longer-term formal decision is required. The committee also undertakes periodic horizon scanning and business engagement to identify emerging sources of uncertainty, threats, and trends, referring principal risks that require ongoing monitoring to the Management Board.

Issues covered

The Executive Committee met 21 times between 1 April 2021 and 31 March 2022. Discussions included:

- » Integrated Review
- » Spending Review 2022-25
- » COVID-19 scenarios and implications for the FCDO
- » Russia/Ukraine—crisis response
- » horizon scanning
- » workforce planning
- » transformation roadmap, including digital programming
- » People Survey 2021 results

Top-level board membership and attendance in 2021-22

Board or Committee member	Date of in-year appointment / departure	Supervisory Board	Management Board	Executive Committee
The Rt Hon Elizabeth Truss, Secretary of State for Foreign, Commonwealth & Development Affairs	Appointed to Supervisory Board on 15 September 2021	1/1	–	–
The Rt Hon Dominic Raab, Secretary of State for Foreign, Commonwealth and Development Affairs and First Secretary of State	Departed 15 September 2021	1/1	–	–
The Rt Hon Amanda Milling, Minister of State for Asia and the Middle East	Appointed to Supervisory Board on 13 October 2021	1/1	–	–
Lord Ahmad of Wimbledon, Minister for South and Central Asia, North Africa, UN and the Commonwealth ¹⁵		1/1	–	–
The Rt Hon James Cleverly, Minister of State for Europe and North America ¹⁶		1/1	–	–
The Rt Hon Zac Goldsmith, Minister of State for Pacific and the Environment ¹⁷		0/1	–	–
Vicky Ford, Minister for Africa, Latin America and the Caribbean	Appointed to Supervisory Board on 13 October 2021	1/1	–	–
Baroness Helena Morrissey, Lead Non-Executive Director (NED)		2/2	6/8	–
John Coffey, NED		2/2	6/8	–
Beverley Tew, NED		2/2	8/8	–

15 Membership to the FCDO Supervisory Board was extended to include the full Ministerial team on 16 September 2021.

16 Membership to the FCDO Supervisory Board was extended to include the full Ministerial team on 16 September 2021.

17 Membership to the FCDO Supervisory Board was extended to include the full Ministerial team on 16 September 2021.

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Board or Committee member	Date of in-year appointment / departure	Supervisory Board	Management Board	Executive Committee
Ann Cormack, NED		2/2	8/8	–
Sir Philip Barton, Permanent Under-Secretary		2/2	8/8	19/21
Sir Tim Barrow, Second Permanent Under-Secretary ¹⁸		–	1/8	5/21
Juliet Chua, Director General— Finance and Corporate		2/2	8/8	20/21
Thomas Drew, Director General— Middle East, North Africa, Afghanistan and Pakistan		–	6/8	18/21
Kumar Iyer, Director General— Delivery		2/2	7/8	20/21
Moazzam Malik, Director General— Africa		–	7/8	20/21
Vijay Rangarajan, Director General— Americas & Overseas Territories		–	7/8	16/21
Jenny Bates, Director General— Indo-Pacific		–	6/8	16/21
Julian Braithwaite, DG Europe	Appointed to Management Board and Executive Committee on 28 January 2022 ¹⁹	–	0/1	2/3
Sir Iain MacLeod, Director General – Legal	Departed 25 February 2022	–	7/8	18/20

18 The Second Permanent Under-Secretary and Political Director role requires frequent, often ad hoc, travel which has an impact on attendance at regular corporate engagements.

19 Officially transferred from Cabinet Office to the FCDO on 1 April 2022.

Board or Committee member	Date of in-year appointment / departure	Supervisory Board	Management Board	Executive Committee
Andrew Murdoch, Acting Director General – Legal	Appointed to Management Board and Executive Committee on 25 February 2022	–	0/0	2/2
Nick Dyer, Director General— Humanitarian and Development	Appointed to Management Board and Executive Committee on 17 March 2022	–	0/0	0/0
Harriet Mathews, Director General— Geopolitics and Security	Appointed to Management Board and Executive Committee on 17 March 2022	–	0/0	0/0
Nic Hailey, Director General— Transformation	Departed 21 September 2021	1/1	3/3	7/9
Melanie Robinson, UK Ambassador to Zimbabwe (Overseas Network Representative)		–	7/8	–
Helen Bower-Easton, Director Communications ²⁰		–	3/3	7/10
Danny Pruce, Interim Director Communications	Appointed to Management Board and Executive Committee on 25 October 2021	–	2/3	4/8

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²⁰ On long-term leave from October 2021.

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Board or Committee member	Date of in-year appointment / departure	Supervisory Board	Management Board	Executive Committee
Andrew Sanderson, Financial Controller and Operations Director	Departed 17 October 2021	–	4/4	11/11
Tim Jones, Director Finance		–	7/8	19/21
Melinda Bohannon, Director Strategy		–	6/8	19/21
Mervyn Thomas, Chief People Officer		–	8/8	20/21
Rachel Glennerster, Chief Economist	Departed 30 July 2021	–	–	2/7
Adnan Khan, Chief Economist	Appointed to Executive Committee on 1 January 2022	–	–	5/5
Nick Lea, Acting Chief Economist	1 August – 31 December 2021	–	–	6/9
Charlotte Watts, Chief Scientist		–	–	18/21
Corin Robertson, Director Transformation	Appointed to Management Board and Executive Committee on 7 October 2021	–	2/4	8/10

FCDO Staff Advisory Board

Chair: Baroness Helena Morrissey, Lead Non-Executive Director with Tom Drew, Director General—Defence and Intelligence (until January 2022)

Roles and responsibilities

The Staff Advisory Board (SAB) comprises 20 members from across the FCDO, covering the full span of delegated grades (below senior Civil Service) and based in different parts of the UK and overseas. In 2021-22, the board discussed any issue going to the Management Board and Executive Committee where there were significant impacts on people, strategy, and operations through written and verbal advice. The input provided by the SAB helped the Management Board and Executive Committee improve their ability to take informed decisions, building on an inclusive culture.

Issues covered

The SAB met eight times between 1 April 2021 and 31 January 2022. Discussions included:

- » Places for Growth
- » internal recruitment and promotion strategy
- » Inclusion Framework
- » Country Based Staff strategy
- » learning, capability and expertise review
- » overseas network resilience
- » data driven diplomacy and development
- » performance management
- » smarter working
- » FCDO values
- » COVID-19 network resilience
- » International Development Strategy
- » safeguarding
- » FCDO's new finance and HR system (HERA)

Following a review in early 2022, the structures, membership and Terms of Reference of the

SAB were refreshed, and the board met for the first time following these changes on 30 March 2022. The Board is now chaired by members on a rotational basis. It operates as a shadow board to the Management Board and is consulted on the same agenda and papers as the Management Board. This change will ensure that the SAB plays a crucial role in influencing the choices and decisions made at the Management Board, making the FCDO more inclusive, accountable and transparent.

FCDO Audit and Risk Assurance Committee

Chair: John Coffey, Non-Executive Director

Roles and responsibilities

The Audit and Risk Assurance Committee (ARAC) is comprised of two Non-Executive Directors and two Non-Executive Members. It meets at least five times a year.

The ARAC supports the Supervisory Board and the Accounting Officer to review decisions and processes designed to ensure sound systems of internal control. This includes:

- » the overarching control framework and related assurance mechanisms risk management
- » financial accounting and reporting, including internal and external audit
- » arms-length bodies
- » counter-fraud
- » safeguarding

The committee also reviews other aspects of corporate governance as required. To ensure its independence, the committee has no executive responsibilities.

Between April 2021 and March 2022, the Committee met six times. Meetings focused on:

- » Receiving regular updates and reports from the internal audit department and the internal

audit investigation. *Assurance provided by:* Internal audit and investigation department

- » Regular reviews of progress against the internal audit department's annual audit plans. *Assurance provided by:* Internal audit and investigation department
- » Receiving regular reviews and updates of the progress of the proposed merger of FCDO Internal Audit with Government Internal Audit Agency. *Assurance provided by:* Internal Audit and Investigation Department
- » Receiving regular updates on FCDO's risk management approach and risk policy, including review of the Risk Appetite Statement. *Assurance provided by:* Centre for delivery
- » Overview of financial accounting and reporting. *Assurance provided by:* Finance
- » Oversight of the FCDO's control and assurance framework. *Assurance provided by:* Finance, control and assurance
- » Review of the National Audit Office external audit plans. *Assurance provided by:* National Audit Office
- » Review of the National Audit Office audit completion report and management response. *Assurance provided by:* National Audit Office
- » Oversight of assurances provided by the transformation team on the delivery of the Transformation portfolio. *Assurance provided by:* Transformation team
- » Review of response to departmental security health check. *Assurance provided by:* Estates, security and network
- » Review of health and safety governance. *Assurance provided by:* Human resources
- » Receiving regular updates and reports on FCDO's cyber security position. *Assurance provided by:* Information and digital directorate

FCDO Investment & Delivery Committee

Chair: Juliet Chua, Director General Finance and Corporate

Roles and responsibilities

The Investment & Delivery Committee provides assurance to the Management Board on work underway to:

- » develop and oversee the FCDO's approach to achieving value for money at departmental, portfolio and programme level
- » oversee design, implementation and changes to the management frameworks that guide investment decisions to achieve value for money
- » oversee and shape overall portfolio mix to meet FCDO commitments
- » scrutinise major and high-risk projects and programmes, assessing whether the programme should proceed and if it offers value for money.

Issues covered

The Investment & Delivery Committee met ten times between 1 April 2021 and 31 March 2022. The following issues were covered:

- » evaluation strategy
- » portfolio of programmes
- » management information updates
- » programme approvals process guidance
- » counter-fraud strategy and fraud response plan
- » review of programme approvals, extensions and 'novel and contentious' programmes
- » quality assurance unit annual report
- » thematic portfolio review on International Climate Finance
- » assessment of 25 business cases on value for money grounds, an average of around 2 per month

- » review of delivery against its terms of reference

The department's **Delivery Committee** also met in 2021-22 to review the 6 and 12-month deliverables report, ICAI review recommendations and role of delivery in the FCDO. At the end of the reporting period, the Delivery Committee was disbanded, and its functions redistributed with other governance structures.

FCDO People Committee

Chair: Juliet Chua, Director General Finance and Corporate

Roles and responsibilities

The FCDO People Committee has the following responsibilities:

- » promote prioritisation and collective ownership to help develop and implement the people plan/strategy
- » progress, support and optimise HR policy development and delivery
- » provide assurance of HR policy and strategy
- » assess the cumulative impact of HR policy changes on overall workforce, culture and wellbeing

Issues covered

The People Committee met seven times between 1 April 2021 and 31 March 2022. The following issues were covered:

- » People Strategy delivery plan
- » Strategic Workforce Plan
- » talent handling plans
- » career conversations
- » learning, capability and expertise
- » learning and development policy
- » temporary promotion
- » hybrid working and home working

- » international remote working
- » Inclusion Framework
- » Reasonable Adjustments Policy
- » Dignity and Respect at Work Policy
- » Equality Impact Assessments
- » network resilience
- » future of the Diplomatic Service
- » HERA programme
- » UK locations strategy

FCDO Strategy Committee

Chair: Sir Philip Barton, Permanent Under-Secretary

Roles and responsibilities

The Strategy Committee is responsible for making sure the department is fit for the future. It focuses on challenge and strategic oversight, recommending changes to the FCDO's strategic direction, building strategic capability, and assessing coherence and links into government strategy.

Issues covered

The Strategy Committee met six times between 1 April 2021 and 31 March 2022. The following issues were covered:

- » COVID-19 scenarios
- » International Development Strategy
- » Integrated Review alignment
- » Humanitarian strategic framework
- » Afghanistan implications
- » horizon scanning
- » Women and Girls Strategic Vision
- » Open Societies Strategy

FCDO Senior Leadership Board

*Chair: Sir Philip Barton,
Permanent Under-Secretary*

Roles and responsibilities

The FCDO Senior Leadership Board (SLB) comprises the PUS, Director Generals and Second Permanent Under-Secretary/ Political Director, the Chief People Officer, and a Non-Executive Director. The primary focus of the SLB is on the management and deployment of leadership resource at senior Civil Service grade 2 (SCS2) and above.

The SLB also oversees the performance, talent, and broader aspects of management of the SCS2 and above cadre within the FCDO. This ensures the best use of existing SCS resource, improving diversity and inclusion within the cadre, while bringing on talented staff as the FCDO goes through transition and transformation periods.

Issues covered

The FCDO Leadership Board met ten times between 1 April 2021 and 31 March 2022.

The following issues were covered:

- » SLB recommendations on a number of appointments at SCS2 both in the UK and overseas
- » oversight of director restructuring within the FCDO
- » formal sign-off for upgrades of roles to SCS and new SCS roles
- » agreement to the FCDO approach to talent management and performance at SCS
- » building diversity and continued use of existing diversity in the senior leadership cadre

FCDO Transformation Board

*Chair: Juliet Chua, Director General
Finance and Corporate*

Roles and responsibilities

The Transformation Board is a temporary structure and is accountable to the Management Board for the delivery of the transformation portfolio.

The Transformation Board:

- » monitors delivery against plans
- » sets the direction and controls the design parameters for the FCDO's new operating model
- » scrutinises change proposals and provides feedback to ensure consistency with ministers' overall vision
- » leads communications about changes and their sequencing
- » actively consults and engages with the network and other key stakeholders across government

Issues covered

The Transformation Board met 23 times between 1 April 2021 and 31 March 2022 and discussed a range of issues, including:

- » monthly reporting of portfolio performance
- » portfolio strategy and management framework
- » portfolio definition including onboarding / closing programmes and prioritisation
- » portfolio management including resources, benefits, risk, communications
- » external scrutiny of the portfolio including IPA/GMPP oversight
- » updates and discussions about individual programmes/activities such as vision, culture, values, optimising delivery, the fcdo inclusion framework

FCDO Health & Safety Committee

*Chair: Juliet Chua, Director General
Finance and Corporate*

Roles and responsibilities

The Health & Safety Committee supports the Management Board in ensuring effective discharge of the FCDO's health and safety commitments in the UK and overseas. This applies in relation to staff (UK-based and country-based), dependents, contractors/suppliers and members of the public.

The Health & Safety Committee:

- » reviews health and safety strategy
- » reviews health and safety hazards, risks and vulnerabilities
- » reviews health and safety policies, controls, assurance, roles and accountabilities
- » reviews health and safety induction and training
- » reviews health and safety communication and culture
- » reviews One HMG health and safety performance
- » reviews health and safety suggestions and complaints
- » supports effective communication and culture

Issues covered

Established in November 2021, the Health & Safety Committee has met twice and discussed a wide range of issues, including:

- » terms of reference—agreed by committee
- » committee membership—reviewed and agreed
- » risk appetite, and the risk register
- » governance structure—ongoing discussion to clarify roles and accountability before final sign off

- » health and safety management information data
- » health and safety maturity model developed and undergoing review based on Health & Safety Committee feedback
- » health and safety systems
- » ongoing communications
- » medium/long term strategy for health and safety

Board effectiveness evaluation

The 2021-22 board effectiveness evaluation found that at this stage, the FCDO's corporate governance structures are functioning well. In the next phase of work, the corporate governance team will focus on strengthening the coherence of strategic agenda planning and linkages across all top-level boards and committees and systematise the tracking of agreed actions/decisions at Executive Committee and the Management Board.

Risk management and internal control

The FCDO's board framework includes the following complementary risk roles:

The Management Board is responsible for continually assessing the FCDO's risk appetite, monitoring our identification of and response to principal risks (the most significant risks to our performance and reputation) and promoting a sound risk management culture and approach.

The Executive Committee ensures risk is integrated in strategic decision-making, leads rapid reviews of significant risks and considers risk as part of resource allocation.

The Supervisory Board seeks assurance of the department's risk management framework and risk appetite.

The Audit and Risk Assurance

Committee advises the Management Board and the Accounting Officer on the strategic processes for risk, control and governance. The Committee also provides assurances relating to the management of risk and corporate governance.

Sub-committees of the Management Board (Strategy, Transformation, People, Investment & Delivery and Health & Safety) consider risk within the scope of their remit.

The Management Board monitors risk exposure in seven categories of risk, set out in a Risk Appetite Statement:

Strategy and context

Risk arising from pursuing diplomatic and development objectives which are undermined by a changing context, a lack of clarity or a weak evidence base. These risks undermine our delivery, influence, and impact.

Policy and programme delivery

Risk arising from implementation of our core business of diplomacy and development, due to weaknesses in influence and engagement, programme delivery, commercial management, resourcing and/or operational support. These risks undermine our impact and influence.

Public service delivery and operations

Risk arising from weaknesses in the delivery of consular services or the delivery of internal operations which support our core business and wider government. This includes security, legal, technology and information and property risks that impact delivery, our people and British citizens.

People

Risk arising from weaknesses in leadership and engagement, culture and behaviours and/or workforce capacity and capability, impacting on performance.

Safeguarding

Risk arising from failure to establish and maintain strong safeguards to prevent harm to beneficiaries of our programmes, the communities where we work, or the environment, resulting in ethical violations, reputational damage and legal challenge.

Financial and fiduciary

Risk arising from our funds being used for unintended purposes or not managed in accordance with requirements and constraints. This also includes poor management of assets/liabilities, resulting in weak value for money, compliance and delivery failures and reputational damage.

Reputational

Risk arising from political or adverse events, including delivery failures and ethical violations, damaging the FCDO's and/or the UK's reputation.

The FCDO's approach to risk is summarised in our Risk Appetite Statement, which is regularly reviewed by the Management Board. The FCDO's risk appetite sets out the nature and extent of the risks that the FCDO is willing to take in order to achieve its objectives.

We accept higher risk when it is justified by the context we work in or the expected contribution to our mission. For example, we will accept risk to:

- » address national security threats
- » deliver humanitarian support
- » support long-term change to foster open societies and reduce fragility and conflict
- » influence entrenched situations
- » innovate to tackle global challenges.

We accept only limited risks to public service delivery and operations, including consular services for UK citizens, prioritising stability. We are committed to reducing risks of fraud and sexual exploitation, abuse and harassment,

and we show zero tolerance for inaction or mishandling. We accept that the risks we take to achieve our mission could impact our reputation, but we limit our exposure through:

- » escalating reputational risks swiftly
- » investing in good risk management
- » learning and communicating effectively about our global priorities and impact.

Our organisational risk appetite does not set a ceiling for the risk we are willing to take for each activity, programme, country or theme. Directorates, posts and programmes set independent risk appetites based on their goals and delivery context, consulting with senior managers when these exceed our organisational risk appetite in any category.

The FCDO's risk appetite supports conversations between teams, senior leaders and ministers about when to accept high risk and how we mitigate and manage this. Risks are escalated, including to ministers, when teams judge this appropriate, particularly where there are significant risks to delivery or reputational risks.

More information on the FCDO's risk profile during 2021-22 and how the Management Board reviews the principal risks can be found in the FCDO performance report above.

The risk management rules for our portfolio of policy programmes are set out in the FCDO's Programme Operating Framework. A new FCDO Risk Management Policy was launched in July 2021, aligned to the principles set out in the government's 'The Orange Book: Management of Risk – Principles and Concepts'.

The FCDO Internal Control Framework outlines our system of internal control, including the relationship between risk, control and assurance. It covers all FCDO activity across international policy, programme

delivery, consular and corporate, including in our leadership of overseas alignment.

It has been designed to support the Permanent Under-Secretary as Accounting Officer, by providing reasonable assurance that risks are being managed to an acceptable level. It also provides assurance that our objectives are met in a way that complies with legislation and government policy, protects our staff from harm, protects UK funds from misuse and delivers value for money.

The FCDO has three lines of defence in place for risk management.

- » posts and geographic, thematic and multilateral directorates – these identify, assess, own and manage risk on a day-to-day basis
- » central functions are responsible for overseeing and supporting risk management – they:
 - set policies, process and guidance and support their implementation
 - alert management to emerging risks
 - monitor compliance and effectiveness
- » internal audit provides an objective evaluation of the adequacy and effectiveness of the framework of governance, risk management and control – including periodic analysis of the maturity of the FCDO's risk management systems and controls

Further independent scrutiny is provided by the National Audit Office, the Independent Commission for Aid Impact, the Infrastructure and Projects Authority and Parliamentary bodies (such as the Foreign Affairs Committee, Public Accounts Committee and International Development Committee).

Management assurance process

The Management Assurance Process (MAP) requires heads of mission and directors to provide reasonable proportionate assurance that key FCDO controls are operating effectively within their overseas post or UK directorate. Where local issues are identified, improvement actions are implemented to minimise risk. Aggregated results are reviewed by central functional teams to identify and address common issues. For 2021-22, no significant new risks emerged from the MAP with functional remedial actions already planned or being implemented as part of FCDO's wider transformation activity or regular risk management.

FCDO assurance process on management of interests and business appointments

All FCDO staff are required to comply with the Diplomatic Service Regulations and/or the Civil Service Code and the Civil Service Management Code. The FCDO currently has legacy DFID and FCO policies, processes, and systems in place to comply with business appointment rules and to manage conflicts of interest including control and compliance. There is a requirement for all staff to declare and obtain approval from their line manager prior to accepting any offer of secondary employment to ensure that there is no potential conflict of interest and it complies with the business appointment rules.

During the period 1 April 2021 to 31 March 2022, there have been no referrals for advice from the FCDO to the Advisory Committee on Business Appointments (ACOBA) for senior civil servants at Permanent Secretary and Director General levels. [Transparency data for other senior staffing grades for the period 1 April 2021 to 31 March 2022 is published online.](#)

The FCDO is working to bring together these legacy policies, processes and systems to ensure control and compliance through FCDO's corporate rules. This will make sure that the three lines of defence are in place within the organisation through operational management, monitoring of policies and processes, and robust audit processes.

The FCDO's Special Advisers, Supervisory Board and Management Board members are required to declare private interests, financial or otherwise, which might present a conflict or be perceived to arise while performing public duty. This register of interests is updated regularly with any new interests which must be disclosed by members, following best practice in meeting the requirements set out in:

- » paragraph 4.15 of the [corporate governance in central departments: code of good practice](#) (April 2017);
- » paragraph 4.3 [Code of Conduct for Board Members of Public Bodies](#) (June 2019);
- » paragraph 6.4.3 of the [Government Financial Reporting Manual \(FReM\)](#) (December 2020).

Board members are expected to remove themselves from any discussion where there might be a danger of bias or financial interest.

In line with the above, all Special Advisers, Supervisory Board and Management Board members have declared any relevant interests or confirmed they do not consider they have any relevant interests. The Accounting Officer has considered these returns and the [following relevant interests](#) are set out in public.

Personal data losses

The FCDO recorded 117 personal data incidents in 2021-22. Some of these incidents were experienced during the

Afghan repatriation crisis work, due to the pace, scale and complexity of the work.

Of the 117 incidents that were reported and investigated, 96 were considered personal data breaches under *UK General Data Protection Regulation* (UK GDPR). This is defined by the Information Commissioner's Office as "a breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, personal data". The FCDO received 123 Subject Access requests (SARs) under the Data Protection Act in 2021-22.

The table below shows the breakdown of personal data breaches under GDPR in 2021-22:

Category	Nature of Incident	1 April 2021 – 31 March 2022
A	Human error	76
B	Technical issue	2
C	Sharing personal data	-
D	Partners across government (PAG) and supplier	10
E	Deliberate contraventions	8

16 incidents were considered serious enough to be reported to the Information Commissioner's Office. Most of these related to crisis work.

These figures do not include incidents involving visa or passport section information, as these are handled and reported on by UK Visas and Immigration and HM Passport Office respectively.

Internal audit annual assurance opinion

The Director of Internal Audit's overall assurance opinion is that for the period 1 April 2021 to 31 March 2022, the FCDO had adequate and effective frameworks for governance and risk management. However, some aspects of the control framework were inadequate to consistently manage risk to within risk appetite.

The FCDO's control frameworks and systems came under sustained pressure throughout 2021-22 due both to the challenges of the merger and transformation, and the intensive and ongoing response to international crises in Afghanistan and Ukraine.

The FCDO demonstrated resilience and flexibility in responding to these crises, but with an inevitable impact on its planned transformation work. As a result of these factors, the FCDO has had to accept constraints on its ability to control some significant risks.

These challenges, as well as legacy risks and control issues carried forward into the new FCDO, are reflected in our audit results. These found that the majority (75%) of Departmental and Post controls were working well, being both adequate in design and operation. However, the corporate results are more complex, and reflect the ongoing work to design and implement new frameworks for the FCDO. We found that 25% of corporate controls were working well, and a further 30% were well designed, but not yet adequately operationalised. 45% need further design work.

The main areas of risk that we have flagged concern over, and therefore are the priorities for the Management Board, were: cyber maturity and legacy systems, data governance, contract management, IT (including HERA) and HR systems (including health & safety).

As a result of the above we conclude that corporate controls are not yet operating across the FCDO to the extent that they control risk down to target risk levels. This opinion equates to a ‘limited assurance’ opinion on corporate controls using the Government Internal Audit Agency methodology for their government clients, which the FCDO will adopt from 2023-24.

Looking ahead, and given the scale of change being managed by the organisation, we expect the corporate control environment to improve in 2022-23, particularly those areas where controls are well designed and are moving towards implementation. This includes the rollout of a new IT platform (Osprey), the implementation of a single finance and HR system (HERA) and the commercial operating model. Corporate controls will continue to be a priority for further audit work in 2022-23, and we will follow up on agreed management actions in all corporate reports issued this year.

Whistleblowing

The FCDO is committed to the highest standards of integrity, probity, and accountability. It seeks to conduct its affairs in a responsible manner, taking into account the proper use of public funds, the requirements of relevant legislation and the high standards required in public life.

A confidential hotline and e-mail account for reporting concerns is managed by a specialist team in our internal audit and investigations directorate. Ways to report are promoted through our internal and external websites, alongside other routes including the Nominated Officer network and the Staff Counsellor. The majority of reports received come from FCDO’s delivery partners, these are processed through Standard Operating Procedures. In addition to the reporting concerns system, we have whistleblowing arrangements in place that meet

the UK’s legislative framework, as set out in the Public Interest Disclosure Act. These arrangements allow concerns about any wrongdoing, breaches of the Civil Service Code, fraud, safeguarding, health and safety and other risks to be reported confidentially and outside line management arrangements.

The Audit & Risk 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 the FCDO, all reports are treated seriously, and we act on all concerns.

Complaints

The Parliamentary and Health Service Ombudsman (PHSO) investigates complaints about a central government department and/or its agencies, when referred to them by a Member of Parliament on behalf of a complainant. The PHSO share their findings with Parliament, to help it to scrutinise public service providers. Findings are also shared more widely to help drive improvements in public services and complaint handling. In 2021-22, there were eight referrals relating to the FCDO which were under consideration by the PHSO. Three of these were raised prior to April 2021. Of these eight, one was closed as the PHSO decided not to investigate, four were under consideration before investigation and three investigations were ongoing.

Corporate governance code

The FCDO has sound governance arrangements in place and is compliant with the *Corporate Governance in Central Government Departments: Code of Good Practice 2017*, with two exceptions.

First, the FCDO does not have a nominations and governance committee but instead has a Senior Leadership Board, chaired by the

Permanent Under-Secretary. This carries out a similar role to a nominations committee, overseeing the performance, talent, and broader aspects of management of the senior Civil Service within the FCDO.

Ann Cormack is the Non-Executive Director sitting on this board. Following the merger, the FCDO is putting in place a reward strategy for its senior Civil Servants, including those who are members of the Diplomatic Service, and those at board level.

Second, the requirement for the Supervisory Board's regular agenda to include scrutiny of arm's length bodies is fulfilled through other means, namely via the Management Board's oversight.

A further exception to the Code of Good Practice was addressed during the reporting period. Membership of the Supervisory Board was extended for the March 2022 meeting to include all FCDO Ministers. Junior ministers had previously not been members.

Independent Commission for Aid Impact and National Audit Office audit reports

The Accounting Officer also takes 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 range of subjects across ODA spending departments. It conducted full reviews of UK Aid's approach to youth employment in Middle East and North Africa, international climate finance, and safeguarding in the humanitarian sector. Rapid reviews examined:

- » the tackling of fraud in UK Aid and through multilateral organisations
- » alignment with the Paris Agreement on climate change
- » management of the 0.7% ODA spending target
- » the UK Aid response to COVID-19
- » tackling fraud in the UK

An ICAI information note looked at the UK's aid engagement with China. The FCDO publishes its response to ICAI reports and gives evidence on them to the House of Commons International Development Select Committee. In March 2022, the NAO published its report "managing reductions in Official Development Assistance spending". The NAO found that the government had a clear approach and parameters for allocating the budget which took into account programme performance, but that the impact on outcomes was not fully considered. The report, which provided six recommendations, highlighted that the speed and scale of the budget reduction and the lack of long-term planning certainty increased some risks to value for money.

All NAO reports are published on its website.

Arm's length bodies

The Permanent Under-Secretary is the FCDO's Accounting Officer and responsible for:

- » one executive agency: [Wilton Park](#)
- » four executive non-departmental public bodies (NDPB): [the Commonwealth Scholarship Commission](#); [Westminster Foundation for Democracy](#); [Great Britain-China Centre](#); and the [Marshall Aid Commemoration Commission](#)

- » two advisory NDPBs: Independent Commission for Aid Impact; and the UK India Round Table

In addition, the FCDO sponsors the British Council – a public corporation, NDPB and charity, and FCDO Services, a trading fund and an executive agency. Both bodies are outside the FCDO accounting boundary. The FCDO is also a 100% shareholder in a public limited company (CDC Group plc²¹). The FCDO operates an arm’s-length relationship for its shareholding, meaning that day-to-day operations and investment decisions are independent of government.

The FCDO’s relationship with each NDPB is agreed and set out in a published Framework Agreement. This includes sections on funding levels, jointly agreed priorities, performance measures, engagement, financial controls and the governance framework. Information on each of the FCDO’s arm’s length bodies is outlined below.

Further summary information is provided in Note 6, Note 17 and at annex D outlining core income and expenditure for each entity alongside staffing numbers.

British Council

The British Council is the UK’s international organisation for cultural relations and educational opportunities. It is a charity governed by Royal Charter, a public corporation and a non-departmental public body sponsored by the FCDO. The FCDO provides the British Council with grant-in-aid in regular amounts not related to a specific contract. In 2021-22 the council received £189 million grant-in-aid, of which £150 million was ODA.

COVID-19 continues to have an adverse impact on the British Council’s activities and income. The British Council also faces the challenges of volatility in key markets and the impact of geopolitical events and international relations. The British Council has taken a number of steps to secure its financial position. The British Council agreed a £200 million loan facility with the FCDO in 2021. This loan is being used to support its minimum financial commitments and to fund its transformation programme. As of 31 March 2022, the council had withdrawn £56.8 million.

The Council published its own annual report and accounts. The Trustees assessed that the British Council would prepare the 2020-21 accounts on a going concern basis.

Wilton Park

Wilton Park brings fresh thinking to the development of international policy, advancing practical solutions to critical global issues. As an executive agency of the FCDO, it is administratively distinct from but legally part of the department. In 2021-22 it continued to hold hybrid, online and residential events, to keep operating in the changing environment of COVID-19. In 2021-22, total operating expenditure was £6,972,000 and total operating income was £5,369,000. The FCDO provided funding of £1,538,000 to cover lost income as a result of COVID-19. Wilton Park produces its own annual report and accounts document, and its accounts are consolidated with the FCDO’s.

Great Britain-China Centre (GBCC)

The Great Britain-China Centre works to advance the UK’s interests with China through political dialogues, legal exchanges and

.....
21 Formally rebranded as British International Investment (BII) on 4 April 2022

capability building. The GBCC's strategy focuses on three key areas of engagement. These are: effective track 1.5 dialogues, strengthening the UK's China knowledge and capabilities, and delivering projects which support legal and judicial reform in China. The GBCC in 2021-22 received £500,000 grant-in-aid from the FCDO.

Marshall Aid Commemoration (MACC)

The Marshall Aid Commemoration Commission was established under the 1953 Marshall Aid Commemoration Commission Act as an Executive NDPB. The Commission awards up to 50 postgraduate scholarships to exceptional American scholars for study at leading UK universities. The FCDO provided the MACC with grant-in-aid of £2.7 million in 2021-22. In 2021-22, the FCDO Scholarships Unit represents the FCDO at MACC board meetings. The Foreign Secretary signs off the MACC annual report and appointments to the MACC Board, including the Chair. [The annual report and accounts can be found on their website.](#)

Independent Commission for Aid (ICAI)

ICAI scrutinises UK aid spending. ICAI operates independently of government and reports to Parliament through the House of Commons [International Development Committee](#) or their [ICAI Sub-Committee](#). ICAI's formal remit is to provide independent evaluation and scrutiny of the impact and value for money of all UK government ODA. This involves carrying out several evidence-based reviews on strategic issues faced by the UK government's aid spending, informing and supporting Parliament in its role of holding the UK government to account and ensuring ICAI's work is made available to the public. ICAI's mandate covers all ODA, whichever department it is spent by. The total expenditure by ICAI in 2021-22 was £3.65 million.

Westminster Foundation for Democracy (WFD)

WFD supports democratic practices in developing democracies. WFD is supported by grant-in-aid. In 2020-2021 WFD was supported by both grant-in-aid and via the Inclusive and Accountable Politics (IAP) programme from the FCDO. The grant-in-aid expenditure in 2021-2022 was £4.9 million. IAP expenditure in 2021-22 was £245,000. The relationship between the WFD and the FCDO is governed by a Framework Document. The Foreign Secretary is accountable to Parliament for the activities of WFD and has responsibility for approving their strategic objectives, the appointment of the CEO, the board, and laying of the WFD accounts before Parliament. The democratic and media freedom department is the sponsoring team in the FCDO and is the principal source of advice to the Foreign Secretary and the PUS on these matters. Officials report regularly to Ministers on WFD-related issues, in particular on funding, corporate planning and review-related issues. [The Annual Report and Accounts can be found on their website.](#)

Commonwealth Scholarship Commission (CSC)

The Commonwealth Scholarship Commission in the UK awards scholarships and fellowships to Commonwealth citizens for postgraduate study and professional development. The CSC was established by an Act of Parliament in 1959 to manage the UK contribution to the Commonwealth Scholarship and Fellowship Plan. Its status was subsequently reaffirmed in the International Development Act 2002. CSC is an executive non-departmental public body. The FCDO is the lead department and main sponsor. The FCDO provided the CSC with grant-in-aid in 2021-22 of £28.140 million. [The CSC's annual report can be read online.](#)

Closing statement

I am satisfied with the FCDO's governance arrangements in terms of safeguarding the use of taxpayers' money. The effectiveness of the department's corporate governance is continuing to improve, flexing and responding to the changing environment for the department. The work delivered in 2021-22 and the priority placed on governance controls across all areas of the department has assured me that the FCDO's overall performance, governance and risk management frameworks are satisfactory. However, I have noted that there are still some aspects of the control framework which require further work to consistently manage risk within appetite. There were no ministerial directions during the reporting period 2021-22.

Sir Philip Barton KCMG OBE

Accounting Officer for the Foreign,
Commonwealth & Development Office

14 July 2022

SECTION 2.2

Remuneration and staff report





Remuneration Report

Service Contracts

The Constitutional Reform and Governance Act 2010 requires Civil Service and Diplomatic 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 contracts which are open-ended. 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

The pay of Senior Civil Servants (SCS) is set by the Prime Minister following independent advice from the Senior Salaries Review Body (SSRB). The SSRB takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations.

From time to time, the Review Body advises the Prime Minister on the pay, pensions and allowances of ministers and others whose pay is determined by the Ministerial and Other Salaries Act 1975.

In making its recommendations, the Review Body considers:

- » The need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities
- » Regional and local variations in labour markets and their effects on the recruitment and retention of staff
- » Government policies for improving 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, wider economic considerations, and the affordability of its recommendations.

Further information about the work of the SSRB can be found at www.ome.uk.com.

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

For the Permanent Under-Secretary, remuneration is set by the Prime Minister on the recommendation of the Permanent Secretaries' Remuneration Committee.

Remuneration (including salary) and Pension Entitlements

The following sections provide details of the remuneration and pension interests of the Ministers and most senior management (i.e. Management Board members) of the department. This year's 2021-22 remuneration figures are a total of FCDO remuneration added to the remuneration received as FCDO.

Remuneration for Ministers (subject to audit)

Ministers	Salary (£) ²²		Benefits in Kind (to nearest £100)		Pension benefits (to nearest £1,000) ²³		Total (to nearest £1,000)	
	21-22	20-21	21-22	20-21	21-22	20-21	21-22	20-21
The Rt Hon Elizabeth Truss Secretary of State (from 15/09/2021)	33,753 ²⁴	–	–	–	11,000	–	44,000	–
The Rt Hon Dominic Raab Secretary of State (to 15/09/2021)	33,753 ²⁵	67,505	–	–	–	– ²⁶	34,000	68,000
The Rt Hon James Cleverly Minister of State	31,680	31,680	–	–	8,000	8,000	40,000	40,000
The Rt Hon Amanda Milling Minister of State for Asia (from 16/09/2021)	17,248 ²⁷	–	–	–	4,000	–	21,000	–
Lord Ahmad of Wimbledon Minister of State	85,424	85,424	–	–	21,000	20,000	106,000	105,000
The Rt Hon Lord Goldsmith²⁸ Minister of State	–	–	–	–	–	–	–	–
Vicky Ford Minister of State (from 16/09/2021)	11,187 ²⁹	–	–	–	3,000	–	14,000	–

22 '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.

23 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.

24 The Rt Hon Elizabeth Truss full year equivalent salary is £67,505 for 2021-22

25 The Rt Hon Dominic Raab full year equivalent salary is £67,505 for 2021-22

26 The Rt Hon Dominic Raab opted out of the pension scheme

27 The Rt Hon Amanda Milling full year equivalent salary was £31,680 for 2021-22

28 Lord Goldsmith is a joint Minister with the Department for Environment, Food and Rural Affairs (Defra) and the FCDO. He was paid in full by Defra.

29 Vicky Ford full year equivalent salary was £22,375 for 2021-22

Ministers	Salary (£) ²²		Benefits in Kind (to nearest £100)		Pension benefits (to nearest £1,000) ²³		Total (to nearest £1,000)	
	21-22	20-21	21-22	20-21	21-22	20-21	21-22	20-21
Nigel Adams Minister of State (to 16/09/2021)	15,840 ³⁰	31,680	–	–	4,000	8,000	20,000	40,000
James Duddridge Parliamentary Under Secretary of State (to 16/09/2021)	15,848 ^{31, 32}	22,375	–	–	3,000	5,000	19,000	27,000
Wendy Morton Parliamentary Under Secretary of State (to 19/12/2021)	16,781 ³³	22,375	–	–	4,000	5,000	21,000	27,000
Chris Heaton-Harris Minister for Europe (from 19/12/2021 to 08/02/2022)	5,280 ³⁴	–	–	–	0	–	6,000	–

Compensation for loss of office (subject to audit)

James Duddridge left under severance terms on 16/09/2021. He received a compensation payment of £5,593.

.....
30 Nigel Adams full year equivalent salary is £31,680 for 2021-22

31 James Duddridge total for 2021-22 includes severance payment of £5,593

32 James Duddridge full year equivalent salary was £22,375 for 2021-22

33 Wendy Morton full year equivalent salary was £22,375 for 2021-22

34 Chris Heaton-Harris full year equivalent salary was £31,680 for 2021-22

Remuneration for Senior Officials (subject to audit)

Senior Officials	Salary (£000) ³⁵		Benefits in Kind (to nearest £100)		Bonus Payments (£000)		Pension benefits (to nearest £1,000) ³⁶		Total (£000)	
	21-22	20-21	21-22	20-21	21-22	20-21	21-22	20-21	21-22	20-21
Sir Philip Barton Permanent Under-Secretary	185-190	105-110 ³⁷	–	–	–	5-10	237	338	420-425	455-460 ³⁸
Sir Tim Barrow Second Permanent Under-Secretary and Political Director ³⁹ (from 21/03/2022)	160-165	95-100 ⁴⁰	–	–	10-15	5-10	16	30	185-190	130-135
Jenny Bates Director General Indo-Pacific	135-140	135-140	–	–	0-5	–	30	107	165-170	240-245
Julian Braithwaite ⁴¹ Director General Europe (from 28/01/2022)	–	–	–	–	–	–	–	–	–	–
Juliet Chua Director General Finance and Corporate	135-140 ⁴²	120-125	–	–	5-10	10-15	61	52	205-210	185-190

35 '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.

36 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. We are unable to check some of the calculation input figures as MyCSP have software with actuarial values etc built in to calculate these. These input figures (not checked by the FCDO) are Pension Benefits.

37 Sir Philip Barton restated full year equivalent salary was £185k-190k in 2020-21 (restated from £180k-185k for consistency of banding presentation - no remuneration change)

38 Sir Philip Barton total remuneration for 2020-21 restated as £455k-460k (restated from £445k-£460k for consistency of banding presentation- no remuneration change)

39 Sir Tim Barrow role was Political Director until 20/03/2022

40 Sir Tim Barrow full year equivalent salary was £160k-165k in 2020-21. Until 18/01/2021, Sir Tim Barrow was based in Brussels and serving as Head of the UK Mission to the European Union. Sir Tim Barrow was appointed to the FCDO Management Board on the 02/09/2020.

41 Julian Braithwaite was appointed to the FCDO Management Board from 28/01/2022, he remained employed with the Cabinet Office until 31/03/2022

42 Juliet Chua received a total of £145k-150k in 2021-22, of which £5k-10k relates to 2020-21

Senior Officials	Salary (£000) ³⁵		Benefits in Kind (to nearest £100)		Bonus Payments (£000)		Pension benefits (to nearest £1,000) ³⁶		Total (£000)	
	21-22	20-21	21-22	20-21	21-22	20-21	21-22	20-21	21-22	20-21
Thomas Drew Director General Middle East, North Africa, Afghanistan and Pakistan	140-145	140-145	–	–	5-10	5-10	28	47	175-180	190-195
Nick Dyer Director General Humanitarian and Development (from 21/03/2022)	0-5 ⁴³	65-70 ⁴⁴	–	–	–	10-15	-5	–	0-(-5)	100-105
Nic Hailey Director General Transformation (to 21/09/2021)	55-60 ⁴⁵	95-100 ⁴⁶	–	–	5-10	5-10	41	140	105-110	240-245
Kumar Iyer Director General Delivery	125-130 ⁴⁷	115-120	–	–	–	–	52	46	175-180	160-165
Moazzam Malik Director General Africa	140-145 ⁴⁸	120-125	–	–	5-10	–	32	113	180-185	230-235
Sir Iain MacLeod Director General Legal Adviser (to 25/02/2022)	125-130 ⁴⁹	140-145	–	–	5-10	5-10	-13	35	120-125	185-190

43 Nick Dyer full year equivalent salary £125k-130k in 2021-22

44 Nick Dyer full year equivalent salary £160k-165k in 2020-21 when he was acting Permanent Secretary for DFID prior to merger

45 Nic Hailey full year equivalent salary was £125k-130k in 2021-22

46 Nic Hailey full year equivalent salary was £125k-130k in 2020-21

47 Kumar Iyer received a total of £130k-135k in 2021-22, of which £5k-10k relates to 2020-21

48 Moazzam Malik received a total of a £150k-155k in 2021-22, of which £10k-15k relates to 2020-21

49 Sir Iain MacLeod full year equivalent salary was £140k-145k in 2021-22

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Senior Officials	Salary (£000) ³⁵		Benefits in Kind (to nearest £100)		Bonus Payments (£000)		Pension benefits (to nearest £1,000) ³⁶		Total (£000)	
	21-22	20-21	21-22	20-21	21-22	20-21	21-22	20-21	21-22	20-21
Harriet Mathews Director General Geopolitics and Security (from 21/03/2022)	0-5 ⁵⁰	–	–	–	–	–	1	–	0-5	–
Vijay Rangarajan Director General Americas and Overseas Territories	145-150 ⁵¹	70-75 ⁵²	–	–	0-5	5-10	27	42	175-180	120-125
Melinda Bohannon Director, Strategy	105-110	105-110	–	–	5-10	5-10	24	43	135-140	155-160
Helen Bower-Easton Director, Communication ⁵³	110-115	115-120	–	–	0-5	5-10	30	28	145-150	150-155
Tim Jones Director, Finance	100-105	100-105	–	–	5-10	–	37	37	145-150	140-145
Daniel Pruce Interim Director Communication (from 25/10/2021)	40-45 ⁵⁴	–	–	–	–	–	7	–	50-55	–
Corin Robertson Director of Transformation (from 07/10/2021)	50-55 ⁵⁵	–	–	–	–	–	10	–	60-65	–

50 Harriet Mathews full year equivalent salary was £100k-105k in 2021-22

51 Vijay Rangarajan received a total of £155k-160k in 2021-22, of which £5k-10k relates to 2020-21

52 Vijay Rangarajan full year equivalent salary was £125k-130k in 2020-21

53 Helen Bower-Easton was on Maternity Leave from the 30/09/2021

54 Daniel Pruce full year equivalent salary was £95k-100k in 2021-22

55 Corin Robertson full year equivalent salary was £95k-100k in 2021-22

Senior Officials	Salary (£000) ³⁵		Benefits in Kind (to nearest £100)		Bonus Payments (£000)		Pension benefits (to nearest £1,000) ³⁶		Total (£000)	
	21-22	20-21	21-22	20-21	21-22	20-21	21-22	20-21	21-22	20-21
Andrew Sanderson Financial Controller and Operations Director (to 17/10/2021)	60-65 ⁵⁶	110-115	–	–	–	5-10	12	47	70-75	160-165
Mervyn Thomas Chief People Officer	135-140	20-25 ⁵⁷	–	–	–	–	24	4	155-160	20-25
Andrew Murdoch Acting Legal Adviser (from 25/02/2022)	10-15 ⁵⁸	–	–	–	–	–	4	–	15-20	–
Melanie Robinson UK Ambassador to Zimbabwe (Overseas Network Representative)	95-100	55-60 ⁵⁹	–	–	0-5	5-10	25	21	125-130	80-85

Fees paid to Non-Executive Board and Committee Members (subject to audit)

During 2021-22, the following fees and taxable expenses were paid to Non-Executive Directors of the Board and Committee Members:

Non-Executive Board and Committee Members	Fees and taxable expenses paid
Baroness Helena Morrissey Lead Non-Executive Director FCDO	2021-22: £20,000 - £25,000 (2020-21: £10,000-£15,000)
John Coffey Non-Executive Director, Chair FCDO Audit and Risk Assurance Committee	2021-22: £15,000-£20,000 (2020-21: £5,000-£10,000)

56 Andrew Sanderson full year equivalent salary was £110k-115k in 2021-22

57 Mervyn Thomas full year equivalent salary was £135k-140k in 2020-21

58 Andrew Murdoch full year equivalent salary was £100k-105k in 2021-22

59 Melanie Robinson full year equivalent salary was £95k-100k in 2020-21

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Non-Executive Board and Committee Members	Fees and taxable expenses paid
Ann Cormack Non-Executive Director FCDO	2021-22: £15,000-£20,000 (2020-21: £5,000-£10,000)
Beverley Tew Non-Executive Director FCDO	2021-22: £15,000-£20,000 (2020-21: £5,000-£10,000)
Julia Grant Non-Executive Member, FCDO Investment and Delivery Committee	2021-22: £5,000-£10,000 (2020-21: £0-£5,000)
Simon O'Regan Non-Executive Member, FCDO Audit and Risk Assurance Committee (to 30/09/2021)	2021-22: £0-£5,000 FYE: £5,000-£10,000 (2020-21: £5,000-£10,000)
Helen Pernelet Non-Executive Member, FCDO Audit and Risk Assurance Committee (to 30/09/2021)	2021-22: £0-£5,000 FYE: £5,000-£10,000 (2020-21: £5,000-£10,000)
Fiona Thompson Non-Executive Member, FCDO Audit and Risk Assurance Committee	2021-22: £5,000-£10,000 ⁶⁰ (2020-21: £0-£5,000)
Anthony Dunnett Non-Executive Member, FCDO Audit and Risk Assurance Committee (to 30/09/2021)	2021-22: £0-£5,000 ⁶¹ FYE: £5,000-£10,000 (2020-21: £0-£5,000)

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 (remained at £81,932 from 1 April 2021) 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.

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. No benefits in kind have been received in the current and prior year for FCDO, legacy DFID or legacy FCO.

60 Fiona Thompson received fees and taxable expenses of £10k-£15k in 2021-22, of which £0k-£5k relates to 2020-21

61 Anthony Dunnett received fees and taxable expense of £5k-£10k in 2021-22, of which £0k-£5k relates to 2020-21

Bonuses

Bonuses are based on performance levels attained and are made as part of the appraisal process. The bonuses reported in 2021-22 relate to performance in 2020-21 and the comparative bonuses reported for 2020-21 relate to performance in 2019-20.

Pension benefits (subject to audit)

Ministers	Accrued pension at age 65 as at 31/03/22 (£000)	Real increase in pension at age 65 (£000)	CETV at 31/03/22 or end date whichever is earlier (£000)	CETV at 31/03/21 or start date whichever is earlier (£000) ⁶²	Real increase in CETV (£000)
The Rt Hon Elizabeth Truss Secretary of State	10-15	0-2.5	130	119	5
The Rt Hon Dominic Raab Secretary of State	–	–	–	–	–
The Rt Hon James Cleverly Minister of State	0-2.5	0-2.5	19	10	4
The Rt Hon Amanda Milling Minister of State for Asia	0-2.5	0-2.5	19	15	2
Lord Ahmad of Wimbledon Minister of State	10-15	0-2.5	194	165	11
The Rt Hon Lord Goldsmith Minister of State	–	–	–	–	–
Vicky Ford Minister of State	0-2.5	0-2.5	12	9	1
Nigel Adams Minister of State	0-2.5	0-2.5	19	15	2
James Duddridge Parliamentary Under Secretary of State	0-2.5	0-2.5	11	8	1
Wendy Morton Parliamentary Under Secretary of State	0-2.5	0-2.5	19	14	2
Chris Heaton-Harris Minister for Europe	0-2.5	0-2.5	34	33	0

⁶² Remuneration reports show the CETVs of senior staff at the start and end of the reporting year, together with the real increase during that period. The real increase is the increase due to additional benefit accrual (i.e. as a result of salary changes and service) that is funded by the employer. It will be smaller than the difference between the start and end CETVs because it does not include any increase in the value of the pension due to inflation or due to the contributions paid by the employee or the value of any benefits transferred from another pension scheme. Nor does it include any increases (or decreases) because of any changes during the year in the actuarial factors used to calculate CETVs.

Ministerial Pensions

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

Those Ministers who are Members of Parliament may also accrue an MP's pension under the PCPF (details of which are not included in this report). A new MP's 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 MP's final salary pension scheme.

Benefits for Ministers are payable from State Pension age under the 2015 scheme. Pensions are revalued annually in line with Pensions Increase legislation both before and after retirement. The contribution rate from May 2015 is 11.1% and the accrual rate is 1.775% of pensionable earnings. The figure shown for pension value includes the total pension payable to the member under both the pre- and post-2015 ministerial pension schemes.

Cash Equivalent Transfer Value (CETV)

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a 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 pension benefits, they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total ministerial service, not just their current appointment as a Minister. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax, which may be due when pension benefits are taken.

Real increase in the value of CETV

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

Senior Officials' Pensions

Senior Officials ^{63,64,65}	Accrued pension at pension age as at 31/03/22 and related lump sum (£000)	Real increase in pension and related lump sum at pension age (£000)	CETV at 31/03/22 ⁶⁶ (£000)	CETV at 31/03/21 (£000)	Real increase in CETV (£000)	Employer contribution to partnership pension account (£000)
Sir Philip Barton Permanent Under-Secretary	90 – 95 plus a lump sum of 235 – 240	10 – 12.5 plus a lump sum of 20 – 22.5	2,013	1,690	216	–
Sir Tim Barrow Second Permanent Under-Secretary and Political Director	70 – 75 plus a lump sum of 170 – 175	0 – 2.5 plus a lump sum of 0	1,561	1,475	-4	–
Jenny Bates Director General Indo-Pacific	40 – 45 plus a lump sum of 5 – 10	0 – 2.5 plus a lump sum of 0	634	589	9	–
Julian Braithwaite Director General Europe	–	–	–	–	–	–
Juliet Chua Director General Finance and Corporate	35 – 40 plus a lump sum of 50 – 55	2.5 – 5 plus a lump sum of 0 – 2.5	515	454 ⁶⁷	32	–

63 Whilst we are able to check the calculations, we are unable to check some of the calculation input figures as MyCSP have software with actuarial values etc built in to calculate these. These input figures (not checked by the FCDO) are Accrued Final Salary Pension, Accrued CSOPS pension, CETV values, real increase in pension and real increase in lump sum.

64 Figures presented in the remuneration report do not reflect the impact of taxation on the individual for example from Annual Allowance and Lifetime Allowance ceilings

65 Remuneration reports show the CETVs of senior staff at the start and end of the reporting year, together with the real increase during that period. The real increase is the increase due to additional benefit accrual (i.e. as a result of salary changes and service) that is funded by the employer. It will be smaller than the difference between the start and end CETVs because it does not include any increase in the value of the pension due to inflation or due to the contributions paid by the employee or the value of any benefits transferred from another pension scheme. Nor does it include any increases (or decreases) because of any changes during the year in the actuarial factors used to calculate CETVs

66 Due to non-continuous service on the board, the 31/03/2021 (opening balance) CETV figures in the financial year 2020-21 report are not expected to match the 31/03/2021 (closing balance) CETV figures listed in the financial year 2020-21 report

67 Juliet Chua CETV for 2020-21 includes retrospective change

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Senior Officials ^{63,64,65}	Accrued pension at pension age as at 31/03/22 and related lump sum (£000)	Real increase in pension and related lump sum at pension age (£000)	CETV at 31/03/22 ⁶⁶ (£000)	CETV at 31/03/21 (£000)	Real increase in CETV (£000)	Employer contribution to partnership pension account (£000)
Thomas Drew Director General Middle East, North Africa, Afghanistan & Pakistan	50 – 55 plus a lump sum of 90 – 95	0 – 2.5 plus a lump sum of 0	880	825	8	–
Nick Dyer Director General Humanitarian and Development	60 – 65 plus a lump sum of 160 – 165	0 plus a lump sum of 0	1,389	1,391 ⁶⁸	-4	–
Nic Hailey Director General Transformation	40 – 45 plus a lump sum of 75 – 80	0 – 2.5 plus a lump sum of 2.5 – 5	636	603	25	–
Kumar Iyer Director General Delivery	25 – 30	2.5 – 5	328	288	23	–
Moazzam Malik Director General Africa	40 – 45 plus a lump sum of 70 – 75	0 – 2.5 plus a lump sum of 0	725	671	14	–
Sir Iain MacLeod Director General Legal Adviser	55 – 60 plus a lump sum of 175 – 180	0 plus a lump sum of 0	1,410	1,371	-13	–
Harriet Mathews Director General Geopolitics and Security	35-40 plus a lump sum of 60 -65	0 -2.5 plus a lump sum of 0	555	554	0	–
Vijay Rangarajan Director General Americas and Overseas Territories	45 – 50 plus a lump sum of 85 – 90	0 – 2.5 plus a lump sum of 0	808	754	8	–
Melinda Bohannon Director, Strategy	30 – 35 plus a lump sum of 55 – 60	0 – 2.5 plus a lump sum of 0	489	453	7	–
Helen Bower-Easton Director Communication	35 – 40	0 – 2.5	439	405	9	–

68 Nick Dyer CETV for 2020-21 is a full year figure and therefore differs from the figure reported in 2020-21

Senior Officials^{63,64,65}	Accrued pension at age as at 31/03/22 and related lump sum (£000)	Real increase in pension and related lump sum at pension age (£000)	CETV at 31/03/22⁶⁶ (£000)	CETV at 31/03/21 (£000)	Real increase in CETV (£000)	Employer contribution to partnership pension account (£000)
Tim Jones Director, Finance	20 – 25	0 – 2.5	264	234	17	–
Daniel Pruce Interim Director Communication	40 – 45 plus a lump sum of 85 – 90	0 – 2.5 plus a lump sum of 0	818	806	1	–
Corin Robertson Director of Transformation	35 – 40 plus a lump sum of 65 – 70	0 – 2.5 plus a lump sum of 0	622	592	3	–
Andrew Sanderson Financial Controller and Operations Director	35 – 40 plus a lump sum of 65 – 70	0 – 2.5 plus a lump sum of 0	563	551	3	–
Mervyn Thomas Chief People Officer	–	–	–	–	–	24
Andrew Murdoch Acting Legal Adviser	20-25	0 -2.5	265	263	2	–
Melanie Robinson UK Ambassador to Zimbabwe (Overseas Network Representative)	25 – 30 plus a lump sum of 50 – 55	0 – 2.5 plus a lump sum of 0	430	396	8	–

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 four sections: 3 providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one 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 switch into alpha sometime between 1 June 2015 and 1 February 2022. Because the Government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, it is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the Cash Equivalent Transfer Values shown in this report—see below). 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 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 defined contribution (money purchase) 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 is 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 an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). 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 two 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 www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk)

Cash Equivalent Transfer Values (CETV)

A Cash Equivalent Transfer Value (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 which 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.

Pension Contributions

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 (insert employer's name) is unable to identify its share of the underlying assets and liabilities.

The scheme actuary valued the PCSPS as at 31 March 2016. You can find details in the [resource accounts of the Cabinet Office: Civil Superannuation](#).

For 2021-22, employers' contributions of £88,874,676 were payable to the PCSPS (2020-21 £90,576,434) at one of four rates in the range 26.6% to 30.3% 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 2021-22 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 £668,895 were paid to one or more of the panel of three 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 £24,179, 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 £0. Contributions prepaid at that date were £0.

The total employer pension contributions detailed above will not cross reference to the staff costs table pension cost detailed on page 143 due to payments made for overseas pension contributions which are not detailed above but are included within the staff costs table.

Staff Report

Our Workforce

The FCDO had 16,124 employees as at 31 March 2022 comprising 7,076 (44%)

UK-Based (UKB) staff and 9,048 (56%) Country Based Staff. The UKB full-time equivalent was 6,939.7. As at the 31 March 2022, 71% of UKB staff were working in the UK and 29% were based overseas.

FCDO Staff Headcount (subject to audit)

Type of staff	FCDO Employees at 31/03/2022	FCDO Employees at 31/03/2021
UK Based	7,076	7,471
Country Based Staff	9,048	9,261
Ministers	6	7
Special Advisers ⁶⁹	7	5

Our Workforce Structure

The FCDO has a Senior Civil Servants (SCS) structure comprising four pay bands.

Number of SCS employed by the FCDO

Grade	FCDO SCS at 31/03/2022	FCDO SCS at 31/03/2021
Permanent Under-Secretary	2	1
SCS4	1	2
SCS3	30	36
SCS2	138	130
SCS1	365	383
Total	536	552

⁶⁹ The 7 Special Advisers are equivalent to 6 Full Time Equivalent (FTE) staff

Salary for SCS Pay Bands

SCS Pay Band	Cabinet Office minimum	Cabinet Office maximum
Director General	£120,000	£208,100
Director	£93,000	£162,500
Deputy Director	£71,000	£117,800

The overall staffing numbers within the FCDO have decreased due to the introduction of headcount controls whilst we develop a workforce plan that will address the future size, shape and capability requirements of the organisation. The turnover rate for UKB staff in 2021-22 was 10.8%.

Staff Loans

Career experience outside of the FCDO helps to build expertise and organisational agility.

Number of staff loaned into the FCDO as at 31 March 2022 from Other Government Departments

Grade	Loaned in total	Loaned in for <6 months	Loaned in for 6+ months	Average Loan length (in years)
A0	8	2	6	1
E0	26	10	16	2
HE0	147	28	119	2
SE0	61	14	47	3
G7	161	27	134	3
G6	49	7	42	3
SCS	65	3	62	5
Total	517	91	426	3

Number of staff loaned from the FCDO as at 31 March 2022 to Other Government Departments

Grade	Loaned out total	Loaned out for <6 months	Loaned out for 6+ months	Average Loan length (in years)
A0	-	-	-	-
E0	3	2	1	1
HE0	27	15	12	1
SE0	6	2	4	2
G7	68	32	36	1
G6	33	13	20	1
SCS	36	25	11	1
Total	173	89	84	1

Average Number of Persons Employed

The average number of UK-Based whole-time equivalent persons employed by the FCDO during 2021-22 was 7,092.3. The FTE for FCDO UK-Based for 2020-21 was 7,544.

Staff costs (subject to audit)

All staff costs relate to the staff of the FCDO. The numbers in the table below are included in 'Staff costs' within the Consolidated Statement of Comprehensive Net Expenditure and in note 3 Expenditure.

FCDO	Permanently employed staff (£000)	Others (£000)	Ministers (£000)	Special Advisers (£000)	2021-22 Total (£000)	2020-21 Total (£000)
Wages and Salaries	645,657	4,565	262	–	650,484	687,103
Social security costs	32,887	–	28	–	32,915	35,237
Other pension costs	110,582	–	4	–	110,586	114,646
Sub total	789,126	4,565	295	–	793,986	836,986
Less recoveries in respect of outward secondments	(3,584)	–	–	–	(3,584)	(2,718)
Total net costs	785,542	4,565	295	–	790,402	834,268

Fair Pay Disclosures (subject to audit)

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile⁷⁰, median and upper quartile remuneration of the organisation's workforce.

The banded remuneration of the highest paid director in the FCDO in the financial year 2021-22 was £185-190k (2020-21 £195-200k). This was 3.80 times (2020-21 4.18) the median remuneration of the workforce, which was £49,372 (2020-21 £47,202), 5.22 times the 25th percentile remuneration of the workforce, which was £35,906 and 3.04 times the 75th percentile remuneration of the workforce, which was £61,672.

In 2021-22, no employee received remuneration in excess of the highest-paid director. Remuneration ranged from £20,450-£190,000 (2020-21 £20,200-£200,000).

Remuneration includes gross salary, non-consolidated performance-related pay, 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. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions

⁷⁰ It is a new requirement to disclose the relationship between the highest paid director and the lower and upper quartile remuneration of the organisations workforce.

Total Remuneration⁷¹	2021-22	2020-21	% change
Band of highest paid Director's total remuneration	£185k-190k	£195k-200k	-5.06%
25th percentile total remuneration of all UK Based Staff	£35,906	–	–
Figure Ratio	5.22	–	–
Median total remuneration of all UK Based Staff	£49,372	£47,202	4.60%
Ratio	3.80	4.18	-9.09%
75th percentile total remuneration of all UK Based Staff	£61,672	–	–
Ratio	3.04	–	–

Median remuneration is as variable as the elements that are included within it and will differ year on year. The change in the ratio between the highest paid and the median

employee has been predominately driven by one main factor—the decrease in the highest paid director's remuneration.

Total Salary⁷²	2021-22	2020-21	% change
Band of highest paid Director's total salary	£185k-190k	–	–
25th percentile total salary of all UK Based Staff	£35,555	–	–
Figure Ratio	5.27	–	–
Median total salary of all UK Based Staff	£48,835	–	–
Ratio	3.84	–	–
75th percentile total salary of all UK Based Staff	£61,045	–	–
Ratio	3.07	–	–

Percentage change in total salary and bonuses for the highest paid Director and the staff average⁷³				
	2021-22		2020-21	
	Total Salary	Bonus	Total Salary	Bonus
Highest Paid Director	-5.06%	0.00%	–	–
Staff Average	2.40%	3.97%	–	–

71 It is a new requirement to show the ratios of the highest paid Director's remuneration versus the 25th and 75th percentile remuneration of the organisation. Values for 2020-21 have not been produced as the data is not available due to different data systems that were operated within the legacy FCO and legacy DFID organisations.

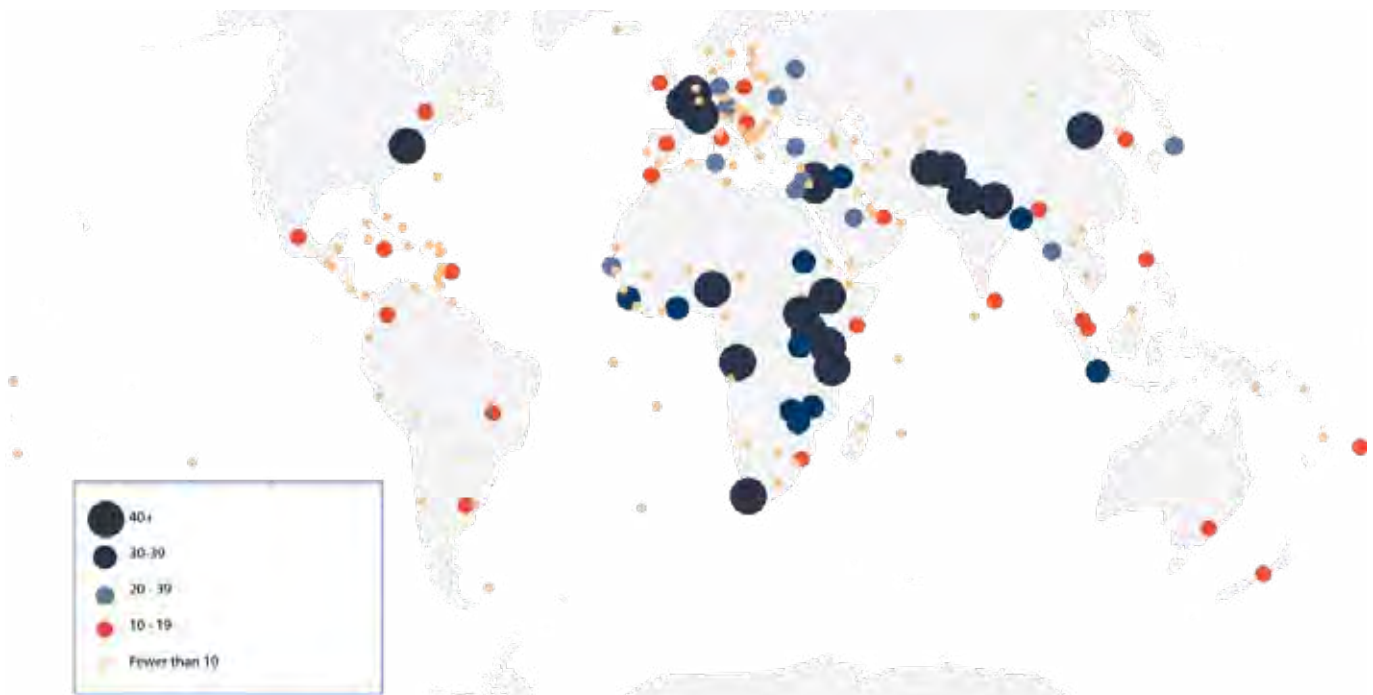
72 It is a new requirement to show the ratios of the highest paid Director's total salary versus the 25th, median and 75th percentile total salary of the organisation. Values for 2020-21 have not been produced as the data is not available due to different data systems that were operated within the legacy FCO and legacy DFID organisations.

73 It is a new requirement to show the percentage change from the previous year for total salary and bonus for the highest paid Director and the staff average. Values for 2020-21 have not been produced as the data is not available due to different data systems that were operated within the legacy FCO and legacy DFID organisations.

Country-Based Staff (CBS) remuneration and salaries are excluded from the fair pay disclosure calculations. CBS salaries are paid in local currency, based on local market conditions and subject to individual countries taxation and

social security arrangements. The variation of arrangements plus differences in rates of pay and local purchasing power would distort the calculation and would make comparisons with other organisations impossible.

UK Based Staff in the FCDO Overseas Network



Diversity and Inclusion

Diversity, inclusion and belonging matter because people perform better when they feel valued and respected at work. The FCDO is becoming more diverse: FCDO UKB staff are 51% women, 17% Black, Asian and Minority Ethnic, 13% disabled and 7% LGBO. However, we want to make sustained progress in increasing diversity at more senior grades particularly in the SCS.

	FCDO	% Female	% Male
UKB Delegated Grades		52%	48%
Country Based Staff		45%	55%

	FCDO – Directors ⁷⁴	% Female	% Male
UKB SCS		36%	64%

Male and Female Employees

	FCDO	% Female	% Male
UKB SCS		43%	57%

74 We have categorised Directors as staff at SCS2 grade

Declared Diversity of FCDO UKB Staff as at 31 March 2022 (%):

Demographic	All UKB Staff	SCS	All Delegated Grades	G6	G7	SEO	HEO	E0	AO and AA
Female	51.46%	42.54%	52.19%	46.34%	51.72%	50.45%	51.68%	61.93%	60.38%
BAME	17.34%	9.77%	18.04%	9.35%	15.32%	12.62%	20.58%	28.79%	33.23%
Disabled	12.95%	7.42%	13.41%	9.91%	11.97%	15.02%	13.17%	18.90%	18.90%
LGB0 ⁷⁵	7.09%	6.62%	7.13%	6.98%	8.25%	5.75%	7.82%	3.26%	7.86%

The FCDO's aspiration is to be a truly inclusive organisation. The FCDO's Inclusion Framework plans to turn this aspiration into a reality so the potential of our diverse workforce is fully harnessed. This in turn will help to increase our impact in promoting Britain and our values of freedom and democracy.

The FCDO encourages staff to supply diversity data, but it is not mandatory and reporting rates vary by characteristic although reporting rates have increased on average by 1% since last year. To protect the privacy of staff who do not wish to record any of this personal information, it is possible for individuals to record on the database that they do not wish to declare. These figures exclude all staff working from other Whitehall Partners on the FCDO platform overseas, including Wilton Park and FCDO Services. Data for AA and AO and SCS grades have been merged due to the small numbers in these grades.

The FCDO aims to employ a diverse range of talented people capable of delivering to a high standard, often under pressure and sometimes in difficult places. We want the FCDO to reflect the very best of 21st century Britain. We encourage applications from applicants irrespective of background or gender, ethnicity, disability, sexual orientation or any other protected characteristic. Recruitment into the FCDO is based on merit

and fair and open competition, adhering to the Civil Service Recruitment Principles. Internal appointments and promotions are also based on the same principles of fair and open competition. In addition, the FCDO has participated in the Leonard Cheshire Change 100 Intern Programme, the Department for Education Care Leaver Internship scheme, and the Summer Diversity Internship Programme.

There will be more information published on the FCDO's work on Diversity, Inclusion and Belonging in our Diversity and Equality Report, which will be published later this year.

The FCDO applies the Disability Confident Scheme (DCS) to internal as well as external job applications. Hiring managers are required to ensure that candidates with disabilities are not discriminated against and apply the Disability Confident interview criteria. The DCS guarantees an interview to any person with a disability defined by the Equality Act 2010 who can also demonstrate that they meet the minimum requirements for the role. Before all interviews, candidates are also consulted about reasonable adjustments required, to ensure a fair and transparent process for all.

The FCDO is an accredited 'Disability Confident Leader' under the government's [Disability Confident Scheme \(https://disabilityconfident.campaign.gov.uk\)](https://disabilityconfident.campaign.gov.uk), which denotes organisations which have a positive commitment towards

.....
75 LGB0—Lesbian, Gay, Bi-sexual, and Other

disabled people. Disability support for UK based staff complies with the Equality Act 2010, which requires employers to make “reasonable adjustments” in the workplace when a member of staff has a disability or long-term health condition which places them at a substantial disadvantage compared to an employee without a disability. We have a dedicated HR team which supports disability related workplace adjustments for hundreds of FCDO staff. Terms and conditions for Country Based Staff working at FCDO Posts abroad are governed by local law, which means there is no legal duty to comply with the terms of the Equality Act 2010 in respect of Country Based Staff. Nevertheless, the FCDO encourages Posts to adopt a best practice approach and observe the spirit of the legislation.

Disabilities and long term conditions disclosed by UK-based staff cover a broad range of conditions, including neuro-diverse conditions (e.g. dyslexia, dyspraxia and autism), mobility issues and hearing or visual impairments. Reasonable adjustments for staff with disabilities can include the supply of specialised office equipment and/or provision of IT software and hardware and appropriate training. More general awareness training and support is also available to staff with disabilities, their managers and (where appropriate) team colleagues. Staff who are profoundly deaf or with a significant hearing impairment can additionally request the support of qualified British Sign Language interpreters and lip speakers. To support the development and progression of employees with disabilities/long term conditions the FCDO has funded places on the Disability Rights UK Leadership Academy Programme and the new Civil Service Beyond Boundaries programme.

Health, Safety and Wellbeing

FCDO Health and Safety

We have made considerable progress this financial year in strengthening our health and safety (HS) management system.

We have defined the governance structures around HS—establishing a new Management Board Health and Safety sub-Committee which has met twice in the reporting period; publishing an overarching FCDO HS policy statement and reviewing and updating a wider suite of policies; developing a corporate risk register and risk appetite statement; clarifying H&S roles and responsibilities; and agreeing a new HS Service Level Agreement with our One HMG partners.

We are also investing in new HS electronic systems and by April 22 shall launch a new system to facilitate incident and accident reporting and risk assessments across the global network. In parallel, we are introducing a new package of HS e-learning to be completed by all staff.

Operationally we have continued to see a number of safety related incidents being reported into the function over the year, with work now underway to better trend, track and learn from such reports to aid future prevention.

Notwithstanding the harm and injury caused to colleagues and contractors as a result of minor injury accidents; in July of 2021 we unfortunately received a report of a tragic fatal fall from height, during maintenance activities overseas. The investigation into the incident was conducted by a senior FCDO colleague, with eye witness reports, site visits and document review undertaken. It was concluded that this incident was preventable and avoidable, with the planning and design of the working area and activity not suitable, nor sufficient in reducing fall from height risk to

an acceptable level. As such, the PUS issued a number of communications surrounding the need for safer systems of work and increased supervision of higher risk working activities and maintenance related activities. This led to Estates, Security & Network Department (ESND) advancing their work in this area and the H&S Function also developing a new risk based campaign and communication plan, with working at height the initial theme for 2022.

The new end of year management assurance process across the FCDO will act as the vanguard for driving genuine change at an operational level. While it will take time to achieve compliance, we expect to be in a much better position this time next year.

FCDO Wellbeing

The FCDO faces exceptional wellbeing challenges. The majority of our staff work overseas, and many work in hostile or challenging environments far from home, family and friends. We are responding with a range of interventions. We have recently created a home welfare team, complementing our existing overseas welfare team, to assist colleagues and managers. We continue to review and improve our training offer and have a global network of over 675 Mental Health First Aiders qualified to signpost sources of appropriate support and advice, and an active Mental Health, Wellbeing and Listening Network. In addition, all staff (and families posted overseas) have 24/7 access to the FCDO's Employee Assistance Programme.

Staff Engagement

The annual Civil Service People Survey looks at civil servants' attitudes to and experience of working in government departments. The second People Survey for FCDO staff was undertaken in October 2021 with a 66% response rate, compared with 74% in 2020

and 82% for DFID and 85% for FCO in 2019. The FCDO's Employee Engagement Index (the measure of employee commitment to organisational goals and values) was 63% compared to 67% in 2020. This is 3 percentage points below the Civil Service (CS) average, which remained stable at its highest ever level first set in 2020. We are responding with a range of interventions including the new FCDO framework – which sets out our purpose, mission and priorities and how we will deliver these – is the vehicle through which we are responding to the People Survey results. Initiatives and activities are underway e.g. defining FCDO values, utilising leadership toolkits, building a common culture and developing our employee offer.

Sickness Absence Rates

The FCDO measures the average number of days lost to sickness absence, known as the average working days lost (AWDL) for our UKB staff, based on the number of fulltime equivalent employees.

In 2021, the FCDO had an AWDL of 3.7, which is an increase of 0.3 when compared to the 2020 figure of 3.4.

Sickness Absence in FCDO	2021	2020
Working days lost (short-term absence)	11,323	11,597
Working days lost (long-term absence)	15,825	14,575
Total working days lost	27,148	26,172
AWDL	3.7	3.4
Number of staff absent as a result of sickness	1,603	2,091
Percentage of staff with no sickness absence	79%	75%

III Health Retirements

One individual retired early on ill-health grounds; the total additional accrued pension liability in the year amounted to £28,394.

Expenditure on Consultancy and Temporary Staff

Professional services and external resources can generally be split into two broad categories. Temporary staff includes temporary workers, interim managers and specialist contractors who are used to cover business-as-usual or service delivery activity, within an organisation. Consultancy includes staff who provide objective advice relating to strategy, structure, management, or operations of an organisation and may include the identification of options with recommendations.

Spend on consultancy and the need for temporary staff within the FCDO is largely driven by the nature of the projects being undertaken and the expertise required. At a high level, the increase in costs for Contingent Labour continues to be driven by the HERA project and merger activity.

HERA will change how the FCDO will deliver its corporate functions globally, to provide a better service for our organisation and its partners. This will be achieved through providing a single finance and HR system; standard ways of working using the system following global best practice, bringing efficiencies and cloud based technology means the system stays current and secure and more business and personal data available, held in one place and managed securely, gives us the information we need to work effectively.

Consultancy costs and spend on temporary staff for the FCDO

Costs	2021-22	2020-21
Consultancy costs ⁷⁶	5,760,152	2,742,044
Temporary staff costs	39,575,855	25,679,267

Consultancy and temporary spend – ALBs

FY	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
ALB ⁷⁷	WP	WP	WFD	WFD	GBCC	GBCC	Total	Total
Consultancy staff	16,627	20,275	0	0	184,108	173,479	200,735	193,754
Temporary staff costs	0	173,000	108,040	106,719	68,341	67,180	176,381	346,899

⁷⁶ The increase in temporary staff spend is due to development costs of HERA, our new finance and HR system and other transformation/merger related projects.

⁷⁷ WP – Wilton Park, WFD – Westminster Foundation for Democracy, GBCC – Great Britain China Centre

Off-Payroll Engagements

For all off-payroll engagements as of 31 March 2022 for more than £245 per day and that last longer than six months for the FCDO:

Type	Main Department	Agencies	ALBs	Departmental group
Number of existing engagements as of 31 March 2022	218	–	13	231
<i>Of which ...</i>				
No. that have existed for less than one year at time of reporting	70	–	5	75
No. that have existed for between one and two years at time of reporting	74	–	3	77
No. that have existed for between two and three years at time of reporting	62	–	2	64
No. that have existed for between three and four years at time of reporting	6	–	1	7
No. that have existed for four or more years at time of reporting	6	–	2	8

For all off-payroll engagements as of 31 March 2022 for more than £245 per day and that last longer than six months for the FCDO:

Type	Main Department	Agencies	ALBs	Departmental group
Number of new engagements that reached 6 months in duration, between 1 April 2021 and 31 March 2022	218	–	11	229
<i>Of which ...</i>				
No. assessed as caught by IR35	28	–	5	33
No. assessed as not caught by IR35	190	–	6	196
No. engaged directly (via PSC contracted to department) and are on the departmental payroll	0	–	0	0
No. of engagements reassessed for consistency/assurance purposes during the year	0	–	0	0
No. of engagements that saw a change to IR35 status following the consistency review.	0	–	0	0

For any off-payroll engagement of board members, and/or senior officials with significant finance responsibility between 1 April 2021 and 31 March 2022 for the FCDO:

Type	Main Department	Agencies	ALBs	Departmental group
Number of off-payroll engagements of Board members and/or senior officials with significant financial responsibility during the financial year	0	–	–	0
Total number 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.	22	–	42	64

Reporting of Civil Service and Other Compensation Schemes—Exit Packages

UK Based staff exits (subject to audit)

FCDO 2021-22 (Comparative data for previous year shown in brackets)

Exit package cost band ^{78,79,80}	Core Department FCDO UK Based 2021-22			Core Department and Agencies – FCDO UK Based 2021-22		
	Number of compulsory redundancies	Number of other departures agreed ⁸¹	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	0(4)	2(1)	2(5)	0(4)	2(3)	2(7)
£10,000—£25,000	0(0)	2(0)	2(0)	0(0)	2(6)	2(6)
£25,000—£50,000	0(0)	1(0)	1(0)	0(0)	2(2)	2(2)
£50,000—£100,000	0(0)	2(0)	2(0)	0(0)	2(0)	2(0)
£100,000—£150,000	0(0)	0(1)	0(1)	0(0)	0(1)	0(1)
£150,000—£200,000	0(0)	0(0)	0(0)	0(0)	0(0)	0(0)
Total number of exit packages	0(4)	7(2)	7(6)	0(4)	8(12)	8(16)
Total cost £000			221 (152)			259 (338)

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.

78 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.

79 Payments attributed to the Financial Year the exit occurred rather than when payment occurred.

80 Payments of standard contractual CILON/PILON excluded. Payments for Dismissal with compensation included. Payment of redundancy to Fixed Term Employees included.

81 In 2021-22 FCDOS agreed 1 other departure which had a cost of between £50k - £100k and have not been included in the table above. Further disclosure is included in the main FCDOS 2021-22 accounts.

Country Based Staff Exits (subject to audit)

FCDO 2021-22 (Comparative merged data for previous year 2020-21 shown in brackets)

Exit package cost band	Core Department 2021-22		
	Number of compulsory redundancies	Number of other departures agreed ⁸²	Total number of exit packages by cost band
<£10,000	35 (34)	107 (134)	142 (168)
£10,000—£25,000	23 (15)	4 (20)	27 (35)
£25,000—£50,000	14 (7)	4 (6)	18 (13)
£50,000—£100,000	7 (0)	4 (3)	11 (3)
£100,000—£150,000	1 (0)	0 (0)	1 (0)
£150,000—£200,000	0 (0)	1 (0)	1 (0)
Total number of exit packages	80 (56)	120 (163)	200 (219)
Total cost £000	1,516 (619)	769 (1,132)	2,284 (1,751)

HM Treasury agreed the terms of a Country Based staff (FCO) exit scheme in December 2017. The terms of compulsory redundancy will vary depending on local employment law.

⁸² There are three cases where employment ceased in 2020-21. These were not previously reported in 2020-21 and have been captured in the 2021-22 totals.

Trade Union Disclosures

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on 1 April 2017. These regulations place a legislative requirement on relevant public sector employers to collate and publish, on an annual basis, a range of data on the amount and cost of facility time within their organisations.

FCDO Trade Union (TU) Facility time includes FCDO Services and Wilton Park; the TU officials represent members from the 3 organisations.

The total number of employees who were relevant union officials during the period 1 April 2021 to 31 March 2022 was:

Number of employees who were relevant union officials during the relevant period

Number of employees	FTE employee number
36	35.4

Percentage of time spent on facility time

The number of employees who were relevant union officials employed during the period 1 April 2021 to 31 March 2022 spent the following percentage of their working hours on facility time was:

Percentage of time	Number of employees
0%	28
1-50%	8
51-99%	0
100%	0

Percentage of pay bill spent on facility time

The percentage of total pay bill spent on paying employees who were relevant union officials for facility time during the period 1 April 2021 to 31 March 2022 was:

Description	Figures
Total cost of facility time	£124,391
Total pay bill	£636,903,770
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.02%

Paid trade union activities

Of the total facility time hours available to employees who were relevant union officials, the table below represents the percentage of that time spent on union activities during the period 1 April 2020 to 31 March 2022:

Description	Figures
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) x100	0

SECTION 2.3

Parliamentary accountability and audit report





Statement of Outturn against Parliamentary Supply

Summary of Resource and Capital Outturn 2021-22

In addition to the primary statements prepared under IFRS, the Government Financial Reporting Manual (FReM) requires the FCDO to prepare a Statement of Outturn against Parliamentary Supply (SOPS) and supporting notes.

The SOPS and related notes are subject to audit, as detailed in the Certificate and Report of the Comptroller and Auditor General to the House of Commons.

The SOPS is a key accountability statement that shows, in detail, how an entity has spent against their Supply Estimate. The Supply Estimate is the monetary provision (for resource and capital purposes) and cash (drawn primarily from the Consolidated Fund), that Parliament gives statutory authority for entities to utilise. The Estimate details supply and is voted on by Parliament at the start of the financial year.

Should an entity exceed the limits set by their Supply Estimate, called control limits, their accounts will receive a qualified opinion.

The format of the SOPS mirrors the Supply Estimates, published on gov.uk, to enable comparability between what Parliament approves and the final outturn.

The SOPS contain a summary table, detailing performance against the control limits that Parliament have voted on, cash spent (budgets are compiled on an accruals basis and so outturn won't exactly tie to cash spent) and administration costs.

The supporting notes detail the following: Outturn by Estimate line, providing a more detailed breakdown (note 1); a reconciliation of outturn to net operating expenditure in the SOCNE, to tie the SOPS to the financial statements (note 2); a reconciliation of outturn to net cash requirement (note 3); and, an analysis of income payable to the Consolidated Fund (note 4).

Figures in the areas outlined in thick line cover the voted control limits voted by Parliament. Refer to the Supply Estimates guidance manual, available on gov.uk, for detail on the control limits voted by Parliament.

Parliamentary control of FCDO spending applies to:

- » The net resource DEL requirement;
- » The net capital DEL requirement;
- » The net resource AME requirement; and,
- » The net cash requirement for the Estimate as a whole

The SOPS provides a detailed view of financial performance, in a form that is voted on and recognised by Parliament. Explanations of variances between estimate and outturn are given in the Financial Review (pg 68)

Summary tables – mirrors part 1 of the Estimates

Summary Table 2021-22

		2021-22			2020-21					
		Outturn			Estimate			Saving/(Excess)		Outturn
Note	Voted	Non-Voted	Total	Voted	Non-Voted	Total	Voted	Total	Total	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Departmental Expenditure Limit										
Resource	SOPS 1.1	6,914,968	684,224	7,599,192	7,014,802	842,000	7,856,802	99,834	257,610	9,913,920
Capital	SOPS 1.2	1,749,633	–	1,749,633	1,771,895	–	1,771,895	22,262	22,262	2,871,077
Total		8,664,601	684,224	9,348,825	8,786,697	842,000	9,628,697	122,096	279,872	12,784,997
Annually Managed Expenditure										
Resource	SOPS 1.1	(123,836)	–	(123,836)	719,506	–	719,506	843,342	843,342	617,378
Capital	SOPS 1.2	660,650	–	660,650	660,650	–	660,650	–	–	650,000
Total		536,814	–	536,814	1,380,156	–	1,380,156	843,342	843,342	1,267,378
Total Budget										
Resource	SOPS 1.1	6,791,132	684,224	7,475,356	7,734,308	842,000	8,576,308	943,176	1,100,952	10,531,298
Capital	SOPS 1.2	2,410,283	–	2,410,283	2,432,545	–	2,432,545	22,262	22,262	3,521,077
Total Budget Expenditure		9,201,415	684,224	9,885,639	10,166,853	842,000	11,008,853	965,438	1,123,214	14,052,375
Non-Budget		–	–	–	–	–	–	–	–	–
Total Budget and Non Budget		9,201,415	684,224	9,885,639	10,166,853	842,000	11,008,853	965,438	1,123,214	14,052,375

Summary of Net Cash Requirement

		2021-22			2020-21
Note	Outturn	Estimate	Saving/(Excess)	Outturn	
	£000	£000	£000	£000	
Net cash requirement	SOPS 3	9,856,986	10,059,343	202,357	12,403,823

Summary of Administration Costs

		2021-22			2020-21
Note	Outturn	Estimate	Saving/(Excess)	Outturn	
	£000	£000	£000	£000	
Administration Costs		259,333	323,135	63,802	243,435

The SOPS and Estimates are compiled against the budgeting framework, which is similar to, but different to IFRS. An understanding of the budgeting framework and an explanation of key terms is provided on page 68 in the financial review section of the performance report. Further information on the Public Spending Framework and the reasons why budgeting rules are different to IFRS can also be found in Chapter 1 of Consolidated Budgeting Guidance, available on gov.uk.

Although not a separate voted limit, any breach of the administration budget will also result in an excess vote.

SOPS 1. Outturn detail, by Estimate Line

SOPS 1.1 Analysis of resource outturn by Estimate line

											2021-22	2020-21
Resource Outturn							Estimate			Outturn vs estimate saving/ (excess) £000	Prior Year Outturn Total £000	
Administration			Programme				Total £000	Virements £000	Total inc. Virements £000			
Gross £000	Income £000	Net £000	Gross £000	Income £000	Net £000	Total £000				Total £000	Virements £000	Total inc. Virements £000
Voted expenditure												
Type of Spend (Resource)												
Spending in Departmental Expenditure Limits (DEL)												
Voted Expenditure												
A: Operating costs, frontline diplomacy and overseas network	441,483	(182,811)	258,672	1,319,475	(83,152)	1,236,323	1,494,995	1,680,511	(93,096)	1,587,415	92,420	1,446,249
B: Funding for NDPBs within Departmental Group (Net)	662	–	662	38,389	–	38,389	39,051	40,165	–	40,165	1,114	34,424
C: British Council	–	–	–	190,500	–	190,500	190,500	191,500	–	191,500	1,000	148,700
D: Strategic priorities and other programme spending	–	–	–	4,461,065	(270,526)	4,190,539	4,190,539	4,097,443	93,096	4,190,539	–	6,546,709
E: International subscriptions, scholarships and BBC World Service	–	–	–	319,072	–	319,072	319,072	322,530	–	322,530	3,458	329,536
F: Conflict, Stability and Security Fund	–	–	–	682,868	(2,057)	680,811	680,811	682,653	–	682,653	1,842	886,302
Total voted DEL	442,145	(182,811)	259,334	7,011,369	(355,735)	6,655,634	6,914,968	7,014,802	–	7,014,802	99,834	9,391,920

Foreign, Commonwealth & Development Office Annual Report & Accounts 2021–22

											2021-22	2020-21
							Resource Outturn	Estimate			Outturn vs estimate saving/ (excess) £000	Prior Year Outturn Total £000
Administration			Programme				Total £000	Virements £000	Total inc. Virements £000			
Gross £000	Income £000	Net £000	Gross £000	Income £000	Net £000	Total £000						
Non-Voted expenditure												
G: European Union Attributed Aid	–	–	–	684,224	–	684,224	684,224	842,000	–	842,000	157,776	522,000
Total non-voted DEL	–	–	–	684,224	–	684,224	684,224	842,000	–	842,000	157,776	522,000
Total spending DEL	442,145	(182,811)	259,334	7,695,593	(355,735)	7,339,858	7,599,192	7,856,802	–	7,856,802	257,610	9,913,920
Spending in Annually Managed Expenditure (AME)												
Voted expenditure												
H: Other central programme and technical costs	–	–	–	(86,819)	(37,017)	(123,836)	(123,836)	719,506	–	719,506	843,342	617,378
I: BII	–	–	–	–	–	–	–	–	–	–	–	0
Total voted AME	–	–	–	(86,819)	(37,017)	(123,836)	(123,836)	719,506	–	719,506	843,342	617,378
Non-Voted expenditure												
Total non-voted AME	–	–	–	–	–	–	–	–	–	–	–	0
Total spending AME	–	–	–	(86,819)	(37,017)	(123,836)	(123,836)	719,506	–	719,506	843,342	617,378
Total resource	442,145	(182,811)	259,334	7,608,774	(392,752)	7,216,022	7,475,356	8,576,308	–	8,576,308	1,100,952	10,531,298

Non-voted expenditure relates to spend by the European Union on development related activities which have been funded by the U.K.

SOPS 1.2 Analysis of capital outturn by Estimate line

Type of spend (resource)	Outturn			Estimate			2021-22	2020-21
	Gross	Income	Net	Total	Virements	Total inc. Virements	Outturn vs estimate saving/ (excess)	Prior Year Outturn Total
	£000	£000	£000	£000	£000	£000	£000	£000
Type of Spend (Capital)								
Spending in Departmental Expenditure Limits (DEL)								
Voted expenditure								
A: Operating costs, frontline diplomacy and overseas network	182,230	(37,734)	144,496	145,961	–	145,961	1,465	109,340
B: Funding for NDPBs within Departmental Group (Net)	–	–	–	–	–	–	–	–
C: British Council	4,800	–	4,800	11,000	–	11,000	6,200	52,000
D: Strategic priorities and other programme spending	1,618,874	(39,107)	1,579,767	1,595,864	(1,500)	1,594,364	14,597	2,672,737
E: International subscriptions, scholarships and BBC World Service	–	–	–	–	–	–	–	–
F: Conflict, Stability and Security Fund	20,570	–	20,570	19,070	1,500	20,570	–	37,000
Total voted DEL	1,826,474	(76,841)	1,749,633	1,771,895	–	1,771,895	22,262	2,871,077
Non-Voted expenditure								
G: European Union Attributed Aid	–	–	–	–	–	–	–	–
Total non-voted DEL	–	–	–	–	–	–	–	–
Total spending in DEL	1,826,474	(76,841)	1,749,633	1,771,895	–	1,771,895	22,262	2,871,077
Spending in Annually Managed Expenditure (AME)								
Voted expenditure								
H: Other central programme and technical costs	–	–	–	–	–	–	–	650,000
I: BII	660,650	–	660,650	660,650	–	660,650	–	–
Total voted expenditure	660,650	–	660,650	660,650	–	660,650	–	650,000
Total spending in AME	660,650	–	660,650	660,650	–	660,650	–	650,000
Total capital	2,487,124	(76,841)	2,410,283	2,432,545	–	2,432,545	22,262	3,521,077

In 2021-22, FCDO has reclassified its expenditure line in the Estimates laid before Parliament, this is reflected in SOPS 1.1 and SOPS 1.2. All figures are presented as reported against the 2021-22 headings, with the prior year results adjusted to be comparable.

The total estimate columns in both charts include virements. Virements are the reallocation of provision in the Estimates that do not require parliamentary authority (because Parliament does not vote to that level of detail and delegates to HM Treasury). Further information on virements are provided in the Supply Estimates Manual, available on gov.uk.

The outturn vs estimate column is based on the total including virements. The estimate total before virements have been made is included so that users can tie the estimate back to the Estimates laid before Parliament. Explanations of variances between Estimate and outturn are given in the Financial Review on page 68.

SOPS 2 Reconciliation of outturn to net operating expenditure

SOPS 2.1 Reconciliation of net resource outturn to net operating expenditure

		2021-22	2020-21
		FCDO	FCDO
		Outturn Total	Outturn Total
	SOPS note	£000	£000
Total Resource Outturn	1.1	7,475,356	10,531,298
Capital Grants		1,401,612	2,606,232
Capital Grants in Kind - Experse		–	1,585,521
Research and Development		6,727	5,634
Notional grant - transfer of investments		–	–
Finance Income		43,099	42,154
Total		1,451,438	4,239,541
Non-voted [1] EU attribution		(684,224)	(522,000)
Net (Profit)/Loss on Disposal		(16,265)	(4,427)
Total		(700,489)	(526,427)
Net Operating Expenditure in SOCNE	SOCNE	8,226,305	14,244,412

As noted in the introduction to the SOPS above, outturn and the Estimates are compiled against the budgeting framework, which is similar to, but different from, IFRS. Therefore, this reconciliation bridges the resource outturn to net operating expenditure, linking the SOPS to the financial statements.

Capital grants are budgeted for as CDEL but accounted for as spend on the face of the SOCNE, and therefore function as a reconciling item between Resource and Net Operating Expenditure.

Research and development expenditure that meets the criteria laid down by ESA 10 for National Accounts are recorded as capital in budgets. Where this differs from the treatment in the accounts, where research expenditure is usually expensed in the SOCNE, then a reconciling item is shown in SOPS 2.

SOPS 3 Reconciliation of net resource outturn to net cash requirement

	Note	2021-22			2020-21
		Outturn Total £000	Estimate £000	Saving/(Excess) £000	Outturn Total £000
Resource Outturn	SOPS 1.1	7,475,356	8,576,308	1,100,952	10,531,298
Capital Outturn	SOPS 1.2	2,410,283	2,432,545	22,262	3,521,077
Accruals to Cash Adjustments					
Adjustments for designated ALBs:					
Remove voted resource and capital		(35,394)	(40,165)	(4,771)	(34,424)
Add cash grant-in-aid		36,265	40,165	3,900	31,756
Adjustments to remove non-cash items:					
Depreciation / Amortisation	3	(166,383)	(292,604)	(126,221)	(172,757)
New impairments and adjustments to previous impairments DEL	3	(42,537)	–	42,537	
New impairments and adjustments to previous impairments AME	3	(4,360)	–	4,360	(117,069)
New provisions and adjustments to previous provisions	11	1,837	(735,153)	(736,990)	(511,327)
Other non-cash items (except profit on disposal of PPE)		(1,436)	(36,866)	(35,430)	(1,755,884)
Capital Grant In Kind	3	–	–	–	1,585,521
Adjustments to reflect movements in working balances					
Increase/(decrease) in inventory	CSCF	(30)	–	30	(48)
Increase/(decrease) in receivables	9	15,371	801,000	785,629	(20,028)
(Increase)/decrease in payables	10	700,711	156,113	(544,598)	(297,243)
Use of provisions	11	150,438	–	(150,438)	159,567
Adjustments re pension schemes	13	1,528	–	(1,528)	2,207
Other Adjustments		(439)	–	439	3,177
Total		10,541,210	10,901,343	360,133	12,925,823
Removal of Non-Voted Budget Items					
Consolidated Fund Standing Services		(684,224)	(842,000)	(157,776)	(522,000)
Other Adjustments		–	–	–	–
Total		(684,224)	(842,000)	(157,776)	(522,000)
Net Cash Requirement		9,856,986	10,059,343	202,357	12,403,823

As noted in the introduction to the SOPS above, Outturn and the Estimates are compiled against the budgeting framework, not on a cash basis. Therefore, this reconciliation bridges the resource and capital outturn to the net cash requirement. Explanations of variances between Estimate and outturn are given in the Financial Review on page 68.

SOPS 4 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. This note shows excess cash that is payable to the Consolidated Fund as at year end. The disclosure splits the total payable to the Consolidated Fund by a) income received that is either outside the ambit of the Estimate or which cannot be retained as it is outside the FCDO's settlement limit and b) other excess cash that has not been spent and which must be returned to the Consolidated Fund.

SOPS 4.1 Analysis of income payable to the Consolidated Fund

		FCDO 2021-22		FCDO 2020-21	
		Outturn Total		Outturn Total	
		Accruals basis	Cash basis	Accruals basis	Cash basis
		£000	£000	£000	£000
Operating income outside the ambit of the Estimate	4	(1,177)	(1,177)	(750)	(750)
Excess cash surrenderable to the Consolidated Fund		–	–	–	–
Total amount payable to the Consolidated Fund		(1,177)	(1,177)	(750)	(750)

Income can be included as part of the Estimate (detailed in Note 1) and used to fund expenditure. However, where the type of income is not one which an entity can retain (i.e. if it is not included in its ambit as part of the Estimate) or where income received exceeds settlement limits (or the amount of income an entity can retain to offset spend), then the income is payable to the Consolidated Fund.

Income due to the Consolidated Fund is therefore, shown as a reconciling item in SOPS note 2. The total CFER's payable to the Consolidated Fund are disclosed as part of the Statement of Changes in Taxpayers' Equity (SOCTE) in the Financial Statements.

The disclosure shows cash payable both on an accruals basis and on a cash basis (which may differ given budgets are compiled on an accruals basis and not a cash basis).

SOPS 4.2 Consolidated Fund Income

Consolidated Fund income shown in note SOPS 4.1 above does not include any amounts collected by the FCDO where it was acting as agent for the Consolidated Fund rather than as principal. Of the various types of Consular Fees, only one is surrendered to the Consolidated Fund, this is the Notarial & Documentary Services line in the Consular Fees table on page 165. Fees are set by Statutory Instrument under the Consular Fees Act 1980.

The amounts collected as agent for the Consolidated Fund (which are excluded from the FCDO's income) were:

	FCDO 2021-22	FCDO 2020-21
	Outturn Total	Outturn Total
	£000	£000
Consular fees	1,282	955
Miscellaneous income	24	3
Amount payable to the Consolidated Fund	1,306	958
Balance held at the start of the year	220	260
	1,526	1,218
Payments into Consolidated Fund	(562)	(998)
Balance held on trust at the end of the year	964	220

Parliamentary Accountability Disclosures

Losses and special payments (audited)

Losses statement

	2021-22	2020-21
Total number of losses	35	59
Total value of losses (£000)	1,197	1,420

All figures above relate to the FCDO. No additional losses were reported within the wider Departmental Group.

There was one Constructive Loss greater than £300,000 during the year relating to development work undertaken on an interactive digital management information tool to help with visualisation and analysis of programme delivery. While the tool was successfully tested and delivered, changes to FCDO internal

processes meant that the ability to use the tool was limited. It was therefore decided that the tool would not be released and that £494k of the costs of its development would be treated as a Constructive Loss.

The remainder of the cases related to a variety of losses and fruitless payments in relation to lost IT and mobile equipment, missed travel, unrecoverable advances and some programme-related stolen and looted assets. The FCDO takes a robust approach to pursuing loss recovery.

Special payments

Special payments are transactions outside the normal range of departmental activity that require specific HM Treasury approval. All special payments reported below have been authorised by HM Treasury.

	2021-22	2020-21
Total number of special payments	19	16
Total value of special payments (£000)	2,174	1,231

All figures above relate to the FCDO. No additional special payments were reported within the wider Departmental Group.

There was one special payment greater than £300,000 during the year relating to a £1.385 million payment in relation to 27 staff redundancies within TradeMark East Africa (TMEA).

There was one special severance payment made in the year of £20,000. This was made after legal advice and related to an employment termination dispute.

Fraud

In the FCDO we manage the risks of fraud and corruption robustly, showing zero tolerance for inaction or mishandling. This reflects our willingness to accept only the risks necessary for effective delivery, given our commitment to managing public money well to support our mission. This means we invest in prevention, including a robust due diligence process for implementing partners. We may undertake programme work where there is a risk of fraud outside of the departmental risk appetite where the potential benefits of the work outweigh the risk of fraud. These projects are signed off at an appropriate level. The FCDO Investment & Delivery Committee has a governance and oversight role for countering fraud.

The Director General (DG) for Finance, Corporate and Transformation has overall senior responsibility for counter fraud. The DG is supported by the Internal Audit and Investigations Directorate who are responsible for ensuring the appropriate investigatory response to concerns raised, the Control and Assurance Team are responsible for setting the appropriate structure for counter fraud governance, risk management and controls. In addition to this the department has a network of Fraud Liaison Officers who support with fraud prevention, detection and response activities.

In 2021 we launched our FCDO Counter Fraud Strategy. The strategy reinforces the message that everybody who works for the FCDO is responsible for effective fraud management, from managing fiduciary risk when disbursing UK funds to partners through to ensuring probity in their own work expenditures and expenses. The strategy specifically identifies three strategic objectives for the FCDO's counter fraud work over the next three years. These are to

1. Strengthen our governance, risk management and controls.
2. Find more fraud through innovation and using data.
3. Invest in our organisational communications, capacity, and capability.

Our ODA spending commitments mean that we operate in some of the most challenging contexts. As we take a zero-tolerance approach we have a wide range of measures in place to protect UK taxpayers' funds, to ensure that funds reach those for whom they are intended. We work with organisations that have a strong record of delivering in difficult and dangerous places. We undertake due diligence assessments to gain assurance on partners' capacity, systems and controls. We do not give money to organisations or governments if we are not confident that they will manage it well, or we have concerns that the funds will not be used as intended.

Information on fraud, loss and error is submitted to the Cabinet Office on a quarterly basis through the Consolidated Data Return. This information is then published in the cross-government fraud landscape annual report. Details on our fraud loss and recovery is available via the following link: [Fraud statistics – GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/fraud-statistics).

The total gross fraud losses before recovery in 2021-22 were £2,094,928. After recovery the total net losses were £218,233.

There are challenges in quantifying estimates of unreported fraud in overseas aid programmes. A previous exercise conducted by the University of Portsmouth (UoP) identified that ex-DFID should reject any attempt to measure total fraud in its budget as it would be "too complex and expensive to achieve". To test whether this is still the case we have contracted the UoP to revisit the 2012 judgement regarding

the measurement of total fraud (reported and unreported) to determine if there has been any development in methods or data that could be applied to enable more robust measurement.

Gifts (subject to audit)

For the year ended 31 March 2022, there were no gifts that exceeded £300k.

Regularity (subject to audit)

For the year ended 31 March 2022, no FCDO staff authorised a course of action that infringed the requirements of regularity as set out in Managing Public Money. HM Treasury (HMT) approval was granted for all novel, contentious or repercussive transactions relating to 2021-22.

Fees and Charges (subject to audit)

The FCDO is required, in accordance with HM Treasury's Managing Public Money, to disclose results for the areas of its activities where fees and charges are levied. The information set out below is for fees and charges purposes and is not intended to meet the requirements of IFRS 8 Operating Segments.

The power to charge fees for consular work is set out in the Consular Fees Act 1980. Under the current version of the Act, the FCDO is permitted to take into account the expenses incurred in relation to exercising other consular functions. By policy, there is a cross-subsidy from consular fees in the UK to support the costs of consular services and issuing emergency travel documents overseas. The current fees are prescribed in the Consular Fees (Amendment) Order 2016 No. 373 and the Consular Fees (Amendment) Order 2019 No. 182. In line with HM Treasury guidelines, the fees charged are reviewed annually.

The fees and charges table lists the services the FCDO provides to external and public sector

customers where the full cost to the FCDO exceeds £1 million. It is the FCDO's financial objective to recover the full cost of providing consular services. Disclosed in the table for each service is the income received, the full cost incurred and the amount of any surplus or deficit between the income received and the full cost of providing the services. In any year surpluses and deficits can arise for a number of reasons, including demand fluctuations or variations to the FCDO costs during the year.

The fees are grouped into the three categories: Legalisation fees include those fees paid for legalising documents; the fees for Emergency Travel Documents and Emergency Passports; and Notarial and Documentary Services. Notarial and Documentary services include services such as administering an oath or issuing a certificate of no impediment to marriage.

Consular Premiums

The table also includes income received from the Consular premium (a levy of £15.50 on each standard passport issued). This income is used to fund non fee-bearing consular services provided by our consular officers in London and in our Embassies and Consulates overseas. The income is claimed from HMT through the Supplementary Estimate process each year, on top of £30 million which is baselined. However, this year's settlement ended up being significantly less than would have been justified by the final outturn of passports issued.

The FCDO may also receive funding from the Emergency Disaster Relief Fund (£0.69 on each standard passport issued) to contribute to the cost of responding to major crises overseas. Claims against this fund are calculated on a cost recovery basis.

Analysis of Consular Fees and Charges where the full cost of providing the service exceeds £1 million (rounded to the nearest £1000)

	2021-22			2020-21		
	Income £000	Full Cost £000	Surplus/ (Deficit) £000	Income £000	Full Cost £000	Surplus/ (Deficit) £000
Legalisation Office	22,380	3,648	18,732	14,086	3,427	10,659
Emergency Travel Documents	1,922	22,861	(20,939)	432	15,152	(14,720)
Notarial and Documentary Services	1,290	10,121	(8,831)	955	7,871	(6,916)
Total for fee bearing services	25,592	36,630	(11,038)	15,473	26,450	(10,977)
Consular Premium ⁸³ & EDRF	79,660			69,066		
Consular and Crisis Assistance and Support		129,828	(50,168)		150,175	(81,109)
Total	105,252	166,458	(61,206)	84,539	176,625	(92,086)

Financial Guarantees and Indemnities

Financial Guarantees are disclosed within Note 12.3 to the Financial Statements.

The FCDO issued Letters of Comfort for the financial year 2020-21 to the following ALBs: Wilton Park Agency (WP), Great Britain China Centre (GBCC), and Westminster Foundation for Democracy Limited (WFD). The Letters of Comfort give assurance to the ALBs that the FCDO will provide them with sufficient financial resources in order to ensure they can meet their financial obligations and they can continue as going concern, for at least 12 months from the date that their 2020-21 accounts are certified by the Comptroller & Auditor General.

Of these bodies only Wilton Park called on the Letter of Comfort, by drawing down an additional £1.5 million in 2021-22. No further Letters of Comfort have been issued in 2021-22.

Indemnities

1 April 2021 (£000)	Increase in year (£000)	Liabilities crystallised in year (£000)	Obligations expired in year (£000)	31 March 2022 (£000)	Amount reported to Parliament by Departmental Minute (£000)
245.5	203.5	0	0	449.0	0

The FCDO has entered into the following quantifiable contingent liabilities by offering indemnities. These are given on behalf of the British Council for art exhibitions overseas which are not commercial activities that fall outside the FCDO's core activities. Any decision to offer an indemnity is only given on the basis of a cost-benefit analysis. As part of the agreement between FCDO, British Council and HMT, the British Council will meet the first £3 million of any claim. These liabilities have increased from £245.5k as at 01 April 2021 to £449.0k as at 31 March 2022. None of these is a contingent liability within the meaning of IAS 37 since the likelihood of a transfer of economic benefit in settlement is too remote. They are disclosed here under parliamentary

⁸³ Consular Premiums are the levy on each passport issued

reporting requirements and are measured following the requirements of IFRS9.

Remote contingent liabilities (audited)

In addition to contingent liabilities disclosed in accordance with IAS 37 at note 12 of the accounts, the Department discloses for parliamentary reporting and accountability purposes certain contingent liabilities where the likelihood of a transfer of economic benefit is remote. These amount to £15,041.8 million (2020-21: £14,457.7 million) and comprise:

- » £14,794.0 million (2020-21: £14,220.8 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.
- » £48.3 million (2020-21: £46.1 million) through the issuance of a promissory note for 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.
- » £199.5 million (2020-21: £190.8 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.

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. FCDO does not expect any liabilities to arise in relation to these contingent liabilities.

Audit Fees

The Accounts have been audited by the Comptroller and Auditor General. The total cost of audit for all bodies across the Departmental Group for 2021-22 is £893,600 (2020-21 £1,033,050) comprising:

	2021-22	2020-21
Notional audit fees:	£	£
Core department	740,000	875,000
Wilton Park Agency	36,000	29,000
FCDO Overseas Superannuation Schemes	55,600	82,000
Total notional audit fees	831,600	986,000
Cash audit fees:		
Audit fees for Arms-Length Bodies	62,000	47,050

The audit of the designated bodies was carried out by the National Audit Office (NAO) under various statutes, and the costs are included in the figures disclosed above. Further details are given in the accounts of the bodies concerned.

In addition to their statutory audit work, the NAO was directly paid fees of £15,774 for consultancy advice to FCDO during 2021-22. NAO also received indirect fees in 2021-22 from FCDO totalling £109,807. For comparison, in 2020-21 the NAO received fees from FCDO totalling £68,328 (£7,660 direct and £60,668 indirect).

Going Concern

In common with other government departments, the future financing of the department's liabilities is to be met by the funding from Parliament.

This is through the receipt of Supply financing and future income which are approved annually by Parliament by the passing of the Supply and Appropriation (Main Estimates) Act.

The department considers 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 FCDO can be found in Annex C.

Sir Philip Barton KCMG OBE

Accounting Officer for the Foreign,
Commonwealth & Development Office

14 July 2022

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 Foreign, Commonwealth and Development Office and of its Departmental Group for the year ended 31 March 2022 under the Government Resources and Accounts Act 2000. The Department comprises the core Department and its agency. 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 2021. The financial statements comprise the Department's and the Departmental Group's:

- » Statement of Financial Position as at 31 March 2022;
- » Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- » the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- » give a true and fair view of the state of the Department and the Departmental Group's affairs as at 31 March 2022 and its net expenditure for the year then ended; and
- » 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 Outturn Against Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2022 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 for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law 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 2019*. I have also elected to apply the ethical standards relevant to listed entities. I am independent of the Foreign, Commonwealth and Development Office and its Group in accordance with the ethical requirements that are relevant to my audit of 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.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Foreign, Commonwealth and Development Office and its Group's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Foreign, Commonwealth and Development Office or its Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the Foreign, Commonwealth and Development Office and its Group is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other information

The other information comprises information included in the Annual Report, but does not include the financial statements nor my auditor's certificate and report. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly

stated in my certificate, 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 I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000.

In my opinion, based on the work undertaken in the course of the audit:

- » the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000;
- » the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Foreign, Commonwealth and Development Office and its Group and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Report.

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

- » I have not received all of the information and explanations I require for my audit; or
- » adequate accounting records have not been kept by the Foreign, Commonwealth and Development Office 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 subject to audit are not in agreement with the accounting records and returns; or
- » certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report subject to audit is not in agreement with the accounting records and returns; or
- » the Governance Statement does not reflect compliance with HM Treasury's guidance.

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:

- » maintaining proper accounting records;
- » the preparation of the financial statements and Annual Report in accordance with the applicable financial reporting

framework and for being satisfied that they give a true and fair view;

- » ensuring that the Annual Report and accounts as a whole is fair, balanced and understandable;
- » internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error; and
- » assessing the Foreign, Commonwealth and Development Office and its Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Department and its Group will not continue to be provided in the future.

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.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. 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.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud.

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, we considered the following:

- » the nature of the sector, control environment and operational performance including the design of the Foreign, Commonwealth and Development Office and its Group's accounting policies and key performance indicators.
- » Inquiring of management, the Foreign, Commonwealth and Development Office's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Foreign, Commonwealth and Development Office and its Group's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and

- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Foreign, Commonwealth and Development Office and its Group's controls relating to the Department's compliance with the Government Resources and Accounts Act 2000 and Managing Public Money.
- » discussing among the engagement team and involving relevant internal and external specialists, including land and building valuations and financial guarantees, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Foreign, Commonwealth and Development Office and its Group for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, bias in management estimates and disbursement of overseas programme funds, particularly in fragile and conflict areas. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override.

I also obtained an understanding of the Foreign, Commonwealth and Development Office and Group's framework of authority as well as other legal and regulatory frameworks in which the Department and Group operates, focusing on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Department and its Group. The key laws and regulations I considered in this context included Government Resources and Accounts Act 2000, Managing Public Money, Supply and Appropriation (Main Estimates) Act 2021,

employment law, tax legislation, the International Development Act 2002, the International Development (Reporting and Transparency) Act 2006, the International Development (Official Development Assistance Target) Act 2015, the Consular Fees Act 1980 and the Sanctions and Anti-Money Laundering Act 2018.

In addition, I considered the Department's processes to prevent, detect and evaluate fraud in overseas programme funds including a targeted review of fraud reporting mechanisms and wider information in the public domain.

Audit response to identified risk

As a result of performing the above, the procedures I implemented to respond to identified risks included the following:

- » reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- » enquiring of management, the Audit and Risk Assurance Committee and in-house legal counsel concerning actual and potential litigation and claims;
- » reading and reviewing minutes of meetings of those charged with governance and the Board and internal audit reports;
- » in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- » assessment of the results of the Foreign, Commonwealth and Development Office's

evaluation of fraud in overseas programme funds. This included assessing reported fraud cases, seeking evidence as to the potential for unreported fraud and independently testing a sample of grant payments.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

I am required to obtain appropriate evidence sufficient to give reasonable assurance that the Statement of Outturn against 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.

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.

Report

I have no observations to make on these financial statements.

Gareth Davies 18 July 2022
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

SECTION 3**Financial
Statements**



Consolidated Statement of Comprehensive Net Expenditure

This account summarises the expenditure and income generated and consumed on an accruals basis. It also includes other comprehensive income and expenditure, which include changes to the values of non-current assets and other financial instruments

that cannot yet be recognised as income or expenditure. Other comprehensive net expenditure directly impacts the general fund and therefore is not reclassified in net expenditure for the year.

	Note	FCDO ¹			
		2021-22		2020-21	
		Core Department & Agencies £000	Departmental Group £000	Core Department & Agencies £000	Departmental Group £000
Revenue from contracts with customers	4	(261,254)	(261,412)	(257,244)	(257,579)
Other operating income	4	(196,879)	(196,879)	–	–
Income of consolidated bodies	4	(5,369)	(14,762)	(2,683)	(14,587)
Total Operating Income		(463,502)	(473,053)	(259,927)	(272,166)
Operating Expenditure					
Staff costs	3	790,402	794,496	834,268	838,134
Grants	3	4,935,016	4,963,494	7,691,626	7,717,434
Promissory note deposits	3	950,158	950,158	1,515,283	1,515,283
Subscriptions to international organisations	3	165,439	165,437	190,235	190,235
Rentals under operating leases	3	148,503	148,503	140,975	140,975
Other costs	3	1,467,817	1,443,864	1,588,687	1,570,786
Depreciation, Amortisation and impairment	3	213,280	213,280	289,814	289,826
Capital Grant in Kind	3	–	–	1,585,521	1,585,521
Non-cash costs	3	20,054	20,126	668,375	668,384
Total operating expenditure		8,690,669	8,699,358	14,504,784	14,516,578
Net Operating Expenditure		8,227,167	8,226,305	14,244,857	14,244,412
Other Income					
Finance income	4	(43,099)	(43,099)	(42,154)	(42,154)
Income due to the Consolidated Fund	4	(1,177)	(1,177)	(750)	(750)
		(44,276)	(44,276)	(42,904)	(42,904)
Net Expenditure for the Year		8,182,891	8,182,029	14,201,953	14,201,508
Total Operating Expenditure	3	8,690,669	8,699,358	14,504,784	14,516,578
Total Income	4	(507,778)	(517,329)	(302,831)	(315,070)
Net Expenditure for the Year		8,182,891	8,182,029	14,201,953	14,201,508

	Note	FCDO ¹			
		2021-22		2020-21	
		Core Department & Agencies £000	Departmental Group £000	Core Department & Agencies £000	Departmental Group £000
Other Comprehensive Net Expenditure					
Items that will not be reclassified to net operating expenditure:					
Net (gain)/loss on:					
Revaluation of property, plant and equipment	5	(263,776)	(263,776)	111,288	111,288
Revaluation of assets held for sale	5	57	57	1,980	1,980
Revaluation of intangible assets		1	1	–	–
Actuarial (gain)/loss on defined benefit pension schemes		(1,443)	(1,443)	1,698	1,698
		(265,161)	(265,161)	114,966	114,966
Items which may be reclassified to net operating expenditure:					
Net (gain)/loss on:					
Revaluation of Development Capital Investments	6	(16,150)	(16,150)	7,590	7,590
Revaluation of International Financial Institution investments	6	(399,121)	(399,121)	260,926	260,926
Revaluation of investment in BII	6	(625,050)	(625,050)	(48,800)	(48,800)
		(1,040,321)	(1,040,321)	219,716	219,716
Total Comprehensive Net Expenditure for the Year		6,877,409	6,876,547	14,536,635	14,536,190

- 1 FCDO includes core department and associated entities inside the departmental accounting boundaries set out in note 17.
- 2 Further analysis of staff costs can be found in the Staff report in the Accountability Report on page 124. All income and expenditure derived from continuing operations. Comparative for prior period has been restated to reflect income reclassification changes between operating and non-operating income. See Note 4 Income for more detail.

The notes following these main schedules form part of these financial statements.

Consolidated Statement of Financial Position

This statement presents the financial position of FCDO as at 31 March 2022.

	Note	FCDO ¹			
		31 March 2022		31 March 2021	
		Core Department & Agencies £000	Departmental Group £000	Core Department & Agencies £000	Departmental Group £000
Non-Current Assets					
Property, Plant and Equipment	5	2,771,093	2,771,108	2,565,043	2,565,044
Intangible Assets		16,119	16,119	9,707	9,707
Financial Investments	6	12,546,618	12,546,618	10,618,691	10,618,691
Forward Currency Contracts	7	121	121	–	–
Retirement Benefit Schemes Asset	13	5,512	5,512	3,347	3,347
Trade and Other Receivables	9	1,032,861	1,032,861	1,004,362	1,004,362
Total Non-Current Assets		16,372,324	16,372,339	14,201,150	14,201,151
Current Assets					
Assets Classified as Held For Sale	5.1	23,364	23,364	21,547	21,547
Inventories		919	919	949	949
Trade and Other Receivables	9	361,546	362,889	375,595	376,836
Cash and Cash Equivalents	8	203,368	209,969	215,442	222,327
Contract Assets		38,314	40,396	43,416	43,879
Forward Currency Contracts	7	1,966	1,966	392	392
Total Current Assets		629,477	639,503	657,341	665,930
Total Assets		17,001,801	17,011,842	14,858,491	14,867,081
Current Liabilities					
Bank Overdraft	8	(45)	(45)	(4,302)	(4,302)
Contract Liabilities	10	(1,621)	(2,271)	(7,443)	(8,817)
Forward Currency Contracts	7	(3,185)	(3,185)	(11,351)	(11,351)
Trade and Other Payables	10	(6,219,413)	(6,224,660)	(6,926,873)	(6,930,842)
Provisions	11	(247,611)	(247,623)	(166,520)	(166,520)
Total Current Liabilities		(6,471,875)	(6,477,784)	(7,116,489)	(7,121,832)
Total Asset less Current Liabilities		10,529,926	10,534,058	7,742,002	7,745,249

	Note	FCDO ¹			
		31 March 2022		31 March 2021	
		Core Department & Agencies £000	Departmental Group £000	Core Department & Agencies £000	Departmental Group £000
Non-Current Liabilities					
Trade and Other Payables	10	(40,621)	(40,621)	(39,379)	(39,379)
Retirement Benefit Schemes Liability	13	(24,450)	(24,450)	(25,257)	(25,257)
Forward Currency Contracts	7	(626)	(626)	(7,085)	(7,085)
Financial Guarantee Contracts	12.3	(152,873)	(152,873)	(105,000)	(105,000)
Provisions	11	(810,678)	(810,689)	(1,043,845)	(1,043,845)
Total Non-Current Liabilities		(1,029,248)	(1,029,259)	(1,220,566)	(1,220,566)
Total Assets less Liabilities		9,500,678	9,504,799	6,521,436	6,524,683
Tax-payers Equity and Other Reserves					
General Fund		2,211,882	2,216,003	452,122	455,369
Revaluation Reserve		7,288,796	7,288,796	6,069,314	6,069,314
Total Equity		9,500,678	9,504,799	6,521,436	6,524,683

1 FCDO includes core department and associated entities inside the departmental accounting boundaries set out in note 17. The Departmental Group includes bodies outside the boundary as detailed in note 17.

The notes following these main schedules form part of these financial statements.

Sir Philip Barton KCMG OBE

Accounting Officer

Foreign, Commonwealth & Development Office

King Charles Street

London

SW1A 2AH

14 July 2022

Consolidated Statement of Cash Flow

The Statement of Cash Flows shows the changes in cash and cash equivalents of the department during the reporting period. The statement shows how the department generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is

a key indicator of service costs and the extent to which these operations are funded by way of income from the recipients of services provided by the department. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to the departments' future public service delivery.

	Note	FCDO			
		2021-22		2020-21	
		Core Department & Agencies £000	Departmental Group £000	Core Department & Agencies £000	Departmental Group £000
Cash Flows from Operating Activities					
Net Expenditure for the Year		(8,182,891)	(8,182,029)	(14,201,953)	(14,201,508)
Adjustments for non-Cash Transactions		225,489	225,559	948,080	947,708
Adjustment for grant in kind	3	–	–	1,585,521	1,585,521
(Increase)/Decrease in Trade and Other Receivables	9	(3,304)	(5,027)	19,084	20,028
Less Movements in Receivables relating to items not passing through the SOCNE		(16,867)	(16,867)	(677)	(677)
(Increase)/Decrease in Inventories	CSofP	30	30	48	48
Increase/(Decrease) in Trade Payables	10	(708,831)	(708,266)	420,941	422,494
Less Movements in Payables relating to items not passing through the SOCNE		10,120	10,131	(122,444)	(122,444)
Use of Provisions	11	(150,438)	(150,438)	(159,529)	(159,567)
Adjustment to replace Defined Benefit Pension Scheme SOCNE charge with cash payments	13	(1,528)	(1,528)	(2,207)	(2,207)
Net Cash Outflow from Operating Activities		(8,828,220)	(8,828,435)	(11,513,136)	(11,510,604)
Cash Flows from Investing Activities					
Purchase of Property, Plant and Equipment	5	(166,680)	(166,689)	(116,000)	(116,000)
Purchase of Intangible Assets		(3,216)	(3,277)	(2,870)	(2,870)
Proceeds from Disposal of Property, Plant and Equipment		37,734	37,734	11,307	11,307
Proceeds of disposal of financial investments		10,557	10,557	1,998	1,998
Additions to financial investments	6	(909,669)	(909,669)	(797,868)	(797,868)
Repayment from other bodies		5,686	5,686	16,603	16,603
Loan payments to Other Bodies	6	–	–	(1,156)	(1,156)
Net Cash Outflow from Investing Activities		(1,025,588)	(1,025,658)	(887,986)	(887,986)

	Note	FCDO			
		2021-22		2020-21	
		Core Department & Agencies £000	Departmental Group £000	Core Department & Agencies £000	Departmental Group £000
Cash Flows from Financing Activities					
From the Consolidated Fund (Supply) – current year	CSCTE	9,848,422	9,848,422	12,531,847	12,531,847
Capital Element of Payments of Finance Leases and On-Balance Sheet (SoFP) PFI Contracts		(1,998)	(1,998)	(1,950)	(1,950)
Net Financing		9,846,424	9,846,424	12,529,897	12,529,897
Net Increase/(Decrease) in Cash and Cash Equivalents in the period before Adjustment for Receipts and Payments to the Consolidated Fund					
		(7,384)	(7,669)	128,775	131,307
Payments of Amounts Due to the Consolidated Fund		(1,739)	(1,739)	(4,481)	(4,481)
Receipts of Amounts as agent of the Consolidated Fund	SoPS 4.2	1,306	1,306	958	958
Net Increase/(Decrease) in Cash and Cash Equivalents in the period after Adjustment for Receipts and Payments to the Consolidated Fund					
		(7,817)	(8,102)	125,252	127,784
Cash and Cash Equivalents at the beginning of the period	8	211,140	218,026	85,888	90,241
Cash and Cash Equivalents at the end of the period	8	203,323	209,924	211,140	218,025

The notes following these main schedules form part of these financial statements.

The department held cash of £115 million collected on behalf of UKVI. These were paid into FCDO's bank accounts as foreign currency, and will subsequently be paid over to UKVI in Sterling. As such they are included in cash held by the Core Department, as set out in note 8.

Consolidated Statement of Changes in Taxpayer's Equity

This statement shows the movement in the year on the different reserves held by FCDO, analysed into 'general fund reserves' (i.e. those reserves that reflect a contribution from the Consolidated Fund). The Revaluation Reserve reflects the change in asset values that have

not been recognised as income or expenditure. The General Fund represents the total assets less liabilities of a department, to the extent that the total is not represented by other reserves and financing items.

	Note	FCDO Core Department & Agencies			FCDO Departmental Group		
		General Fund £000	Revaluation Reserve £000	Total £000	General Fund £000	Revaluation Reserve £000	Total £000
Balance at 31 March 2020 (Restated)	CSoFP	880,174	7,732,169	8,612,343	883,562	7,732,169	8,615,731
Net Parliamentary Funding - drawn down		12,531,847	–	12,531,847	12,531,847	–	12,531,847
Net Parliamentary Funding - deemed		82,896	–	82,896	82,896	–	82,896
Supply Receivable/ (payable) Adjustment	10	(210,920)	–	(210,920)	(210,920)	–	(210,920)
Parliamentary Funding—Supply receivable		7,138	–	7,138	7,138	–	7,138
CFERS Payable to the Consolidated Fund	SoPS 4.1	(750)	–	(750)	(750)	–	(750)
Net expenditure for the year	SOCNE	(14,201,953)	(219,716)	(14,421,669)	(14,201,508)	(219,716)	(14,421,224)
Net Gain/(loss) on Revaluation of PPE	SOCNE	–	(111,288)	(111,288)	–	(111,288)	(111,288)
Net Gain/(Loss) on Revaluation of Assets Held for Sale	SOCNE	–	(1,980)	(1,980)	–	(1,980)	(1,980)
Actuarial Gain/(Loss) on Defined Benefit Pension Schemes	SOCNE	(1,698)	–	(1,698)	(1,698)	–	(1,698)
		(1,793,440)	(332,984)	(2,126,424)	(1,792,995)	(332,984)	(2,125,979)
Non-cash adjustments							
Non-Cash Charges - Auditors Remuneration	3	986	–	986	986	–	986
Fair Value Revaluation Adjustment		–	33,048	33,048	–	33,048	33,048
Movements in Reserves							
Realised element to General Fund		1,362,919	(1,362,919)	–	1,362,919	(1,362,919)	–
Consolidation and other In-year Adjustments		1,483	–	1,483	897	–	897

	Note	FCDO Core Department & Agencies			FCDO Departmental Group		
		General Fund	Revaluation Reserve	Total	General Fund	Revaluation Reserve	Total
		£000	£000	£000	£000	£000	£000
Balance at 31 March 2021	CSoFP	452,122	6,069,314	6,521,436	455,369	6,069,314	6,524,683
Net Parliamentary Funding - drawn down		9,848,422	–	9,848,422	9,848,422	–	9,848,422
Net Parliamentary Funding - deemed		210,920	–	210,920	210,920	–	210,920
Supply Receivable/(Payable) Adjustment	10	(202,359)	–	(202,359)	(202,359)	–	(202,359)
CFERS Payable to the Consolidated Fund	SoPS 4.1	(1,177)	–	(1,177)	(1,177)	–	(1,177)
Net expenditure for the year	SOCNE	(8,182,891)	1,040,321	(7,142,570)	(8,182,029)	1,040,321	(7,141,708)
Net Gain/(loss) on Revaluation of PPE	SOCNE	–	263,776	263,776	–	263,776	263,776
Net Gain/(Loss) on Revaluation of Intangibles	SOCNE	–	(1)	(1)	–	(1)	(1)
Net Gain/(Loss) on Revaluation of Assets Held for Sale	5.1	–	(57)	(57)	–	(57)	(57)
Actuarial Gain/(Loss) on Defined Benefit Pension Schemes		1,444	–	1,444	1,444	–	1,444
		1,674,359	1,304,039	2,978,398	1,675,221	1,304,039	2,979,260
Non-cash adjustments							
Non-Cash Charges – Auditors Remuneration	3	832	–	832	832	–	832
Movements in Reserves							
Realised element to General Fund		84,559	(84,559)	–	84,559	(84,559)	–
Consolidation and other In-year Adjustments		10	2	12	22	2	24
Balance at 31 March 2022	CSoFP	2,211,882	7,288,796	9,500,678	2,216,003	7,288,796	9,504,799

The notes following these main schedules form part of these financial statements.

Notes to the Departmental Resource 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 2021-22 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 the FCDO for the purpose of giving a true and fair view has been selected. The 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 Outturn against Parliamentary Supply (SOPS), and supporting notes showing the outturn against estimate in terms of the net resource requirement and the net cash requirement. The SOPS and supporting notes can be found in the Accountability Report.

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 the FCDO by reference to their current costs or fair value as appropriate.

1.2 Basis of consolidation

These accounts comprise a consolidation of the core department, its departmental agencies and those other arm's length bodies which fall within the departmental boundary as defined in the statutory instrument SI 2021 No 17 laid by HM Treasury. These bodies make up the 'departmental group'. Transactions between the entities included in the consolidation are eliminated. A list of all those entities within the departmental boundary is given in Note 17 to the accounts.

In the preparation of the group accounts, the department is required to adopt consistent and uniform accounting policies across all entities with appropriate adjustments made where any differences have a material impact on the accounts.

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 the FCDO in relation to spending on development activities by the European Union from the EU budget. The Statement of Outturn against Parliamentary Supply does, however, include this expenditure when calculating resource outturn for the year under review. As a result, this expenditure is included within SOPS 2, detailing the reconciliation between resource outturn for the year and the total included in the Consolidated Statement of Comprehensive Net Expenditure.

1.3 Machinery of Government changes

There were no Machinery of Government changes in 2021-22 however there are Machinery of Government changes agreed for 2022-23. More details can be found in Note 18.

1.4 Accounting policy changes

As a result of the FReM adaptation to IFRS 9, the accounting policy surrounding Expected Credit Losses (ECLs) of financial guarantee contracts has been changed in the year. Where financial guarantee contracts are issued at

below fair value, where there is no observable equivalent or active market (which is the case for most development / ODA guarantees), then in order to fully reflect the fair value, these will be recorded at lifetime ECL at initial recognition. Although not explicitly stated in the FReM, the FCDO will also use lifetime ECLs as fair value in subsequent measurement and have agreed this treatment with HM Treasury. This adaptation differs to IFRS 9 paragraph 5.5.3 where lifetime expected credit losses are recognised for a financial instrument where the credit risk on that financial instrument has increased significantly since initial recognition.

This policy has been applied retrospectively. Retrospective application results in an adjustment of £46.6 million which is not material therefore the full impact of the retrospective application has been reflected in the current year instead of restating any prior years.

Further details on the impact of this accounting policy change to the financial statements can be found in Note 12.3.

1.5 Impending application of newly issued accounting standards not yet effective

The following changes to IFRS may affect the FCDO and will be applied once they are adopted by the FReM (subject to any interpretations or adaptations applied by the FReM). The effective dates of the IFRS changes are noted below.

IFRS 16 Leases

IFRS 16 will be adopted by the FCDO in 2022-23.

IFRS 16 eliminates the distinction between operating and finance leases and imposes a single model geared towards the recognition of all but low value or short-term leases. Low value will be where the underlying asset has a value on adoption under £10,000 (in line with our capitalisation threshold), and short-term leases will be where the lease term is 12 months or less. Any lease which is not considered to be an IFRS 16 lease for these reasons will continue to be treated as an operating lease and be

expensed in the Consolidated Statement of Comprehensive Net Expenditure.

The assets underlying IFRS 16 leases are known as right of use (ROU) assets. Both the lease obligation and the value of the underlying ROU asset will be recognised on the Consolidated Statement of Financial Position. The rental expense on IFRS 16 leases previously recognised within the Consolidated Statement of Comprehensive Net Expenditure will be superseded by the depreciation of the assets and the interest charges arising on the obligations.

As mandated by HM Treasury, the FCDO will adopt IFRS 16 on a cumulative catch-up basis and therefore the cumulative impact on previous years' results will be recognised within equity at the beginning of the period. As at 1 April 2022 a ROU asset and lease liability will be recognised for all relevant leases. The initial value of the ROU asset will consist of the present value of the minimum lease payments adjusted for any lease payments made prior to the commencement of the lease, any lease incentives received less accruals and prepayments associated with the lease.

For all but private rented accommodation used for staff, the FCDO determines the lease term applicable for IFRS 16 according to its enforceable rights and obligations under the contract. For private rented accommodation used by staff, the FCDO considers factors, such as business needs and costs compared to alternatives, to determine whether renewal is reasonably certain. Where leases include an option to extend, an assessment will be made as to whether to revise the lease length.

Charges that the FCDO makes to partner organisations who share our platform overseas are not leases and will continue to be collected under memorandums of understanding.

The FCDO has adopted the following practical expedients on transition:

- » not to capitalise a ROU lease asset or related lease liability where the lease expires before 31 March 2023 (subject to an assessment of whether a renewal is expected);

- » to use hindsight in determining the lease term;
- » to exclude intangible assets;
- » to use the HM Treasury Public Expenditure Statistics (PES) rate as the appropriate discount rate for determining present value;
- » to take cost as an appropriate proxy for current value and will not revalue unless there are exceptional circumstances, such as for peppercorn leases, or where particularly long leases do not provide a viable calculated cost when compared to market value; and,
- » to exclude service charges or maintenance costs from the measurement of the ROU asset.

The FCDO has estimated the potential impact that the initial application of IFRS 16 is likely to have on the Statement of Financial Position (SOPF) and on the Statement of Comprehensive Net Expenditure (SOCNE) for 2022-23. The estimates are indicators for the purposes of this note only and will be subject to revision during 2022-23. For the purposes of this disclosure the assessment of whether options to extend or terminate leases after 31 March 2023 have not been reviewed to consider whether FCDO is reasonably certain to exercise these options. This has the potential to significantly impact the calculation of the IFRS 16 right of use assets and lease liabilities. This assessment on a lease-by-lease basis will be performed during 2022-23 when FCDO introduces a new proprietary lease software and migrates lease data to this new system. All leases will then be re-assessed and recalculated.

SOPF IFRS 16 potential impact 2022-23	£000
Right of Use assets at 1 April 2022	670,000
Increase in Right of Use assets in year	106,000
IFRS 16 lease liability at 1 April 2022	(645,000)
IFRS 16 lease liability in year	(106,000)

SOCNE IFRS 16 potential impact 2022-23	£000
Depreciation	110,000
Interest charge	8,000
IAS 17 basis rental charge	25,000
Lease related expenditure	143,000
Less current annual operating lease rentals	(143,000)
Net impact	–

The FCDO leases properties worldwide in different currencies and the contractual terms are correspondingly diverse, complex and subject to local laws. On-going re-assessments of the lease terms together with the use of hindsight under IFRS 16 represent substantial risks to the assumptions made and therefore to the factors used in the above estimates. The requirement to use hindsight in determining the lease term where the contract contains options to extend or terminate the lease means that it will not be possible to finalise the actual impact on 2022-23 until 31 March 2023. The use of hindsight may result in changes of assumptions when reviewed at the end of the year 2022-23.

The requirement to use hindsight in determining the lease term where the contract contains options to extend or terminate the lease means that it will not be possible to finalise the actual impact on 2022-23 until 31 March 2023. The use of hindsight may result in changes of assumptions when reviewed at the end of the year 2022-23. The relevant facts and circumstances that create an economic incentive for the FCDO to exercise an option to extend can only be concluded at the time the option is exercised and a re-assessment of the option will lead to a re-measurement of the lease.

IFRS 17 Insurance Contracts

IFRS 17 Insurance Contracts will replace IFRS 4 Insurance Contracts and is expected to be effective for accounting periods beginning on or after 1 January 2023.

IFRS 17 identifies as insurance contracts those contracts under which the entity accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. The FCDO is discussing with HM Treasury whether any guarantee issued by the FCDO, and disclosed as a contingent liability, could fall within the remit of IFRS 17 once adapted for the public sector.

The mandatory adoption of IFRS 17 Insurance Contracts has been delayed by two years until

2025-26. The Financial Reporting Advisory Board (FRAB) has agreed to delay the mandatory adoption of IFRS 17 on Insurance Contracts until 2025-26 (a two-year delay).

IAS 1 Presentation of Financial Statements

IAS 1 Presentation of Financial Statements—amendment to the classification of some liabilities as current or non-current. The implementation date for the private sector will be no earlier than 1 January 2024. There is currently no planned date for adoption by the FReM.

1.6 Critical accounting judgements and estimates

Management, 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 continually evaluated, based on historical experience and other factors considered relevant, including expectations of future events that are believed to be reasonable under the circumstances. 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 the FCDO'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 held at amortised cost

The FCDO carries out an annual impairment review of the carrying value of its financial assets which are measured at amortised cost, as IFRS 9 does not require impairment reviews for fair value through profit and loss (FVTPL) or fair value through other comprehensive income (FVTOCI) assets. Impairment losses are calculated based on the best estimate of the current fair value. Long term loan balances are held with a number of overseas governments and organisations. The FCDO carries out an annual review to assess whether there has been a significant increase in credit risk. This is done

by considering 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. Expected Credit Losses (ECLs) are then measured for all amortised cost financial assets over their lifetime. The FCDO estimates the value of the ECLs by reviewing history of default and credit ratings together with a forward look at expected economic conditions and applies that information to estimate expected future cash flows. Further details of how the FCDO calculates and assesses ECLs are available in Note 1.22.

(b) 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 FCDO's investments is subjective as there is no observable market and there is an inherent risk that valuations may not reflect fair value. As a result, there is a level of estimation uncertainty of investment valuations. Details of these uncertainties and relevant sensitivity analyses are available in Note 7.

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 of 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. In the absence of available market data, an approximation of the fair value of the FCDO's interests is assessed as the FCDO's share of the net assets based on the number of shares subscribed by the FCDO. Where possible, valuations are based on financial information contained within published annual accounts but given that year-ends of most entities are non-

coterminous with the FCDO, quarterly financial information has been used to value investments where the FCDO judges these provide a more accurate valuation of shareholding. For these entities a letter of assurance is also sought to give additional confidence over valuation procedures and methodology.

(c) Valuation of property, plant and equipment

Estimation is based on experience with similar assets. Overseas properties can be held under a number of different individual agreements, and the FCDO values these appropriately within the local market. The estimated useful life of each asset is reviewed periodically. The FCDO assesses material movements between the date of measurement (30 September) and the year end (31 March). Where the foreign exchange and market movements are not deemed material, the 30 September valuation is used at year end.

(d) Estimation of provisions

The estimation of provisions is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. A provision is recognised where the likelihood of a liability crystallising is deemed probable and where it is possible to quantify the effect with reasonable certainty. Where the likelihood of potential liabilities crystallising is judged to be possible, a contingent liability is disclosed. Wherever possible expert advice is sought, e.g. Counsel opinion regarding legal provisions. The FCDO's largest provisions are in relation to legally binding pledges to the International Finance Facility for Immunisation (IFFIm). Further information on these provisions is provided at Note 11.

(e) Calculation of accruals and prepayments

Expenditure is recognised in the period in which the underlying event or activity occurs. In some instances this will require resource adjustments through accruals and prepayments. Accruals and prepayments are based on the known value of the transaction wherever possible.

Where estimates need to be made, they are based on appropriate and consistently applied methods. For prepayments, judgement will be required on a case-by-case basis to ascertain if the FCDO spending and the activities they fund can be separately identified in order to make an appropriate estimate of the prepayment adjustment required. Judgement will also be required to establish whether there is a legal right to return of any committed funds, and thus whether a constructive obligation has been created in full or in part.

(f) Valuation of defined benefit pension schemes

The present value of the net pension liability depends on a number of actuarially derived assumptions about variables such as inflation, discount factors, and mortality rates. The majority of pension investments are held in pension funds or insurances in order to give a guaranteed income. This has reduced the volatility that would otherwise occur if the assets had been directly invested in stocks and shares.

(g) Fair value of financial guarantees

Financial guarantees are measured at fair value at the Consolidated Statement of Financial Position date and recorded as a financial liability.

For financial guarantee contracts issued in an active market or where there is observable market equivalents, valuation upon initial recognition is based on the present value of the benefit to the party receiving the guarantee and involves a number of assumptions of forward-looking data.

For financial guarantee contracts issued below fair value and where there is no active market or observable market equivalent, valuation upon initial recognition is based on the lifetime ECL (see Note 1.4) which is calculated using a statistical model built by Government Actuary's Department (GAD) using various scenarios which are then probability weighted. The FCDO's financial guarantees in non-active markets are guarantees of International Bank for Reconstruction and Development (IBRD) lending to sovereigns (see Note 12.3 for details)

whereby the guarantee will be called in the event of a sovereign default.

Defaults to the Multilateral Development Banks (MDBs) (including IBRD) are very rare meaning there is little data to make an accurate assumption about loss given default. Bank of Canada (BoC) developed a database of sovereign defaults that is posted on their website and updated in partnership with the Bank of England (BoE). This database records all types of sovereign defaults to the IMF, the IBRD, IDA, bilateral debtors, bonds and other private debt from 1960-2020. The FCDO has used this information as the basis for its scenario modelling of default recovery and probability weighting. The FCDO has chosen the following scenarios: recovery within 1 year, recovery in 2-5 years, recovery in 6-10 years, recovery in 11-15 years and recovery in 15 years or more which has been equated to perpetual default (or the sovereign never recovering from default). Probability weights are then calculated based on historical occurrences of these scenarios as recorded in the BoC database. The FCDO has chosen to use only IBRD defaults rather than the whole BoC database as these are most relevant to the IBRD guarantees. All IBRD data in the BoC database from 1960-2020 has been used. The FCDO calculates the lifetime ECL (i.e. fair value) of its IBRD guarantees by performing modelling in each of these scenarios using the GAD designed model, then probability weighting each result to give an overall estimated fair value.

As a result, there is a level of estimation uncertainty in the valuation of financial guarantees. To illustrate the differences that different assumptions may have on the fair value of guarantees issued below fair value and where there is no active market or observable market equivalent, sensitivity analysis is included at Note 12.3.

This sensitivity analysis takes the best and worst case scenarios of default recovery to give a full range of possible outcomes.

In line with IFRS 9, the lifetime ECL has been discounted to the reporting date at HM Treasury rates to reflect time value of money.

1.7 Operating segments

In line with IFRS 8 'Operating Segments', the FCDO's operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is responsible for allocating resources and assessing performance of operating segments, which for this purpose has been identified as the Management Board.

The FCDO is managed, and reports internally, on a basis consistent with its eight Director General (DG) areas and as such, these have been determined as the operating segments. The Management Board reviews a monthly finance report as a standing item on its agenda. This aggregates financial data and summarises financial performance, both historical and forecast, by DG area. Note 2 sets out gross expenditure, income, and the net position for each operating segment.

1.8 Operating Income and Revenue Recognition

Operating income is income which relates to the operating activities of the FCDO. It principally comprises charges for services provided, on a full cost recovery basis, to external partners across government. Operating income is stated net of VAT and is recognised in accordance with the FReM and IFRS 15 on revenue recognition.

The FCDO's operating revenue is primarily derived from providing services, with revenue recognised over time as the service is provided to the customer. The significant operating income streams of the FCDO are income from other government departments and organisations, running costs receipts and consular fees, details of which can be found in Note 4.

The FCDO recognises notional income reflecting the release of discounting on loans. This is calculated in accordance with IFRS 9 using the effective interest rate method to amortise, or spread, cash flows over the life of the loan.

All notional interest revenue is recognised in the Consolidated Statement of Comprehensive Net Expenditure over the relevant period.

For income from other government departments and organisations, and running cost receipts, the service being provided is in accordance with an agreed memorandum of understanding or other form of contractual agreement. The performance obligation is that of providing the contractual service and is satisfied over time as the service is provided. Direct platform costs are charged to our partner departments using our overseas platform. These local costs directly attributable to Other Government Departments (OGDs) will be invoiced by the FCDO to the partner departments monthly. Invoices will be paid within 30 calendar days of receipt or within an otherwise agreed schedule of payments. Costs include locally employed staff, rent, residential utilities, furniture, official vehicles. Indirect costs include accommodation, security work, capital enhancements, technical support, IT services, machinery, and telecommunication services. Each OGD will be invoiced for one single annual global payment for all fixed and indirectly incurred costs of being on the platform and payments will be made according to the agreed schedule. The FCDO recognises this significant income in accordance with IFRS 15 on revenue recognition.

Consular fees are based on statutory authority and the income recognised is received from the general public for consular goods or services provided, the fees for which are set out in legislation. The performance obligation is the point at which the goods or services are provided to the customer.

When applying IFRS 15 the FCDO has recognised a contract asset and liability in the Consolidated Statement of Financial Position, being the difference between the amount received from the customer and the latest achieved contract milestone. Where the amount received is lower than the value of services provided a contract asset is recognised and where the amount received is higher than the value of services provided, a contract liability is recognised.

1.9 Income collected as agent for the Consolidated Fund

Income collected by the FCDO where it was acting as an agent for the Consolidated Fund rather than as principal is excluded from the Consolidated Statement of Comprehensive Net Expenditure. Details of the amount and balance held at the year-end date are given in SOPS Note 4.2.

1.10 Notional costs – audit fees

In accordance with the requirements of the FReM, the external audit fees for the core department and its agency are charged to Net Operating Cost and they are notional costs to the FCDO borne by the National Audit Office (NAO). Further details of the amounts paid to the NAO are disclosed in the Parliamentary Accountability and Audit Report of the Annual Report and Accounts.

1.11 Staff costs

In accordance with IAS 19 Employee Benefits, all short-term staff costs accrued at the year-end are recognised in the Consolidated Statement of Comprehensive Net Expenditure. These short-term benefits largely relate to bonuses announced but not paid and accrued paid holiday entitlement at the period end date. Longer-term benefits, such as pensions provided to staff, are recognised in line with IAS 19 as modified by the FReM.

1.12 Grants payable

Grants payable are recorded as expenditure either in the period in which the underlying event or activity giving entitlement to the grant occurs (where it is possible to ascertain how and when the FCDO funds are spent) or at the point at which constructive obligation is deemed to have taken place. Where grants are made to governments or international organisations and the FCDO contributions are pooled, every effort is made to match expenditure with particular activities. 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.

Recognition of entitlement to the grant will vary according to the individual programme.

Grant in Aid (GIA) payments from the department to arm's length bodies are paid only when the need for cash has been demonstrated by the body concerned. Arm's length bodies treat receipts of GIA as financing. These transactions are eliminated on consolidation. Where grants rather than GIA are given to arm's length bodies, any payables or receivables by the arm's length bodies are accounted for on an accruals basis.

A promissory note is a legally binding undertaking by the government to provide to the named beneficiary any amount up to the specified limit that the beneficiary may demand, at any time. The FCDO uses promissory notes mainly, but not exclusively, as part of the arrangements whereby we pay certain sums to International Development Banks and Funds. Promissory notes deposited in the financial year are recorded as expenditure. 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.

International subscriptions are fees for membership of international organisations, paid on behalf of the government. These are treated as 12 equal payments over the annual period of membership.

1.13 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).

1.14 Foreign exchange

For peacekeeping expenditure obligations, the FCDO has foreign currency forward purchase contracts for US Dollars and Euros in order to gain greater budget certainty. Further details on these are provided at Note 1.21 Financial Investments and Loans.

Transactions denominated in foreign currency

Transactions denominated in foreign currencies are translated into sterling in accordance with IAS 21.29 at the spot rate or average rate when settled.

Transactions within the former FCO accounting system are translated to sterling at an average rate of exchange determined on the first day of the month in which the transaction occurs (as an approximation of the actual exchange rate at the date of the transaction).

Average Rate is the rate of exchange at the day before the last working day of the month. If the exchange rate deviates from this rate during the month by +/- 3% for 3 consecutive days, the average rate is updated to a revised spot rate.

All other 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.

The foreign exchange element of revaluations of property, plant and equipment is accounted for as part of the revaluation amount.

All FCDO rates are gathered from the same source, OANDA, so the underlying data is

consistent between both average rate and spot rate transactions.

1.15 Cash and cash equivalents

The FCDO's cash comprises cash on hand with UK and overseas banks and demand deposits at the Consolidated Statement of Financial Position date. The FCDO bank accounts are provided either by the Government Banking Service, or by commercial providers where this is not possible, e.g. overseas accounts. Bank overdrafts that are repayable on demand and which form an integral part of the FCDO's cash management are included as a component of cash and cash equivalents. The FCDO's policy on the balances of official bank accounts is to optimise bank balance levels to enable outstanding liabilities to be settled within agreed payment terms and to reduce cash holdings.

Visa prices in UK Sterling (GBP) are set annually through the Home Office Fees Order laid before Parliament. The legislation states that visas should normally be purchased in the appropriate local currency. All cash is paid in to FCDO's local bank accounts.

FCDO recharges costs on to UK Visas and Immigration (UKVI) for expenses incurred in collecting visa income.

The FCDO acts as agent for (UKVI) and accounts for income as cash and recognises a payable to the UKVI in the accounts. Direct expenses paid by the UKVI, are made from bank accounts held and controlled by the FCDO. The FCDO accounts to UKVI for these expenses and recognises a receivable from UKVI in the accounts.

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.

1.16 Property, Plant and Equipment

In line with the requirements of IAS 16, on initial recognition property, plant and equipment (PPE) are measured at cost including any costs such as installation directly attributable

to bringing them into working condition. PPE are subsequently included in the accounts at the valuation applicable as at the Statement of Financial Position date; any movements in valuation during the year are taken to Other Comprehensive Net Expenditure in the Consolidated Statements of Comprehensive Net Expenditure and to the revaluation reserve or are treated as impairments where appropriate. The revaluation is contributed to by both market and foreign exchange movements.

The minimum level for capitalisation of a single tangible asset is £10,000. This threshold is subject to grouping conventions where appropriate. The only exceptions to the £10,000 capitalisation threshold are Land, Buildings and Antiques and Works of Art (AWA) where the capitalisation threshold is £3,000.

Compounds are split between individual assets therefore the FCDO capitalises all compound Land and Buildings assets, not just those above the £10,000 capitalisation threshold. Land and Building assets can have an actual revalued net book value much greater than historic cost.

AWA were acquired many years ago and never capitalised at the time. Consequently, there is no definitive information on historic costs.

Transport equipment, plant and machinery and information technology are stated at current value using appropriate indices. Current value is updated at year-end using indices provided by the ONS website.

PPE does not include items purchased as part of the FCDO's overseas programme spending.

Non-Specialised Buildings

Non-specialised buildings which are owned or held on long term leases, and perpetual leasehold land, are stated at fair value on an existing use basis using periodic professional valuations. When a new property is brought into active use it is immediately re-valued in accordance with the relevant Royal Institute of Chartered Surveyors (RICS) guidelines. The overseas estate is subject to a three-to-five year rolling revaluation programme and interim annual review. Since 2010-11 property

valuations are carried out as at 30 September. A review is undertaken as at 31 March to assess whether there are significant movements in the intervening period and, where material, property values are updated. Market movements outside the UK will also be influenced by foreign exchange movements.

Refurbishments to freehold and leasehold properties are capitalised at the actual costs incurred where these extend the useful life or functionality of the underlying asset. These costs are superseded once properties are revalued as the refurbished element will be within the updated building valuation.

Specialised Buildings

Specialised buildings are valued using Depreciated Replacement Cost methodology on a Modern Equivalent Replacement basis. Further detail on building valuations is given at Note 5.

Perpetual Leases

In some instances, the FCDO enjoys the benefits of perpetual leases which either continue at a peppercorn rent or are renewable at a de minimis premium indefinitely. These interests are non-reversionary and are held by the FCDO for as long as the FCDO requires. For valuation purposes these interests are regarded as akin to freehold interests and valued accordingly.

Operating Leases

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. Leases for buildings and land which do not meet the IAS 17 definition of finance leases, are treated as operating leases, and rental payments are recorded in the SOCNE. In practice, operating leases are defined as those where the lease is less than seven years or marked to market at no more than five-yearly intervals.

Assets under construction

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 and an impairment exercise is performed.

Assets held for Sale

In accordance with the requirements of IFRS 5, non-current assets are reclassified as held for sale if it is highly probable that their carrying amount will be recovered principally through a sales transaction rather than continuing use. This will be the case when the FCDO has made a firm decision to sell a non-current asset and it is actively marketed. At year end, any such assets will be shown as assets held for sale, measured at the lower of carrying amount and fair value less costs to sell.

Antiques and Works of Art (AWA)

AWA are not depreciated as the length of its expected useful economic life are regarded to be close to infinite. AWA are grouped and valued on a market value basis by professional valuers. Valuations take place every five years on a rolling basis, valuing a separate region each year. Within each region the valuations focus on the posts with the highest value AWA. Most AWA are held overseas. The FCDO collection includes furniture, carpets, architectural fittings such as chandeliers, silverware, glassware and china, tapestries, sculpture, decorative arts and some paintings (but not the Government Art Collection). Around half of the FCDO's art and antiques are in Europe, with the second largest collection in the Americas. The FCDO does not have a purchasing programme for AWA. To maintain safe stewardship, posts are required to complete an annual physical check of their AWA against their existing inventory. A five yearly valuation and inventory exercise of the posts with the higher value collections is also carried out. The FCDO's records AWA assets in Note 5.

Intangible Assets

Purchased computer software licences are capitalised as intangible assets where expenditure of £10,000 or more is incurred. Intangible asset costs can include salaries and other employee benefits of departmental staff directly attributable to the development, construction and acquisition of the asset. Capitalised software licences are amortised over the shorter of the term of the licence and the useful economic life.

1.17 Depreciation

PPE is depreciated at rates calculated to write off the cost or valuation of the assets on a straight-line basis over their estimated useful lives. Freehold and perpetual leasehold land is not depreciated. Assets under construction are not depreciated until the asset is brought into use. The useful life of an asset is the period over which an asset is expected to be available for use. Useful lives are normally in the following ranges:

- » Freehold buildings – up to remaining 60 years
- » Leasehold-related assets – over the remaining term of the lease
- » Information Technology – over 1 and up to 10 years
- » Software Licences – Over the shorter of the term of the licence and the useful economic life
- » Transport Equipment – 2 to 8 years
- » Plant and Machinery:
 - Office Equipment – between 5 and 10 years
 - Technical Equipment – up to 20 years
 - Heavy Machinery – up to 20 years

Non-residential enhancements are depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is the shorter.

Depreciation methods, estimated useful lives and residual values are reviewed at each reporting date. Freehold buildings have their remaining life adjusted annually based on expert valuation, and the depreciation is adjusted over the remaining life of the building.

Non-property assets whose historic cost is greater than £150k are reviewed as part of the asset verification exercise and re-lived where appropriate. Such changes constitute a change in accounting estimate.

1.18 Capital commitments

Capital commitments represent capital expenditure contracted for at the end of the reporting period, but not recognised as liabilities as no payment has been made and no performance has been rendered by the supplier. These commitments are only those where the contracts are non-cancellable.

1.19 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 the FCDO 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 measured at their fair values except for those assets which are designated as measured at amortised cost. The basis for designation as fair value or amortised cost is based on criteria set out in IFRS 9 and the FCDO's application is set out in Note 1.21.

Financial assets are derecognised when the right to receive cash flows has expired or where the FCDO 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, cash flows, such as interest or discounts, over the life of the instrument.

In line with IFRS 13, the FCDO discloses fair values at the end of the reporting period, the levels of the fair value hierarchy (Level 1, 2 or 3) and necessary transfers between the levels in Note 7.

1.20 Investment in other public sector bodies

The FCDO holds an investment in FCDO Services, comprised of 100% of its public dividend capital. As a trading fund, FCDO Services is not included within the FCDO departmental boundary and the department's investment is reported in these accounts at historical cost.

The FCDO is the sponsor department for the British Council. As a public corporation the British Council is not included within the FCDO accounting boundary. Further details can be found in Note 16 Related Parties and Note 17 Entities within and outside the Departmental Boundary.

The FCDO is the sponsor department for British International Investment plc (BII) (formerly CDC Group plc), 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 (ONS), as a 'self-financing public corporation'. The FCDO is the controlling entity of BII under IFRS, with 100% shareholding, but due to the application of ESA 2010 and HM Treasury direction, BII is not consolidated within the departmental resource accounting boundary. The FCDO's ownership interest in BII is recognised in these financial statements within non-current financial asset investments adopting the recognition and measurement provisions of IFRS 9.

1.21 Financial investments and loans

Development capital (DC) assets are investments made by the FCDO to achieve defined development objectives while retaining an ongoing, recoverable interest in the assets funded. The FCDO's financial investments are

recognised initially at fair value using settlement date accounting. 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. After initial recognition, these financial assets are carried at fair value as defined by IFRS 13. IFRS 9 requires FCDO's financial assets to be classified as either held at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL), dependent on the business model and cash flow characteristics of the financial asset. All FCDO's financial investments are held to collect contractual cash flows. Where the cash flows are solely payments of interest and principal on specified dates, the assets are held at amortised cost. For all other assets, they are measured at either FVOCI or FVTPL. Investments at 31 March 2022 and 2021 include:

a) Investments measured at FVOCI

The FCDO has applied the irrevocable election available in IFRS 9 to measure equity instruments at fair value through other comprehensive income with movements in fair value being charged or credited to Other Comprehensive Net Expenditure.

International Financial Institutions (IFIs)

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 FCDO's interests is assessed as FCDO's share of the net assets of the IFIs, based on the number of shares subscribed by the FCDO (taking into consideration its assessment of material changes to fair value for bodies with non-coterminous reporting dates). The Articles of Agreement of all the IFIs specify that this is the valuation basis that would be used to determine the value that the FCDO 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 the FCDO year-end, adjusted for any subsequent and

material known changes. The IFIs apply Generally Accepted Accounting Principles (United States) or IFRS. Investment additions in IFIs are funded using promissory notes (refer to Notes 6 and 10.3).

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 material changes to fair value for bodies with non-coterminous reporting dates) is used as a measure for determining fair value. This applies to FCDO's investment in BII. BII's financial investments are held at fair value under IFRS, and changes in the value of BII's net assets are recorded as changes in the value of the FCDO's investment in BII. Investment additions in BII are funded using promissory notes (refer to Notes 6 and 10.3).

Other development capital (DC) – equities

The fair values of DC equity 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.

b) Investments and loans measured at amortised cost

Loans and receivables have been valued at amortised cost (see Note 1.19) 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 are based on appropriate evidence and likelihood of default. Further information on expected credit loss allowances (ECLs) are set out in Note 7.

Other development capital (DC) – amortised cost

The fair value of DC assets held at amortised cost is estimated based on discounted cash flow analysis using the discount rate set by HM Treasury.

c) Investments and convertible loans measured at FVTPL

Foreign currency forward purchase contracts

The FCDO has foreign currency forward purchase contracts for US Dollars and Euros in order to gain greater budget certainty for its peacekeeping expenditure obligations. Open contracts are measured at fair value through profit or loss with movements in fair value being charged or credited to the Consolidated Statement of Comprehensive Net Expenditure. The fair value is measured as the difference between the currency's midmarket forward rate at the date of valuation (provided by the Bank of England) and the rate stipulated in the contract multiplied by the number of contracted units of currency. Once each contract has been settled it is removed from the Consolidated Statement of Financial Position with any further gain or loss, calculated by comparing the contract proceeds translated at the corporate rate of exchange at maturity with the purchase cost at the rate stipulated in the contract, taken to the Consolidated Statement of Comprehensive Net Expenditure. Details of open and settled contracts are at Note 7.

Other development capital (DC) – FVTPL

Embedded derivatives and debt instruments which do not meet the criteria to be measured at fair value through other comprehensive income are measured at fair value through profit or loss with movements in fair value being charged or credited to the Consolidated Statement of Comprehensive Net Expenditure. This includes convertible loans. The fair values of these 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 and discounted cash flows analysis using the discount rate set by HM Treasury.

1.22 Impairment of financial assets

Financial investments measured at FVTPL

Gains and losses (the difference between the acquisition cost and the current fair value) on financial investments measured at FVTPL are recognised in the Consolidated Statement of Comprehensive Net Expenditure.

Financial investments measured at amortised cost

IFRS 9 requires a loss allowance to be recognised at an amount equal to either 12 month or lifetime expected credit losses (ECLs), dependent on the level of credit risk. Lifetime ECLs are those 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 requires considerable judgement and ECLs will be determined on a probability-weighted basis. Most of FCDO's receivables balances have a low credit risk at the reporting date. However, for trade receivables, the FReM requires government departments to recognise lifetime ECLs.

The FCDO's largest group of trade receivables are with Other Government Departments. HM Treasury has mandated that receivable balances with core central government departments (including their executive agencies) are excluded from being recognised for impairments; with the liabilities being assessed as having zero 'own credit risk' by the entities holding these liabilities. For those customers and counterparties that are not public sector organisations the department has policies and procedures in place to ensure credit risk is kept to a minimum.

The department will consider a financial asset to be in default when the borrower is unlikely to pay its credit obligations to FCDO in full. The department will consider reasonable and supportable information that is relevant and available without undue cost or 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 FCDO'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. The FCDO's loan balances include historic loans to sovereign states which fall under Paris Club agreements. One of the main principles is that any debt negotiations must be agreed by all creditor countries meaning that the FCDO cannot decide to write off any debts without full Paris Club agreement. As a result, many FCDO historic sovereign loan balances are fully provided for with no reasonable expectation of repayment but not written off.

For callable capital, the FCDO 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 the principles of IFRS 9 and the FReM.

1.23 Service concessions (PFI)

Private Finance Initiative (PFI) transactions have been accounted for in accordance with HM Treasury and FReM requirements. Where the terms of the PFI meet the definition of service concession arrangements in IFRIC 12 Service Concession Arrangements, the infrastructure asset is recognised as a non-current asset and the liability to pay for it is accounted for as if a finance lease. Contract payments are apportioned between a reduction in the capital obligation and charges to the Consolidated Statement of Comprehensive Net Expenditure for service performance and finance cost. Further details can be found in Note 14.

1.24 Provisions

The FCDO 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 taking into account the risks and uncertainties surrounding 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 (0.47% between 0 and 5 years, 0.70% between 5 and 10 years and 0.95% exceeding 10 years). The FCDO provides for irreversible, pledged funding commitments to partners as the nature of the expenditure in supporting international development programmes means there will be an outflow of economic benefits. Further information on the FCDO's provisions is provided at Note 11.

The provision for early departure costs (see Note 1.26) is discounted at the Treasury pension discount rate. Each year the financing charges in the Consolidated Statement of Comprehensive Net Expenditure include the adjustments to unwind one year's discount so that liabilities are shown at current price levels.

1.25 Pensions – UK employees

From 1 April 2015 a new pension scheme known as Alpha was introduced, and all newly appointed civil servants, and most of those already in service, joined Alpha. Prior to that date UK-based employees were covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS). Both Alpha and PCSPS defined benefit schemes are unfunded. The FCDO recognises the expected cost of providing pensions on a systematic and rational basis over the period during which it benefits from employees' services by payment to the scheme of amounts calculated on an accruing basis. In respect of the PCSPS defined contribution 'money purchase' schemes, the FCDO recognises the contributions payable for the year. For more details of these

schemes please see the relevant section of the Remuneration Report.

1.26 Early departure costs

For early departures under the Civil Service Compensation Scheme (CSCS) in 2010-11 and earlier years, the FCDO met the additional costs of benefits, beyond the normal PCSPS benefits in respect of employees who retired early, by paying the required amounts annually to the PCSPS, over the period between early retirement and normal retirement date. After 1 April 2011, the FCDO provided for this in full, when the early retirement programme became binding on the department, by establishing a provision for the estimated payments discounted by HM Treasury pension discount rate of -1.30% (2020-21: -0.95%) in real terms.

The CSCS was revised in December 2010 so that early leavers are entitled to lump sum compensation depending on their number of years' service. Eligible leavers can use their lump sum, with a departmental top-up if necessary, to enable them to draw their pension without actuarial reduction. Once the lump sum plus any departmental top-up is paid over to the PCSPS there is no further liability for the department.

1.27 Overseas pensions and terminal benefits

The FCDO is required to observe local employment laws regarding the payment of pensions, gratuities and terminal benefits at its overseas posts. Where state or other trustee schemes exist, the FCDO discharges its obligation in-year by the payment of accrued contributions. Where the final gratuity or terminal benefit has to be met by the FCDO, the full cost has been provided for in the accounts.

The FCDO has adopted the requirements of IAS 19: Employee Benefits in respect of its overseas pension schemes. Actuarial gains/losses are taken through Other Comprehensive Net Expenditure. In respect of the defined contribution elements of the Schemes, the FCDO recognises the contributions payable for one year. A summary of the performance

of the schemes is provided in these financial statements, with further information available in Note 13.

Terminal gratuities are recorded within these accounts as provisions under IAS 37 (See Note 11). An exercise was carried out during 2020-21 to test for a material difference between the IAS 37 valuation of terminal gratuities and that using IAS 19 methodology; no material difference was found. The FCDO used assumptions based on reportable data, bearing in mind the cost of providing IAS 19 data in full. The FCDO keeps the assumption of no material difference under annual review.

1.28 Contingent assets and liabilities

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amount reported to Parliament separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to Parliament.

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.

In addition to contingent liabilities and assets described above (disclosed in accordance with IAS 37), the FCDO also 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'.

2 Statement of Operating Expenditure by Operating Segment

Director General	FCDO 2021-22			FCDO 2020-21		
	Gross £000	Income £000	Net £000	Gross £000	Income £000	Net £000
DG Delivery	353,034	(212)	352,822	701,707	–	701,707
DG Indo-Pacific	739,099	(547)	738,552	776,240	(707)	775,533
DG Finance and Corporate	209,955	(266,072)	(56,117)	2,909,681	(62,438)	2,847,243
DG Africa	2,216,269	(797)	2,215,472	3,962,312	(900)	3,961,412
DG Political	1,416,184	(260)	1,415,924	1,350,815	(220)	1,350,595
DG MENA, Afghanistan and Pakistan	1,251,595	(34,527)	1,217,068	1,984,752	(22,057)	1,962,695
DG Americas and Overseas Territories	2,031,989	(364)	2,031,625	2,201,340	(133)	2,201,207
DG Transformation	3,626	–	3,626	262,030	–	262,030
Other	477,607	(170,274)	307,333	367,701	(185,711)	181,990
Total	8,699,358	(473,053)	8,226,305	14,516,578	(272,166)	14,244,412

DG Finance and Corporate includes a number of centrally incurred costs. In FY 2020-21 it included the one off cost of the Government Property Agency transfer of King Charles Street, Abercrombie House and 22 Whitehall.

Other includes corporate accounting adjustments and non DG specific expenditure such as Non Cash. Other income relates to funding received from other Government Departments in relation to provision of One HMG overseas platform.

The Department reports its expenditure by operating segment in accordance with IFRS 8 Operating Segments. The basis for defining operating segments is set out in note 1.7.

The standard also includes a requirement to show net assets per operating segment. The structure of FCDO means that all assets included in the Consolidated Statement of Financial Position are used for the general administration and benefit of FCDO as a whole. It is not possible to accurately allocate assets and liabilities to operating segments and thus such information is not reported to the Management Board or included in the segmental reporting in these financial accounts.

More details of the FCDO's performance reporting can be found in the Performance Analysis within the Annual Report.

A reclassification to gains on disposal of property, plant and equipment was made for 2021-22 and prior year has been reclassified. Please see Note 3 footnote for more detail.

3. Operating Expenditure

	Note	FCDO 2021-22		FCDO 2020-21	
		Core Department & Agencies £000	Departmental Group £000	Core Department & Agencies £000	Departmental Group £000
Staff costs¹					
Wages and salaries		649,000	652,135	685,465	688,436
Social security costs		32,915	33,237	35,237	35,537
Other pension costs		110,586	111,223	114,646	115,241
Recoveries outward secondments		(3,584)	(3,584)	(2,718)	(2,718)
Apprenticeship levy costs		1,485	1,485	1,638	1,638
		790,402	794,496	834,268	838,134
Grants²					
Diplomatic Programmes including Prosperity Fund		327,694	327,694	411,003	411,003
British Council		190,500	190,500	148,700	148,700
Conflict, Stability and Security Fund programmes		641,142	641,142	776,133	776,133
Peacekeeping foreign exchange rate loss / (gain)		11,379	11,379	(9,414)	(9,414)
Humanitarian Assistance Payments		242,963	242,963	589,897	589,897
Trust Funds contributions		246,259	246,259	490,984	490,984
Voluntary contributions		780,463	780,463	1,236,802	1,236,802
Core contributions		1,674,851	1,674,851	2,273,319	2,273,319
Accountable Grant Payments		469,726	469,726	782,591	782,591
Other ³		350,039	378,517	991,611	1,017,419
		4,935,016	4,963,494	7,691,626	7,717,434
Promissory notes					
Promissory note deposits ⁴		950,158	950,158	1,515,283	1,515,283
		950,158	950,158	1,515,283	1,515,283
Subscriptions to International Organisations					
Subscriptions to International organisations (inc NATO, UN & Council of Europe)		165,439	165,437	190,235	190,235
		165,439	165,437	190,235	190,235

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

2 A reduction in grant expenditure from 2020-21 to 2021-22 is due to the change in UK ODA commitment from 0.7% to 0.5% of Gross National Income.

3 Other grants includes financial aid that is made via joint programmes and pooled funding to a range of aid providers and other governments.

4 In 2021-22 no Promissory Notes were cancelled. (2020-21: 1 Promissory Note was cancelled with a total value of £3.1 million). Further information on promissory notes can be found in Notes 10.2 and 10.3.

	Note	FCDO 2021-22		FCDO 2020-21	
		Core Department & Agencies £000	Departmental Group £000	Core Department & Agencies £000	Departmental Group £000
Rentals under operating leases					
Rentals under operating leases		143,240	143,240	134,302	134,302
Charges under finance leases		–	–	–	–
Hire of plant & machinery		5,263	5,263	6,673	6,673
		148,503	148,503	140,975	140,975
Other costs					
Reimbursements of duties to other Governments		16,041	16,041	36,679	36,679
Audit fees for Arms Length Bodies		–	62	–	47
Auditors' remuneration and expenses – cash ⁵		16	16	8	8
(Gain)/loss on exchange – realised		(10,774)	(10,774)	1,039	1,039
(Gain)/loss on exchange – unrealised		(97)	(61)	14,017	14,136
Business hospitality		7,380	7,380	4,838	4,838
Consular		18,169	18,169	12,981	12,981
Contractor, consultancy and fee based services		49,920	49,920	35,081	35,081
Estate, security and capital related costs		284,372	284,372	277,501	277,501
Grant in Aid to other Arms Length Bodies		36,423	–	31,756	–
Information and commercial services		5,838	5,838	5,734	5,734
IT and communications		201,961	201,961	187,092	187,092
Medical		12,966	12,966	9,334	9,334
On-balance sheet PFI contracts		1,774	1,774	2,024	2,024
Recruitment		1,203	1,203	860	860
Representation		1,554	1,554	955	955
Research & Development		24,262	24,262	27,085	27,085
Service element of on-balance sheet contracts		2,297	2,297	2,337	2,337
Transport equipment costs		5,479	5,479	5,194	5,194
Training		12,760	12,760	12,540	12,540
Travel		37,292	37,292	21,226	21,226
Other Programme Costs ⁶		516,093	516,093	862,844	862,844
Other Non Programme Costs ⁷		242,888	255,260	37,562	51,251
		1,467,817	1,443,864	1,588,687	1,570,786
Total Cash		8,457,335	8,465,952	11,961,074	11,972,847

5 A breakdown of audit fees paid to the NAO can be found in the Accountability Report.

6 Other programme costs include direct costs for delivering programmes.

7 Within Other Non Programme Costs are a range of costs. For 2021-22 there are donations of Covid vaccines to developing countries overseas of £197 million. These vaccines were provided as a grant in kind to FCDO by the Department for Health & Social Care (DHSC). The grant in kind from the DHSC is shown as income in Note 4 and matches the amount donated overseas by FCDO. Other Non Programme Costs also includes payments for compensation, bank charges and equipment maintenance.

	Note	FCDO 2021-22		FCDO 2020-21	
		Core Department & Agencies £000	Departmental Group £000	Core Department & Agencies £000	Departmental Group £000
Non-cash items					
Depreciation: Property, plant and equipment	5	161,816	161,816	169,759	169,770
Amortisation: Intangible assets		4,567	4,567	2,986	2,987
Non-perpetual leasehold land prepayment release		1,561	1,561	674	674
(Gain)/loss on disposal of property, plant and equipment ⁸		(16,275)	(16,265)	(4,444)	(4,436)
(Gain)/loss on disposal of intangible assets		–	–	23	23
(Gain)/loss on disposal of investments		119	119	(1,227)	(1,227)
Capital Grant in Kind	5	–	–	1,585,521	1,585,521
Net reversal of impairments - Departmental Expenditure Limit		42,537	42,537	27,419	27,419
Impairments - Annually Managed Expenditure		20,439	20,439	108,801	108,801
Financial Guarantee ⁹		47,435	47,435	105,000	105,000
Revaluation of investments through profit and loss	6	14,401	14,401	4,394	4,394
Reversal of Impairments - Annually Managed Expenditure		(16,079)	(16,079)	(19,151)	(19,151)
Auditors' remuneration and expenses ⁵		832	832	986	986
		261,353	261,363	1,980,741	1,980,761
Provisions: Provided in year	11	20,724	20,786	513,228	513,228
Provisions: Written back	11	(9,456)	(9,456)	(11,609)	(11,609)
Provisions: Unwinding of discount	11	(13,105)	(13,105)	9,202	9,202
Other discounting		(9,906)	(9,906)	(3,089)	(3,089)
Exchange Rate (gains)/ losses		(16,276)	(16,276)	55,237	55,237
		(28,019)	(27,957)	562,969	562,969
Total Non-Cash		233,334	233,406	2,543,710	2,543,730
Total Expenditure		8,690,669	8,699,358	14,504,784	14,516,578

8 For 2021-22 gains on disposal of property, plant and equipment have been netted against the loss on disposal recorded in Note 3. In Note 4 the previous presentation of the gain has been removed. The prior year figures have been re-presented to be consistent with the current year.

9 Financial Guarantee includes £46.6 million for Expected Credit losses. For further details on this please refer to Guarantees Note 12.3.

4. Income

	FCDO 2021-22		FCDO 2020-21 (Restated)	
	Core Department & Agencies £000	Departmental Group £000	Core Department & Agencies £000	Departmental Group £000
Revenue from contracts with customers				
Income from OGDs ¹	214,814	214,814	214,757	214,757
Income from other organisations ²	2,286	2,444	9,069	9,404
Consular fees ³	24,302	24,302	14,517	14,517
Running cost receipts ⁴	19,852	19,852	18,901	18,901
	261,254	261,412	257,244	257,579
Other operating income				
Capital Grant in Kind - Receipts	–	–	–	–
Vaccine receipts - grant in kind ⁵	196,879	196,879	–	–
	196,879	196,879	–	–
Income of consolidated bodies				
Agency: Wilton Park	5,369	5,369	2,683	2,683
Non-Departmental Public Bodies	–	9,393	–	11,904
	5,369	14,762	2,683	14,587
Total operating income	463,502	473,053	259,927	272,166
Finance income				
Gain on disposal of investments	–	–	–	–
Effective Interest Rate (EIR) Interest Income ⁶	37,017	37,017	36,762	36,762
Dividends receivable	3,308	3,308	2,100	2,100
Interest on loans	2,774	2,774	3,292	3,292
	43,099	43,099	42,154	42,154
Income due to the Consolidated Fund				
Consolidated Fund Extra Receipts ⁷	1,177	1,177	750	750
	1,177	1,177	750	750
Total Income	507,778	517,329	302,831	315,070

1 This includes the income from partner Departments that use our overseas platform. Income from other government departments (OGDs) is not subject to impairment under IFRS 9. Billing is made via a standard contract for platform charges, residential accommodation and other central charges. OGDs are largely charged on a per capita basis.

2 This includes income from partner countries to help fund the FCDO managed projects overseas. Income from other organisations is given to support overseas programmes carried out by the FCDO. Work supported by donor countries is scaled up and down as donations are received.

3 Consular fees are based on statutory authority, and are drawn down from the Consolidated Fund as a reserve claim, transferred to the FCDO from HMT through the supplementary estimate process in each year.

Consular fees are grouped into three categories: legalisation fees, emergency travel documents and emergency passports, and notional and documentary services. This line includes legalisation fees and emergency travel documents and emergency passports. Notional and documentary services are classified as consolidated fund extra receipts and are disclosed separately below. Further information is provided in the Accountability Report under Consular Fees & Charges.

- 4 Running costs receipts are recovered under Memorandums of Understanding (MOUs) and signed letters of agreement with partner organisations. These receipts include secondment recoveries, rent, selling to wider markets, sponsorship income and recovery of overseas platform costs from organisations outside of One HMG.
 - 5 The £197 million of Covid vaccines donated to the FCDO by the DHSC, is shown as income above. A corresponding grant overseas is shown in Note 3, and matches the amount donated to the FCDO included here. The FCDO was acting as principal in relation to these donations, and consequently included the amount of £197 million within income in Note 4.
Additionally, a sale of COVID vaccine was made for £1.3 million, where FCDO was acting as the agent of the DHSC. As FCDO was not the principal in this transaction the income and expenditure are not reflected in the FCDO accounts
 - 6 This is notional income reflecting the release of discounting on loans.
 - 7 Income collected by the FCDO where it was acting as agent for the Consolidated Fund rather than as principal is excluded from note 4. Details of the amount and balance held as agent at the year-end date are given in SOPS note 4.2, which (as the amounts are so small) are included as SOPS 4.2 in lieu of a Trust Statement.
Comparative numbers for prior periods have been restated to reflect the reclassification changes of profit on disposal of property, plant and equipment and income of consolidated bodies recognised as operating income and Effective Interest Rate Income to non-operating income.
- N.B. For 2021-22 gains on disposal of property, plant and equipment have been netted against the loss on disposal recorded in Note 3. In Note 4 the previous presentation of the gain has been removed. The prior year figures have been re-presented to be consistent with the current year.

5. Property, Plant and Equipment

	FCDO											
	Consolidated 2021-22											
	Non-residential Land	Buildings Excluding Dwellings	Non-residential Enhancements	Residential Land	Dwellings	Residential Enhancements	Information Technology	Transport Equipment	Plant and Machinery	Antiques and Works of Art	Assets Under Construction	Total
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation												
As at 1 April 2021	270,615	1,565,779	120,156	283,728	1,471,212	5,092	241,553	122,787	253,228	20,191	153,901	4,508,242
Additions	–	–	139	–	–	–	1,739	763	271	–	163,832	166,744
Disposals	–	–	(59)	–	–	–	(1,474)	(7,136)	(3,426)	–	–	(12,095)
Impairments	(3,984)	(16,479)	(1,846)	(4,207)	(11,100)	(624)	(306)	(10,961)	(4,269)	–	(8,724)	(62,500)
Reversals of Impairments	1,336	8,368	–	3,848	5,428	–	208	–	–	–	–	19,188
Reclassification	297	(1,791)	10,296	(1,040)	(11,704)	416	21,495	8,336	11,134	32	(84,117)	(46,646)
Revaluation	21,148	246,439	–	21,709	164,502	–	3,757	1,967	37,578	–	–	497,100
As at 31 March 2022	289,412	1,802,316	128,686	304,038	1,618,338	4,884	266,972	115,756	294,516	20,223	224,892	5,070,033
Depreciation												
As at 1 April 2021	–	770,094	69,335	–	690,046	2,725	174,330	84,495	152,173	–	–	1,943,198
Charged in Year	–	46,462	11,007	–	34,363	872	30,940	13,602	24,570	–	–	161,816
Disposals	–	–	(59)	–	–	–	(1,392)	(7,034)	(3,083)	–	–	(11,568)
Impairments	–	(2,666)	(1,225)	–	(2,198)	(624)	(100)	(6,856)	(1,939)	–	–	(15,608)
Reversals of Impairments	–	2,117	–	–	949	–	68	–	–	–	–	3,134
Reclassification	–	(3,697)	–	–	(11,674)	–	–	–	–	–	–	(15,371)
Revaluation	–	128,229	–	–	79,667	–	2,354	1,174	21,900	–	–	233,324
As at 31 March 2022	–	940,539	79,058	–	791,153	2,973	206,200	85,381	193,621	–	–	2,298,925
Net Book Value at 1 April 2021	270,615	795,685	50,821	283,728	781,166	2,367	67,223	38,292	101,055	20,191	153,901	2,565,044
Net Book Value at 31 March 2022	289,412	861,777	49,628	304,038	827,185	1,911	60,772	30,375	100,895	20,223	224,892	2,771,108

FCDO Consolidated 2021-22												
	Non-residential Land	Buildings Excluding Dwellings	Non-residential Enhancements	Residential Land	Dwellings	Residential Enhancements	Information Technology	Transport Equipment	Plant and Machinery	Antiques and Works of Art	Assets Under Construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Asset Financing												
Owned	242,426	525,149	49,628	259,454	569,528	1,911	60,772	30,375	100,895	20,223	224,892	2,085,253
Leased	30,601	312,026	–	44,584	257,657	–	–	–	–	–	–	644,868
On-Balance Sheet (SOPF) PFI Contracts	16,385	24,602	–	–	–	–	–	–	–	–	–	40,987
Net Book Value at 31 March 2022	289,412	861,777	49,628	304,038	827,185	1,911	60,772	30,375	100,895	20,223	224,892	2,771,108
Of the Total												
Department	289,412	861,777	49,188	304,038	827,185	1,911	60,576	30,372	100,607	20,223	224,891	2,770,180
Agencies	–	–	440	–	–	–	187	3	287	–	1	918
ALBs	–	–	–	–	–	–	9	–	1	–	–	10
Net Book Value at 31 March 2022	289,412	861,777	49,628	304,038	827,185	1,911	60,772	30,375	100,895	20,223	224,892	2,771,108

	FCDO											
	Consolidated 2020-21											
	Non-residential Land	Buildings Excluding Dwellings	Non-residential Enhancements	Residential Land	Dwellings	Residential Enhancements	Information Technology	Transport Equipment	Plant and Machinery	Antiques and Works of Art	Assets Under Construction	Total
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation												
As at 1 April 2020	487,879	1,761,954	102,511	444,324	1,279,303	3,095	270,963	119,991	260,399	19,460	141,805	4,891,684
Additions	–	1,436	92	–	–	–	2,322	2,128	13,778	–	96,244	116,000
Disposals	–	(2)	(6,175)	–	(3)	–	(36,924)	(10,739)	(25,177)	–	–	(79,020)
Impairments	(20,401)	(25,309)	–	(31,619)	(7,627)	–	(264)	(363)	(791)	–	(20,520)	(106,894)
Reversals of Impairments	3,372	19,448	–	38	1,124	–	–	26	–	460	–	24,468
Reclassification	(2,446)	(9,454)	23,728	(226)	6,239	1,997	6,356	9,418	6,624	–	(63,617)	(21,381)
Revaluation	(33,521)	(16,735)	–	(128,789)	192,176	–	(900)	2,326	7,325	271	(11)	22,142
Grant in kind	(164,268)	(165,559)	–	–	–	–	–	–	(8,930)	–	–	(338,757)
At 31 March 2021	270,615	1,565,779	120,156	283,728	1,471,212	5,092	241,553	122,787	253,228	20,191	153,901	4,508,242
Depreciation												
As at 1 April 2020	–	766,683	66,155	–	551,701	1,906	168,986	79,204	153,824	–	–	1,788,459
Charged in Year	–	45,089	9,355	–	32,711	819	42,789	14,875	24,132	–	–	169,770
Charged in Year – Donated Assets	–	–	–	–	–	–	–	–	–	–	–	–
Impairments	–	(4,231)	–	–	(577)	–	(53)	(247)	(479)	–	–	(5,587)
Reversals of Impairments	–	4,961	–	–	369	–	(17)	4	–	–	–	5,317
Reclassification	–	(4,875)	–	–	(318)	–	(121)	–	(1,088)	–	–	(6,402)
Revaluation	–	22,789	–	–	106,161	–	(538)	1,322	3,696	–	–	133,430
Grant in kind	–	(60,321)	–	–	–	–	–	–	(2,861)	–	–	(63,182)
Disposals	–	(1)	(6,175)	–	(1)	–	(36,716)	(10,663)	(25,051)	–	–	(78,607)
At 31 March 2021	–	770,094	69,335	–	690,046	2,725	174,330	84,495	152,173	–	–	1,943,198
Net Book Value at 1 April 2020	487,879	995,271	36,356	444,324	727,602	1,189	101,977	40,787	106,575	19,460	141,805	3,103,225
Net Book Value at 31 March 2021	270,615	795,685	50,821	283,728	781,166	2,367	67,223	38,292	101,055	20,191	153,901	2,565,044

FCDO Consolidated 2020-21												
	Non-residential Land	Buildings Excluding Dwellings	Non-residential Enhancements	Residential Land	Dwellings	Residential Enhancements	Information Technology	Transport Equipment	Plant and Machinery	Antiques and Works of Art	Assets Under Construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Asset Financing												
Owned	225,685	522,106	50,821	236,852	529,697	2,367	67,223	38,292	101,055	20,191	153,901	1,948,190
Leased	29,391	250,629	–	46,876	251,469	–	–	–	–	–	–	578,365
On-Balance Sheet (SOPF) PFI Contracts	15,539	22,950	–	–	–	–	–	–	–	–	–	38,489
Net Book Value at 31 March 2020	270,615	795,685	50,821	283,728	781,166	2,367	67,223	38,292	101,055	20,191	153,901	2,565,044
Of the Total												
Department	270,615	795,685	50,258	283,728	781,166	2,367	66,989	38,288	100,926	20,191	153,875	2,564,088
Agencies	–	–	563	–	–	–	234	4	128	–	26	955
ALBs	–	–	–	–	–	–	–	–	1	–	–	1
Net Book Value at 31 March 2020	270,615	795,685	50,821	283,728	781,166	2,367	67,223	38,292	101,055	20,191	153,901	2,565,044

Notes to Property, Plant and Equipment

Property Valuations:

Physical inspections to inform valuations of properties were carried out as follows:

Property Location	Valuer	Effective Valuation Date
Asia Pacific and South Asia and Afghanistan (Asia Pacific Directorate) (South Asia & Afghanistan Directorate)	Colliers International	30 September 2018
European Union; Wider Europe and Russia; Caucasus; Central Asia (Europe Directorate) (Eastern Europe and Central Asia Directorate)	Colliers International	30 September 2017
Middle East & North Africa (Middle East & North Africa Directorate)	Colliers International	30 September 2021
Sub-Saharan Africa (Africa Directorate)	Knight Frank	30 September 2021
Americas (Americas Directorate)	Knight Frank	30 September 2019

Desk reviews for revaluation purposes were carried out for all FCDO properties as at 30 September 2021 where not physically inspected in year. Desktop updates performed do not represent full valuation exercises, however they include indexation for market movements, updates to valuations through the use of comparison methodologies or roll forward of depreciated replacement cost valuations with consideration of relevant factors such as obsolescence.

End of year impairments were assessed by Colliers International and Knight Frank in conjunction with in-house FCDO chartered surveyors. The total fees payable to the valuers in all cases represent less than 5% of the total fee income of the valuing firm/body. Middle East and North Africa, and Sub-Saharan Africa (Africa Directorate) was scheduled to be inspected and valued in 2020 and 2021. COVID 19 restricted travel severely in 2020, and for some areas in 2021. These assets were therefore not inspected until September 2021, and a desktop valuation was provided for the 2020-21 accounts. As travel restrictions eased, the Middle East and North Africa, and Sub-Saharan Africa assets were inspected and valued for inclusion in the 2021-22 accounts. Some locations were not inspected due to poor diplomatic relations – Tehran or unsafe/

conflict situations; Iraq, Libya, Somalia, Sudan, Syria, and Yemen. In these locations, valuations are either kept unchanged or adjusted for any market data available.

Impact of valuation movements

The FCDO assesses material market movements between the date of measurement (30 September) and the year end (31 March). This was based on the top 20 assets by value, which were revalued to 31 March values. For 2021-22 no properties were revalued to reflect significant market movement. Colliers have quoted a material uncertainty for Kyiv and Moscow following the sanctions placed on Russia and the conflict in Ukraine. Assets in these two cities were left with unchanged valuations as any changes would have to be treated with caution. The current valuation of assets in Ukraine is £3.7 million and for Russia is £122 million. This assessment of valuation movements is required annually as the FCDO uses a non-coterminous year-end valuation of land and buildings. The non-coterminous year-end valuation is driven by the requirement to revalue the entire FCDO portfolio worldwide, which would delay the publication of the FCDO's Annual Report & Accounts beyond the administrative deadline set by HMT. The FCDO's property database was updated to replace FX

rates as at 30 September 2021 with those as at 31 March 2022, and the valuations shown in Note 5 amended for changes in FX rates.

Transfer of UK estate to the Government Property Agency

On 31 March 2021 the FCDO transferred the freehold of King Charles Street, 22 Whitehall and Abercrombie House to the Government Property Agency, along with some ancillary plant and machinery. This inter-departmental transfer took place at fair value and for nil consideration. The FCDO issued a capital grant in kind equal to the value of the assets as at the point of transfer. No such transfers took place in 2021-22.

Specialised Properties

Specialised properties have been valued using the Depreciated Replacement Cost (DRC) methodology on a Modern Equivalent Replacement basis, ignoring listed status (where relevant). It should be noted that DRC valuations are only relevant subject to the continuing prospect of the property in question remaining viable and occupied. In the event the property is no longer required for service delivery then the achievable Market Value of the asset may be significantly less or more than the value now reported on a DRC basis. In cases where DRC valuations have been applied, Market Values are also supplied for comparison purposes.

All the valuations have been prepared in accordance with the Royal Institution of Chartered Surveyors Valuation Professional Standards (Global and UK) January 2014. All valuers are experienced and qualified Chartered Valuation Surveyors and Registered Valuers with relevant knowledge, skill and understanding. The desk valuations have been undertaken by way of a desk review of the valuations previously supplied by external Chartered Valuation Surveyors. These valuations are valid as at 30 September 2021, and reviewed at the reporting date for any material impact from global market volatility. Unless there are material changes the valuation is not changed from that at 30 September.

The FCDO also holds a number of cemeteries across the world which are classified as non-operational assets, and as such, have de minimis carrying values. The cemeteries were purchased from public subscriptions. The cemeteries are held in the Embassy name for the local British Community.

Leased Properties

The leased properties disclosed constitute two elements 1) Leasehold buildings £570 million and 2) Leases for ground rent held in perpetuity £75 million, which are treated as akin to freehold tenure and disclosed within land. Neither category is regarded as a finance lease.

Antiques and Works of Art (AWA)

Valuation visits for Antiques and Works of Art were not possible due to COVID-19 travel restrictions. A tender exercise is in progress to appoint AWA valuers for 2022-23.

Assets Under Construction

The main projects contained within the AUC category are Washington Embassy major works (£94.5 million), new IT devices (£12.4 million), Paris Chancery refurbishment (£14.8 million) and Ottawa new office (£14.4 million).

5.1 Assets Held for Sale

The following assets are classified as held for sale:

	FCDO 2021-22 £000	FCDO 2020-21 £000
Overseas Properties		
Balance as at 1 April	21,547	15,216
Reclassification to Assets Held For Sale at Carrying Value	22,830	14,979
Revaluation to Fair Value Less Costs to Sell	(57)	(1,980)
(Impairments)/Reversals	–	(209)
Disposals	(20,956)	(6,459)
Balance as at 31 March	23,364	21,547

The FCDO manages its property portfolio in line with its dynamic business needs, including investment in new properties and disposal of those no longer required. Capital disposal receipts are retained for further investment by

the FCDO as agreed with HMT. These assets are included as current assets on the SoFP.

Assets held for sale includes a parcel of land in Tokyo. The exact terms of the transaction, including sale price, are confidential at this stage.

Proceeds from Assets Sales

In 2021-22 proceeds from the sale of assets included £13.9 million from the sale of property in Canada and £6.9 million from the sale of property in the Netherlands.

6 Financial Investments

	FCDO 2021-22				
	Other development capital £000	International Financial Institutions	BII	Other Public Sector Bodies	Total
At 1 April 2021	269,864	3,538,245	6,805,600	4,982	10,618,691
Additions	133,221	115,798	660,650	–	909,669
Disposals	(10,676)	–	–	–	(10,676)
Impairment	(2,500)	–	–	–	(2,500)
(Losses)/Gains taken to other comprehensive income	16,150	399,121	625,050	–	1,040,321
Losses taken to profit and loss	(14,401)	–	–	–	(14,401)
Financing cost ¹	5,514	–	–	–	5,514
At 31 March 2022	397,172	4,053,164	8,091,300	4,982	12,546,618
At 1 April 2020	229,475	5,014,016	6,106,800	4,982	11,355,273
Additions	52,767	95,101	650,000	1,156	799,024
Disposals	(771)	–	–	–	(771)
Transfer of asset to HM Treasury	–	(1,309,946)	–	–	(1,309,946)
Impairment	–	–	–	–	–
(Losses)/Gains taken to other comprehensive income	(7,590)	(260,926)	48,800	(1,156)	(220,872)
Losses taken to profit and loss	(4,394)	–	–	–	(4,394)
Financing cost ¹	377	–	–	–	377
At 31 March 2021	269,864	3,538,245	6,805,600	4,982	10,618,691

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

The FCDO has made the irrevocable election available in IFRS 9 to measure equity investments (other development capital equity investments, International Financial Institutions, BII and INSTEX within Other Public Sector Bodies) at fair value through other comprehensive income because they are not held for trading and to be consistent with previous treatment under IAS 39. FCDO Services within Other Public Sector Bodies is public dividend capital. It is therefore not a financial instrument under the FReM and so is held at historical cost. Further information is available in Accounting Policy 1.21. The above financial investments relate to investments held by the FCDO.

Other development capital

Other development capital (DC) assets are investments made by the FCDO to achieve defined development objectives while retaining

an ongoing, recoverable interest in the assets funded. As at 31 March 2022, these include equity investments (£192.5 million), debt instruments (£162.6 million), convertible loans (£18.2 million) and other returnable grant arrangements (£23.9 million), the terms of which will vary depending on programme circumstances. The convertible loans are embedded derivatives.

Further information on the basis of valuation of these investments can be found in Accounting Policy 1.21.

Included within DC assets is the FCDO's investment in the IFC Catalyst Fund which is denominated in US dollars. These 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

(£9.9 million). 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.

The fair value of the FCDO's other DC assets increased by £127.3 million during the year to 31 March 2022 due to further investment of £133.2 million, disposals of £10.7 million relating to the partial exit of mature investments, impairment of £2.5 million of one investment and favourable investment revaluations of £7.3 million.

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 the FCDO's share of the net assets of the IFIs, based on the number of shares subscribed by the FCDO. The Articles of Agreement of all the IFIs specify that this is the value that the FCDO would receive on the dissolution of the IFIs.

All investments in IFIs are denominated in a currency other than sterling. The FCDO is therefore exposed to currency risk if the value of

these currencies was to fall against sterling. The FCDO is also exposed to market risk, as the value of each investment is dependent upon the net assets of the IFIs.

Further information on the basis of valuation of these investments can be found in Accounting Policy 1.21.

The FCDO's fair value of its investments in IFIs increased by £514.9 million during the year to 31 March 2022 due to further shares being subscribed in the International Bank for Reconstruction and Development, International Finance Corporation and African Development Bank of £40.4 million, £39.9 million, and £35.5 million respectively and favourable investment revaluations of £399.1 million. Just less than half of this favourable revaluation is due to changing exchange rates resulting in higher sterling holding amounts and the remaining increase is due to profits made by 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).

	2021-22		2020-21	
	Currency 000	£000	Currency 000	£000
International Bank for Reconstruction and Development	\$2,007,940	1,528,926	\$1,696,512	1,232,261
International Finance Corporation	\$1,525,400	1,161,501	\$1,385,159	1,006,110
Asian Development Bank	\$1,076,994	820,066	\$1,072,552	779,048
Inter-American Development Bank	\$337,885	257,279	\$324,316	235,567
African Development Bank (in Units of Account)	155,211	163,471	165,820	170,736
Caribbean Development Bank	\$88,357	67,279	\$90,129	65,465
Multilateral Investment Guarantee Agency	\$71,762	54,643	\$67,539	49,058
		4,053,165		3,538,245

British International Investment (BII)

The FCDO, on behalf of the UK Government, owns 100% of the issued ordinary share capital of BII (formerly CDC Group plc), an investment company that invests in private sector businesses in low-income countries.

BII aims to demonstrate that it is possible to invest successfully in challenging environments, thereby attracting other sources of capital including fully commercial capital. The FCDO agrees BII's high-level strategy but has no involvement in day-to-day decision making

which is carried out by the BII 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 the 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. BII investments aim to achieve returns from capital appreciation, investment income or both. All BII's profits are reinvested in businesses throughout its target emerging markets. Information on BII's strategies can be found at <https://www.bii.co.uk/en/about/our-company/how-we-operate/>.

In 2021, BII and FCDO agreed a new strategic framework for the five years to 2026 to support the FCDO's economic development policy. The new framework builds on the previous framework, expanding the geographical remit to include the Indo-Pacific and Caribbean (whilst continuing to work in Africa and South Asia). The new strategy includes an increased focus on climate finance, including green infrastructure. It will also provide new investment in digital transformation, from large scale digital infrastructure to early-stage venture capital for disruptive businesses that offer radical solutions to the problems facing developing economies. This more geographically diverse approach complements the organisation's existing strong profile in Africa and South Asia. In the past five years, BII has invested close to £7 billion and mobilised a further £2.5 billion – and in doing so it has backed businesses that employ over 900,000 people and which have paid in excess of £10 billion in taxes. In the five years to 2026, BII aims to invest £1.5 – £2 billion per annum.

The fair value of the BII investment is based on the net asset value of BII per the audited financial statements as at 31 December 2021 which are prepared in accordance with applicable law and International Financial Reporting Standards (financial statements can be found within the Annual Accounts

publications at <https://www.bii.co.uk/en/our-impact/publications-library/>). This is then adjusted for any additions or disposals between 31 December 2021 and 31 March 2022 and a post-financial statement review of BII is performed to 31 March 2022 to identify other possible adjustments. At 31 March 2022, this post-financial statement review noted an estimated increase of £161.5 million to the FCDO's investment.

The FCDO's fair value of its investment in BII increased by £1,285.7 million during the year to 31 March 2022 due to further shares being subscribed of £660.7 million (detailed below), an audited profit to 31 December 2021 of £463.5 million and an estimated return of £161.5 million in the 3 months to 31 March 2022. The audited profit to 31 December 2021 is largely as a result of economic recoveries in the market following the previous downturn due to COVID-19. Currency translation losses were much lower in 2021 as the sterling to US dollar exchange rate was fairly stable.

BII total net assets increased during 2021 from £6,805.6 million to £7,715.2 million, a rise of 13.4% (2020: 5.7%). BII's investment portfolio increased by £788.6 million in 2021 to £6,011.1 million, driven primarily by disbursements in excess of realisations and valuation gains. The portfolio return measured a return in US dollars of 10.8% (2020: 0.9% loss). Most of the BII portfolio is denominated in US dollars and as such, results can be significantly impacted by changes in the sterling to US dollar exchange rate.

During the year ending 31 March 2022, the FCDO subscribed for a further 660.7 million shares in BII Group Plc for £660.7 million consideration (2020-21: 650 million shares for £650.0 million consideration). These transactions were funded through the use of promissory notes (refer to notes 10.2, 10.3 and 16).

The preparation of BII'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, BII has made the judgement that it meets the

definition of an investment entity within IFRS 10 'Consolidated Financial Statements'.

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

BII's Risk Committee oversees the implementation of the Risk Management Policy and the risks facing BII. BII's principal risks, mitigating policies and processes are summarised in the table below. Further information on these risks can be found on pages 15-19 of BII's Annual Accounts 2021.

Principal risks	Summary of risk	Mitigating policies and processes
Strategic risks	Stakeholder, climate change and strategy implementation risks that may result in BII failing to deliver on its five-year corporate strategy.	<ul style="list-style-type: none"> • Stakeholder management programme targeted at building its institutional relationships with key stakeholders including politicians, government officials, DFIs, NGOs, think tanks and academics. • Climate risk process identifies climate related physical and transition risks for new transactions for consideration at the Investment & Delivery Committee. • Performance targets are agreed with the FCDO then performance is regularly monitored and reported on.
Financial risks	Market, credit, country and liquidity risks that may result in the financial underperformance of the portfolio, create an unacceptable level of volatility in the investment portfolio return or result in BII not having sufficient financial resources to meet their obligations.	<ul style="list-style-type: none"> • Each investment proposal is reviewed and approved at the Investment & Delivery Committee. This includes: <ul style="list-style-type: none"> – Financial risks – Risk/return profile – Assessing financial soundness of counterparties – Assessing country risks • Foreign currency debt positions and cash balances are hedged back to sterling. • Periodic credit risk assessment on transactions as part of the portfolio review and valuations process. • Single obligor limit framework is designed to control concentration risk. • Coverage directors in key markets to advise on country risks. • Country limit framework is designed to control concentration risk. • Liquidity requirements are regularly monitored against pre-agreed thresholds. • Cashflow forecasts are regularly reviewed and updated to identify cash requirements.

Principal risks	Summary of risk	Mitigating policies and processes
Impact risks	Environmental and social, development impact and business integrity risks that may result in BII failing to meet its impact objectives by failing to invest in businesses and economies which improve people's lives and protect the planet.	<ul style="list-style-type: none"> • Investment & Delivery Committee review includes: <ul style="list-style-type: none"> – Assessing environmental and social risks – Assessing business integrity risks • Policy on Responsible Investing defines requirements for investees. • BII's Impact Framework aims to increase overall impact by focusing on what it aims to achieve, supporting consistent decision-making, helping to spot and course-correct when it goes off track and learn from experience. • Business Integrity team contribute to pre-investment due diligence, agree action plans, and monitor progress against action plans and business integrity performance.
Operational risks	People, process, legal, security, regularity and systems risks may result in business disruption, cause financial losses, negatively impact BII's ability to deliver on its mission, and potentially harm its reputation.	<ul style="list-style-type: none"> • HR policies in place governing hiring practices and performance management including targets in place for female and ethnic minority representation and regularly monitoring and reporting on attrition and indicators of workplace culture. • Operational risk framework includes event reporting, regular review of key risks and tracking of actions to identify and address process risks. • Legal team supports the deal team to ensure the technical integrity of investment agreements. • Dedicated Security team focused on physical and information security. There are policies and processes in place to identify, assess and mitigate security risks associated with offices, business travel and IT systems. • Compliance team sets the policy framework, ensuring BII complies with applicable laws and regulations. They provide regulatory advisory and conduct regular assurance and monitoring activities on implemented risk management controls. • BII require staff to complete regular training on security awareness, core regulatory requirements, including fraud, financial crime, data protection, FCA conduct rules and whistleblowing. • IT team run a change management process to assess the impact of changes to IT systems before they are introduced. The IT team works closely with the Managed Service Provider to ensure that all business as usual service delivery tasks run smoothly.

Significant uncertainty arising from the nature of the department's investments in IFIs and BII

As set out in Accounting Policy 1.6 (b), there is a significant risk around the fair value of investments, particularly IFIs and BII due to the magnitude of these investments on the FCDO's balance sheet. Valuations are based on financial information contained in published, audited annual accounts, but most entities have a year-end non-coterminous with FCDO therefore we also use quarterly financial information to help value investments where the FCDO judges these to provide a more accurate valuation of shareholding.

The IFIs and BII base their estimates and assumptions, and thus their reported financial results, on their current perceptions of risk, on the basis of information which is available at the time of preparing the financial information and by employing experience and judgement. Whilst the department considers that the financial information reported by the IFIs and BII are fairly stated, the ultimate realisable value of the reported assets and liabilities will vary as a result of subsequent information and events. Accordingly, so too will the value of the department's investments in the IFIs and BII as recorded in these financial statements.

Other Public Sector Bodies

Other Public Sector Bodies consist of £5.0 million investment in FCDO Services and £1k share capital in INSTEX.

The FCDO holds an investment in FCDO Services, comprised of 100% of its Public Dividend Capital (PDC). As a trading fund, FCDO Services is not included within the FCDO departmental boundary. Historical cost is considered to be a reasonable approximation for fair value of this asset as any surplus from trading is paid annually to the department in the form of a dividend.

France, Germany and the UK (the E3) created INSTEX, a special purpose vehicle to facilitate legitimate trade between European companies and Iran as part of the continued efforts to preserve the Joint Comprehensive Plan of Action (JCPOA). INSTEX was incorporated in France with an initial minimal capital investment of €1,000 from each of the E3 countries. Following registration each E3 country agreed to provide a €1 million loan to INSTEX to seed the working capital of INSTEX.

7 Financial Instruments

7.1 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 2022 or 31 March 2021. 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:

	FCDO 2021-22			Total carrying value £000
	Amortised Cost £000	Financial assets at FVTPL £000	Financial assets at FVOCI £000	
Financial Assets				
Non-Current Financial Assets				
Financial investments	23,948	180,818	12,336,870	12,541,636
Forward Currency Contracts	–	121	–	121
Trade and other receivables	1,025,376	–	–	1,025,376
	1,049,324	180,939	12,336,870	13,567,133
Current Financial Assets				
Forward Currency Contracts	–	1,966	–	1,966
Trade and other receivables	202,239	–	–	202,239
Cash and cash equivalent	209,969	–	–	209,969
	412,208	1,966	–	414,174
Total financial assets	1,461,532	182,905	12,336,870	13,981,307
Financial Liabilities				
Non-current Financial Liabilities				
Forward Currency Contracts	–	(626)	–	(626)
Financial Guarantee	–	(152,873)	–	(152,873)
Trade and other payables	(40,621)	–	–	(40,621)
	(40,621)	(153,499)	–	(194,120)
Current Financial Liabilities				
Forward Currency Contracts	–	(3,185)	–	(3,185)
Bank overdraft	(45)	–	–	(45)
Trade and other payables	(6,226,931)	–	–	(6,226,931)
	(6,226,976)	(3,185)	–	(6,230,161)
Total financial liabilities	(6,267,597)	(156,684)	–	(6,424,281)
Net financial instruments	(4,806,065)	26,221	12,336,870	7,557,026

	FCDO 2020-21			Total carrying value £000
	Amortised Cost £000	Financial assets at FVTPL £000	Financial assets at FVOCI £000	
Financial Assets				
Non-Current Financial Assets				
Financial investments	18,435	119,798	10,475,477	10,613,710
Forward Currency Contracts	–	–	–	–
Trade and other receivables	980,286	–	–	980,286
	998,721	119,798	10,475,477	11,593,996
Current Financial Assets				
Forward Currency Contracts	–	392	–	392
Trade and other receivables	241,629	–	–	241,629
Cash and cash equivalent	222,327	–	–	222,327
	463,956	392	–	464,348
Total financial assets	1,462,677	120,190	10,475,477	12,058,344
Financial Liabilities				
Non-current Financial Liabilities				
Forward Currency Contracts	–	(7,085)	–	(7,085)
Financial Guarantee	–	(105,000)	–	(105,000)
Trade and other payables	(39,379)	–	–	(39,379)
Current Financial Liabilities				
Forward Currency Contracts	–	(11,351)	–	(11,351)
Bank overdraft	(4,302)	–	–	(4,302)
Trade and other payables	(6,939,659)	–	–	(6,939,659)
	(6,943,961)	(11,351)	–	(6,955,312)
Total financial liabilities	(6,983,340)	(123,436)	–	(7,106,776)
Net financial instruments	(5,520,663)	(3,246)	10,475,477	4,951,568

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. There is no quantitative information available about significant unobservable inputs used in the fair value measurement for FCDO's assets in Level 3.

See notes 1.6, 1.19, 1.21 and 6 for more information on valuation techniques and inputs.

	Note	2021-22 £000	2020-21 £000
Financial assets			
Level 1			
Cash and cash equivalents	8	209,969	222,327
Financial Investments	6	30,609	–
Level 2			
Trade and other receivables	9	1,227,615	1,221,915
Forward Currency Contracts		2,087	392
Level 3			
Financial investments	6	12,511,027	10,613,710
		13,981,307	12,058,344
Financial liabilities			
Level 1			
Bank overdraft	8	(45)	(4,302)
Level 2			
Trade and other payables	10	(6,267,552)	(6,979,038)
Forward Currency Contracts		(3,811)	(18,436)
Financial Guarantee	12.3	(105,873)	(105,000)
Level 3			
Financial Guarantee	12.3	(47,000)	–
		(6,424,281)	(7,106,776)

There have been no transfers between Level 1 and Level 2 of the fair value hierarchy in 2021-22 or 2020-21.

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:

	Level 3 Financial investments £000
Balance at 31 March 2020	11,350,292
Additions	799,024
Disposals	(771)
Transfers	(1,309,946)
Losses taken to other comprehensive income	(220,872)
Losses taken to profit and loss	(4,394)
Other movements	377
Balance at 31 March 2021	10,613,710
Additions	879,060
Disposals	(10,676)
Gains/(Losses) taken to other comprehensive income	1,040,321
Gains/(Losses) taken to profit and loss	(14,401)
Impairment	(2,500)
Other movements	5,513
Balance at 31 March 2022	12,511,027

7.2 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

The FCDO is exposed to foreign currency risks which can be significant because of the nature of its business and geographical presence. The FCDO recognises foreign transactions using the spot conversion rate and manages exchange risks through the Foreign Currency Mechanism (FCM) agreed with HM Treasury. Accounting policy 1.14 gives more information about the two foreign currency exchange policies. The FCM increases or decreases the FCDO's budget each year in the Supplementary Estimates to take account of movements in the top 100 currencies where the department spent the most money. The FCM uses exchange rate movements covering the period February to January, and applies it to the FCDO's baseline spend to calculate the adjustment to the FCDO's budget.

However, significant currency movement between February and March each year would only be reflected in a budget adjustment to the following financial year. Consequently, there remains a foreign exchange risk related to movements in February and March in the current year.

The FCM only applies to non ODA core expenditure and it does not include Peacekeeping or ODA expenditure. The

following two tables and their prior year comparatives only relate to the FCM and FCM related expenditure.

The FCDO continues to use forward purchase currency contracts for Peacekeeping expenditure to minimise budget uncertainty. The Ministry of Defence (MoD) arranges the purchase of foreign currency on behalf of the FCDO. Forward purchases contracts matured as follows:

	2021-22			2020-21		
	Foreign Currency 000	Sterling Cost £000	Average Exchange Rate	Foreign Currency 000	Sterling Cost £000	Average Exchange Rate
Euro	22,954	20,929	1.10	38,600	35,201	1.10
US Dollar	331,822	250,733	1.32	360,100	269,287	1.34
		271,662			304,488	

Forecast unrealised gains and losses on forward purchases maturing in future periods,

based on the actual rates of exchange at the reporting period date, are analysed as follows:

	Foreign Currency	2021-22		Unrealised Gains £000	Unrealised Losses £000
		Currency Value 000	Sterling Value £000		
Current Assets and Liabilities					
Maturing in 2022-23	Euro	22,440	19,670	–	(626)
	US Dollar	419,335	319,165	1,966	(2,559)
			338,835	1,966	(3,185)
Non-current Assets and Liabilities					
Maturing in 2023-24	Euro	10,900	9,418	14	(6)
	US Dollar	166,614	126,212	100	(347)
			135,630	114	(353)
Maturing in 2024-25	Euro	5,500	4,824	7	–
	US Dollar	89,540	67,419	–	(273)
			72,243	7	(273)
			207,873	121	(626)
Total			546,708	2,087	(3,811)

	Foreign Currency	Currency Value 000	2020-21		Unrealised Gains £000	Unrealised Losses £000
			Sterling Value £000			
Current Assets and Liabilities						
Maturing in 2020-21	Euro	22,954	20,929		–	(1,315)
	US Dollar	331,822	250,733		392	(10,036)
			271,662		392	(11,351)
Non-current Assets and Liabilities						
Maturing in 2022-23	Euro	8,833	8,086		–	(475)
	US Dollar	123,073	95,940		–	(6,610)
			104,026		–	(7,085)
			104,026		–	(7,085)
Total			375,688		392	(18,436)

The remaining portion of FCDO's exposure to foreign currency risk, which is not covered by the FCM, mostly being ODA related

expenditure, is shown in the following tables. This is based on the carrying amount for monetary financial instruments.

	2021-22				
	Sterling £000	Euro £000	US dollar £000	Other £000	Total £000
Financial investments	8,205,942	-	4,023,759	311,935	12,541,636
Trade and other receivables	995,738	24,043	39,612	-	1,059,393
Cash and cash equivalents	23,522	-	393	82	23,997
Trade and other payables	(5,683,939)	-	(2,188)	-	(5,686,127)
Net exposure	3,541,263	24,043	4,061,576	312,017	7,938,899

	2020-21				
	Sterling £000	Euro £000	US dollar £000	Other £000	Total £000
Financial investments	6,873,967	0	3,449,092	290,651	10,613,710
Trade and other receivables	1,087,831	25,436	36,438	–	1,149,705
Cash and cash equivalents	(3,923)	–	259	162	(3,502)
Trade and other payables	(6,357,937)	–	(2,088)	–	(6,360,025)
Net exposure	1,599,938	25,436	3,483,701	290,813	5,399,888

Sensitivity analysis

A 10% strengthening of the following currencies against the pound sterling at 31 March 2022 and at 31 March 2021 would have increased taxpayers' equity and lowered net comprehensive expenditure by the amounts shown below. This calculation assumes that the

	2021-22 Equity £000	2021-22 (Profit) or loss £000	2020-21 Equity £000	2020-21 (Profit) or loss £000
Euro	2,671	2,671	3,288	(3,288)
US Dollar	451,286	4,202	382,720	(4,140)
	453,957	6,873	386,008	(7,428)

A 10% weakening of the above currencies against the pound sterling at 31 March 2022 and at 31 March 2021 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 the FCDO's interest-bearing financial instruments was:

	2021-22 £000	2020-21 £000
Fixed rate instruments		
Cash and cash equivalents	-	-
Trade and other receivables	1,000,353	987,279
	1,000,353	987,279
Variable rate instruments		
Cash and cash equivalents	24,041	676
Trade and other receivables	56,800	52,351
	80,841	53,027

For the financial year ending 31 March 2022 the department earned interest from financial instruments of £1.3 million (2020-21: £1.5 million). The interest earned from these financial instruments does not represent a material source of income for the FCDO.

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.

(iii) Equity price risk

The department's exposure to equity price risk arises from its investment in equity securities which are classified as financial assets, held at fair value through other comprehensive income and fair value through profit or loss, and are shown on the Statement of Financial Position as financial investments (see note 6).

Sensitivity analysis

FCDO's investments in IFIs are based on FCDO'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 2022, a 10% reduction in net asset values of the IFIs, with all other variables held constant, would result in FCDO's net assets being reduced by £405.3 million (at 31 March 2021: £354.1 million).

The FCDO's investment in BII is based on the net assets as included in their most recent audited financial statements drawn up to 31 December 2021 and reflecting any capital contributions by the FCDO in the period between that date and 31 March 2022. The resultant value is adjusted to reflect any other material movements in fair value over that 3-month period based on management information provided. As at 31 March 2022, 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 £809.1 million (at 31 March 2021: £680.6 million).

7.3 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 FCDO's receivables from sovereign debt, investment instruments and financial guarantee contracts.

Exposure to credit risk

The fair value of financial assets held at amortised cost, trade receivables and cash and cash equivalents in note 7.1 represents the maximum credit exposure to the FCDO. Bilateral and multilateral loans within trade and other receivables at the Consolidated Statement of Financial Position date, which are past due, have allowances for expected credit losses of £49.2 million (2020-21: £50.7 million).

Bilateral loans, and loans formerly managed by BII, are made directly to sovereign states; multilateral loans are made to sovereign states through multilateral bodies such as the European Investment Bank. Credit impairment is assessed based on default history, programme team knowledge, political risks and the potential future granting of debt relief.

The British Council has an active revolving credit facility designed to provide short term liquidity. The loan facility was made available in 2020-21 and the British Council drew down £52.0 million, repaying it in 2021-22 ahead of the facility expiring in December 2021. The facility was rolled-over in December 2021 on the same terms and conditions. During 2021-22 the British Council drew down £56.8 million.

IFRS 9 requires ECLs to be measured in a way that reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about

past events, current conditions and forecasts of future economic conditions.

Financial guarantee contracts have been provided to Iraq, Egypt, Jordan and Gibraltar. Credit risk for these sovereigns is assessed through the use of Moody's credit agency ratings, advice of our economic advisers in these areas and statistical models. See Note 1.6(g) and Note 12.3 for more information on how we value these guarantees.

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 assets are held with, or investments are made through IFIs, 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.

Under IFRS 9, an entity must determine whether the financial asset is in one of three stages in order to determine both the amount of expected credit loss (ECL) to recognise as well as how interest income should be recognised.

- » Stage 1 is where credit risk has not increased significantly since initial recognition. For financial assets in stage 1, entities are required to recognise 12-month ECL and recognise interest income on a gross basis – this means that interest will be calculated on the gross carrying amount of the financial asset before adjusting for ECL.
- » Stage 2 is where credit risk has increased significantly since initial recognition. When a financial asset transfers to stage 2 entities are required to recognise lifetime ECL but interest income will continue to be recognised on a gross basis.
- » Stage 3 is where the financial asset is credit impaired.

For financial assets in stage 3, entities will continue to recognise lifetime ECL, but they will now recognise interest income on a net basis. This means that interest income will be

calculated based on the gross carrying amount of the financial asset less ECL.

The FReM requires lifetime losses to be recognised upon initial recognition for financial guarantee contracts issued below fair value and where there is no active market or observable market equivalent. FCDO continue to use lifetime ECL for subsequent measurement. Financial guarantee contracts are presented separately in the tables below for guarantees to Iraq, Egypt and Jordan.

For financial guarantee contracts issued in an active market or where there is observable market equivalents, ECLs are recorded depending on the stage identified above. The guarantee to Gibraltar is deemed to be in Stage 1 however no repayments are contracted in the next 12 months therefore there is no ECL recorded for this guarantee.

The FReM requires lifetime losses to be recognised for trade receivables. For trade receivables with no significant financing components, IFRS 9 allows the use of a simplified method for calculating expected losses using historical default rates over the expected life of the trade receivables and adjusting for forward-looking estimates.

The most significant assumption included within the ECL model for both 12-month and lifetime losses is that future performance will be reflective of past performance. To address this risk, the FCDO reviews and updates default rates on a regular basis to ensure they incorporate the most up to date assumptions along with forward-looking information. Forward looking information is gathered through discussions with programme teams including economists who have a deep knowledge and understanding of the conditions surrounding each instrument.

The FCDO defines default as a history of non-payment with no reasonable expectation of repayment in the future. Where there is no history of default, the FCDO uses standard industry default rates (CRISIL rates) and Moody's credit agency ratings to predict expected losses on future cashflows. Details of how the FCDO determines whether assets are credit impaired can be found in Note 1.6 (a) and 1.21. Financial assets are deemed fully credit impaired when there is no reasonable expectation of recovery. Write offs are restricted due to agreements with the Paris Club, more information can be found in Note 1.

Stage 1 loans consist of all development capital loans, the British Council loan, most multilateral loans and more than half of bilateral loans. One bilateral loan has no repayments until 2041 and therefore has no 12-month ECL allowance. Default risk of the remaining loans is considered by the programme teams to be equivalent to investment grade bonds therefore a low ECL allowance of £1.1 million has been assessed. If the credit ratings were to be downgraded by one notch, they would still be investment grade and therefore there would not be a significant impact on the credit risk and would not move to Stage 2. Stage 2 loans consist of the remaining multilateral and bilateral loans. These loans carry higher credit risk which is reflected in the higher ECL allowance of £49.2 million. Stage 2 ECL allowances have decreased in the year mostly due to increased recoveries which are predicted to continue going forward.

Reconciliation of Expected Credit Losses

	Stage 1: Loss allowance based on 12 month ECLs £000	Stage 2: Loss allowance based on lifetime ECLs - not credit impaired £000	Stage 3: Loss allowance based on lifetime ECLs – credit impaired £000	Loss allowance based on lifetime ECLs for guarantees £000	Loss allowance based on lifetime ECLs for trade receivables £000	Total £000
Balance at 1 April 2020	78	51,781	–	432	930	53,221
Impact of change to cashflows	(50)	1,460	–	6	512	1,928
Impact of change of credit rating assessment	–	(2,515)	–	–	–	(2,515)
Balance at 31 March 2021	28	50,726	–	438	1,442	52,634
Impact of change to cashflows	1,039	(2,441)	–	46,562	206	45,366
Impact of change of credit rating assessment	–	932	–	–	–	932
Balance at 31 March 2022	1,067	49,217	–	47,000	1,648	98,932

Credit quality of loans held at amortised cost

	2021-22			2020-21		
	Stage 1 £000	Stage 2 £000	Stage 3 £000	Stage 1 £000	Stage 2 £000	Stage 3 £000
Loan balance excluding allowances:						
Neither past due nor credit-impaired	1,057,153	–	–	1,039,643	–	–
Past due but not credit-impaired	–	74,510	–	–	75,800	–
Credit-impaired	–	–	–	–	–	–
Less: impairment allowances	(1,067)	(49,216)	–	(28)	(50,726)	–
Loan balance net of allowances	1,056,086	25,294	–	1,039,615	25,074	–

7.4 Liquidity risk

Financial risk management

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

Exposure to liquidity risk

The contractual maturities of financial liabilities, including estimated interest payments, are £5,300.7 million (2020-21: £5,976.3 million)

due on demand and £614.6 million (2020-21: £388.1 million) due within 1 year, but not on demand. In common with other government departments, the future financing of the FCDO'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 2022-23 amounts has already been provided and there is no reason to believe the allocation for 2023-24 and beyond will not be forthcoming.

8. Cash and cash equivalents

	FCDO 2021-22		FCDO 2020-21	
	Department & Agencies £000	Departmental Group £000	Department & Agencies £000	Departmental Group £000
Balance at 1 April	211,140	218,026	85,888	90,241
Net change in cash balances	(7,817)	(8,102)	125,252	127,784
Balance at 31 March 2022	203,323	209,924	211,140	218,025
Of which:				
Cash and cash equivalents	203,368	209,969	215,442	222,327
Bank overdraft	(45)	(45)	(4,302)	(4,302)
Balance at 31 March 2022	203,323	209,924	211,140	218,025
The following balances and overdrafts were held at 31 March:				
Government Banking Service	19,244	19,243	39,535	39,535
Government Banking Service – NDPB	–	3,191	–	2,184
Commercial banks and cash in hand UK and overseas	184,079	187,490	171,605	176,306
Balance at 31 March 2022	203,323	209,924	211,140	218,025

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 receivables, financial and other assets

	FCDO 2021-22		FCDO 2020-21	
	Department & Agencies £000	Departmental Group £000	Department & Agencies £000	Departmental Group £000
Amounts Falling Due Within 1 Year				
Development capital loans	5,686	5,686	5,660	5,660
Bilateral and multilateral loans	51,257	51,257	29,591	29,591
Trade receivables	59,772	60,399	61,784	62,472
Other receivables	11,627	11,632	62,384	62,384
Leasehold land (non-perpetual) prepayments	–	–	674	674
Contract Assets	38,314	40,396	43,416	43,879
Deposits and Advances	12,938	13,104	8,862	9,054
Prepayments	200,501	201,046	178,052	178,412
Accrued Income	19,765	19,765	28,588	28,589
	399,860	403,285	419,011	420,715
Amounts Falling Due After 1 Year				
Leasehold land (non-perpetual) prepayments	7,485	7,485	24,076	24,076
Other receivables	56,696	56,696	–	–
Development capital loans	2,713	2,713	7,963	7,963
Bilateral and multilateral loans	965,967	965,967	972,323	972,323
	1,032,861	1,032,861	1,004,362	1,004,362
Total	1,432,721	1,436,146	1,423,373	1,425,077

10. Trade payables and other liabilities

10.1 Analysis by type

	FCDO 2021-22		FCDO 2020-21	
	Department & Agencies £000	Departmental Group £000	Department & Agencies £000	Departmental Group £000
Amounts Falling Due Within 1 Year				
Other taxation and social security	5,285	5,327	5,637	5,717
Trade payables	48,190	49,045	27,752	28,600
Other payables	116,730	116,794	98,271	98,341
Accruals	492,583	496,869	608,165	611,136
Deferred Income	2,011	2,011	1,630	1,630
Promissory notes: due on demand	5,348,839	5,348,839	5,971,970	5,971,970
Payments on account	448	448	309	309
Contract Liabilities	1,621	2,271	7,443	8,817
Current part of finance leases	–	–	–	–
Current part of imputed finance lease element of on-SoFP PFI contracts	2,004	2,004	1,999	1,999
Total excluding amounts due to the Consolidated Fund	6,017,711	6,023,608	6,723,176	6,728,519
Amounts issued from the Consolidated Fund for supply but not spent	202,359	202,359	210,920	210,920
Income due to be paid to the Consolidated Fund	964	964	220	220
	6,221,034	6,226,931	6,934,316	6,939,659
Amounts Falling Due After 1 Year				
Payables, accruals and deferred income	20,723	20,723	17,332	17,332
Imputed finance lease element of on-SoFP PFI contracts	19,898	19,898	22,047	22,047
	40,621	40,621	39,379	39,379
Total	6,261,655	6,267,552	6,973,695	6,979,038

10.2 Promissory notes payable: movement during the year

	FCDO 2021-22	
	Department & Agencies £000	Departmental Group £000
Balance at 31 March 2020	–	(5,576,391)
New notes deposited in year	(2,165,283)	–
Cash drawn down against notes previously issued	1,769,323	–
Foreign exchange losses	381	–
Balance at 31 March 2021	–	(5,971,970)
New notes deposited in year	(1,611,635)	–
Cash drawn down against notes previously issued	2,234,867	–
Foreign exchange losses	(102)	–
Balance at 31 March 2022	–	(5,348,840)

Promissory notes payable have been classified as financial liabilities 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 £1,263.9 million which is expected to be encashed within 1 year and £4,084.9 million which is expected to be encashed after 1 year based on non-legally binding encashment schedules.

10.3 Promissory notes payable: analysis by institution

	FCDO 2021-22	FCDO 2020-21
	At 31 March 2022 £000	At 31 March 2021 £000
International Development Association	2,606,171	3,081,338
BII	905,450	955,000
African Development Fund	461,170	437,383
Green Climate Fund	731,700	630,000
Climate Investment Funds (CIFs)	56,813	149,746
Caribbean Development Bank	168,809	177,206
World Health Organisation	99,000	258,000
Private Infrastructure Development Group	118,844	89,402
Global Environment Fund	108,730	82,035
Asian Development Fund	45,334	51,748
KfW Group	16,231	16,231
International Fund for Agricultural Development	–	23,395
European Bank for Reconstruction and Development	10,301	10,301
International Finance Corporation	15,000	5,000
IFC Catalyst Fund	2,188	2,088
Multilateral Investment Guarantee Agency	3,099	3,097
Total	5,348,840	5,971,970

11. Provisions

11.1 Analysis of Movement

	FCDO 2021-22					
	IFFIm £000	IFFIm – COVAX £000	AMC £000	Terminal Gratuities £000	Other £000	Total £000
Balance at 1 April 2021	647,360	494,985	–	53,070	14,950	1,210,365
Provided in year (bal)	6,196	2,500	–	6,132	5,958	20,786
Provisions not required written back	–	–	–	(1,109)	(8,347)	(9,456)
Provisions utilised in the year	(140,021)	–	–	(6,492)	(3,925)	(150,438)
Foreign exchange movement	–	–	–	–	–	–
Unwinding of discount/(initial discount on recognition of provision)	(5,013)	(8,092)	–	–	–	(13,105)
Terminal gratuities exchange unrealised (gain)/loss	–	–	–	160	–	160
Balance at 31 March 2022	508,522	489,393	–	51,761	8,636	1,058,312

	FCDO 2020-21					
	IFFIm £000	IFFIm – COVAX £000	AMC £000	Terminal Gratuities £000	Other £000	Total £000
Balance at 1 April 2020	772,471	–	24,511	56,148	9,165	862,295
Provided in year (bal)	–	497,500	–	6,366	9,362	513,228
Provisions not required written back	(7,850)	–	–	(1,278)	(2,481)	(11,609)
Provisions utilised in the year	(128,959)	–	(25,035)	(4,476)	(1,097)	(159,567)
Foreign exchange movement	–	–	506	–	–	506
Unwinding of discount	11,698	(2,515)	18	–	1	9,202
Terminal gratuities exchange unrealised (gain)/loss	–	–	–	(3,690)	–	(3,690)
Balance at 31 March 2021	647,360	494,985	–	53,070	14,950	1,210,365

11.2 Analysis of Expected Timing of Discounted Cash Flows

	FCDO 2021-22					
	IFFIm £000	IFFIm – COVAX £000	AMC £000	Terminal Gratuities £000	Other £000	Total £000
Not later than 1 year	126,873	99,746	–	16,783	4,221	247,623
Later than 1 year but not later than 5 years	349,601	236,787	–	10,640	3,014	600,042
Later than 5 years	32,048	152,860	–	24,338	1,401	210,647
Balance at 31 March 2022	508,522	489,393	–	51,761	8,636	1,058,312

	FCDO 2020-21					
	IFFIm £000	IFFIm – COVAX £000	AMC £000	Terminal Gratuities £000	Other £000	Total £000
Not later than 1 year	138,976	–	–	16,833	10,711	166,520
Later than 1 year but not later than 5 years	411,990	285,389	–	10,770	2,750	710,899
Later than 5 years	96,394	209,596	–	25,467	1,489	332,946
Balance at 31 March 2021	647,360	494,985	–	53,070	14,950	1,210,365

The International Finance Facility for Immunisation (IFFIm)

The IFFIm is an international development financing institution that provides funding to Gavi (the vaccine alliance) and is supported by sovereign donors (www.iffim.org). The IFFIm borrows funds in the international capital markets to support Gavi with funding today backed by these longer-term pledges. The UK pledged £1,630.0 million through two legally binding agreements which set out bi-annual payment obligations from April 2007 to October 2029 (the signing of the agreements was the recognition point of the provision). The value of each payment is uncertain until the final notice for that payment is provided to the FCDO.

The value of the FCDO's payments can change based on a formula set out in the IFFIm grant agreements which make an adjustment to the FCDO's payments when specified countries named in the agreements are in protracted arrears on International Monetary Fund obligations. The percentage reduction has never been higher than 4% in the history of the agreements and this year has reduced to 0% as none of the specified countries are currently in protracted arrears.

The provision is calculated as the total of the FCDO's expected remaining payments after adjusting for reductions for countries in protracted arrears at the period end (0% as at 31 March 2022), discounted at the nominal discount rates set by HM Treasury (0.47% between 0 and 5 years, 0.7% between 5 and 10 years and 0.95% exceeding 10 years, as at 31 March 2022). As at 31 March 2022, the UK is liable for £508.5 million in net present value terms (after deducting payments already made).

During 2020-21, the UK pledged a further £500.0 million to IFFIm in specific support of the Gavi COVID-19 Vaccines Advanced Market Commitment (COVAX AMC). Annual payment obligations from October 2022 to October 2029 are set out in a new legally binding agreement (the signing of the agreement was the recognition point of the provision). As with the main IFFIm provision, the value of each payment is uncertain until the final notice for that payment is provided to the FCDO.

The value of payments can also change when specified countries are in protracted arrears. The provision is calculated as the total of FCDO's expected remaining payments after adjusting for reductions for countries in

protracted arrears at the period end (0% as at 31 March 2022), discounted at the nominal discount rates set by HM Treasury as noted above. As at 31 March 2022, the UK is liable for £489.4 million in net present value terms.

Terminal Gratuities

The FCDO, depending upon local employment law and custom, at Post, may set up a Terminal Gratuity Provision for locally engaged staff. This is not a formal pension fund, but does allow the FCDO to create a liability for payments to employees. These get paid out upon their retirement or when they leave service (depending on the specific terms and conditions of the scheme in that country). As the employee works through each year, they gradually increase the value of their own specific Terminal Gratuity Provision, which will be paid to them if they meet the conditions of the scheme.

Other Provisions

Other provisions include staff-related liabilities such as claims against the department, and the cost of early retirement payments. It also includes claims made against the Department by third parties, termination costs for the early exit of programme contracts and liabilities for other estate commitments.

12. Contingent Assets and Contingent Liabilities

12.1 Contingent Liabilities

	2021-22 £000	2020-21 £000
Potential Obligations	2,477,483	3,030,493

Contingent liabilities of £2,256.6 million (2020-21: £2,904.3 million) exist in respect of contributions due to International Financial Institutions (IFIs). Uncertainty exists as this is subject to certain future performance conditions, which have been subject to formal approval by Parliament but are not yet supported either by promissory notes or cash payments. The movement in the year is due to previous amounts crystallising. The FCDO expects a high proportion of this amount to crystallise as a liability in the coming years.

Contingent liabilities of £130.0 million (2020-21: £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 low-income 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 cash balance drops below a certain level. Based on current projections which are monitored regularly, this is unlikely to be called in the next 12 months. The FCDO also holds a financial investment in GuarantCo in the form of a debt instrument and is part of the PIDG Group of investments.

A contingent liability of £26.9 million (2020-21: £32.3 million) exists, related to the UK membership of CABI, an intergovernmental organisation established by a UN treaty level agreement. In the event of CABI's dissolution, the assets are shared among/liabilities met by the member governments. The potential liability is calculated in proportion to the member government's level of contribution. An obligation at 31 March 2022 is deemed to be unlikely due to preventative measures that have been carried

out as a result of intervention by the UK's Pensions Regulator.

All other contingent liabilities are not individually material and are not disclosed separately for commercial reasons. These include varied areas of litigation, such as employment dispute, consular and sanction cases. Other risks include estates related legal action covering our liability for properties overseas.

In addition to contingent liabilities disclosed in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, the FCDO disclosures, for parliamentary reporting and accountability purposes, certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to parliament in accordance with the requirement of HMT's Managing Public Money. These can be found in the Parliamentary Accountability and Audit Report of the Annual Report and Accounts

12.2 Contingent Asset

The department has the following contingent asset.

On 30 April 2012, the FCDO 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 our intention to dispose of this shareholding to the management of Actis, in exchange for cash payments totalling US\$13.0 million (£9 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 only refers to profits generated by the funds over the period 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.

We 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 2022 we received carried

interest payments of \$Nil (2020-21: US\$1.3 million), this is equivalent to £Nil (2020-21: £0.9 million).

12.3 Guarantees

At 31 March 2022, the total outstanding amounts and corresponding fair values of our financial guarantees are as follows:

	2021-22			2020-21		
	Guaranteed amount outstanding US\$000	Guaranteed amount outstanding £000	Fair Value £000	Guaranteed amount outstanding US\$000	Guaranteed amount outstanding £000	Fair Value £000
Government of Egypt	225,080	171,385	7,150	263,626	191,509	–
Republic of Iraq	425,956	324,340	31,830	406,754	295,484	–
Hashemite Kingdom of Jordan	249,116	189,687	8,020	226,246	164,355	–
Government of Gibraltar		200,000	105,873		100,000	105,000
		885,412	152,873		751,348	105,000

The FCDO changed its accounting policy to measure the fair value of its guarantees issued below market value, where no active market or observable equivalent exists (i.e. development guarantees), at lifetime expected credit losses rather than 12-month expected credit losses. See Note 1.4 for further information.

The FCDO guarantees loans provided by the International Bank for Reconstruction and Development (IBRD) to the Government of Egypt (Egypt), the Republic of Iraq (Iraq) and the Hashemite Kingdom of Jordan (Jordan). These loans were issued at below fair value where there is no active market or observable market equivalents so have been fair valued using the lifetime ECL.

IBRD member countries are subject to a Single Borrower Limit (SBL). The FCDO works with IBRD to guarantee lending to countries of strategic priority who are reaching the Bank's Single Borrower Limit meaning that the Bank can continue lending to these countries.

The guarantee to Egypt was entered into in 2018, guaranteeing US\$150.0 million principal plus interest over 35 years. The guarantee to Iraq was entered into in 2017, guaranteeing US\$272.0 million principal plus over 18 years. The guarantee to Jordan was split into two

tranches and entered into in 2019 and 2020, guaranteeing US\$126.0 million and US\$39.0 million principal plus interest over 35 and 34 years respectively.

The UK guarantees a credit facility given to the Government of Gibraltar for a maximum of £500.0 million (2020-21: maximum of £500.0 million) which enables it to borrow at more favourable rates as it manages the financial impact of COVID. Fair value has been calculated based on actual drawdown at the year-end, projected future drawdowns over the life of the facility and the timing of expected repayments. This guarantee is not development related and was issued in an active market with observable market equivalents so has been fair valued based on the present value of the benefit to the party receiving the guarantee. This guarantee has not been impacted by the accounting policy change outlined in Note 1.4.

Further information regarding the fair valuation of guarantees can be found in Accounting Policy 1.6 (g).

Sensitivity analysis

As mentioned in Note 1.6(g), there is a level of estimation uncertainty in the valuation of financial guarantees issued below fair value and

where there is no active market or observable market equivalent due to the little data available to make accurate assumptions about loss given default. This affects the guarantees to Egypt, Iraq and Jordan.

FCDO's best estimate of the fair value of these guarantees is £47.0 million. As described in Accounting Policy 1.6 (g), this has been calculated using probability weighting of various scenarios being different recovery rates of defaults: recovery within 1 year, recovery in 2-5 years, recovery in 6-10 years, recovery in 11-15 years and recovery in 15 years or more which we have equated to perpetual default. These scenarios were then probability weighted based on historical occurrences.

Historical performance may not always reflect future performance. For this reason, we have also calculated a best case scenario where defaults will always recover within one year and a worst case scenario where defaults will always last to perpetuity. This results in a minimum possible fair value of £25.8 million and a maximum possible fair value of £166.5 million. The stated fair value of £47.0 million is closer to the best case scenario which reflects the high proportion of defaults that have historically recovered in 5 years or less.

12.4 Letters of comfort and indemnities

The FCDO provided Letters of Comfort to several of its arm's length bodies (ALBs) to cover their 2020-21 Accounts. These gave assurance to the ALBs that the FCDO would provide them with sufficient financial resources in order to ensure that they could meet their financial obligations, and that they could continue as going concerns, for at least 12 months from the date that their 2020-21 accounts were certified by the Comptroller & Auditor General. Letters of comfort for the financial year 2020-21 were given to the following ALBs after the reporting date: Wilton Park, Great Britain China Centre, and the Westminster Foundation for Democracy. These were fully disclosed in note 19 of the 2020-21 Accounts in line with IAS 10, Events after the Reporting Period. Of these bodies only Wilton

Park called on the Letter of Comfort, by drawing down an additional £1.5 million in 2021-22. No further Letters of Comfort have been provided in 2021-22. As these Letters of Comfort were for 12 months from the date of certification of the 2020-21 Accounts they remain in operation as at the time the FCDO's 2021-22 Accounts were certified.

An indemnity of a maximum of £3.0 million was provided in 2021 in respect of a Governor established independent Inquiry in the British Virgin Islands, tasked with establishing whether there is information that corruption, abuse of office or other serious dishonesty in relation to officials, whether statutory, elected or public may have taken place in recent years. The indemnity will cover the Commissioner and his team against any liability for any act done or omission made honestly and in good faith in the execution of his or her duty as such, or in the purported execution of his duty as such.

13. Retirement Benefit Schemes

Retirement benefits for UK-based employees are provided through the Civil Service pension arrangements. For staff engaged overseas the FCDO observes local employment laws and, where local state pension provision does not meet FCDO requirements, provides for the payment of pensions and other terminal benefits. The FCDO contributes to retirement benefit schemes in the following ways.

Civil Service pension scheme

In respect of UK-based staff, from 1 April 2015 all those newly appointed, and the majority of those already in service, joined the new Civil Servants and Others Pension Scheme (CSOPS) – also known as Alpha. Prior to that date, UK-based employees participated in the PCSPS. These are unfunded multi-employer defined benefit schemes and the FCDO does not separately identify its share of the underlying liabilities. For 2021-22, employer contributions of £88,874,676 (2020-21: £90,576,434) were paid to the Civil Service pension schemes. The contribution rates are based on salary bands and are set to meet the cost of the benefits accruing during 2021-22 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, which is a 'money purchase' stakeholder pension with an employer contribution. Employer contributions of £668,895 (2020-21: £697,479) were paid to one or more of the appointed stakeholder pension providers. In addition, employer contributions of £24,179 (2020-21: £26,106), 0.5% of pensionable pay, were paid to the Civil Service pension scheme to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

Further details are given in the Remuneration and Staff Report.

Other defined contribution schemes

For staff engaged overseas, the FCDO operates defined contribution schemes at some Posts. The value of contributions in 2021-22, excluding contributions to local government schemes, was £3,605,000 (2020-21: £3,562,000).

Other defined benefit schemes

The FCDO also operates legacy defined benefit schemes in eight overseas locations. These are based on final salary and provide for pensions at retirement and for benefits on death or disablement in service. Posts retain responsibility for the stewardship of these schemes and funding is met by the FCDO out of in year resources. They are accounted for under IAS 19 and are subject to annual actuarial review. They are all closed to new members and are all funded other than for a scheme based in Cyprus (in respect of former BBC World Service staff who operated on the island) which is unfunded with the benefits being paid out of current resources. The estimated amount of contributions expected to be paid to the schemes in the next financial year 2022-23 is £550,000.

Additionally, local staff terminal gratuities are provided at some Posts where other retirement schemes are not available or are insufficient. These are accounted for under IAS 37 and are included under Provisions shown in Note 11.

Pension Schemes Obligations (Liabilities)	FCDO					
	Funded Schemes £000	2021-22 Unfunded Schemes £000	Total £000	Funded Schemes £000	2020-21 Unfunded Schemes £000	Total £000
Balance b/fwd	(22,062)	(24,533)	(46,595)	(19,424)	(25,700)	(45,124)
Employees contributions	(106)	–	(106)	(119)	–	(119)
Matched by annuity contracts	20	–	20	(147)	–	(147)
Interest cost	(722)	(298)	(1,020)	(716)	(442)	(1,158)
Changes in assumptions	780	(960)	(180)	(1,443)	(1,330)	(2,773)
Current service cost	(409)	–	(409)	(327)	–	(327)
Payments of pensions	969	1,254	2,223	1,042	1,363	2,405
Actuarial gains & losses	1,773	239	2,012	(1,424)	666	(758)
FX gain/loss	(516)	159	(357)	497	909	1,406
Total	(20,273)	(24,139)	(44,412)	(22,061)	(24,534)	(46,595)

FV Pension Schemes Assets	FCDO					
	Funded Schemes £000	2021-22 Unfunded Schemes £000	Total £000	Funded Schemes £000	2020-21 Unfunded Schemes £000	Total £000
Balance b/fwd	24,685	–	24,685	22,706	–	22,706
Employees contributions	106	–	106	119	–	119
Matched by annuity contracts	(20)	–	(20)	147	–	147
Finance Income	887	–	887	935	–	935
Employers contributions	430	–	430	413	–	413
Payments of pensions	(969)	–	(969)	(1,042)	–	(1,042)
Actuarial gains & losses	(388)	–	(388)	1,836	–	1,836
FX gain/loss	743	–	743	(428)	–	(428)
Total	25,474	–	25,474	24,686	–	24,686

Net liability	(18,938)
Summary	
Net assets	5,512
Net liabilities	(24,450)
Net Asset/(Liability)	(18,938)

14. Capital and Other Commitments

14.1 Capital Commitments

	FCDO 2021-22		FCDO 2020-21	
	Core Department & Agencies £000	Departmental Group £000	Core Department & Agencies £000	Departmental Group £000
Estates Projects	53,678	53,678	96,431	96,431
IT Infrastructure	837	837	6,108	6,108
Vehicles	1,329	1,329	963	963
	55,844	55,844	103,502	103,502

14.2 Commitments under Leases

Operating Leases

Total future minimum lease payments under operating leases are given in the table below for each of the following periods:

	FCDO 2021-22		FCDO 2020-21	
	Core Department & Agencies £000	Departmental Group £000	Core Department & Agencies £000	Departmental Group £000
Land and Buildings				
Not later than 1 year	108,233	108,233	116,310	116,310
Later than 1 year but not later than 5 years	184,786	184,786	211,826	211,826
Later than 5 years	462,469	462,469	484,724	484,724
	755,488	755,488	812,860	812,860
Other				
Not later than 1 year	130	130	6	6
Later than 1 year but not later than 5 years	79	79	166	166
Later than 5 years	2	2	175	175
	211	211	347	347
Total	755,699	755,699	813,207	813,207

At present the FCDO does not have any finance leases. The majority of the operating lease payments represent rentals for buildings within the FCDO's overseas estate. Lease terms and rentals vary depending on local circumstances.

A transfer of all rights and freehold of the FCDO UK estates were made to Government Property Agency (GPA) on 31 March 2021. The FCDO continues to utilise these properties through a leasing agreement with the GPA, the leasing

commitment has been recognised in operating leases. Payment is made to GPA for rent, rates and a management fee.

Note 1 contains an update on the implementation of IFRS 16 *Leases*, which is due to be effective from 1 April 2022.

14.3 Commitments under PFI Contracts and other service concession arrangements

On-Balance Sheet (included within Consolidated Statement of Financial Position)

	FCDO 2021-22 £000	FCDO 2020-21 £000
Not later than 1 year	3,748	3,773
Later than 1 year but not later than 5 years	14,994	15,093
Later than 5 years	12,183	16,037
	30,925	34,903
Less Interest element	(9,023)	(10,857)
Present Value of obligations	21,902	24,046
The above liability is disclosed under Payables (Note 13) as follows:		
Amounts falling due within 1 year	2,004	1,999
Amounts falling due after 1 year	19,898	22,047
	21,902	24,046

Private Finance Initiative (PFI) transactions have been accounted for in accordance with HMT and FReM requirements. Where the terms of the PFI meet the definition of service concession arrangements in IFRIC 12 Service Concession Arrangements, the infrastructure

asset is recognised as a non-current asset and the liability to pay for it is accounted for as a finance lease. Contract payments are apportioned between a reduction in the capital obligation and charges to the CSCNE for service performance and finance cost.

14.3.2 Future charge to the Consolidated Statement of Comprehensive Net Expenditure for the service charge element

Berlin Embassy

The contract in respect of the building, operation and maintenance of the British Embassy Berlin for a term of 30 years from 23 June 2000 with an option to extend for a further 30 years. The property meets the criteria determined by IFRIC 12, and therefore the embassy is included in the accounts within

Property, Plant and Equipment. The initial capitalisation of the contract was reflected in the FCO's accounts for 2002-03.

Contractual payments therefore comprise two elements: imputed finance lease charges and service charges. The liability to pay for the property is in substance a finance lease obligation.

	FCDO 2021-22		FCDO 2020-21	
	Core Department & Agencies £000	Departmental Group £000	Core Department & Agencies £000	Departmental Group £000
Not later than 1 year	2,286	2,286	2,341	2,341
Later than 1 year but not later than 5 years	9,144	9,144	9,363	9,363
Later than 5 years	9,144	9,144	11,703	11,703
	20,574	20,574	23,407	23,407

15. Third Party Assets

The department held the below cash amounts provided to the FCDO 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 the FCDO's name and as such are not

included in cash held by the Core Department, as set out in note 8.

	31-Mar-22 £000	31-Mar-21 £000
Amounts held in third party account	1,500	1,500
	1,500	1,500

16. Related parties

The FCDO is the 100% shareholder in British International Investment plc (formerly CDC Group plc). The FCDO subscribed for a further 446.0 million shares on 5 August 2021 and 214.65 million shares on 29 March 2022 for £660.65 million consideration (2020-21: 650 million shares for £650.0 million consideration). These transactions were funded through the use of promissory notes (refer to note 10).

The FCDO is the parent department of Wilton Park Executive Agency, which sponsors FCDO Services (a trading fund) and a number of non-departmental and other arm's length public bodies as listed in Note 17. These bodies are regarded as related parties with which the Department has had various material transactions during the year.

The FCDO provides the One HMG platform overseas and consequently it has had regular transactions with the following Partners across Government:

- » British Council
- » Cabinet Office
- » Department for International Trade (DIT)
- » HM Treasury (HMT)
- » HM Revenue and Customs (HMRC)
- » Home Office, including UK Visas and Immigration (UKVI)
- » Ministry of Defence (MOD)
- » National Crime Agency (NCA)

The FCDO 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. The FCDO was 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. During the year ended 31 March 2022, the FCDO received carried interest payments of US\$ NIL (2020-21: US\$1.3 million).

Sir Philip Barton, Permanent Under Secretary, declared that his sister works for Oxford University Clinical Research Unit which received funding from the FCDO of £2,267,282 for a joint global health trial. Beverley Tew, a non-executive director, is a Trustee of Plan International UK (a global children's charity) which received payments totalling £11,935,893 in 2021-22. Nic Hailey, resigned from the FCDO Management Board in September 2021 to become chief executive of International Alert (a UK charity). FCDO funds a small number of peacebuilding projects delivered by International Alert.

Further to this, no minister, Board member, key manager or other related party has undertaken any material transactions with the department during the year. Please refer to Section 2.2 Remuneration Report for details of salaries paid to ministers, Board members and senior managers. There are no potential conflicts of interest to report.

17. Entities within the departmental accounting boundary

FCDO

Associated entities inside the Departmental accounting boundary

Within its accounting boundary (and thus consolidated in these accounts) the FCDO has four Non-Departmental Public Bodies (NDPBs) and one Executive Agency. The entities within the boundary during 2021-22 were:

Wilton Park Executive Agency. Wilton Park provides a global forum for strategic discussions. Wilton Park is governed by a Framework Document, which was updated in 2019, and is reviewed every three years. The FCDO Director of Strategy is the Senior Departmental Officer for the FCDO relationship, and sits on the Wilton Park Board. Strategy Directorate provide annual core funding to Wilton Park; other Directorates within the FCDO may provide additional discretionary funding to support specific Wilton Park conferences. The Foreign Secretary appoints the Non-Executive Chair of the Wilton Park Board, for a period of five years (extendable) and the Permanent Under-Secretary appoints the Chief Executive for a fixed period of three years, with a possibility of extension under Civil Service appointment terms. The Annual Report and Accounts of Wilton Park is published separately. See www.wiltonpark.org.uk

The Great Britain-China Centre (GBCC) is an executive Non-Departmental Public Body established by the FCDO in 1974 by the former Foreign Secretary. GBCC's work focuses on three areas of engagement: providing platforms for effective track 1.5 dialogues; strengthening the UK's China knowledge and capabilities; and delivering projects which support legal and judicial reform in China. The FCDO provides GBCC with annual grant-in-aid funding, and its interests are represented by the Head of China Department, who is a registered Director and participates in Board meetings. The Foreign Secretary signs off on the public appointment of

the Chair. The Annual Report and Accounts can be found at www.gbcc.org.uk

The Marshall Aid Commemoration Commission (MACC) was established under the 1953 Marshall Aid Commemoration Commission Act, and awards up to 40 postgraduate scholarships in the UK each year, for students from the USA with the potential to excel in their chosen fields of study and future careers. The FCDO provides MACC with Grant-in-Aid. The Head of the FCDO Public Diplomacy Team within Communications Directorate represents the FCDO at MACC Board meetings. The Foreign Secretary signs off the MACC annual report, and all appointments to the MACC Board, including the Chair.

The Annual Report and Accounts can be found at <http://www.marshallscholarships.org/>

The Westminster Foundation for Democracy Limited (WFD) is an Executive Non Departmental Public Body dedicated to strengthening democracy around the world. WFD is supported by Grant-in-Aid from the FCDO. The relationship between the WFD and the FCDO is governed by a Framework Agreement. The Foreign Secretary is accountable to Parliament for the activities of WFD and has responsibility for approving their strategic objectives, the appointment of the CEO, the Board, and laying the WFD accounts before Parliament. The Democratic Governance and Media Freedom Department is the sponsoring team in the FCDO and is the principal source of advice to the Foreign Secretary and the PUS on these matters. Officials report regularly to Ministers on WFD-related issues, particularly on funding, corporate planning and review-related issues. The Annual Report and Accounts can be found at <https://www.wfd.org/annual-reports-and-accounts>

Commonwealth Scholarship Commission in the United Kingdom (CSC). The CSC operates within the framework of the Commonwealth Scholarship and Fellowship

Plan (CSFP). The CSC comprises up to 14 Commissioners and a chair, who are appointed by the Secretary of State for Foreign, Commonwealth and Development Affairs. The CSC's secretariat is provided by the Association of Commonwealth Universities. The CSC manages the UK's contribution to the Commonwealth Scholarship and Fellowship Plan (CSFP), an international programme under which member governments offer scholarships and fellowships to citizens of other Commonwealth countries. The FCDO provides CSC with annual Grant-in-Aid.

Income and expenditure for the FCDO incorporated financing of the following Non-Departmental Public Bodies (NDPBs), in full or in part, in the current financial year which is included within the core department and agencies columns of the Primary Statements:

Advisory NDPB

The UK India Advisory Council met 4 times during the year. Discussions covered three pillars of the 2030 Roadmap, particularly climate change, defence and security and health. Additional discussion considered opportunities to mark the 75th anniversary of India's independence and the provision of support to help address the impact of India's second Covid wave.

Independent Commission for Aid Impact (ICAI) was established to scrutinise the impact and value for money of all UK Government Overseas Development Assistance (ODA). ICAI's formal remit is to provide independent evaluation and scrutiny of the impact and value for money of all UK government ODA. This involves carrying out a small number of well-prioritised, well-evidenced, credible, thematic reviews on strategic issues faced by the UK government's aid spending; informing and supporting Parliament in its role of holding the UK government to account and ensuring our work is made available to the public.

Advisory NDPBs consist of external experts who operate in a personal capacity to advise ministers on particular policy areas. The FCDO

as the sponsoring department will provide funding as needed out of its budget.

Associated entities outside the Departmental accounting boundary

The FCDO takes the lead for three public sector bodies which are outside the accounting boundary:

British Council. The British Council is a charity, public corporation and an NDPB. It is governed by a Royal Charter which sets its charitable objectives. It is the UK's international organisation for cultural relations and educational opportunities, building lasting relationships between the UK and other countries. The British Council represents a UK voice in the world by teaching English abroad, encouraging international students to study in the UK and supporting British students to study overseas. Culture plays a vital role in its work promoting the UK abroad. The FCDO provides the British Council with financial support, but the majority of the British Council's income and expenditure stems from its own earned income. The FCDO's Director General Defence and Intelligence is a member of the British Council Board of Trustees. FCDO Ministers and senior officials meet the British Council Chair and Chief Executive regularly. The British Council must seek the agreement of the FCDO if it proposes opening or closing any of its representation overseas. The Annual Report and Accounts can be found at www.britishcouncil.org

FCDO Services (FCDOS) is an agency of the FCDO as well as a trading fund. As a Trading Fund FCDOS provides a range of integrated secure services worldwide to the FCDO, other UK public bodies, foreign governments and international organisations closely linked to the UK. FCDOS generates its own income to fund its activities. The FCDO holds an investment in FCDOS, comprised of 100% of its Public Dividend Capital of £4,981,000. The Annual Report and Accounts can be found at www.FCDOServices.gov.uk

British Intergovernment Services Authority

Limited (BISA) was set up to oversee delivery of the UK Government's obligations under Government- to- Government agreements, although to date it has not started trading. BISA and its subsidiary the Kuwait Delivery Authority (KDA) are companies limited by shares, incorporated on 27 August 2013 and

17 October 2013 respectively. The Foreign Secretary owns the entire issued share capital of BISA, which in turn owns the entire issued share capital of KDA. Neither company has traded therefore both are entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

18. Events after the Reporting Period

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

The FCDO has updated its disclosures in its financial statements to reflect information regarding certain events after the reporting period. None of the events provides evidence of conditions that existed at the end of the reporting period (adjusting events) and therefore no adjustments have been made to the financial statements.

The FCDO issued a press release on 14 October 2021 announcing the agreed partial sale of the British Tokyo estate to deliver value for money for British taxpayers while we promote the UK's interest around the world, with the proceeds contributing to investing in diplomatic buildings. In April 2022 the FCDO completed the sale of a parcel of land in Tokyo. The sale price was in excess of the independently assessed open market valuation, and this valuation is covered by a commercial confidentiality agreement with the purchaser.

A Written Ministerial Statement (WMS) was laid in Parliament on 24 February 2022 confirming that responsibility for the United Kingdom's relationship with the European Union, including oversight of the implementation of the Trade and Cooperation Agreement and the Withdrawal Agreement, is being moved to the Foreign, Commonwealth and Development Office. Formal Accounting Officer responsibility for this function transferred from the Cabinet

Office to the Foreign, Commonwealth and Development Office on 1 April 2022. This involved transfer of all transfer of budget, assets and liabilities relating to this function.

In line with the outcome of the 2021 Spending Review, eight International Climate Fund programmes and 45 UK-based staff transferred from BEIS to FCDO on 1 April 2022. All relevant budget, assets and liabilities relating to these programmes were transferred on this date.

On 31 March 2022 Minister Cleverly laid a departmental minute in Parliament which described a liability the (FCDO) was undertaking to support the economic stability of Ukraine after the Russian invasion in March 2022.

On 1 June 2022 the FCDO guaranteed up to \$450 million of financing by the World Bank to the Government of Ukraine. The length of the liability is 18 years. FCDO would only pay official development assistance if a default occurs as agreed with the World Bank.

Room to Run guarantee with the African Development Bank for \$1,600 million. Minister Ford signed the first of three agreements with President Adesina during the African Development Bank's Annual Meetings on 24th May. The remaining agreements are expected to be signed and guarantee come into force before mid-July 2022.

The Accounting Officer authorised these financial statements for issue on the same date as the Comptroller & Auditor General's Audit Certificate. The accounts do not reflect events after this date.

SECTION 4
Annexes





Annex A: FCDO programme outturn

Annex A sets out the FCDO's actual ODA and non-ODA programme resource outturn for 2021-22. Initial allocations have been set internally to deliver the priorities set out in the International Development Strategy and the Integrated Review, based on the FCDO's Spending Review 2021 settlement. Given the government's response to the ongoing crisis in Ukraine, wider ODA pressures including the ODA-eligible expenditure incurred through the Afghan resettlement programme and the UK's support to people fleeing Ukraine, the FCDO and other ODA spending departments will need to revisit those allocations to ensure all ODA-eligible spending is managed within 0.5% of GNI this calendar year. The Government remains committed to transparency and will provide updates to spending plans in due course.

2021 was the first year that the UK government's commitment to spend 0.7 per cent of Gross National Income (GNI) enshrined in the International Development Act was temporarily reduced to 0.5 per cent, as announced in November 2020. This has required significant reprioritisation across the UK government, with the FCDO spend reducing by £2,356 million compared to 2020.

Following the FCDO merger, the Department continues to operate on two financial systems, on a transitional basis, bringing together the spending and allocation data for geographic areas and specific themes. The 2021-22 outturn reflects the FCDO organisational structure as at 31 March 2022. Some further organisational changes were implemented from 1 April 2022.

	2021-22 Programme Outturn		
	FCDO ODA (£000)	FCDO Non-ODA (£000)	FCDO Total (£000)
Regional Programmes			
Africa	924,810	–	924,810
Burundi	2,631	-	2,631
Democratic Republic of Congo	55,613	-	55,613
Ethiopia	127,576	-	127,576
Ghana and Liberia	9,949	-	9,949
Kenya	41,648	-	41,648
Malawi	26,016	-	26,016
Mozambique	30,613	-	30,613
Nigeria	90,195	-	90,195
Rwanda	23,861	-	23,861
Sierra Leone	37,394	-	37,394
Somalia	80,865	-	80,865
South Africa	10,619	-	10,619
South Sudan	76,156	-	76,156
Sudan	54,998	-	54,998
Tanzania	30,082	-	30,082
Uganda	38,397	-	38,397
Zambia	14,271	-	14,271
Zimbabwe	44,577	-	44,577
Joint Sahel Department	23,876	-	23,876
Pan Africa Department	103,794	-	103,794
Other African countries ⁸⁴	1,679	-	1,679
Americas and Overseas Territories	111,182	–	111,182
Brazil	6,108	-	6,108
Caribbean Development Team	30,264	-	30,264
Colombia	2,476	-	2,476
Mexico	4,431	-	4,431
Overseas Territories	65,131	-	65,131
Venezuela	501	-	501
Other Americas and OT Countries ⁸⁵	2,271	-	2,271
Europe	31,323	–	31,323
Bosnia and Herzegovina	87	-	87
Turkey	25,393	-	25,393
Western Balkans	5,427	-	5,427
Other European Countries ⁸⁶	416	-	416

84 Other African Countries Includes Djibouti, Eritrea, Angola, Botswana, Cameroon, Chad, Eswatini, Gambia, Ivory Coast, Lesotho, Madagascar, Mali, Mauritius, Namibia, Niger and Senegal.

85 Other Americas And OT Countries Includes Argentina, Belize, Bolivia, Caribbean Central America and Mexico Department, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Jamaica, Latin America Department, Panama, Paraguay and Peru.

86 Other European Countries Includes Austria, Switzerland and Europe Department.

	2021-22 Programme Outturn		
	FCDO ODA (£000)	FCDO Non-ODA (£000)	FCDO Total (£000)
Eastern Europe and Central Asia	119,445	–	119,445
Central Asia	6,033	-	6,033
Ukraine	103,424	-	103,424
Eastern Neighbourhood Department ⁸⁷	9,988	-	9,988
Indo Pacific	278,096	–	278,096
ASEAN ⁸⁸	9,501	-	9,501
Bangladesh	75,005	-	75,005
India	49,385	-	49,385
Indo Pacific Regional Team	22,280	-	22,280
Indonesia	15,886	-	15,886
International Programme ⁸⁹	671	-	671
Myanmar	49,542	-	49,542
Nepal	47,011	-	47,011
Other North East Asia Countries ⁹⁰	8,815	-	8,815
Middle East and North Africa	606,621	–	606,621
Afghanistan	285,480	-	285,480
Egypt	3,075	-	3,075
Iraq	9,034	-	9,034
Jordan	35,938	-	35,938
Lebanon	13,164	-	13,164
Libya	804	-	804
Occupied Palestinian Territories	29,792	-	29,792
Pakistan	80,885	-	80,885
Regional Climate Programme	15,394	-	15,394
Syria	49,327	-	49,327
Other Middle East and North Africa Countries ⁹¹	89	-	89
Yemen	83,639	-	83,639
Regional Programme Total	2,071,477	–	2,071,477

87 Eastern Neighbourhood Department includes Armenia, Azerbaijan, Georgia, Belarus and Moldova.

88 ASEAN – Association of South East Asian Nations - Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam.

89 International Programme includes Fiji, Papua New Guinea, Samoa, Solomon Islands, Tonga, and Pacific Department.

90 Other North East Asia Countries Includes China, Mongolia and North Korea.

91 Other Middle East and North Africa Countries Includes Israel and Morocco.

	2021-22 Programme Outturn		
	FCDO ODA (£000)	FCDO Non-ODA (£000)	FCDO Total (£000)
Policy Priorities, International Organisations and Humanitarian			
Development and Parliament	15,778	-	15,778
Safeguarding Unit	6,248	-	6,248
Development Policy Department	8,617	-	8,617
Global Partnerships & Multilateral Effectiveness Department	913	-	913
Economic Cooperation & Growth	336,395	2,975	339,370
Growth and Resilience Department	322,955	-	322,955
UK Representation to UN Food and Agriculture Agencies in Rome	13,440	2,975	16,415
Economics and Evaluation	2,992	117	3,109
Evaluation and Statistics	2,992	117	3,109
Education, Gender & Equality	179,148	5,935	185,083
Girls' Education Department	133,324	-	133,324
Gender and Equalities Department	24,815	1,313	26,128
Scholarships, Tertiary Education and Partnerships	21,009	4,622	25,631
Energy, Climate and Environment	201,983	-	201,983
Climate, Environment & Natural Resources Department	99,425	-	99,425
International Climate Change & Green Growth Department	102,558	-	102,558
Europe Department	1,122,652	-	1,122,652
EU Attribution	684,224	-	684,224
Europe Department	438,428	-	438,428
Health	1,199,705	-	1,199,705
Global Funds Department	906,273	-	906,273
Health Directorate Central	6,314	-	6,314
Human Development Department	87,312	-	87,312
Vaccines, Therapeutics and Diagnostics	199,806	-	199,806
Humanitarian	261,293	-	261,293
Conflict, Humanitarian and Security Department	261,293	-	261,293
International Finance	1,454,918	-	1,454,918
Private Sector Department	647,762	-	647,762
Public Finance and Tax Department	28,705	-	28,705
International Financial Institutions Department	778,451	-	778,451
Multilateral and UN Directorate	53,550	-	53,550
Multilateral and UN Directorate	53,550	-	53,550
Office for Conflict, Stabilisation and Mediation	25,867	90	25,957
Office for Conflict, Stabilisation and Mediation	25,867	90	25,957
Open Societies and Human Rights	91,202	-	91,202
Civil Society and Civic Space	72,894	-	72,894
Democratic Governance and Media Freedom	6,360	-	6,360
Anti-Corruption and Illicit Finance	7,254	-	7,254
Human Rights & Rule of Law	4,694	-	4,694
Research and Evidence	266,369	5,179	271,548
Evidence, Use and Capability	13,658	-	13,658
Research Department	252,711	5,179	257,890
Technology and Analysis	4,208	-	4,208
Better Delivery	209	-	209
Global Statistics	3,999	-	3,999

	2021-22 Programme Outturn		
	FCDO ODA (£000)	FCDO Non-ODA (£000)	FCDO Total (£000)
Trade for Development	13,858	224	14,082
Trade for Development	13,858	224	14,082
Policy Priorities, International Organisations and Humanitarian Total	5,229,918	14,520	5,244,438
Non-Departmental Public Bodies & Scholarships			
Commonwealth Scholarship Commission	27,797	-	27,797
Chevening Scholarship	57,574	1,659	59,233
Marshall Aid Commemoration Commission	-	2,700	2,700
Independent Commission for Aid Impact	2,799	-	2,799
Wilton Park	804	2,949	3,753
Westminster Foundation for Democracy	4,575	350	4,925
Great Britain China Centre	500	-	500
British Council (Grant in Aid)	150,000	40,500	190,500
British Council (Loan facility)	-	4,800	4,800
Non-Departmental Public Bodies & Scholarships Total	244,049	52,958	297,007
BBC World Service Total	76,900	17,500	94,400
Multilateral Subscriptions to International Organisations Total	62,693	102,746	165,439
Other Central Programmes Total⁹²	(256,975)	63,383	(193,592)
Crisis Reserve Total⁹³	-	-	-
Conflict, Stability and Security Fund (CSSF) Total⁹⁴	N/A	N/A	701,381
Total	7,428,062	251,107	8,380,550

92 The 2021-22 ODA outturn figure relates to loan reflows and returned funds and the expenditure is offset elsewhere.

93 In 2021-22, any expenditure funded from the Crisis Reserve is shown against the regional or policy programme, rather than the reserve.

94 The ODA / non-ODA split for CSSF is not yet available. CSSF spend by regional, cross regional and non-discretionary theme is reported in the CSSF Annual Report, which will be published on gov.uk

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 FCDO's publication *Statistics on International Development (SID)*. Provisional figures for 2021 are provided in 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 FCDO. The *Statistics on International Development*⁹⁵ publication sets out detailed information on aid spend by department and summary information on the main aims of each department's aid budget. This data follows Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) definitions.⁹⁶

B.4 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

B.5 Please note that final UK ODA figures for 2021 will be published in "Statistics on International Development: Final UK Aid Spend 2021 (SID 2021)" in Autumn 2022.

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95 For more information on the SID publication, please see the gov.uk page:
<https://www.gov.uk/guidance/statistics-on-international-development>

96 For more information on the OECD DAC definition, please see their development finance standards page:
<https://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/>

Table B.1: Total UK Net Official Development Assistance (ODA)

	£ millions					
	2016	2017	2018	2019	2020	2021 ¹
Total Bilateral ODA	8 534	8 795	9 229	10 404	9 533	7 086
as a % of GNI	0.45	0.44	0.44	0.48	0.46	0.31
<i>of which: Administration costs²</i>	478	545	658	760	784	734
<i>of which: Debt Relief</i>	2	3	4	0	194	0
<i>of which: Non DFID Department³</i>	2	3	4	0	44	0
Total Multilateral ODA	4 843	5 256	5 313	4 772	4 945	4 411
as a % of GNI	0.25	0.26	0.25	0.22	0.24	0.19
<i>of which: Total European Commission</i>	1 503	1 354	1 386	1 832	1 517	1 459
<i>Total World Bank</i>	1 171	1 365	1 931	962	990	770
<i>Total UN Agencies</i>	503	480	562	799	582	582
<i>Total Other Organisations⁴</i>	1 665	2 057	1 435	1 180	1 857	1 600
TOTAL ODA	13 377	14 051	14 542	15 176	14 479	11 496
as a % of GNI	0.70	0.70	0.70	0.70	0.70	0.50

1 These are provisional figures that have been taken from 'Statistics on International Development: Provisional UK Aid Spend 2021' which was published on 12 April 2022. Finalised estimates will be published in autumn 2022 in 'Statistics on International Development: Final UK Aid Spend 2021'.

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 ODA¹ and Humanitarian Assistance by recipient country

Country	ODA Breakdown	2015 £ thousand	2016 £ thousand	2017 £ thousand	2018 £ thousand	2019 £ thousand	2020 £ thousand	Main Spend Departments in 2020 (% Share)
Africa								
Algeria	UK Net Bilateral ODA	2,676	3,252	6,710	6,613	8,327	6,898	CSSF 73%, FCO 24%, Other 3%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.03%	0.04%	0.08%	0.07%	0.08%	0.07%	
Angola	UK Net Bilateral ODA	1,296	391	532	446	1,105	1,010	FCO 91%, DIT 5%, Other 4%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.02%	0.00%	0.01%	0.00%	0.01%	0.01%	
Benin	UK Net Bilateral ODA	0	0	318	389	174	18	FCO 100%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Botswana	UK Net Bilateral ODA	1,056	279	1,072	1,113	1,979	1,903	FCO 73%, DHSC 18%, Other 9%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.00%	0.01%	0.01%	0.02%	0.02%	
Burkina Faso	UK Net Bilateral ODA	88	132	1,748	1,825	1,498	344	BEIS 93%, DEFRA 7%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.02%	0.02%	0.01%	0.00%	
Burundi	UK Net Bilateral ODA	205	3,189	4,916	4,025	5,017	2,995	DFID 89%, FCO 11%
	of which Humanitarian Assistance	0	2,613	4,248	3,690	3,601	1,074	
	Percentage of Total Net Bilateral ODA	0.00%	0.04%	0.06%	0.04%	0.05%	0.03%	

Country	ODA Breakdown	2015 £ thousand	2016 £ thousand	2017 £ thousand	2018 £ thousand	2019 £ thousand	2020 £ thousand	Main Spend Departments in 2020 (% Share)
Cameroon	UK Net Bilateral ODA	6,223	1,705	2,062	10,341	11,187	15,092	DFID 80%, FCO 14%, Other 6%
	of which Humanitarian Assistance	4,500	0	0	7,750	6,244	11,714	
	Percentage of Total Net Bilateral ODA	0.08%	0.02%	0.02%	0.11%	0.11%	0.16%	
Cabo Verde	UK Net Bilateral ODA	117	77	288	387	248	156	DEFRA 56%, FCO 44%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Central African Republic	UK Net Bilateral ODA	18,279	18,914	13,652	14,531	15,111	19,839	DFID 97%, CSSF 3%
	of which Humanitarian Assistance	18,279	18,914	13,422	14,531	15,111	19,334	
	Percentage of Total Net Bilateral ODA	0.24%	0.22%	0.16%	0.16%	0.15%	0.21%	
Chad	UK Net Bilateral ODA	0	0	21	15	1,939	4,242	DFID 99%, BEIS 1%
	of which Humanitarian Assistance	0	0	0	0	1,900	1,100	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.02%	0.04%	
Comoros	UK Net Bilateral ODA	5	10	29	132	128	113	DEFRA 100%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Congo	UK Net Bilateral ODA	0	89	1,852	1,792	5,534	802	FCO 100%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.02%	0.02%	0.05%	0.01%	

Country	ODA Breakdown	2015 £ thousand	2016 £ thousand	2017 £ thousand	2018 £ thousand	2019 £ thousand	2020 £ thousand	Main Spend Departments in 2020 (% Share)
Kenya	UK Net Bilateral ODA	155,575	133,813	152,807	116,123	134,334	91,958	DFID 68%, FCO 15%, Other 17%
	of which Humanitarian Assistance	24,078	17,396	24,233	8,329	11,783	11,700	
	Percentage of Total Net Bilateral ODA	2.03%	1.57%	1.74%	1.26%	1.29%	0.96%	
Lesotho	UK Net Bilateral ODA	429	5,693	358	259	253	523	FCO 99%, Colonial Pensions 1%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.07%	0.00%	0.00%	0.00%	0.01%	
Liberia	UK Net Bilateral ODA	10,672	1,561	3,131	604	9,334	2,939	DFID 67%, FCO 24%, Other 9%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.14%	0.02%	0.04%	0.01%	0.09%	0.03%	
Libya	UK Net Bilateral ODA	10,434	14,353	14,721	13,162	16,427	13,282	CSSF 69%, FCO 31%
	of which Humanitarian Assistance	2,018	1,560	987	585	96	26	
	Percentage of Total Net Bilateral ODA	0.14%	0.17%	0.17%	0.14%	0.16%	0.14%	
Madagascar	UK Net Bilateral ODA	1,337	642	2,166	2,364	3,178	1,643	BEIS 42%, FCO 32%, Other 26%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.02%	0.01%	0.02%	0.03%	0.03%	0.02%	
Malawi	UK Net Bilateral ODA	85,560	102,729	89,561	83,759	81,104	65,713	DFID 83%, SG 8%, Other 9%
	of which Humanitarian Assistance	16,587	25,700	9,311	4,632	7,058	4,464	
	Percentage of Total Net Bilateral ODA	1.12%	1.20%	1.02%	0.91%	0.78%	0.69%	

Country	ODA Breakdown	2015 £ thousand	2016 £ thousand	2017 £ thousand	2018 £ thousand	2019 £ thousand	2020 £ thousand	Main Spend Departments in 2020 (% Share)
Mali	UK Net Bilateral ODA	1,830	2,510	2,678	6,265	5,197	8,963	CSSF 65%, FCO 26%, Other 9%
	of which Humanitarian Assistance	0	0	0	200	0	0	
	Percentage of Total Net Bilateral ODA	0.02%	0.03%	0.03%	0.07%	0.05%	0.09%	
Mauritania	UK Net Bilateral ODA	119	0	66	36	13	-5	FCO 100%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Mauritius	UK Net Bilateral ODA	777	193	316	508	2,005	866	FCO 91%, BEIS 9%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.00%	0.00%	0.01%	0.02%	0.01%	
Morocco	UK Net Bilateral ODA	3,574	3,154	5,705	5,279	9,658	8,193	CSSF 66%, FCO 31%, Other 3%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.05%	0.04%	0.06%	0.06%	0.09%	0.09%	
Mozambique	UK Net Bilateral ODA	50,483	54,528	57,526	70,895	103,583	55,852	DFID 96%, FCO 4%
	of which Humanitarian Assistance	0	18,236	9,554	2,490	36,467	8,308	
	Percentage of Total Net Bilateral ODA	0.66%	0.64%	0.65%	0.77%	1.00%	0.59%	
Namibia	UK Net Bilateral ODA	297	137	631	417	1,125	1,351	FCO 85%, BEIS 15%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.01%	0.00%	0.01%	0.01%	

Country	ODA Breakdown	2015 £ thousand	2016 £ thousand	2017 £ thousand	2018 £ thousand	2019 £ thousand	2020 £ thousand	Main Spend Departments in 2020 (% Share)
Sierra Leone	UK Net Bilateral ODA	217,707	153,685	117,947	93,712	76,314	74,088	DFID 89%, FCO 8%, Other 3%
	of which Humanitarian Assistance	176,095	32,364	7,680	-1595	-259	0	
	Percentage of Total Net Bilateral ODA	2.84%	0.02	1.34%	1.02%	0.73%	0.78%	
Somalia	UK Net Bilateral ODA	121,828	151,715	282,037	193,766	175,871	232,457	DFID 69%, UKEF 19%, Other 12%
	of which Humanitarian Assistance	39,200	53,621	199,613	88,186	62,409	63,824	
	Percentage of Total Net Bilateral ODA	1.59%	0.02	3.21%	2.10%	1.69%	2.44%	
South Africa	UK Net Bilateral ODA	19,095	12,286	19,111	29,290	33,246	48,065	BEIS 67%, FCO 21%, Other 12%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.25%	0.00	0.22%	0.32%	0.32%	0.50%	
South Sudan	UK Net Bilateral ODA	207,993	160,893	168,236	151,313	207,398	155,765	DFID 93%, CSSF 4%, Other 3%
	of which Humanitarian Assistance	129,838	92,854	88,977	84,783	77,081	61,529	
	Percentage of Total Net Bilateral ODA	2.71%	0.02	1.91%	1.64%	1.99%	1.63%	
Saint Helena	UK Net Bilateral ODA	53,476	74,970	50,708	41,301	39,205	45,887	DFID 89%, CSSF 9%, Other 2%
	of which Humanitarian Assistance	2	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.70%	0.01	0.58%	0.45%	0.38%	0.48%	
Sudan	UK Net Bilateral ODA	54,601	64,953	62,985	89,447	93,229	139,241	DFID 91%, FCO 7%, Other 2%
	of which Humanitarian Assistance	29,338	30,699	35,190	44,916	55,732	52,634	
	Percentage of Total Net Bilateral ODA	0.71%	0.01	0.72%	0.97%	0.90%	1.46%	

Country	ODA Breakdown	2015 £ thousand	2016 £ thousand	2017 £ thousand	2018 £ thousand	2019 £ thousand	2020 £ thousand	Main Spend Departments in 2020 (% Share)
Tanzania	UK Net Bilateral ODA	204,846	186,209	166,426	152,043	137,160	96,367	DFID 93%, BEIS 3%, Other 4%
	of which Humanitarian Assistance	12,646	13,336	13,355	8,871	15,608	11,977	
	Percentage of Total Net Bilateral ODA	2.67%	0.02	1.89%	1.65%	1.32%	1.01%	
Togo	UK Net Bilateral ODA	34	0	0	0	5	0	
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Tunisia	UK Net Bilateral ODA	6,308	9,838	10,372	11,753	16,865	14,454	CSSF 72%, FCO 27%, Other 1%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.08%	0.00	0.12%	0.13%	0.16%	0.15%	
Uganda	UK Net Bilateral ODA	123,348	110,941	140,297	107,413	153,768	89,327	DFID 77%, BEIS 17%, Other 6%
	of which Humanitarian Assistance	11,580	19,353	65,312	29,575	43,464	21,130	
	Percentage of Total Net Bilateral ODA	1.61%	0.01	1.59%	1.16%	1.48%	0.94%	
Zambia	UK Net Bilateral ODA	50,493	57,843	53,068	28,131	51,000	40,930	DFID 84%, FCO 9%, Other 7%
	of which Humanitarian Assistance	0	0	0	0	0	1,169	
	Percentage of Total Net Bilateral ODA	0.66%	0.01	0.60%	0.30%	0.49%	0.43%	
Zimbabwe	UK Net Bilateral ODA	92,896	99,743	93,573	93,865	99,005	97,808	DFID 89%, FCO 6%, Other 5%
	of which Humanitarian Assistance	9,633	22,012	763	0	0	24,448	
	Percentage of Total Net Bilateral ODA	1.21%	0.01	1.06%	1.02%	0.95%	1.03%	

Country	ODA Breakdown	2015 £ thousand	2016 £ thousand	2017 £ thousand	2018 £ thousand	2019 £ thousand	2020 £ thousand	Main Spend Departments in 2020 (% Share)
Western Africa, regional⁵	UK Net Bilateral ODA	0	0	0	0	5,378	4,635	BEIS 49%, CSSF 45%, Other 6%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.05%	0.05%	
Asia & Middle East								
Afghanistan	UK Net Bilateral ODA	299,928	235,318	226,948	248,699	289,773	225,552	DFID 67%, CSSF 21%, Other 12%
	of which Humanitarian Assistance	24,139	40,987	35,536	53,658	69,690	52,324	
	Percentage of Total Net Bilateral ODA	3.91%	0.03	2.58%	2.69%	2.79%	2.37%	
Armenia	UK Net Bilateral ODA	1,188	438	980	862	2,675	2,255	FCO 81%, CSSF 14%, Other 5%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.02%	0.00	0.01%	0.01%	0.03%	0.02%	
Azerbaijan	UK Net Bilateral ODA	2,445	1,008	1,571	776	2,953	1,772	FCO 95%, CSSF 5%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.03%	0.00	0.02%	0.01%	0.03%	0.02%	
Bangladesh	UK Net Bilateral ODA	163,697	148,540	175,830	189,904	256,296	203,360	DFID 95%, FCO 3%, Other 2%
	of which Humanitarian Assistance	9,809	6,836	48,954	79,932	124,930	87,224	
	Percentage of Total Net Bilateral ODA	2.14%	0.02	2.00%	2.06%	2.46%	2.13%	

Country	ODA Breakdown	2015 £ thousand	2016 £ thousand	2017 £ thousand	2018 £ thousand	2019 £ thousand	2020 £ thousand	Main Spend Departments in 2020 (% Share)
Bhutan	UK Net Bilateral ODA	76	62	355	255	392	395	BEIS 70%, FCO 30%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00	0.00%	0.00%	0.00%	0.00%	
Burma	UK Net Bilateral ODA	113,895	106,922	120,910	100,262	113,030	103,257	DFID 89%, FCO 6%, Other 5%
	of which Humanitarian Assistance	12,749	19,451	18,064	17,724	32,224	29,348	
	Percentage of Total Net Bilateral ODA	1.49%	0.01	1.37%	1.09%	1.09%	1.08%	
Cambodia	UK Net Bilateral ODA	2,780	2,045	3,985	4,156	2,755	2,109	FCO 54%, BEIS 23%, Other 23%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.04%	0.00	0.05%	0.05%	0.03%	0.02%	
China (People's Republic of)	UK Net Bilateral ODA	44,641	46,902	43,911	55,649	68,267	64,120	BEIS 42%, FCO 34%, Other 24%
	of which Humanitarian Assistance	10	150	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.58%	0.01	0.50%	0.60%	0.66%	0.67%	
Georgia	UK Net Bilateral ODA	2,854	762	835	1,277	4,566	3,968	FCO 68%, CSSF 27%, Other 5%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.04%	0.00	0.01%	0.01%	0.04%	0.04%	
India	UK Net Bilateral ODA	185,580	92,620	90,138	94,665	107,514	94,881	BEIS 35%, FCO 26%, Other 39%
	of which Humanitarian Assistance	0	0	138	0	59	0	
	Percentage of Total Net Bilateral ODA	2.42%	0.01	1.02%	1.03%	1.03%	1.00%	

Country	ODA Breakdown	2015 £ thousand	2016 £ thousand	2017 £ thousand	2018 £ thousand	2019 £ thousand	2020 £ thousand	Main Spend Departments in 2020 (% Share)
Indonesia	UK Net Bilateral ODA	19,864	17,449	25,434	29,932	33,496	33,304	DFID 30%, BEIS 25%, Other 45%
	of which Humanitarian Assistance	0	0	0	3,879	812	198	
	Percentage of Total Net Bilateral ODA	0.26%	0.00	0.29%	0.32%	0.32%	0.35%	
Iran	UK Net Bilateral ODA	993	792	1,621	1,405	1,566	2,877	DFID 70%, FCO 30%
	of which Humanitarian Assistance	0	0	0	0	0	2,000	
	Percentage of Total Net Bilateral ODA	0.01%	0.00	0.02%	0.02%	0.02%	0.03%	
Iraq	UK Net Bilateral ODA	55,437	118,881	82,837	73,945	77,307	46,402	DFID 37%, CSSF 35%, Other 28%
	of which Humanitarian Assistance	45,232	87,209	47,958	28,535	28,287	12,086	
	Percentage of Total Net Bilateral ODA	0.72%	0.01	0.94%	0.80%	0.74%	0.49%	
Jordan	UK Net Bilateral ODA	57,449	174,853	60,979	138,147	131,206	81,385	DFID 77%, CSSF 12%, Other 11%
	of which Humanitarian Assistance	32,766	34,240	3,683	9,698	34,347	27,384	
	Percentage of Total Net Bilateral ODA	0.75%	0.02	0.69%	1.50%	1.26%	0.85%	
Kazakhstan	UK Net Bilateral ODA	5,425	3,485	1,184	1,822	2,803	2,819	FCO 96%, BEIS 4%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.07%	0.00	0.01%	0.02%	0.03%	0.03%	
Korea (Democratic People's Republic of)	UK Net Bilateral ODA	740	216	40	199	304	218	FCO 100%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.00	0.00%	0.00%	0.00%	0.00%	

Country	ODA Breakdown	2015 £ thousand	2016 £ thousand	2017 £ thousand	2018 £ thousand	2019 £ thousand	2020 £ thousand	Main Spend Departments in 2020 (% Share)
Kyrgyz Republic	UK Net Bilateral ODA	2,705	1,010	3,556	4,051	5,322	4,878	DFID 81%, FCO 16%, Other 3%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.04%	0.00	0.04%	0.04%	0.05%	0.05%	
Lao People's Democratic Republic	UK Net Bilateral ODA	2,338	997	654	584	1,138	1,527	FCO 60%, DHSC 28%, Other 12%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.03%	0.00	0.01%	0.01%	0.01%	0.02%	
Lebanon	UK Net Bilateral ODA	99,533	124,037	115,183	96,479	148,716	120,418	DFID 77%, CSSF 17%, Other 6%
	of which Humanitarian Assistance	68,350	66,107	42,207	36,732	54,500	44,348	
	Percentage of Total Net Bilateral ODA	1.30%	0.01	1.31%	1.05%	1.43%	1.26%	
Malaysia	UK Net Bilateral ODA	5,604	4,263	13,121	9,511	11,348	10,264	BEIS 52%, FCO 37%, Other 11%
	of which Humanitarian Assistance	0	15	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.07%	0.00	0.15%	0.10%	0.11%	0.11%	
Maldives	UK Net Bilateral ODA	184	137	229	284	635	595	CSSF 55%, BEIS 25%, Other 20%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00	0.00%	0.00%	0.01%	0.01%	
Mongolia	UK Net Bilateral ODA	633	363	449	1,290	1,773	2,408	FCO 58%, BEIS 33%, Other 9%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.00%	0.01%	0.01%	0.02%	0.03%	

Country	ODA Breakdown	2015 £ thousand	2016 £ thousand	2017 £ thousand	2018 £ thousand	2019 £ thousand	2020 £ thousand	Main Spend Departments in 2020 (% Share)
Nepal	UK Net Bilateral ODA	88,210	103,030	100,283	95,507	90,053	84,261	DFID 93%, FCO 3%, Other 4%
	of which Humanitarian Assistance	35,902	13,189	12,374	11,676	15,527	20,701	
	Percentage of Total Net Bilateral ODA	1.15%	1.21%	1.14%	1.03%	0.87%	0.88%	
Pakistan	UK Net Bilateral ODA	373,783	462,648	402,497	330,961	304,986	199,987	DFID 79%, FCO 10%, Other 11%
	of which Humanitarian Assistance	15,590	12,513	7,255	15,772	4,705	30,117	
	Percentage of Total Net Bilateral ODA	4.88%	5.42%	4.58%	3.59%	2.93%	2.10%	
Philippines	UK Net Bilateral ODA	9,117	5,666	7,493	10,150	13,638	19,196	BEIS 32%, FCO 31%, Other 37%
	of which Humanitarian Assistance	2,753	40	0	0	246	898	
	Percentage of Total Net Bilateral ODA	0.12%	0.07%	0.09%	0.11%	0.13%	0.20%	
Sri Lanka	UK Net Bilateral ODA	24,613	5,492	5,683	8,444	8,897	9,659	FCO 47%, CSSF 41%, Other 12%
	of which Humanitarian Assistance	0.42	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.32%	0.06%	0.06%	0.09%	0.09%	0.10%	
Syrian Arab Republic	UK Net Bilateral ODA	257,708	351,796	313,828	230,843	222,943	181,201	DFID 97%, CSSF 2%, Other 1%
	of which Humanitarian Assistance	201,596	220,959	140,145	160,001	194,462	148,013	
	Percentage of Total Net Bilateral ODA	3.36%	4.12%	3.57%	2.50%	2.14%	1.90%	
Tajikistan	UK Net Bilateral ODA	12,064	4,393	2,293	5,127	2,677	4,462	DFID 70%, FCO 25%, Other 5%
	of which Humanitarian Assistance	95	10	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.16%	0.05%	0.03%	0.06%	0.03%	0.05%	

Country	ODA Breakdown	2015 £ thousand	2016 £ thousand	2017 £ thousand	2018 £ thousand	2019 £ thousand	2020 £ thousand	Main Spend Departments in 2020 (% Share)
Thailand	UK Net Bilateral ODA	3,764	6,709	7,209	8,908	13,903	11,496	BEIS 57%, FCO 37%, Other 6%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.05%	0.08%	0.08%	0.10%	0.13%	0.12%	
Timor-Leste	UK Net Bilateral ODA	67	18	230	311	282	173	FCO 73%, DEFRA 27%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Turkmenistan	UK Net Bilateral ODA	459	84	224	281	608	548	FCO 100%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.00%	0.00%	0.00%	0.01%	0.01%	
Uzbekistan²	UK Net Bilateral ODA	1,505	982	2,230	2,243	4,945	3,288	FCO 75%, CSSF 18%, Other 7%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.02%	0.01%	0.03%	0.02%	0.05%	0.03%	
Vietnam	UK Net Bilateral ODA	12,322	9,166	6,786	10,458	11,677	7,831	BEIS 46%, FCO 38%, Other 16%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.16%	0.11%	0.08%	0.11%	0.11%	0.08%	
West Bank & Gaza Strip	UK Net Bilateral ODA	51,428	22,729	61,367	49,400	80,726	51,852	DFID 64%, CSSF 20%, Other 16%
	of which Humanitarian Assistance	912	985	2,400	8,755	16,245	1,800	
	Percentage of Total Net Bilateral ODA	0.67%	0.27%	0.70%	0.54%	0.78%	0.54%	

Country	ODA Breakdown	2015 £ thousand	2016 £ thousand	2017 £ thousand	2018 £ thousand	2019 £ thousand	2020 £ thousand	Main Spend Departments in 2020 (% Share)
Yemen	UK Net Bilateral ODA	82,050	126,850	204,923	166,368	260,424	221,108	DFID 93%, CSSF 6%, Other 1%
	of which Humanitarian Assistance	74,649	113,632	189,254	147,751	219,246	158,678	
	Percentage of Total Net Bilateral ODA	1.07%	1.49%	2.33%	1.80%	2.50%	2.32%	
Asia, Regional	UK Net Bilateral ODA	64,516	68,682	108,273	134,380	127,380	101,717	DFID 50%, BEIS 17%, Other 33%
	of which Humanitarian Assistance	0	1	1,034	53	248	4,385	
	Percentage of Total Net Bilateral ODA	0.84%	0.80%	1.23%	1.46%	1.22%	1.07%	
Central Asia, regional	UK Net Bilateral ODA	0	0	5,186	3,280	4,871	2,098	CSSF 100%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.06%	0.04%	0.05%	0.02%	
Far East Asia, regional	UK Net Bilateral ODA	0	0	405	19	2,987	3,766	BEIS 81%, DEFRA 10%, Other 9%
	of which Humanitarian Assistance	0	0	0	0	0	198	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.03%	0.04%	
Middle East, regional	UK Net Bilateral ODA	20,472	36,644	64,542	56,030	38,894	25,763	FCO 50%, BBCWS 30%, Other 20%
	of which Humanitarian Assistance	7,981	4,745	2,633	1,321	816	432	
	Percentage of Total Net Bilateral ODA	0.27%	0.43%	0.73%	0.61%	0.37%	0.27%	
South & Central Asia, regional	UK Net Bilateral ODA	0	0	63,535	63,402	891	5,399	BEIS 68%, DHSC 16%, Other 16%
	of which Humanitarian Assistance	0	0	0	0	104	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.72%	0.69%	0.01%	0.06%	

Country	ODA Breakdown	2015 £ thousand	2016 £ thousand	2017 £ thousand	2018 £ thousand	2019 £ thousand	2020 £ thousand	Main Spend Departments in 2020 (% Share)
Belize	UK Net Bilateral ODA	1,145	423	700	773	1,694	1,559	FCO 95%, BEIS 5%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.00%	0.01%	0.01%	0.02%	0.02%	
Bolivia	UK Net Bilateral ODA	826	220	465	573	1,573	1,501	FCO 81%, DEFRA 16%, Other 3%
	of which Humanitarian Assistance	0	3	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.00%	0.01%	0.01%	0.02%	0.02%	
Bosnia and Herzegovina	UK Net Bilateral ODA	4,432	3,626	3,582	2,529	6,640	4,220	FCO 56%, CSSF 42%, Other 2%
	of which Humanitarian Assistance	990	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.06%	0.04%	0.04%	0.03%	0.06%	0.04%	
Brazil	UK Net Bilateral ODA	20,886	53,674	21,725	24,957	34,134	33,923	PF 38%, BEIS 38%, Other 24%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.27%	0.63%	0.25%	0.27%	0.33%	0.36%	
Chile	UK Net Bilateral ODA	4,653	6,724	2,199	0	0	0	
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.06%	0.08%	0.02%	0.00%	0.00%	0.00%	
Colombia	UK Net Bilateral ODA	40,310	24,883	24,106	35,085	49,589	73,442	BEIS 76%, FCO 12%, Other 12%
	of which Humanitarian Assistance	0	0	0	100	8,245	0	
	Percentage of Total Net Bilateral ODA	0.53%	0.29%	0.27%	0.38%	0.48%	0.77%	

Country	ODA Breakdown	2015 £ thousand	2016 £ thousand	2017 £ thousand	2018 £ thousand	2019 £ thousand	2020 £ thousand	Main Spend Departments in 2020 (% Share)
Costa Rica	UK Net Bilateral ODA	1,100	803	636	645	1,179	697	FCO 97%, BEIS 3%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	
Cuba	UK Net Bilateral ODA	1,329	2,688	4,351	4,650	2,090	1,837	FCO 100%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.02%	0.03%	0.05%	0.05%	0.02%	0.02%	
Dominica	UK Net Bilateral ODA	492	44	79	395	1,060	981	DFID 83%, BEIS 16%, Other 1%
	of which Humanitarian Assistance	492	17	0	0	85	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.00%	0.00%	0.00%	0.01%	0.01%	
Dominican Republic	UK Net Bilateral ODA	1,461	7	283	447	526	542	FCO 87%, CSSF 13%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.02%	0.00%	0.00%	0.00%	0.01%	0.01%	
Ecuador	UK Net Bilateral ODA	315	92	290	407	1,068	1,269	BEIS 64%, FCO 36%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%	
El Salvador	UK Net Bilateral ODA	476	36	253	333	868	706	FCO 93%, BEIS 7%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.00%	0.00%	0.00%	0.01%	0.01%	

Country	ODA Breakdown	2015 £ thousand	2016 £ thousand	2017 £ thousand	2018 £ thousand	2019 £ thousand	2020 £ thousand	Main Spend Departments in 2020 (% Share)
Fiji	UK Net Bilateral ODA	1,262	194	1,103	251	3,431	2,761	FCO 62%, BEIS 35%, Other 3%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.02%	0.00%	0.01%	0.00%	0.03%	0.03%	
Grenada	UK Net Bilateral ODA	48	0	82	179	118	52	FCO 60%, BEIS 40%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Guatemala	UK Net Bilateral ODA	1,068	1,100	963	2,251	1,224	878	FCO 82%, DEFRA 18%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.01%	0.01%	0.02%	0.01%	0.01%	
Guyana	UK Net Bilateral ODA	2,229	658	1,375	1,122	2,009	1,678	FCO 64%, BEIS 32%, Other 4%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.03%	0.01%	0.02%	0.01%	0.02%	0.02%	
Haiti	UK Net Bilateral ODA	3,850	5,996	4,871	190	439	194	FCO 100%
	of which Humanitarian Assistance	2,731	4,873	4,610	32	0	0	
	Percentage of Total Net Bilateral ODA	0.05%	0.07%	0.06%	0.00%	0.00%	0.00%	
Honduras	UK Net Bilateral ODA	184	176	474	379	328	271	FCO 38%, BEIS 36%, Other 26%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	

Country	ODA Breakdown	2015 £ thousand	2016 £ thousand	2017 £ thousand	2018 £ thousand	2019 £ thousand	2020 £ thousand	Main Spend Departments in 2020 (% Share)
Moldova	UK Net Bilateral ODA	1,292	210	216	228	846	1,287	FCO 66%, CSSF 34%
	of which Humanitarian Assistance	9	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.02%	0.00%	0.00%	0.00%	0.01%	0.01%	
Montenegro	UK Net Bilateral ODA	1,011	583	1,037	1,011	3,810	1,491	CSSF 54%, FCO 46%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.01%	0.01%	0.01%	0.04%	0.02%	
Montserrat	UK Net Bilateral ODA	33,108	28,534	27,486	26,144	24,847	33,993	DFID 91%, CSSF 6%, Other 3%
	of which Humanitarian Assistance	0	0	92	196	0	0	
	Percentage of Total Net Bilateral ODA	0.43%	0.33%	0.31%	0.28%	0.24%	0.36%	
Nauru	UK Net Bilateral ODA	0	0	0	0	0	0	
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Nicaragua	UK Net Bilateral ODA	160	16	261	366	329	326	DEFRA 57%, FCO 43%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
North Macedonia	UK Net Bilateral ODA	2,144	1,839	1,957	2,969	4,168	2,655	FCO 56%, CSSF 44%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.03%	0.02%	0.02%	0.03%	0.04%	0.03%	

Country	ODA Breakdown	2015 £ thousand	2016 £ thousand	2017 £ thousand	2018 £ thousand	2019 £ thousand	2020 £ thousand	Main Spend Departments in 2020 (% Share)
Palau	UK Net Bilateral ODA	0	0	0	0	0	0	
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	
Panama	UK Net Bilateral ODA	1,871	857	1,052	881	1,698	1,398	FCO 97%, CSSF 3%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.02%	0.01%	0.01%	0.01%	0.02%	0.01%	
Papua New Guinea	UK Net Bilateral ODA	947	785	614	1,276	1,443	1,246	FCO 79%, DEFRA 11%, Other 10%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	
Paraguay	UK Net Bilateral ODA	488	121	303	806	582	752	FCO 84%, DEFRA 16%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.00%	0.00%	0.01%	0.01%	0.01%	
Peru	UK Net Bilateral ODA	2,158	2,989	3,520	6,184	10,204	8,021	BEIS 58%, FCO 41%, Other 1%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.03%	0.04%	0.04%	0.07%	0.10%	0.08%	
Samoa	UK Net Bilateral ODA	0	0	166	59	1,870	75	FCO 100%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.02%	0.00%	

Country	ODA Breakdown	2015 £ thousand	2016 £ thousand	2017 £ thousand	2018 £ thousand	2019 £ thousand	2020 £ thousand	Main Spend Departments in 2020 (% Share)
Tonga	UK Net Bilateral ODA	1	0	22	59	72	26	FCO 100%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Turkey	UK Net Bilateral ODA	6,290	95,513	137,907	72,447	56,146	52,166	DFID 79%, FCO 10%, Other 11%
	of which Humanitarian Assistance	1,290	4,031	36,675	17,912	3,516	0	
	Percentage of Total Net Bilateral ODA	0.08%	1.12%	1.57%	0.78%	0.54%	0.55%	
Tuvalu	UK Net Bilateral ODA	26	0	0	44	48	13	FCO 100%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Ukraine	UK Net Bilateral ODA	28,640	31,615	15,943	28,167	28,637	25,385	CSSF 50%, FCO 30%, Other 20%
	of which Humanitarian Assistance	11,246	7,809	1,801	12,394	5,797	4,266	
	Percentage of Total Net Bilateral ODA	0.37%	0.37%	0.18%	0.31%	0.28%	0.27%	
Uruguay	UK Net Bilateral ODA	1,523	694	303	0	0	0	
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.02%	0.01%	0.00%	0.00%	0.00%	0.00%	
Vanuatu	UK Net Bilateral ODA	2,451	960	58	7	1,449	74	FCO 50%, CSSF 45%, Other 5%
	of which Humanitarian Assistance	2,403	860	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.03%	0.01%	0.00%	0.00%	0.01%	0.00%	

Country	ODA Breakdown	2015 £ thousand	2016 £ thousand	2017 £ thousand	2018 £ thousand	2019 £ thousand	2020 £ thousand	Main Spend Departments in 2020 (% Share)
Venezuela	UK Net Bilateral ODA	1,408	1,004	1,364	1,300	8,732	20,555	DFID 90%, FCO 8%, Other 2%
	of which Humanitarian Assistance	0	0	0	0	6,300	18,600	
	Percentage of Total Net Bilateral ODA	0.02%	0.01%	0.02%	0.01%	0.08%	0.22%	
America, Regional	UK Net Bilateral ODA	2,312	5,541	4,710	10,709	6,670	8,478	DFID 50%, BEIS 48%, Other 2%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.03%	0.06%	0.05%	0.12%	0.06%	0.09%	
Caribbean & Central America, regional³	UK Net Bilateral ODA	0	0	0	0	4,359	1,669	CSSF 70%, DFID 21%, Other 9%
	of which Humanitarian Assistance	0	0	0	0	3,439	350	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.04%	0.02%	
Caribbean, regional⁴	UK Net Bilateral ODA	0	0	0	0	28,084	18,155	DFID 87%, FCO 12%, Other 1%
	of which Humanitarian Assistance	0	0	0	0	212	73	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.27%	0.19%	
Central America, regional⁵	UK Net Bilateral ODA	0	0	0	0	2,835	855	BEIS 100%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.03%	0.01%	
Europe, Regional	UK Net Bilateral ODA	1,208	16,574	54,778	77,821	74,880	65,661	CSSF 99%, BBCWS 1%
	of which Humanitarian Assistance	0	0	0	0	5,878	975	
	Percentage of Total Net Bilateral ODA	0.02%	0.19%	0.62%	0.84%	0.72%	0.69%	

Country	ODA Breakdown	2015 £ thousand	2016 £ thousand	2017 £ thousand	2018 £ thousand	2019 £ thousand	2020 £ thousand	Main Spend Departments in 2020 (% Share)
Melanesia, regional⁵	UK Net Bilateral ODA	0	0	0	0	1,078	4,688	BEIS 100%
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.01%	0.05%	
North & Central America, Regional³	UK Net Bilateral ODA	4,376	24,573	15,473	24,698	0	0	
	of which Humanitarian Assistance	0	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.06%	0.29%	0.18%	0.27%	0.00%	0.00%	
Oceania, Regional	UK Net Bilateral ODA	3,073	3,688	3,387	8,299	5,838	9,242	DFID 55%, CSSF 32%, Other 13%
	of which Humanitarian Assistance	0	0	0	45	0	0	
	Percentage of Total Net Bilateral ODA	0.04%	0.04%	0.04%	0.09%	0.06%	0.10%	
South America, regional	UK Net Bilateral ODA	0	0	112,042	73,720	17,958	10,601	BEIS 50%, FCO 31%, Other 19%
	of which Humanitarian Assistance	0	0	0	0	0	-0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	1.27%	0.80%	0.17%	0.11%	
West Indies, Regional⁴	UK Net Bilateral ODA	7,772	61,366	0	110,482	0	0	
	of which Humanitarian Assistance	0	0	0	968	0	0	
	Percentage of Total Net Bilateral ODA	0.10%	0.72%	0.00%	1.20%	0.00%	0.00%	
Total Africa	UK Net Bilateral ODA	2,759,072	2,858,083	2,994,049	2,861,202	2,985,046	2,609,813	DFID 78%, FCO 7%, Other 15%
	Percentage of Total Net Bilateral ODA	36.01%	33.49%	34.04%	31.00%	28.69%	27.38%	
	Percentage of Gross National Income	0.16%	0.15%	0.15%	0.14%	0.14%	0.13%	

Country	ODA Breakdown	2015 £ thousand	2016 £ thousand	2017 £ thousand	2018 £ thousand	2019 £ thousand	2020 £ thousand	Main Spend Departments in 2020 (% Share)
Total Asia	UK Net Bilateral ODA	2,084,432	2,344,122	2,330,189	2,234,950	2,468,096	1,973,835	DFID 69%, FCO 11%, Other 20%
	Percentage of Total Net Bilateral ODA	27.20%	27.47%	26.49%	24.22%	23.72%	20.70%	
	Percentage of Gross National Income	0.12%	0.12%	0.12%	0.11%	0.11%	0.10%	
Rest of the World	UK Net Bilateral ODA	222,537	404,249	574,098	560,409	447,523	457,188	DFID 28%, CSSF 22%, Other 50%
	Percentage of Total Net Bilateral ODA	2.90%	4.74%	6.53%	6.07%	4.30%	4.80%	
	Percentage of Gross National Income	0.01%	0.02%	0.03%	0.03%	0.02%	0.02%	
Unspecified Region	UK Net Bilateral ODA	2,596,162	2,927,705	2,897,786	3,572,539	4,503,516	4,492,416	DFID 63%, Home Office 13%, Other 24%
	Percentage of Total Net Bilateral ODA	33.88%	34.31%	32.94%	38.71%	43.29%	47.12%	
	Percentage of Gross National Income	0.15%	0.15%	0.14%	0.17%	0.21%	0.22%	
Total UK Net Bilateral ODA	UK Net Bilateral ODA	7,662,203	8,534,159	8,796,122	9,229,099	10,404,181	9,533,252	DFID 67%, BEIS 8%, Other 25%
	Percentage of Total Net Bilateral ODA	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
	Percentage of Gross National Income	0.44%	0.45%	0.44%	0.44%	0.48%	0.46%	
Low Income Countries	UK Net Bilateral ODA	2,766,410	2,591,475	2,825,793	2,483,537	2,810,333	2,392,750	DFID 85%, FCO 5%, Other 10%
	Percentage of Total Net Bilateral ODA	36.10%	30.37%	32.13%	26.91%	27.01%	25.10%	
	Percentage of Gross National Income	0.16%	0.14%	0.14%	0.12%	0.13%	0.12%	
Total UK Net Multilateral ODA	UK Net Multilateral ODA	4,473,393	4,842,973	5,256,167	5,312,977	4,772,317	4,945,394	
	Percentage of Gross National Income	0.26%	0.25%	0.26%	0.25%	0.22%	0.24%	

1 ODA can be negative due to returns from ODA eligible investments or from projects and programmes.

2 Uzbekistan percentage share calculation is based on gross ODA.

3 The DAC renamed the region category "North & Central America, regional" to "Caribbean & Central America, regional" for ODA 2019 reporting.

4 The DAC replaced 'West Indies, regional' with the new category "Caribbean, regional".

5 The DAC introduced new recipient codes for 2019 ODA reporting in order to improve granularity of geography regional programmes.

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

DFID is the majority spending department in the following countries:

Country	FCDO Net ODA Spend in 2020 £ thousand	Total UK Net ODA Spend in 2020 £ thousand	Percentage of Total ODA by dept £ thousand
Afghanistan	178,331	225,552	FCDO 79%, CSSF 21%
Africa, regional	318,898	345,336	FCDO 92%, BEIS 4%, Other 4%
Albania	1,027	1,348	FCDO 76%, CSSF 24%
America, regional	4,311	8,478	FCDO 51%, BEIS 48%, Other 1%
Angola	922	1,010	FCDO 91%, DIT 5%, Other 4%
Argentina	2,846	3,639	FCDO 78%, BEIS 22%
Armenia	1,825	2,255	FCDO 81%, CSSF 14%, Other 5%
Asia, regional	67,447	101,717	FCDO 66%, BEIS 17%, Other 17%
Azerbaijan	1,680	1,772	FCDO 95%, CSSF 5%
Bangladesh	199,182	203,360	FCDO 98%, BEIS 2%
Belarus	1,216	1,535	FCDO 79%, CSSF 21%
Belize	1,482	1,559	FCDO 95%, BEIS 5%
Benin	18	18	FCDO 100%
Bolivia	1,213	1,501	FCDO 81%, DEFRA 16%, Other 3%
Bosnia and Herzegovina	2,345	4,220	FCDO 56%, CSSF 42%, Other 2%
Botswana	1,388	1,903	FCDO 73%, DHSC 18%, Other 9%
Burundi	2,995	2,995	FCDO 100%
Cambodia	1,138	2,109	FCDO 54%, BEIS 23%, Other 23%
Cameroon	14,080	15,092	FCDO 93%, BEIS 3%, Other 4%
Caribbean, regional	17,947	18,155	FCDO 99%, BEIS 1%
Central African Republic	19,334	19,839	FCDO 97%, CSSF 3%
Chad	4,214	4,242	FCDO 99%, BEIS 1%
Congo	802	802	FCDO 100%
Costa Rica	677	697	FCDO 97%, BEIS 3%
Cote d'Ivoire	979	1,364	FCDO 72%, BEIS 19%, Other 9%
Cuba	1,837	1,837	FCDO 100%
Democratic Republic of the Congo	135,373	136,071	FCDO 99%, BEIS 0%, Other 1%
Developing countries, unspecified	2,901,185	4,492,416	FCDO 65%, Home Office 13%, Other 22%
Djibouti	1,147	1,147	FCDO 100%
Dominica	821	981	FCDO 84%, BEIS 16%
Dominican Republic	473	542	FCDO 87%, CSSF 13%
Egypt	6,240	17,153	FCDO 36%, CSSF 34%, Other 30%
El Salvador	660	706	FCDO 93%, BEIS 7%
Eritrea	1,908	1,908	FCDO 100%
Eswatini	424	426	FCDO 99%, Colonial Pensions 1%
Ethiopia	249,478	253,887	FCDO 98%, BEIS 1%, Other 1%
Fiji	1,711	2,761	FCDO 62%, BEIS 35%, Other 3%
Georgia	2,699	3,968	FCDO 68%, CSSF 27%, Other 5%
Ghana	32,069	34,450	FCDO 93%, BEIS 6%, Other 1%

Country	FCDO Net ODA Spend in 2020 £ thousand	Total UK Net ODA Spend in 2020 £ thousand	Percentage of Total ODA by dept £ thousand
Grenada	31	52	FCDO 60%, BEIS 40%
Guatemala	722	878	FCDO 82%, DEFRA 18%
Guinea	433	562	FCDO 77%, DEFRA 20%, Other 3%
Guyana	1,079	1,678	FCDO 64%, BEIS 32%, Other 4%
Haiti	194	194	FCDO 100%
Honduras	102	271	FCDO 38%, BEIS 36%, Other 26%
India	49,097	94,881	FCDO 52%, BEIS 35%, Other 13%
Indonesia	16,324	33,304	FCDO 49%, BEIS 25%, Other 26%
Iran	2,877	2,877	FCDO 100%
Iraq	29,364	46,402	FCDO 63%, CSSF 35%, Other 2%
Jamaica	7,752	8,587	FCDO 90%, CSSF 7%, Other 3%
Jordan	68,673	81,385	FCDO 84%, CSSF 12%, Other 4%
Kazakhstan	2,713	2,819	FCDO 96%, BEIS 4%
Kenya	76,341	91,958	FCDO 83%, BEIS 11%, Other 6%
Kiribati	16	25	FCDO 64%, Colonial Pensions 36%
Korea (Democratic People's Republic of)	218	218	FCDO 100%
Kyrgyz Republic	4,735	4,878	FCDO 97%, DEFRA 2%, Other 1%
Lao People's Democratic Republic	924	1,527	FCDO 60%, DHSC 28%, Other 12%
Lebanon	96,540	120,418	FCDO 80%, CSSF 17%, Other 3%
Lesotho	520	523	FCDO 99%, Colonial Pensions 1%
Liberia	2,688	2,939	FCDO 91%, CSSF 5%, Other 4%
Malawi	57,915	65,713	FCDO 88%, SG 8%, Other 4%
Mauritania	-5	-5	FCDO 100%
Mauritius	786	866	FCDO 91%, BEIS 9%
Middle East, regional	15,381	25,763	FCDO 60%, BBCWS 30%, Other 10%
Moldova	845	1,287	FCDO 66%, CSSF 34%
Mongolia	1,400	2,408	FCDO 58%, BEIS 33%, Other 9%
Montserrat	31,803	33,993	FCDO 94%, CSSF 6%
Mozambique	55,555	55,852	FCDO 99%, DEFRA 0%, Other 1%
Myanmar	97,750	103,257	FCDO 95%, CSSF 4%, Other 1%
Namibia	1,154	1,351	FCDO 85%, BEIS 15%
Nepal	80,625	84,261	FCDO 96%, BEIS 3%, Other 1%
Nigeria	223,092	240,577	FCDO 93%, CSSF 6%, Other 1%
North Macedonia	1,489	2,655	FCDO 56%, CSSF 44%
Oceania, regional	6,023	9,242	FCDO 65%, CSSF 32%, Other 3%
Pakistan	179,059	199,987	FCDO 90%, CSSF 9%, Other 1%
Panama	1,356	1,398	FCDO 97%, CSSF 3%
Papua New Guinea	979	1,246	FCDO 79%, DEFRA 11%, Other 10%
Paraguay	633	752	FCDO 84%, DEFRA 16%
Philippines	7,198	19,196	FCDO 37%, BEIS 32%, Other 31%
Rwanda	39,912	42,380	FCDO 94%, SG 4%, Other 2%
Saint Lucia	395	395	FCDO 100%
Saint Vincent & Grenadines	60	60	FCDO 100%
Samoa	75	75	FCDO 100%

Country	FCDO Net ODA Spend in 2020 £ thousand	Total UK Net ODA Spend in 2020 £ thousand	Percentage of Total ODA by dept £ thousand
Sao Tome & Principe	0	0	FCDO 100%
Senegal	1,816	2,609	FCDO 70%, BEIS 19%, Other 11%
Serbia	2,761	2,761	FCDO 100%
Sierra Leone	71,951	74,088	FCDO 97%, DHSC 2%, Other 1%
Solomon Islands	866	898	FCDO 96%, Colonial Pensions 4%
Somalia	169,314	232,457	FCDO 73%, UKEF 19%, Other 8%
South of Sahara, regional	83,563	137,084	FCDO 61%, BEIS 38%, Other 1%
South Sudan	149,694	155,765	FCDO 96%, CSSF 4%
Sri Lanka	4,553	9,659	FCDO 47%, CSSF 41%, Other 12%
St. Helena	41,335	45,887	FCDO 90%, CSSF 9%, Other 1%
States Ex-Yugoslavia unspecified	170	170	FCDO 100%
Sudan	136,798	139,241	FCDO 98%, CSSF 1%, Other 1%
Suriname	39	39	FCDO 100%
Syrian Arab Republic	177,497	181,201	FCDO 98%, CSSF 2%
Tajikistan	4,244	4,462	FCDO 95%, DEFRA 5%
Tanzania	92,200	96,367	FCDO 96%, BEIS 3%, Other 1%
Timor-Leste	126	173	FCDO 73%, DEFRA 27%
Tonga	26	26	FCDO 100%
Turkey	46,508	52,166	FCDO 89%, BEIS 6%, Other 5%
Turkmenistan	548	548	FCDO 100%
Tuvalu	13	13	FCDO 100%
Uganda	73,323	89,327	FCDO 82%, BEIS 17%, Other 1%
Ukraine	12,787	25,385	FCDO 50%, CSSF 50%
Uzbekistan	2,678	3,288	FCDO 81%, CSSF 18%, Other 1%
Vanuatu	37	74	FCDO 50%, CSSF 45%, Other 5%
Venezuela	20,334	20,555	FCDO 99%, CSSF 1%
West Bank & Gaza Strip	39,642	51,852	FCDO 76%, CSSF 20%, Other 4%
Yemen	207,863	221,108	FCDO 94%, CSSF 6%
Zambia	38,028	40,930	FCDO 93%, SG 4%, Other 3%
Zimbabwe	92,554	97,808	FCDO 95%, BEIS 4%, Other 1%

Former DFID is the majority spending department in the following countries:

Country	Former DFID Net ODA Spend in 2020 £ thousand	Total UK Net ODA Spend in 2020 £ thousand	Percentage of Total ODA by dept £ thousand
Afghanistan	150,836	225,552	DFID 67%, CSSF 21%, Other 12%
Africa, regional	286,583	345,336	DFID 83%, FCO 9%, Other 8%
America, regional	4,245	8,478	DFID 50%, BEIS 48%, Other 2%
Asia, regional	50,466	101,717	DFID 50%, BEIS 17%, Other 33%
Bangladesh	192,414	203,360	DFID 95%, FCO 3%, Other 2%
Burundi	2,674	2,995	DFID 89%, FCO 11%
Cameroon	12,014	15,092	DFID 80%, FCO 14%, Other 6%
Caribbean, regional	15,829	18,155	DFID 87%, FCO 12%, Other 1%
Central African Republic	19,334	19,839	DFID 97%, CSSF 3%

Country	Former DFID Net ODA Spend in 2020 £ thousand	Total UK Net ODA Spend in 2020 £ thousand	Percentage of Total ODA by dept £ thousand
Chad	4,200	4,242	DFID 99%, BEIS 1%
Democratic Republic of the Congo	131,157	136,071	DFID 96%, FCO 3%, Other 1%
Developing countries, unspecified	2,829,952	4,492,416	DFID 63%, Home Office 13%, Other 24%
Dominica	814	981	DFID 83%, BEIS 16%, Other 1%
Eritrea	1,200	1,908	DFID 63%, FCO 37%
Ethiopia	241,907	253,887	DFID 95%, FCO 3%, Other 2%
Ghana	25,319	34,450	DFID 73%, FCO 20%, Other 7%
Indonesia	9,944	33,304	DFID 30%, BEIS 25%, Other 45%
Iran	2,000	2,877	DFID 70%, FCO 30%
Iraq	16,998	46,402	DFID 37%, CSSF 35%, Other 28%
Jamaica	4,259	8,587	DFID 50%, FCO 41%, Other 9%
Jordan	62,771	81,385	DFID 77%, CSSF 12%, Other 11%
Kenya	62,422	91,958	DFID 68%, FCO 15%, Other 17%
Kyrgyz Republic	3,939	4,878	DFID 81%, FCO 16%, Other 3%
Lebanon	92,134	120,418	DFID 77%, CSSF 17%, Other 6%
Liberia	1,983	2,939	DFID 67%, FCO 24%, Other 9%
Malawi	54,544	65,713	DFID 83%, SG 8%, Other 9%
Montserrat	30,822	33,993	DFID 91%, CSSF 6%, Other 3%
Mozambique	53,440	55,852	DFID 96%, FCO 4%
Myanmar	91,516	103,257	DFID 89%, FCO 6%, Other 5%
Nepal	78,214	84,261	DFID 93%, FCO 3%, Other 4%
Nigeria	207,845	240,577	DFID 86%, FCO 6%, Other 8%
Oceania, regional	5,125	9,242	DFID 55%, CSSF 32%, Other 13%
Pakistan	158,892	199,987	DFID 79%, FCO 10%, Other 11%
Rwanda	38,338	42,380	DFID 90%, SG 4%, Other 6%
Sierra Leone	65,866	74,088	DFID 89%, FCO 8%, Other 3%
Somalia	159,859	232,457	DFID 69%, UKEF 19%, Other 12%
South of Sahara, regional	83,563	137,084	DFID 61%, BEIS 38%, Other 1%
South Sudan	145,196	155,765	DFID 93%, CSSF 4%, Other 3%
St. Helena	40,668	45,887	DFID 89%, CSSF 9%, Other 2%
Sudan	127,131	139,241	DFID 91%, FCO 7%, Other 2%
Syrian Arab Republic	175,122	181,201	DFID 97%, CSSF 2%, Other 1%
Tajikistan	3,128	4,462	DFID 70%, FCO 25%, Other 5%
Tanzania	89,501	96,367	DFID 93%, BEIS 3%, Other 4%
Turkey	41,125	52,166	DFID 79%, FCO 10%, Other 11%
Uganda	68,831	89,327	DFID 77%, BEIS 17%, Other 6%
Venezuela	18,600	20,555	DFID 90%, FCO 8%, Other 2%
West Bank & Gaza Strip	33,438	51,852	DFID 64%, CSSF 20%, Other 16%
Yemen	206,457	221,108	DFID 93%, CSSF 6%, Other 1%
Zambia	34,445	40,930	DFID 84%, FCO 9%, Other 7%
Zimbabwe	86,605	97,808	DFID 89%, FCO 6%, Other 5%

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

Country	Former FCO Net ODA Spend in 2020 £ thousand	Total UK Net ODA Spend in 2020 £ thousand	Percentage of Total ODA by dept £ thousand
Albania	1,027	1,348	FCO 76%, CSSF 24%
Angola	922	1,010	FCO 91%, DIT 5%, Other 4%
Argentina	2,846	3,639	FCO 78%, BEIS 22%
Armenia	1,825	2,255	FCO 81%, CSSF 14%, Other 5%
Azerbaijan	1,680	1,772	FCO 95%, CSSF 5%
Belarus	1,216	1,535	FCO 79%, CSSF 21%
Belize	1,482	1,559	FCO 95%, BEIS 5%
Benin	18	18	FCO 100%
Bolivia	1,213	1,501	FCO 81%, DEFRA 16%, Other 3%
Bosnia and Herzegovina	2,345	4,220	FCO 56%, CSSF 42%, Other 2%
Botswana	1,388	1,903	FCO 73%, DHSC 18%, Other 9%
Cambodia	1,138	2,109	FCO 54%, BEIS 23%, Other 23%
Congo	802	802	FCO 100%
Costa Rica	677	697	FCO 97%, BEIS 3%
Cote d'Ivoire	979	1,364	FCO 72%, BEIS 19%, Other 9%
Cuba	1,837	1,837	FCO 100%
Djibouti	1,147	1,147	FCO 100%
Dominican Republic	473	542	FCO 87%, CSSF 13%
Egypt	6,240	17,153	FCO 36%, CSSF 34%, Other 30%
El Salvador	660	706	FCO 93%, BEIS 7%
Eswatini	424	426	FCO 99%, Colonial Pensions 1%
Fiji	1,711	2,761	FCO 62%, BEIS 35%, Other 3%
Georgia	2,699	3,968	FCO 68%, CSSF 27%, Other 5%
Grenada	31	52	FCO 60%, BEIS 40%
Guatemala	722	878	FCO 82%, DEFRA 18%
Guinea	433	562	FCO 77%, DEFRA 20%, Other 3%
Guyana	1,079	1,678	FCO 64%, BEIS 32%, Other 4%
Haiti	194	194	FCO 100%
Honduras	102	271	FCO 38%, BEIS 36%, Other 26%
Kazakhstan	2,713	2,819	FCO 96%, BEIS 4%
Kiribati	16	25	FCO 64%, Colonial Pensions 36%
Korea (Democratic People's Republic of)	218	218	FCO 100%
Lao People's Democratic Republic	924	1,527	FCO 60%, DHSC 28%, Other 12%
Lesotho	520	523	FCO 99%, Colonial Pensions 1%
Mauritania	-5	-5	FCO 100%
Mauritius	786	866	FCO 91%, BEIS 9%
Middle East, regional	12,755	25,763	FCO 50%, BBCWS 30%, Other 20%
Moldova	845	1,287	FCO 66%, CSSF 34%
Mongolia	1,400	2,408	FCO 58%, BEIS 33%, Other 9%
Namibia	1,154	1,351	FCO 85%, BEIS 15%
North Macedonia	1,489	2,655	FCO 56%, CSSF 44%

Country	Former FCO Net ODA Spend in 2020 £ thousand	Total UK Net ODA Spend in 2020 £ thousand	Percentage of Total ODA by dept £ thousand
Panama	1,356	1,398	FCO 97%, CSSF 3%
Papua New Guinea	979	1,246	FCO 79%, DEFRA 11%, Other 10%
Paraguay	633	752	FCO 84%, DEFRA 16%
Saint Lucia	395	395	FCO 100%
Saint Vincent & Grenadines	60	60	FCO 100%
Samoa	75	75	FCO 100%
Sao Tome & Principe	0	0	FCO 100%
Senegal	1,816	2,609	FCO 70%, BEIS 19%, Other 11%
Serbia	2,761	2,761	FCO 100%
Solomon Islands	866	898	FCO 96%, Colonial Pensions 4%
Sri Lanka	4,553	9,659	FCO 47%, CSSF 41%, Other 12%
States Ex-Yugoslavia unspecified	170	170	FCO 100%
Suriname	39	39	FCO 100%
Timor-Leste	126	173	FCO 73%, DEFRA 27%
Tonga	26	26	FCO 100%
Turkmenistan	548	548	FCO 100%
Tuvalu	13	13	FCO 100%
Uzbekistan	2,457	3,288	FCO 75%, CSSF 18%, Other 7%
Vanuatu	37	74	FCO 50%, CSSF 45%, Other 5%

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

Country	BEIS Net ODA Spend in 2020 £ thousand	Total UK Net ODA Spend in 2020 £ thousand	Percentage of Total ODA by dept £ thousand
Bhutan	278	395	BEIS 70%, FCO 30%
Burkina Faso	320	344	BEIS 93%, DEFRA 7%
Central America, regional	855	855	BEIS 100%
China (People's Republic of)	26,757	64,120	BEIS 42%, FCO 34%, Other 24%
Colombia	55,450	73,442	BEIS 76%, FCO 12%, Other 12%
Eastern Africa, regional	7,088	12,669	BEIS 56%, CSSF 26%, Other 18%
Ecuador	814	1,269	BEIS 64%, FCO 36%
Far East Asia, regional	3,041	3,766	BEIS 81%, DEFRA 10%, Other 9%
Gambia	18,938	20,118	BEIS 94%, FCO 6%
India	32,948	94,881	BEIS 35%, FCO 26%, Other 39%
Madagascar	696	1,643	BEIS 42%, FCO 32%, Other 26%
Malaysia	5,373	10,264	BEIS 52%, FCO 37%, Other 11%
Marshall Islands	0	0	BEIS 100%
Melanesia, regional	4,688	4,688	BEIS 100%
Niger	262	645	BEIS 41%, FCO 39%, Other 20%
Peru	4,646	8,021	BEIS 58%, FCO 41%, Other 1%
Philippines	6,228	19,196	BEIS 32%, FCO 31%, Other 37%
South & Central Asia, regional	3,692	5,399	BEIS 68%, DHSC 16%, Other 16%
South Africa	32,122	48,065	BEIS 67%, FCO 21%, Other 12%
South America, regional	5,353	10,601	BEIS 50%, FCO 31%, Other 19%

Country	BEIS Net ODA Spend in 2020 £ thousand	Total UK Net ODA Spend in 2020 £ thousand	Percentage of Total ODA by dept £ thousand
Thailand	6,534	11,496	BEIS 57%, FCO 37%, Other 6%
Vietnam	3,598	7,831	BEIS 46%, FCO 38%, Other 16%
Western Africa, regional	2,249	4,635	BEIS 49%, CSSF 45%, Other 6%

The Conflict, Security and Stability Fund is the majority spending department in the following countries:

Country	CSSF Net ODA Spend in 2020 £ thousand	Total UK Net ODA Spend in 2020 £ thousand	Percentage of Total ODA by dept £ thousand
Algeria	5,039	6,898	CSSF 73%, FCO 24%, Other 3%
Caribbean & Central America, regional	1,172	1,669	CSSF 70%, DFID 21%, Other 9%
Central Asia, regional	2,098	2,098	CSSF 100%
Europe, regional	65,014	65,661	CSSF 99%, BBCWS 1%
Kosovo	4,405	7,154	CSSF 62%, FCO 38%
Libya	9,172	13,282	CSSF 69%, FCO 31%
Maldives	326	595	CSSF 55%, BEIS 25%, Other 20%
Mali	5,820	8,963	CSSF 65%, FCO 26%, Other 9%
Montenegro	804	1,491	CSSF 54%, FCO 46%
Morocco	5,430	8,193	CSSF 66%, FCO 31%, Other 3%
North of Sahara, regional	7,402	7,984	CSSF 93%, BEIS 6%, Other 1%
Tunisia	10,438	14,454	CSSF 72%, FCO 27%, Other 1%
Ukraine	12,598	25,385	CSSF 50%, FCO 30%, Other 20%

Table B.4: UK Gross Bilateral ODA by Sector

Sector Description	2016 £ thousand	2017 £ thousand	2018 £ thousand	2019 £ thousand	2020 £ thousand
Social Infrastructure & Services:					
Education	967,665	788,723	699,494	796,800	548,655
Health	717,120	965,567	983,759	1,029,170	1,297,010
Population policies/programmes and reproductive health	338,224	367,252	369,751	433,877	304,903
Water supply and sanitation	170,458	177,032	208,044	177,522	111,094
Government & Civil Society	1,132,940	1,164,397	1,204,098	1,322,996	1,048,517
Other social infrastructure and services	431,940	236,366	215,440	248,824	259,559
Economic Infrastructure & Services:					
Transport and storage	160,606	215,796	141,699	70,547	69,331
Communications	9,039	4,705	4,891	5,909	46,698
Energy	200,489	117,630	229,752	386,051	215,317
Banking and financial services	392,604	366,552	649,617	823,755	566,924
Business and other services	89,780	70,956	117,309	87,116	45,569
Production sectors:					
Agriculture, forestry & fishing	363,985	396,265	320,506	372,144	271,529
Industry, mining & construction	119,568	241,283	343,827	442,419	334,466
Trade policies and regulations	45,919	79,569	71,290	90,799	75,609
Tourism	1,573	1,984	1,333	845	1,095
Multi sector/cross cutting:					
General environmental protection	318,790	326,323	352,840	344,262	248,872
Other multisector	519,495	586,448	693,512	731,095	611,944
Non Sector Allocable:					
General budget support	60,000	0	0	0	0
Developmental food aid/food security assistance	35,392	48,590	35,549	71,013	65,324
Action relating to debt	2,249	2,891	3,534	0	194,386
Humanitarian Assistance	1,299,391	1,455,582	1,303,539	1,539,587	1,531,078
Administrative costs of donors	469,749	543,812	657,700	761,210	786,535
Support to non-governmental organisations ²	328,033	313,332	297,421	324,967	305,506
Refugees in Donor Countries	410,094	378,063	369,676	477,390	627,815
Non Sector Allocable ¹	61,367	44,887	84,070	39,768	86,823
Total UK Gross Bilateral ODA	8,646,472	8,894,004	9,358,653	10,578,066	9,654,559

1 Excludes spend through NGOs.

2 This category is limited to spend with NGOs where there are crosscutting activities in a programme or no sectors to allocate (e.g. unearmarked contributions).

Table B.5: Imputed UK share of Multilateral Net ODA by country, 2016-2020^{1,2}

Country	2016 £ thousand	2017 £ thousand	2018 £ thousand	2019R £ thousand	2020 £ thousand	Average 2016-2020 £ thousand
North Africa						
Algeria	6,447	6,861	6,044	5,960	7,601	6,582
Egypt	19,112	21,966	12,290	12,200	13,673	15,848
Libya	3,470	7,228	8,506	11,868	5,975	7,409
Morocco	57,213	38,033	20,510	18,524	43,406	35,537
Tunisia	15,138	15,148	15,660	19,520	28,371	18,768
North of Sahara, regional	11,375	2,525	4,809	4,027	12,790	7,105
Sub-Saharan Africa						
Angola	16,474	18,064	14,341	18,027	8,309	15,043
Benin	27,700	57,850	32,593	28,629	36,468	36,648
Botswana	1,414	3,799	2,272	2,655	1,837	2,395
Burkina Faso	78,634	53,555	89,002	66,255	60,412	69,572
Burundi	19,865	20,650	28,196	34,564	25,185	25,692
Cabo Verde	2,971	4,534	3,241	8,877	6,224	5,169
Cameroon	29,815	208,568	46,729	54,317	39,975	75,881
Central African Republic	48,598	59,946	41,342	42,675	36,630	45,838
Chad	68,437	63,508	48,321	34,589	41,760	51,323
Comoros	3,035	4,025	4,937	5,876	4,894	4,554
Congo	6,036	6,544	9,550	10,079	7,803	8,002
Côte d'Ivoire	58,484	104,801	56,602	44,242	52,469	63,319
Democratic Republic of the Congo	113,622	112,154	149,610	144,461	141,873	132,344
Djibouti	3,982	4,660	7,311	14,834	9,162	7,990
Equatorial Guinea	258	382	427	504	533	421
Eritrea	4,626	4,179	6,991	5,926	4,138	5,172
Eswatini	6,114	6,608	4,633	4,225	3,531	5,022
Ethiopia	203,101	188,861	354,174	175,621	179,702	220,292
Gabon	1,853	1,760	1,358	951	1,200	1,424
Gambia	12,293	27,916	14,729	17,480	13,365	17,157
Ghana	163,406	114,603	47,137	36,791	86,546	89,697
Guinea	48,628	37,892	30,696	34,340	27,445	35,800
Guinea-Bissau	9,176	11,969	13,907	9,629	7,510	10,438
Kenya	90,539	105,941	140,938	121,968	127,846	117,446
Lesotho	6,008	7,548	10,028	12,091	9,893	9,114
Liberia	42,939	30,930	23,566	24,344	23,819	29,119
Madagascar	61,004	117,493	42,435	35,374	42,558	59,773
Malawi	79,946	81,381	52,076	63,831	51,436	65,734
Mali	92,330	88,269	74,985	83,650	53,157	78,478
Mauritania	13,250	26,238	18,202	20,587	22,076	20,070
Mauritius	11,992	1,674	3,315	3,429	1,570	4,396
Mozambique	59,477	54,070	65,706	75,296	85,880	68,086
Namibia	9,855	5,013	6,609	5,369	3,999	6,169
Niger	70,365	93,291	65,640	79,787	66,500	75,117
Nigeria	133,589	159,252	195,347	154,223	120,433	152,569

Country	2016 £ thousand	2017 £ thousand	2018 £ thousand	2019R £ thousand	2020 £ thousand	Average 2016-2020 £ thousand
Rwanda	101,232	105,467	71,700	51,440	55,564	77,081
Saint Helena	757	29	1,223	15	794	563
Sao Tome and Principe	3,372	3,386	2,767	2,961	5,411	3,579
Senegal	41,072	38,425	35,781	49,936	41,645	41,372
Seychelles	655	419	0	0	0	215
Sierra Leone	52,426	51,671	21,217	31,724	32,598	37,927
Somalia	26,340	40,298	37,657	63,010	64,209	46,303
South Africa	23,252	15,584	17,770	13,506	19,808	17,984
South Sudan	38,346	53,566	26,814	52,354	32,452	40,706
Sudan	32,706	29,331	41,611	51,363	56,287	42,259
Tanzania	80,700	141,040	124,010	88,133	78,751	102,527
Togo	11,544	63,273	15,837	24,888	22,924	27,693
Uganda	65,490	65,153	79,585	85,414	97,118	78,552
Zambia	28,443	30,362	48,725	39,194	30,610	35,467
Zimbabwe	19,688	22,305	34,659	43,299	48,652	33,720
Africa, regional	102,509	90,872	127,746	96,146	121,005	107,655
Eastern Africa, regional	0	0	0	532	10,391	2,185
Middle Africa, regional	0	0	0	0	245	49
South of Sahara, regional	60,498	51,501	105,335	241,231	85,614	108,836
Southern Africa, regional	0	0	0	0	478	96
Western Africa, regional	0	0	0	2,862	2,664	1,105
Middle East						
Iran	3,114	2,348	3,025	4,501	3,846	3,367
Iraq	23,131	21,162	27,892	24,576	24,301	24,212
Jordan	38,300	31,185	27,920	28,284	46,010	34,340
Lebanon	26,147	27,165	27,573	26,408	24,519	26,362
Syrian Arab Republic	37,740	36,109	57,673	48,534	34,401	42,892
West Bank and Gaza Strip	62,911	50,489	58,553	57,220	51,869	56,208
Yemen	21,965	76,978	77,950	74,385	33,167	56,889
Middle East, regional	6,713	5,782	8,659	12,036	7,972	8,232
South and Central Asia						
Afghanistan	68,673	75,856	93,705	80,099	87,456	81,158
Armenia	17,344	5,352	8,477	4,778	15,715	10,333
Azerbaijan	4,621	9,728	4,413	2,836	3,413	5,002
Bangladesh	131,425	162,606	255,466	126,528	124,127	160,030
Bhutan	1,780	11,730	7,949	4,732	6,379	6,514
Georgia	18,726	18,395	22,348	11,070	47,331	23,574
India	188,406	159,565	177,533	83,136	69,504	135,629
Kazakhstan	2,402	4,067	1,990	2,155	1,893	2,501
Kyrgyzstan	26,457	26,392	14,828	8,689	12,580	17,789
Maldives	1,012	1,414	1,043	1,871	2,898	1,648
Myanmar	38,165	42,764	51,001	39,596	53,563	45,018
Nepal	43,330	46,704	91,494	67,454	51,851	60,166
Pakistan	140,324	112,586	112,512	85,018	116,209	113,330
Sri Lanka	41,704	26,721	69,438	9,769	31,317	35,790
Tajikistan	10,031	15,779	21,113	10,625	18,555	15,221
Turkmenistan	1,336	1,251	1,386	954	1,315	1,248

Country	2016 £ thousand	2017 £ thousand	2018 £ thousand	2019R £ thousand	2020 £ thousand	Average 2016-2020 £ thousand
Uzbekistan	16,433	13,850	27,979	16,969	30,377	21,122
Central Asia, regional	9,179	3,240	3,267	5,989	3,213	4,977
South & Central Asia, regional	1,124	544	242	419	3	467
South Asia, regional	2,927	2,275	4,278	4,153	2,456	3,218
Far East Asia						
Cambodia	14,967	13,330	24,317	17,360	18,796	17,754
China (People's Republic of)	9,846	6,188	6,099	4,380	5,655	6,434
Democratic People's Republic of Korea	2,968	5,499	5,077	6,169	4,130	4,769
Indonesia	13,160	29,850	15,408	13,892	62,627	26,987
Lao People's Democratic Republic	11,554	15,352	128,050	53,434	8,003	43,279
Malaysia	998	1,677	1,426	1,141	1,485	1,345
Mongolia	3,862	15,750	17,676	3,726	22,326	12,668
Philippines	8,293	9,024	11,395	12,519	10,056	10,258
Thailand	4,460	4,546	3,817	3,086	7,200	4,622
Timor-Leste	5,442	5,975	3,834	4,703	4,005	4,792
Viet Nam	98,436	85,778	113,370	40,664	58,368	79,323
Asia, regional	12,071	7,280	6,765	6,706	9,410	8,446
Far East Asia, regional	3,561	6,359	8,619	13,234	14,902	9,335
Latin America and the Caribbean						
Antigua and Barbuda	179	1,431	1,413	1,161	15,438	3,924
Belize	3,870	2,387	1,791	1,292	1,635	2,195
Costa Rica	1,371	1,488	1,695	942	25,781	6,255
Cuba	2,187	3,271	2,319	4,177	20,931	6,577
Dominica	1,901	2,623	3,047	3,720	2,507	2,760
Dominican Republic	4,467	4,190	4,908	8,040	3,255	4,972
El Salvador	3,406	2,924	13,941	5,628	3,350	5,850
Grenada	4,505	3,192	14,074	750	2,214	4,947
Guatemala	3,601	6,806	10,049	7,093	20,252	9,560
Haiti	49,398	22,681	35,155	26,946	24,757	31,787
Honduras	10,176	8,260	8,875	9,438	18,508	11,052
Jamaica	5,616	3,427	5,291	4,153	2,957	4,289
Mexico	10,836	2,045	2,607	2,510	2,175	4,035
Montserrat	31	147	722	973	439	462
Nicaragua	12,866	11,066	12,783	8,207	22,413	13,467
Panama	1,810	2,132	1,020	827	1,535	1,465
Saint Lucia	4,221	1,358	1,329	1,298	3,289	2,299
Saint Vincent and the Grenadines	2,617	558	1,533	3,340	2,797	2,169
Caribbean & Central America, regional	4,776	5,073	3,791	12,210	4,533	6,076
Caribbean, regional	4,482	4,576	3,666	13,984	4,710	6,284
Central America, regional	0	0	0	227	886	223

Country	2016 £ thousand	2017 £ thousand	2018 £ thousand	2019R £ thousand	2020 £ thousand	Average 2016-2020 £ thousand
South America						
Argentina	1,780	1,773	2,148	1,183	38,487	9,074
Bolivia	16,065	11,997	11,119	8,760	7,252	11,039
Brazil	5,437	3,641	6,120	3,766	18,290	7,451
Chile	1,724	1,320	0	0	0	609
Colombia	12,134	18,402	13,506	14,736	24,635	16,683
Ecuador	17,159	4,326	4,358	5,518	4,829	7,238
Guyana	7,809	3,973	9,560	1,818	1,934	5,019
Paraguay	2,261	3,093	9,641	3,150	3,732	4,375
Peru	5,961	4,562	4,159	4,587	4,432	4,740
Suriname	776	1,414	886	1,130	1,186	1,078
Uruguay	565	503	0	0	0	214
Venezuela	933	846	4,378	11,465	6,331	4,791
America, regional	7,285	8,556	14,219	8,731	13,683	10,495
South America, regional	9,149	4,138	7,124	5,153	3,767	5,866
Europe						
Albania	10,424	8,107	9,706	8,468	9,776	9,296
Belarus	4,105	4,685	3,871	3,579	4,603	4,168
Bosnia and Herzegovina	12,916	17,308	12,214	10,924	15,034	13,679
Kosovo	16,975	18,888	16,470	16,847	26,684	19,173
Moldova	21,566	22,212	7,020	13,169	20,274	16,848
Montenegro	2,987	4,399	4,724	4,778	8,895	5,157
North Macedonia	10,794	12,160	10,511	6,015	16,530	11,202
Serbia	13,588	18,201	22,708	20,240	22,409	19,429
States Ex-Yugoslavia unspecified	39	125	158	119	560	200
Turkey	122,565	80,898	55,593	113,186	94,244	93,297
Ukraine	45,280	28,305	34,496	35,622	129,660	54,672
Europe, regional	42,382	51,048	48,940	60,082	49,335	50,358
Pacific Countries						
Cook Islands	297	1,045	300	170	0	362
Fiji	2,215	5,328	2,819	3,009	5,447	3,763
Kiribati	1,312	1,966	7,862	985	636	2,552
Marshall Islands	137	270	6,135	1,115	521	1,636
Micronesia	1,022	782	3,361	925	732	1,365
Nauru	123	6,718	271	190	59	1,472
Niue	105	256	132	105	171	154
Palau	207	65	47	184	596	220
Papua New Guinea	8,067	7,704	34,352	17,154	17,008	16,857
Samoa	19,683	4,793	5,117	5,445	2,606	7,529
Solomon Islands	2,099	6,534	3,001	3,961	2,721	3,663
Tokelau	14	11	6	16	8	11
Tonga	2,224	1,795	8,233	1,395	3,444	3,418
Tuvalu	11,581	875	873	551	801	2,936
Vanuatu	8,012	2,081	5,260	2,820	2,360	4,107
Wallis and Futuna	47	99	1,537	239	837	552
Melanesia, regional	0	0	0	43	156	40

Country	2016 £ thousand	2017 £ thousand	2018 £ thousand	2019R £ thousand	2020 £ thousand	Average 2016-2020 £ thousand
Oceania, regional	8,088	4,158	4,793	11,340	25,906	10,857
Unspecified Country/ Region						
Developing countries, unspecified	247,747	298,459	317,496	325,734	309,310	299,749
Country Unallocated ³	428,379	507,700	294,979	407,597	402,776	408,286
Total Multilateral Net ODA	4,842,973	5,256,167	5,312,977	4,772,317	4,945,394	5,025,965
of which: Low Income Countries ⁴	1,531,899	1,687,725	1,686,472	1,534,770	1,424,989	1,573,171
proportion of country- specific total	39%	40%	39%	43%	37%	40%

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 The OECD data cover most of the main multilaterals the UK funds. In 2020, around 9% of the UK's core multilateral funding is not covered by the OECD data, and this unreported spending is allocated to country unallocated category. More details on the estimates' quality is found in the accompanying Imputed Multilateral Share report.

[Link to Improvement to the UK calculation of Imputed Multilateral Shares](#)

3 UK core contributions to multilaterals that did not report disbursement or commitment data to the OECD DAC.

4 Countries are defined as 'Low Income' based on the World Banks GNI per capita classification that was used for ODA 2020 reporting. The classification is used by the OECD DAC to define the list of receiving countries under the ODA rules.

R: The 2019 figures for Imputed UK share of multilateral NET ODA (published in September 2021) contained a revision removing £166,500 thousand from 2019 Country Unallocated due to a type of aid change from multilateral to bilateral. It has since been discovered that this type of aid change did not affect Country Unallocated but actually affected the imputed shares for 26 countries. This has been corrected in this publication.

Source: Statistics for International Development & OECD DAC Statistics

Updated: 8th June 2022

Next update: Early 2023

Email: statistics@fcdo.gov.uk

The figures in this table are National Statistics

[Notes & Definitions](#)

Annex C: Regulatory Reporting

Core Tables (unaudited)

The common core tables and annual accounts have both been prepared on a Clear Line of Sight basis since 2011-12. The expectation is that there should be consistency between these two sources of data. The common core tables below reflect total departmental budgets including the core FCDO, bodies sponsored by the FCDO and expenditure on conflict, stability and security.

In the FCDO Main Estimate 2021-22, the former FCO and DFID estimate rows were merged. The data below is presented in the format of the 2021-22 estimate structure. From 2022-23 estimate row D, Strategic priorities and other programme spending, will be replaced with three estimate rows entitled: Regional bilateral programmes; Core multilateral programmes; and Centrally managed programmes. More information is available in the Main Estimates Memorandum 2022-23.

<https://www.gov.uk/government/publications/foreign-commonwealth-development-office-main-estimates-memorandum-2022-to-2023>

It is not possible to link the data presented in the core tables to our core priorities as the FCDO is not structured in this way. Our resources, both people and projects, often support multiple priorities particularly overseas, therefore data is not captured in this way.

Plans for 2022-23 to 2024-25, as set out below, represent notional spending plans and remain subject to change.

See the Financial Review page 68 for trend analysis.

See footnotes for further details.

Table 1. Public Spending

	2017-18 Outturn £'000	2018-19 Outturn £'000	2019-20 Outturn £'000	2020-21 Outturn £'000	2021-22 Outturn £'000	2022-23 Plans £'000	2023-24 Plans £'000	2024-25 Plans £'000
Resource DEL								
Section A: Operating Costs, frontline diplomacy and overseas network	1,178,674	1,311,408	1,451,245	1,446,249	1,494,995	1,616,177	1,552,546	1,541,030
Section B: Funding for NDPBs within Departmental Group (Net)	36,065	37,026	37,011	34,424	39,051	41,184	41,616	41,491
Section C: British Council	171,000	188,300	191,500	148,700	190,500	172,500	173,000	162,500
Section D: Strategic priorities and other programme spending ¹	6,782,629	6,327,746	7,131,070	6,333,649	4,190,539			
Section E: International subscriptions, scholarships and BBC World Service	290,414	292,436	300,327	329,536	319,072	279,939	282,916	286,210
Section F: Conflict, Stability and Security Fund	829,999	894,527	863,229	886,302	680,811	739,640	883,344	889,249
Prosperity Fund ²	37,583	66,366	133,797	213,060				
Equality and Human Rights Commission (ALB) (Net)		18,257						
Government Equalities Office		18,418						
Regional bilateral programmes						1,726,723	1,889,319	2,050,916
Core multilateral programmes						1,724,000	1,788,000	1,611,000
Centrally managed programmes						1,604,210	984,871	1,128,963
Non-Voted								
Section G: European Union Attributed Aid	439,000	452,000	475,000	522,000	684,224	621,000	545,000	305,000
	9,765,364	9,606,484	10,583,179	9,913,920	7,599,192	8,525,373	8,140,612	8,016,359
Resource AME								
Voted								
Section H: Other central programme and technical costs	444,715	(123,418)	(158,584)	617,378	(123,836)	560,666	410,666	410,666
Total Resource AME	444,715	(123,418)	(158,584)	617,378	(123,836)	560,666	410,666	410,666
Total Resource	10,210,079	9,483,066	10,424,595	10,531,298	7,475,356	9,086,039	8,551,278	8,427,025

- 1 In the Resource DEL table above the Integrated Activity Fund (IAF) is included in Section D: Strategic priorities and other programme spending. In FCO's 2018-19 and 2019-20 accounts the IAF was presented with the Prosperity Fund in the estimate row entitled Prosperity and Integrated Activity Funds
- 2 In FCO's 2017-18 accounts the Prosperity Fund was included in the row entitled Administration and programme expenditure.
- 3 Plans for 2022-23 to 2024-25 are notional.
- 4 2022-23 to 2024-25 include budget for the Machinery of Government change from the Cabinet Office for responsibility for the UK-EU relationship. Outturn for 2020-21 £4,484k and 2021-22 £3,916k is not included in the figures above.

	2017-18 Outturn £'000	2018-19 Outturn £'000	2019-20 Outturn £'000	2020-21 Outturn £'000	2021-22 Outturn £'000	2022-23 Plans £'000	2023-24 Plans £'000	2024-25 Plans £'000
Capital DEL								
Section A: Operating Costs, frontline diplomacy and overseas network ¹	(270,872)	122,682	124,008	109,340	144,496	279,679	101,000	98,000
Section C: British Council				52,000	4,800	85,875		
Section D: Strategic priorities and other programme spending	2,723,264	3,070,905	2,016,732	2,668,045	1,579,767			
Section F: Conflict, Stability and Security Fund	9,012	17,334	23,807	37,000	20,570			
Prosperity Fund		35,354	19,394	4,692				
Regional bilateral programmes						251,897	397,000	1,721,000
Core multilateral programmes						1,368,000	1,677,000	524,000
Centrally managed programmes						659,103	1,309,000	1,654,000
	2,461,404	3,246,275	2,183,941	2,871,077	1,749,633	2,644,554	3,484,000	3,997,000
Capital AME								
Voted								
Section I: CDC Group plc ²	395,000	736,000	955,000	650,000	660,650	200,000		
Total Capital AME	395,000	736,000	955,000	650,000	660,650	200,000	-	-
Total Capital	2,856,404	3,982,275	3,138,941	3,521,077	2,410,283	2,844,554	3,484,000	3,997,000

1 The 2022-23 Main Estimate Capital DEL figure includes budget for the adoption of IFRS16, adjustments will be made to 2023-24 and 2024-25 for IFRS16 at future Estimates.

2 In 2023-24 and 2024-25 the budget for CGC Group plc (now British International Investment) is in Capital DEL "Centrally managed programme" and will be switched to Capital AME through the Estimate process.

3 Plans for 2022-23 to 2024-25 are notional.

Table 2. Administration Budget

	2017-18 Outturn £'000	2018-19 Outturn £'000	2019-20 Outturn £'000	2020-21 Outturn £'000	2021-22 Outturn £'000	2022-23 Plans £'000	2023-24 Plans £'000	2024-25 Plans £'000
Administration								
Section A: Operating Costs, frontline diplomacy and overseas network ¹	274,921	229,839	227,642	242,635	258,672	335,313	335,422	334,822
Section B: Funding for NDPBs within Departmental Group (Net)	1,949	1,933	805	800	662	828	828	828
Equality and Human Rights Commission (ALB) (Net)		13,154						
Government Equalities Office		7,615						
	276,870	252,541	228,447	243,435	259,334	336,141	336,250	335,650

1 2022-23 to 2024-25 include budget for the Machinery of Government change from the Cabinet Office for responsibility for the UK-EU relationship. Outturn for 2020-21 £4,484k and 2021-22 £3,916k is not included in the figures above.

Annex D:

Arm's Length Bodies

Independent Commission for Aid Impact (ICAI)

The Independent Commission for Aid Impact (ICAI) is an advisory non-departmental public body which provides independent evaluation and scrutiny of the impact and value for money of all UK Government ODA. Whilst the Secretary of State is accountable to Parliament for ICAI, ICAI reports directly to Parliament through the International Development Select Committee (IDC).

Commonwealth Scholarship Commission in the UK (CSC)

The Commonwealth Scholarship Commission in the UK (CSC) is an executive non-departmental public body that awards scholarships and fellowships to Commonwealth citizens for postgraduate study and professional development. CSC was established by an Act of Parliament in 1959 to manage the UK contribution to the Commonwealth Scholarship and Fellowship Plan (CSFP). Its status was subsequently reaffirmed in the International Development Act 2002.

Wilton Park Executive Agency

Wilton Park provides a global forum for strategic discussions. Wilton Park is governed by a Framework Document, which was updated in 2019, and is reviewed every three years. The FCDO Director of Communications is the Senior Departmental Officer for the FCDO relationship, and sits on the Wilton Park Board. Communications Directorate provide annual core funding to Wilton Park; other Directorates within the FCDO may provide additional discretionary funding to support specific Wilton Park conferences. The Foreign

Secretary appoints the Non-Executive Chair of the Wilton Park Board, for a period of five years (extendable) and the Permanent Under-Secretary appoints the Chief Executive for a fixed period of three years, with a possibility of extension under Civil Service appointment terms. The Annual Report and Accounts of Wilton Park is published separately. See www.wiltonpark.org.uk

The Great Britain-China Centre

The Great Britain-China Centre (Executive NDPB) and its subsidiary The UK China Forum. The FCDO provides GBCC with annual Grant-in-Aid. The Foreign Secretary signs off appointments of the Chair. China Department is the sponsoring team for FCDO; the head of the FCDO's China Department sits on the Board. GBCC's mission is to promote mutual trust and understanding between the UK and China by building long-term connections between decision-makers. GBCC also works to promote the rule of law, good governance and sustainable development. The Annual Report and Accounts can be found at www.gbcc.org.uk

The Marshall Aid Commemoration Commission

The Marshall Aid Commemoration Commission (Executive NDPB). MACC was established under the 1953 Marshall Aid Commemoration Commission Act, and awards up to 40 postgraduate scholarships in the UK each year for students from the USA with the potential to excel in their chosen fields of study and future careers. The FCDO provides MACC with Grant-in-Aid. The Head of the FCDO Public Diplomacy Team within Communications

Directorate represents the FCDO at MACC Board meetings. The Foreign Secretary signs off the MACC annual report, and all appointments to the MACC Board, including the Chair.

The Westminster Foundation for Democracy Limited

The Westminster Foundation for Democracy Limited (Executive NDPB). WFD supports democratic practices in developing democracies. WFD is supported by both Grant-in-Aid from the FCDO. The relationship

between the WFD and the FCO is governed by a Framework Document. The Foreign Secretary is accountable to Parliament for the activities of WFD and has responsibility for approving their strategic objectives, the appointment of the CEO, the Board, and laying of the WFD accounts before Parliament. Human Rights and Democracy Department is the sponsoring team in the FCDO and is the principal source of advice to the Foreign Secretary and the PUS on these matters. Officials report regularly to Ministers on WFD-related issues.

Financial Information by ALB

Financial Information by ALB	ICAI	CSC	Wilton Park	GBCC	MACC	WFD
Total Grants from FCDO (£000)	3,816	28,140	3,753	500	2,700	4,925
Total Operating Income (£000)	–	–	5,369	660	–	8,469
Total Operating Expenditure (£000)	3,656	28,221	6,972	1,139	2,870	12,514
Total Net Operating Expenditure (£000)	160	(81)	2,150	21	(170)	880
Finance Income (£000)	–	–	–	1	261	1
Finance Expense (£000)	–	–	–	30	–	–
Net Expenditure for the year (£000)	160	(81)	2,150	(8)	91	881

Staffing Information by ALB	ICAI	CSC ¹	Wilton Park	GBCC	MACC ¹	WFD
No. of permanent staff	12	–	74	8	–	56
No. of other staff	–	–	–	1	–	7
Total number of staff	12	–	74	9	–	63
Permanent staff costs (£000)	797	–	3,885	436	–	3,545
Other staff costs (£000)	–	–	–	68	–	108
Total staff costs (£000)	797	–	3,885	504	–	3,653

1 There are no staff employed in CSC and MACC. Day to day functions are carried out by external administrators.

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