Foreign, Commonwealth
& Development Office

Annual report and accounts 2022–23

Foreign, Commonwealth & Development Office

Annual Report and Accounts 2022–23

For the year ended 31 March 2023

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Cover: An FCDO official supports British nationals at the Wadi Seidna Air Base in Sudan during the British evacuation from Sudan

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In a world first, globally renowned Swiss artist Gerry Hofstetter has celebrated Her Majesty Queen Elizabeth II's Platinum Jubilee by creating the largest ever artwork of its kind across the Bernese Alps

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 2022-23 financial year.

Foreign Secretary James Cleverly

Foreign Secretary Foreword

These are momentous times. Political, technological and cultural change is accelerating at an extraordinary rate.

Two years ago, the Government set out its strategy on how to respond to the changing world and the challenge of hostile states in our Integrated Review. We refreshed it this year to ensure that a golden strategic thread runs through all our international activities; across defence and deterrence, diplomacy, trade, investment, intelligence, security, international development, science and technology.

Our strategy is working. We are making the most of the UK's unique and decisive capabilities. They give us the strength and agility to respond in ways that others cannot, as we have seen in Ukraine.

Over the past year, the Government has chalked up numerous international successes that will go on delivering for the United Kingdom and the British people for years, if not decades, to come.

Our historic AUKUS agreement with Australia and the United States will provide more strategic stability to the Indo-Pacific. The Windsor Framework with the European Union guarantees the historic Belfast Agreement in Northern Ireland. It also opens the door to further

international cooperation with European countries and the EU on shared challenges like climate change and economic security. Finland has joined NATO – with Sweden soon to follow.

We have set a clear, long-term direction for the future through our International Development Strategy, our International Women and Girls Strategy and our International Technology Strategy.

The FCDO has supported a series of significant royal events with a global profile, including the Diamond Jubilee, the State Funeral of Her Late Majesty Queen Elizabeth, and the Coronation of King Charles. We played a vital role, not only organising all the logistical and policy aspects of international attendance, but amplifying these events through our overseas network to ensure they had global impact. FCDO staff led celebratory events marking the Jubilee from Paris to Pitcairn. The whole network worked together to facilitate the attendance of 500 Heads of State and dignitaries at the State Funeral. And meticulous planning enabled us to maximise the soft power and policy opportunities of the Coronation, with over 848 engagements covering 185 countries and territories.

My Mansion House speech in April outlined our principled, cautious and nuanced China policy. Our three pillars – reinforced national security protections, close cooperation with allies and direct engagement with China – provide a stable and constructive base for our future relations.

As I said last December, our future influence depends on persuading and winning over a far broader array of countries in the Commonwealth, the African Union and ASEAN – as well as working closely with old allies in the G7, NATO and OECD.

In pursuit of that aim, over the past year, I have visited 34 countries renewing old friendships and forging new partnerships.

It is an honour to lead the Foreign, Commonwealth and Development Office (FCDO). I am proud of what the FCDO has achieved in the past year, and I look forward to the next year with confidence and excitement.

Below: Permanent Under-Secretary Philip Barton

Statement from the Permanent Under-Secretary

This annual report sets out the FCDO's performance during another year of intense challenge on the global stage. It also highlights several significant milestones for a unified and integrated FCDO. I am proud of what we have achieved this year, including our delivery of the international elements of the State Funeral of Her Late Majesty The Queen, our sustained response to support the people of Ukraine, the launch of the International Development Strategy, and our ongoing work to protect and assist British citizens across the world.

Our enduring purpose is to lead the Government's diplomatic, development and consular work around the world, supporting the UK's prosperity and security. To do this, we seek to position the UK as a responsible, reliable, and effective international actor and partner, investing in the global relationships we need for the long term, deepening our foresight and understanding of global risks and opportunities for the UK.

In March this year the Foreign Secretary launched the Integrated Review Refresh (IR2023) in the House of

Commons. From Russia's unprovoked invasion of Ukraine to China's growing presence on the global stage, to the rising implications of Artificial Intelligence on geopolitics our operating context has become more volatile – with far-reaching consequences for the security and prosperity of the British people. IR2023 sets out the foreign and development policy approach we will take to meet these and other challenges head-on: working with our global allies to reform and strengthen an open, rules-based international order and building our resilience to threats and coercion.

February 2023 marked the anniversary of Russia's illegal and unprovoked invasion of Ukraine. The FCDO has played a crucial role in the UK's support of the Ukrainian Government and people. We continue to work to support Ukraine, to secure a just and lasting peace; and to ensure that those responsible are held accountable in accordance with international law. We have also stepped-up our engagement with wider global partners impacted by the war, including through food, energy and wider economic shocks and impacts.

The FCDO is committed to reinvigorating the UK's position as a global leader on international development. We have reprioritised quickly and worked effectively with our colleagues across Government to respond to humanitarian crises around the world, including in Ukraine, East Africa, Pakistan, Turkey and Syria, Mozambique and Malawi. We have committed to seven priority campaigns under the International Development Strategy, to ensure we deliver aid where it can have the greatest impact and support wider Government aims and partnerships.

We have made significant progress in building, strengthening and revitalising the UK's international relationships. We reinforced our partnerships with allies across Europe, agreeing the Windsor Framework and working together on a range of priority issues from security partnerships to driving licences and sanctions against Russia. We have also strengthened our relationships in the Indo-Pacific, including by becoming an ASEAN Dialogue Partner, through the UK's access to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and through tour Comprehensive Strategic Partnership with India.

Throughout the year, we continued to exceed our performance targets to deliver the best possible support to British nationals overseas, committing to an ethos of continuous improvement and modern, round-the-clock consular services. I am particularly proud of the support we provided to British nationals in complex detentions abroad, including in Ukraine, Afghanistan, Iran, Iraq, Georgia, Russia and Myanmar.

Looking forward, we continue to expect volatility in our operating context, driven by more dangerous geopolitical trends and more challenge to the international order. Our priorities will be driven by the geopolitical, geo-economic and security landscape resulting from Russia's actions in Ukraine. We will remain committed to the Indo-Pacific, support and engage our partners across the world, deliver on our International Development Strategy, strengthen the relationships the UK wants in Europe, and support delivery of the Government's priorities on migration. We will continue the drive to be more efficient and agile as a department, able to prioritise effectively, prepare for crises and adapt to new priorities and challenges.

Below: Interim Lead Non-Executive Director, Beverley Tew

Statement from the FCDO's Lead Non-Executive Director

This report covers another year of extraordinary moments in global events, not least the continued impact of Russia's illegal invasion of Ukraine. Amidst these challenges, the FCDO has made important progress in its development as an integrated organisation. Nearly 17,000 staff are now delivering the UK's diplomatic and development activity as a single organisation with one mission, purpose and culture to maximise the UK's global impact.

We, the FCDO's Non-Executive Directors, have continued our work focusing on oversight, challenge and support to the department's executive team. We do this through the FCDO Management Board held monthly, the various specialist sub-committees and through our significant contributions outside the board room.

In 2022-23 we provided guidance and challenge on the department's Outcome Delivery Plan (ODP) which forms the basis of the Government's planning and performance framework. We supported the Board's continued work to build the infrastructure of the merged department, in particular bringing our expertise to the launch of the FCDO's new finance and HR platform (to support standardised ways of working across the department) alongside progressing the roll-out of a consistent framework of people policies. Much of the operational systems and structures of a unified department are now in place. Our oversight of the department's ALBs included presentations from the British Council, FCDO Services and the Independent Commission for Aid Impact. We each supported recruitment panels to make significant public appointments.

The Audit and Risk Assurance Committee (ARAC) oversees the department's critical risk management framework. In 2022-23 it continued to focus on mitigation plans to strengthen the department's cyber security environment. ARAC was also responsible for monitoring progress of delivery plans from the lessons learned exercise following the Afghanistan crisis in 2021. Much has been done to build a more agile skilled workforce best placed to respond to a changing and challenging external environment. There is still more to do in the area of technology infrastructure to help manage any future event seamlessly.

Outside of the formal committee structure, the NEDs conducted two independent reviews for the Secretary of State: to review the management practices and approval processes around FCDO development programmes and to review the recruitment processes with a view to simplifying and shortening time to hire. We were able to make a number of recommendations that have subsequently been implemented to streamline processes.

This year, as a team of NEDs we have sought to explore and understand more of the department's work across the UK and around the world. We have made visits to the FCDO's UK locations outside of London, attending meetings in Hanslope Park in Milton Keynes and Abercrombie House in East Kilbride. We were also able to travel to the FCDO's overseas network, with visits to the missions in Lisbon, Ottawa and Islamabad. Seeing first-hand the operations of these contrasting posts gave us real insight into the benefits and challenges of bringing together our diplomatic and development efforts.

I took over as interim lead NED in June 2022, following the resignation of Baroness Morrissey. We would like to thank her on behalf of the department for her contribution to the FCDO in helping to establish the unified department.

The FCDO has achieved much to be proud of this year. As we look back, one event in particular stands out – the department's role in the delivery of the State Funeral of Her Late Majesty The Queen. This was a remarkable effort, a testament to the efforts of colleagues across the globe and a fine demonstration of the department's capabilities. There will be further challenges ahead, but the FCDO is in a strong position to tackle them as a mature but evolving organisation.

"The FCDO has achieved much to be proud of this year. As we look back, one event in particular stands out – the department's role in the delivery of the funeral of Her Late Majesty the Queen."

Foreign Secretary James Cleverly attends G7 in Japan

Overview: Our vision, purpose and activities

Our Vision and Purpose

The FCDO's enduring purpose is to lead the Government's diplomatic, development and consular work around the world. Our overall aim is to position the UK as a responsible, reliable and effective international actor and partner, investing in the global relationships we need for the long term.

The Foreign Secretary has set out how we will achieve these aims, taking the long view with an approach to foreign policy that will endure for decades. We will act with agility to respond to evolving priorities and emerging risks and prioritise and plan thoroughly for known and likely scenarios and events.

This means drawing on all the tools available to achieve UK objectives, including diplomatic, economic, development, defence and security, technology and cultural. We will use our time, energy, money and global network to generate influence on the world stage and continue to stand up for

our world view: championing the democratic values we believe in, including the right to freedom, justice, the rule of law and the integrity of sovereign states.

We do so to deliver the vision for the UK's role in the world set out in the Integrated Review in 2021 and updated in the refresh published earlier in 2023 (IR2023): to promote and protect the UK's core national interests of security, prosperity and sovereignty, while working to shape an open and stable international order.

2022-23 Priority Outcomes

In our Outcome Delivery Plan for 2022-23, the FCDO committed to the following Priority Outcomes:

CURRENT REPORTING PERIOD
POs for 2022–23

PRIORITY OUTCOME 1

Build economic diplomacy by seizing global opportunities which benefit the whole of the UK, and harness the mutual benefits of unlocking growth for our allies and partners, including through the British Investment Partnerships initiative.

PRIORITY OUTCOME 2

Strengthen the security and resilience of the UK and our allies by defending our interests around the world.

PRIORITY OUTCOME 3

Promote Global Britain by using our development leadership to empower and protect the freedom of women and girls, to provide reliable, honest infrastructure financing, and to support humanitarian needs.

PRIORITY OUTCOME 4

Support British nationals overseas by providing modern, round-the-clock consular services and agile crisis support.

2022-23 Strategic Enablers

To deliver those Priority Outcomes, the FCDO committed to the following strategic enablers:

STRATEGIC ENABLER ONE

Workforce, skills and location

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

STRATEGIC ENABLER TWO

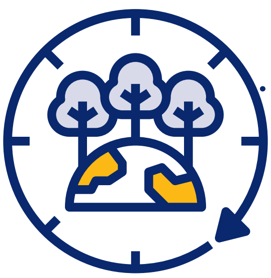
Innovation, technology and data

Becoming a world-leading department for the use of digital, data, information, and technology to deliver diplomatic and development outcomes; laying the FCDO's digital foundations; and continuously investing in structural innovations and nurture staff so they can turn ideas into solutions.

STRATEGIC ENABLER THREE

Delivery, evaluation and collaboration

Improving outcomes through strong delivery, evaluation, and collaboration; developing robust frameworks to support, track and analyse real world change; and focusing on skill and capability building and putting evidence and analysis at the heart of our approach, to advance and strengthen the use and quality of our analysis to make our interventions more efficient, sustainable, and impactful.



STRATEGIC ENABLER FOUR

Sustainability

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

Delegates at the International Ministerial Conference on Preventing Sexual Violence in Conflict Initiative, London

Future Plans

In 2023-24, the UK faces a global context of volatility, unpredictability and contestation. Accelerating geopolitical and geoeconomic change has increased the likelihood of interconnected, interacting high impact events, presenting significant risks and also opportunities for our foreign and development policy goals.

This global volatility has a day-to-day impact on the lives of the British people, so the UK's ability to shape the global environment is of increasing importance for our domestic wellbeing. As IR2023 concluded, democracies like the UK need to build our resilience and out-cooperate and out-compete those that are driving instability, to maintain an open and stable international order for the benefit of all states and peoples. Our Outcome Delivery Plan (ODP) for 2023-24 will set out how we will continue to deliver our commitments under IR2023.


DIGNITY
PSVI CONFERENCE, LONDON
28-29 NOVEMBER 2022

Where we work and FCDO leadership

281 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 (also referred to as Sovereign Posts)

12 Overseas Territories Posts

4 Resident Commissioners

30 Other representations

FCDO organisation

The chart represents the FCDO's leadership between 1 April 2022 and 31 March 2023

Ministers

Rt Hon James Cleverly MP
Secretary of State for Foreign, Commonwealth and Development Affairs and Minister for Women and Equalities

David Rutley MP
Parliamentary Under Secretary of State (Americas & Caribbean)

Leo Docherty MP
Parliamentary Under Secretary of State (Europe)

Rt Hon Andrew Mitchell MP
Minister of State (Development & Africa)

Rt Hon Lord Ahmad of Wimbledon
Minister of State (Middle East & United Nations)

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

The Rt Hon Anne-Marie Trevelyan MP
Minister of State (Indo-Pacific)

Senior staff

Philip Barton
Permanent Under Secretary (PUS)

Peter Wilson
Director General (DG)Europe

Kumar Iyer
DG Economics, Science & Technology

Christian Turner
DG Geopolitics & Political Director

Tom Drew
DG Defence & Intelligence

Corin Robertson
DG Africa, LATAM & Caribbean

Vijay Rangarajan
DG ME, Af/Pak, America and OTs

Jenny Bates
DG Indo Pacific

Nick Dyer
DG Humanitarian & Development

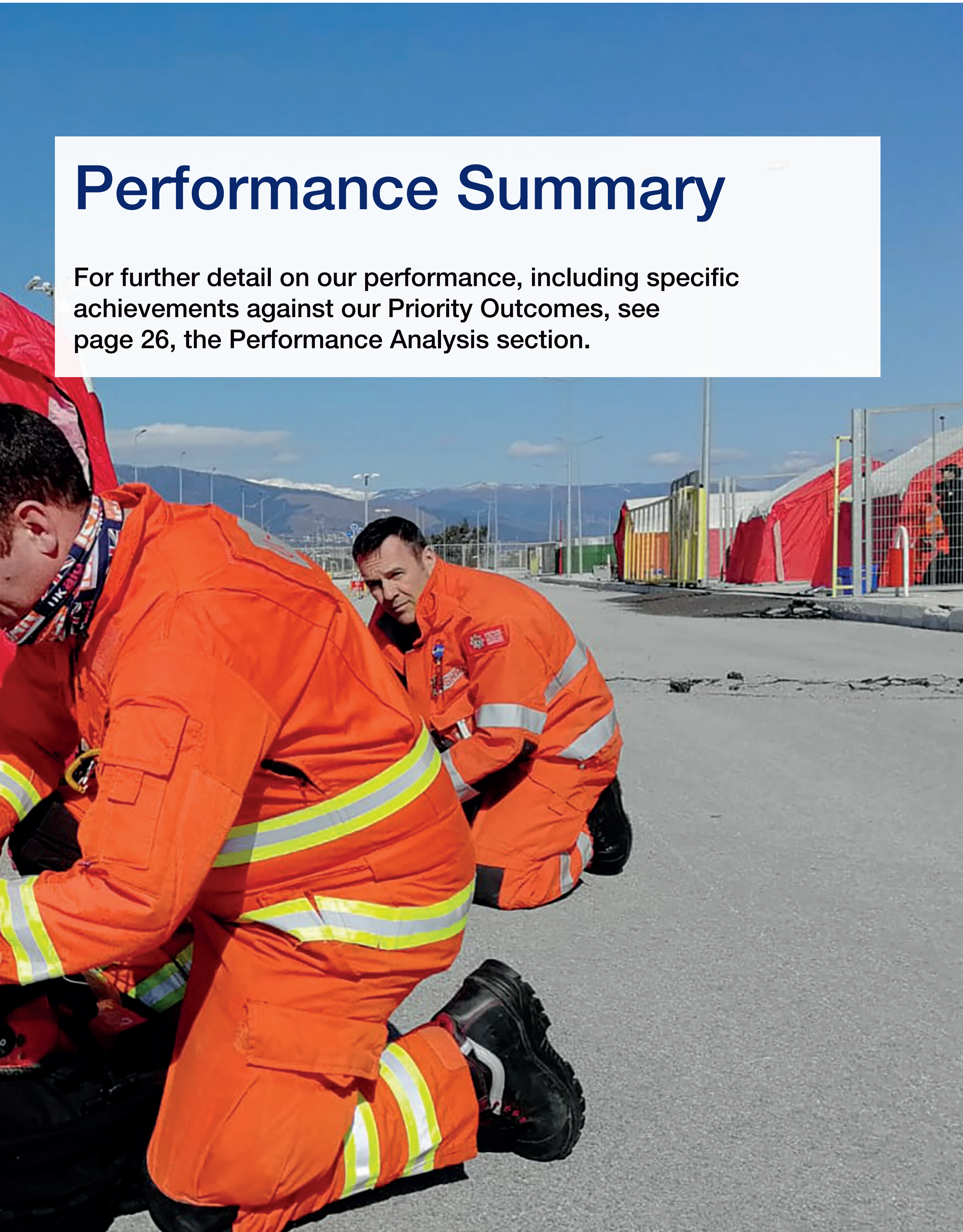
Juliet Chua
DG Finance & Corporate

Sally Langrish
DG Legal

Hatay, Turkey, 8 February 2023. Members of the UK's International Search & Rescue Team prepare their kit on arrival in Hatay ahead of commencing search & rescue operations following the 6 February earthquakes

Performance Summary

For further detail on our performance, including specific achievements against our Priority Outcomes, see page 26, the Performance Analysis section.



Key achievements

Support for Ukraine

Led international action in the face of Russian aggression.

Delivered successive waves of the harshest sanctions Russia has ever faced.

Became the largest supplier of military aid to Ukraine after the USA.

Secured Finland's accession to NATO and supported Sweden's accession.

One of the largest bilateral humanitarian donors to Ukraine.

Led G7 action to end reliance on Russian energy, ensured UK energy security in response to Russia's weaponisation of gas supplies, and secured G7 commitment to accelerate phase out of unabated fossil fuels.

Indo-Pacific Tilt

Reached final stage of accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

Agreed joint development with Australia and the US of a conventionally-armed, nuclear-powered submarine (AUKUS).

Supported ASEAN's role in regional stability and economic development by becoming an ASEAN Dialogue Partner.

Europe

Visits by the Foreign Secretary to Germany, France, Romania, Poland, Spain, Belgium, Italy, and Malta.

Working closely with the European Union (EU) on sanctions against Russia.

Successful negotiation of the Windsor Framework with the EU, protecting Northern Ireland's place within the United Kingdom.

First UK-France summit in five years, delivering defence cooperation and concerted action to interdict people smugglers seeking to cross the Channel.

A range of bilateral negotiations concluded, including on driving licences with Spain and a diplomatic, development and security agreement with the Netherlands.

Open International order

Launched the International Technology Strategy (ITS).

Continued support to the UK-India Green Growth Equity Fund.

Signed the Room to Run Guarantee Agreement with African Development Bank.

Supported the successful release of the Just Energy Transition (JET) investment plan at COP27.

Launched a new International Development Strategy; and the Developing Countries Trading Scheme.

Launched the Women and Girls Strategy to tackle increasing threats to gender equality.

Provided critical funding to address global famine risks; alongside humanitarian funding to respond to crises in East Africa, Pakistan, Turkey and Syria, Mozambique and Malawi.

Worked closely with the Home Office and other departments to support priority delivery of the PM's plan to tackle illegal migration

Delivered crucial logistical, protocol, policy and communications aspects of the funeral of Her Late Majesty the Queen.

Secured ambitious commitments on economic security at the G7 Leaders summit in June 2022.

Partnerships for the future

Visits by the Foreign Secretary to the US, Japan, South Korea, Singapore, India, Egypt, Bahrain, Qatar, Kenya, Ethiopia, Sierra Leone, Moldova, Georgia and Kazakhstan.

Supported Free Trade Agreement (FTA) negotiations with India, CPTPP, Israel, Greenland, Ukraine, Canada, Mexico and Gulf Cooperation Council (GGC).

Consular services and crisis response

Consistently exceeded our performance targets to deliver the best service to British nationals.

Supported British nationals and their families in occupied Ukraine.

Helped bring home five British nationals detained in Afghanistan by the Taliban.

Supported other British nationals in complex detentions abroad.

Extensive support to British fans at the World Cup in Qatar.

FCDO Humanitarian Affairs Officer Laura Highton talks to aid agency staff in southern Poland

Key risks and mitigations

The FCDO delivers ambitious objectives in an increasingly competitive, complex, and interconnected international environment and faces a wide range of risks.

A number of geopolitical and humanitarian crises have required many FCDO staff to engage in delivering a response. Lessons learned are consistently incorporated into the FCDO's crisis response approach, including our ability to anticipate crises and effectively contingency plan while managing and pivoting staff resources.

Our People risks remained elevated given the challenges of delivery in the current global context and the multiple priorities the FCDO has dealt with. The FCDO will continue its enhanced focus on staff resilience, welfare, wellbeing and inclusion in 2023-24.

Managing crises and ODA budget pressures, together with a need to re-balance staff resource against the delivery of long-term objectives, has generated a level of uncertainty this year. This has exacerbated an already complex risk profile detailed on page 64.

Window inside King Charles Street

SECTION 1.2 PRIORITY OUTCOMES AND STRATEGIC ENABLERS: PERFORMANCE ANALYSIS

This section provides a detailed analysis of the FCDO's progress against our four Priority Outcomes for the financial year 2022-23. It also reports progress against our strategic enablers, provides an analysis of external events impacting on our progress and gives an overview of our performance in other areas.

Priority outcomes

CURRENT REPORTING PERIOD
POs for 2022–23

PRIORITY OUTCOME 1

Build economic diplomacy by seizing global opportunities which benefit the whole of the UK, and harness the mutual benefits of unlocking growth for our allies and partners, including through the British Investment Partnerships initiative.

PRIORITY OUTCOME 2

Strengthen the security and resilience of the UK and our allies by defending our interests around the world.

PRIORITY OUTCOME 3

Promote Global Britain by using our development leadership to empower and protect the freedom of women and girls, to provide reliable, honest infrastructure financing, and to support humanitarian needs.

PRIORITY OUTCOME 4

Support British nationals overseas by providing modern, round-the-clock consular services and agile crisis support.

The Foreign Secretary launches ITS launch at Samsung

Priority outcome 1

Priority Outcome 1: Build economic diplomacy by seizing global opportunities which benefit the whole of the UK, and harness the mutual benefits of unlocking growth for our allies and partners, including through the British Investment Partnerships initiative.

KEY ACHIEVEMENTS

- Successful trade negotiations with allies and new partners in the Indo-Pacific, the Gulf and Latin America.
- Launched the Developing Countries Trading Scheme to help emerging economies grow and prosper.
- Launched the UK's International Technology Strategy (ITS) with the Department for Science, Innovation and Technology (DSIT), setting out our approach to making the UK a science and technology superpower by 2030.
- British Investment Partnerships – commenced operations on a virtual resource centre for the UK's five new economic development Centres of Expertise.

Our progress on PO1

The FCDO has helped to build and strengthen global economic ties that will deliver tangible benefits for British people.

Trade

In the last year we mobilised UK diplomacy to help the Department for Business and Trade (DBT), formerly DIT, to secure strong outcomes for UK interests through trade negotiations. This has included: high level and Ministerial engagement to help the UK reach an agreement-in-principle to accede to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), ahead of signature in July 2023; helping conclude negotiations allowing signature of the UK-Ukraine Digital Trade Agreement in March 2023; and progress towards the entry into force of the UK's free trade agreements (FTA) with Australia and New Zealand. We supported the launch of FTA negotiations with Mexico in May 2022, the Gulf Cooperation Council in June 2022, and Israel in July 2022, and have influenced early preparations for Switzerland, Republic of Korea and Turkey negotiations to ensure broader foreign policy objectives are reflected. The FCDO continues to support negotiations with Greenland and Canada and to work towards conclusion of an FTA with India.

The FCDO also leads FTA chapter negotiations on development and monitors closely, and advises DBT negotiators as necessary on matters relating to national security, territorial application, sanctions and human rights. We also provide broader diplomatic support, through our overseas posts, in tackling market access barriers and ensuring effective implementation of FTAs.

As part of a joint FCDO-DBT unit we are boosting trade with developing countries that drives mutual, resilient and sustainable growth. The Prime Minister launched our Developing Countries Trading Scheme in June 2022, offering more generous and simpler trading terms to 65 developing countries, covering over £21 billion in exports to the UK each year. We delivered Economic Partnership Agreements worth £15 billion, including the first UK-Kenya Ministerial meeting under the UK-Kenya FTA. We continue to work with DBT to promote a freer and fairer multilateral trading architecture, which has included supporting developing country participation and progressing WTO reform at the MC12 Trade Ministerial in June 2022.

Our £5.3 million of trade-related technical assistance ODA in 2022-23 further supported the implementation of our trade agreements and ensured the benefits of international trade supported poverty reduction, including by increasing the participation of women and girls.

The Indo-Pacific

Strengthening and deepening the UK's relationships and partnerships in the Indo-Pacific remained a key priority during 2022-23.

The FCDO convened the first ASEAN-UK Joint Cooperation Committee meeting in June 2022, marking the start of a new formal partnership and paving the way to implement an ambitious ASEAN-UK Plan of Action, with a focus on priority areas such as climate, health, education and economic integration.

Also in June, the UK became one of the founding members of 'Partners in the Blue Pacific', an initiative to improve donor coordination and partnership with Pacific Islands Countries to deliver our shared security, climate and development priorities to support prosperity and resilience across the Pacific region. Enhanced bilateral partnerships were also agreed with Indonesia and the Republic of Korea. Just Energy Transition (JET) Partnerships with Indonesia and Vietnam, agreed in 2022, will help in energy transition away from fossil fuels and towards renewable sources, in a way that considers the needs of all workers, communities and societal groups.

The UK and India maintained momentum and made extensive progress across our bilateral 2030 Roadmap. Highlights included the opening of negotiations for the India-UK FTA; delivery of a long-awaited Memorandum of Understanding (MoU) on the Mutual Recognition of Academic Qualifications; the launch of the Young Professionals Scheme on youth mobility; an ambitious Indian Nationally Determined Contribution (NDC). The continuation of the successful vaccine partnership between AstraZeneca, Oxford University and the Serum Institute of India. The UK has demonstrated our political commitment to the relationship through numerous Cabinet Minister visits, including the former Prime Minister and two Foreign Secretary visits. The UK has also worked closely with India throughout its ambitious G20 Presidency and will continue to do so.

The UK's commitment to building deeper, productive partnerships in this region was demonstrated in the Foreign Secretary's visits to India, Japan, the Republic of Korea and Singapore. Ministers also visited Indonesia, Cambodia, Australia, Vanuatu, New Zealand, Mongolia, Thailand and Brunei. The Foreign Secretary and Defence Secretary hosted the 2023 Australia-UK ministerial consultations (AUKMIN) with Australian Foreign Minister Penny Wong and Deputy Prime Minister Richard Marles in Portsmouth, highlighted the importance of working together to ensure an Indo-Pacific region that is open, stable, prosperous and respectful of sovereignty, human rights and international law.

Europe

The Foreign Secretary has continued to lead the overall relationship between the UK and the European Union. The UK and the EU concluded negotiation of the Windsor Framework in February 2023. The Framework fundamentally amends the old Northern Ireland Protocol. The Windsor Framework delivers free-flowing movement of goods from Great Britain into

Left: The Foreign Secretary launches ITS launch at Samsung.
Right: Foreign Secretary attends the Railway City Launch in Nairobi with The President of Kenya, William Ruto.

Northern Ireland through a new green lane without red tape or unnecessary checks. It also replaces considerable amounts of EU law with UK law, ensuring the people of Northern Ireland can benefit from the same tax policies, food and drink, medicines and parcels as the rest of the UK. It gives the people of Northern Ireland a say over new EU laws with the Stormont Break.

The UK and France held the first Franco-British Summit in five years in March 2023. The meeting reaffirmed that our shared history, geography and values gave us a framework for ambitious co-operation to meet shared challenges. The Prime Minister and President Macron focused on our support for Ukraine and determination to hold Russia accountable as well as concerted efforts to prevent people smugglers from exploiting people across the Channel.

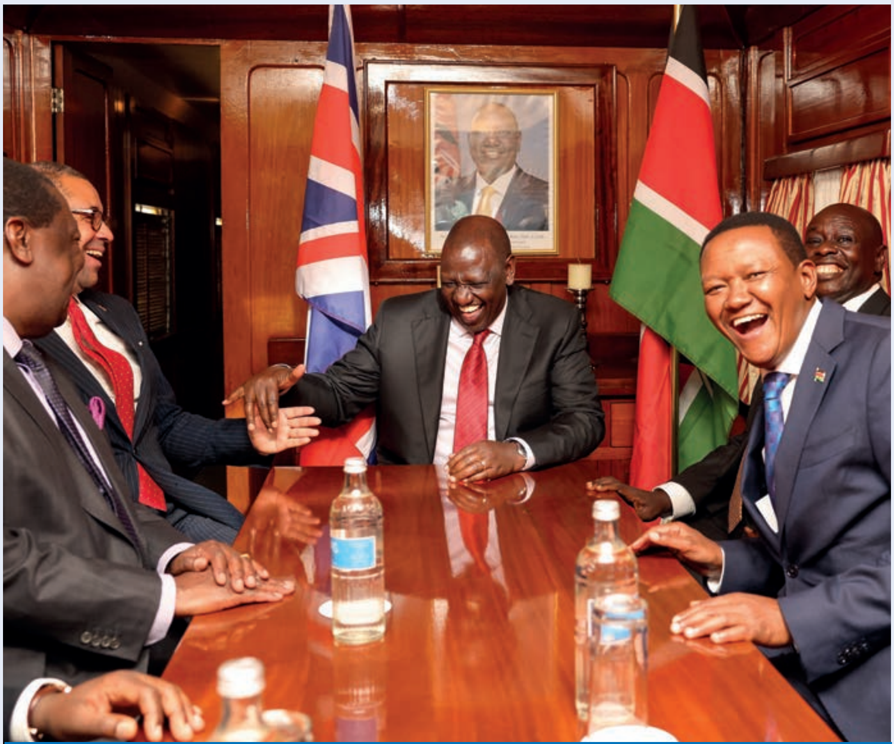
Throughout the year the UK has concluded a range of bilateral agreements with European countries. These have included the reciprocal recognition of driving licences with Spain, agreement on the occasion of the 650th anniversary of the Anglo-Portuguese Treaty to step up efforts to promote liberty and democratic values globally and a joint statement on foreign, development and security co-operation with the Netherlands.

In March, His Majesty the King conducted his first overseas State Visit as monarch, to Germany; where he spoke of his wish to renew the special bond of friendship between the two countries.

British Investment Partnerships

British Investment Partnerships (BIP) are a central pillar of the UK's International Development Strategy and the primary way in which the UK delivers its commitment to stronger, more transparent economic partnerships facilitating high-quality investment in developing countries. In 2022-23, we committed to mobilising up to £8 billion of UK-backed financing a year by 2025 to help to deliver clean, green infrastructure and investment. This includes through British International Investment (BII), our development finance institution and instruments such as Private Infrastructure Development Group (PIDG), Mobilising Institutional Capital Through Listed Product Structures (MOBILIST), UK Export Finance and Centres of Expertise.

The virtual resource centre for the UK's five new economic development Centres of Expertise commenced its operations. The resource centre is a centralised digital hub that collates relevant evidence and data, existing and future analytical tools and policy guidance on economic development. The Centres are a new way to deliver technical assistance and



CASE STUDY

British Investment Partnerships – Kenya

In Kenya, a combination of UK technical assistance, export guarantees, Private Infrastructure Development Group (PIDG) and BII investment is being drawn on to deliver coherent, timely and scalable development interventions.

The UK and Kenya have agreed to fast-track six projects worth £2.9 billion to accelerate the flow of climate finance into Kenya after the Prime Minister and President Ruto met at the COP27 climate summit in Sharm-el-Sheik, Egypt. This includes £141 million of BII backed investments into solar and geothermal energy projects, an £81 million project financed by UK Export Finance supporting Nairobi's new central railway station and a guarantee vehicle through PIDG that uses £12 million of UK funding to mobilise £80 million of private sector climate finance for public and private infrastructure over the next 3 years, through collaboration with CPF Financial Services and other private investors.

These new, clean and green investments will become flagship projects of the UK-Kenya Strategic Partnership – an ambitious five-year agreement that is unlocking mutual benefits for the UK and Kenya.

organise and brand the UK's expertise offer in the following areas: Green Cities and Infrastructure, Public Finance, Financial Services, Green and Inclusive Growth, and Trade.

International Technology Strategy

The UK's International Technology Strategy (ITS) was launched in March 2023, setting out the UK's approach for technology leadership on the global stage and defining the principles – open, responsible, secure and resilient – that will guide our international engagement.

IR2023 reiterated the central role of technology in driving growth and ensuring the security of the British people. Advances in technology bring huge economic and social opportunities, but the competition between authoritarian and liberal values will define how technologies shape our future. This strategy sets out how we will work internationally to increase the UK's strategic advantage in technology, using that advantage to drive economic growth, protect our citizens' security and ensure our values of freedom and democracy thrive.

We held the inaugural UK-US Comprehensive Dialogue on Tech and Data in January 2023, agreed to establish a joint committee for science, technology and innovation alongside collaboration to shape the future of global technology governance through the OECD at the UK France Summit and, as part of our commitment to create the world's leading technology diplomacy network, we will shortly launch a new technology curriculum to boost capacity and the capability of our staff.

WHAT'S NEXT?

» Continuing to support DBT in progressing all our FTAs, and making sure negotiations with India, the Gulf Cooperation Council (GCC) and Canada reflect the full range of the UK's international interests.

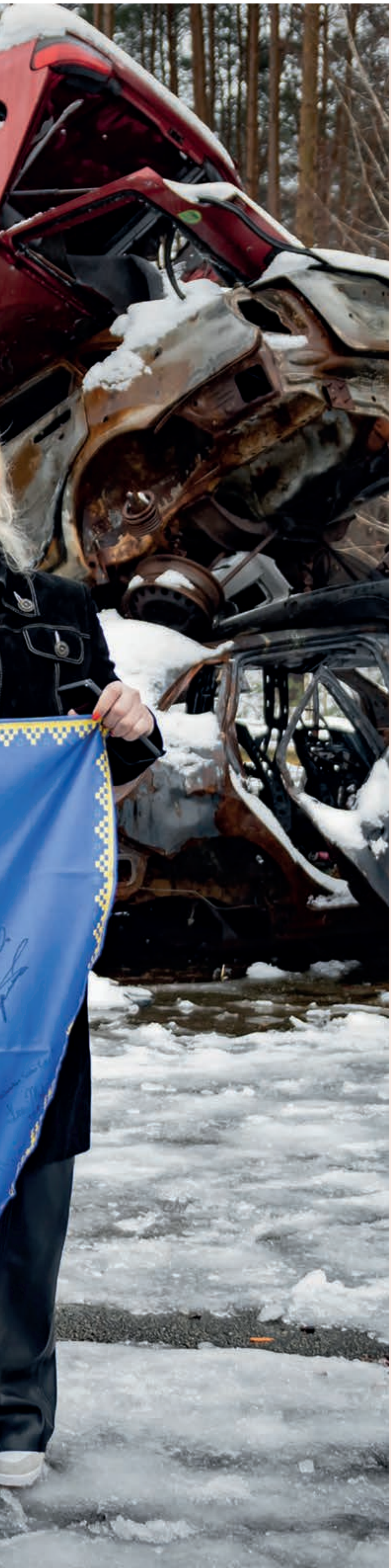
» Continue to work with G7 partners through the Partnership for Global Infrastructure and Investment (PGII) to mobilise up to $600 billion of honest, reliable finance over five years for low and middle income countries.

» Increasing the number of Tech Envoys and building technology expertise across our global network.

» Establishing a new Technology Centre of Expertise, part of British Investment Partnerships, to provide access to digital and technology expertise from the UK Government, private sector, civil society and academia; providing access to UK digital and technology expertise that helps countries transform their economies in a sustainable and inclusive manner.

» Fully operationalising the five economic development Centres of Expertise.

Foreign Secretary visits Irpin Ukraine. Picture by Ukraine Government.



Priority outcome 2

Strengthen the security and resilience of the UK and our allies by defending our interests around the world.

Foreign Secretary attends the North Atlantic Council at the NATO Summit in Bucharest

KEY ACHIEVEMENTS

» Worked with our allies in NATO and more broadly to support Ukraine against Russia's illegal invasion.

» Used targeted, coordinated and innovative sanctions to impose macro-economic cost on the Russian economy, deter and disrupt malign activity, and degrade the Russian war machine.

» Strengthened Euro-Atlantic security, including through our support for the accession of Sweden and Finland to NATO.

» Enhanced cooperation with our G7 partners on economic security.

Our progress on PO2

Our support for Ukraine and Euro-Atlantic security

Russia's brutal military assault on a sovereign and democratic country presents the biggest challenge to European security since the Cold War. Throughout 2022-23, the FCDO played a crucial role as the UK led international action in the face of Russian aggression, lobbying other countries to support Ukraine militarily and economically, putting pressure on Russia diplomatically and through sanctions and mobilising international groupings and institutions (such as the G7, UN, NATO and OSCE) to support Ukraine and protect wider European security.

Donations of military aid, combined with diplomatic support, helped to strengthen the UK's leading position amongst Western allies. The UK became the largest supplier of military aid to Ukraine after the USA, by providing £2.4 billion worth of military support, with close to £1.6 billion in non-military assistance. The UK's offer of grant aid to Ukraine for this financial year totalled almost £300 million, including over £160 million of humanitarian assistance, making the UK a leading bilateral humanitarian donor to Ukraine. UK support also includes over £1.25 billion in guarantees for the European Bank of Reconstruction and Development (EBRD) and World Bank lending

to Ukraine. In 2022, we launched the International Ukraine Support Group with Canada and the Netherlands and the UK will host the Ukraine Recovery Conference on 21-23 June this year. All this is part of the Prime Minister's strategy to accelerate our support to Ukraine to put it in the best possible position for any future negotiations.

The UK has consistently led actions to condemn, isolate and hold Russia to account in multilateral organisations. This is an important part of maintaining pressure on the Russian Government. One of the clearest expressions of the international community's condemnation of Russia's actions came on 23 February 2023 when the UN General Assembly adopted a resolution that reiterated its demands that Russia immediately, completely and unconditionally withdraw all of its military forces from Ukraine: 141 member states voted in favour. To ensure Russia is held accountable for its actions, the UK has joined a 'core group' to shape thinking on how to ensure criminal accountability for Russia's aggression against Ukraine, potentially including through a special tribunal.

At NATO the FCDO, working closely with the Ministry of Defence, shaped decisions at the Madrid NATO Summit in July 2022 that ensured the Alliance continued to protect its one billion citizens in a more dangerous and competitive world. A new Strategic Concept paved the way for a stronger, more modern and more global NATO, with greater investment in our security and stronger posture to counter a more aggressive Russia. We encouraged Allied efforts to strengthen significantly NATO's deterrence and defence, increasing its presence in the Eastern part of the Alliance and announcing a wider programme of modernisation to increase substantially the forces available to NATO in all domains. Allies also agreed packages of increased support for Ukraine and other vulnerable partners, to make them more resilient to Russian pressure through advice, training and equipment. The UK has provided £25 million to these NATO support packages over the last financial year. Finally, Allies formally invited Finland and Sweden to join the Alliance. We warmly welcomed Finland's accession as NATO's 31st member in April 2023 and continue to push for Swedish accession and both countries' swift integration into the Alliance. Both countries' membership will make all Allies safer, NATO stronger and the Euro-Atlantic region more secure.

The FCDO supported the UK's collaboration with G7 partners to send a clear message to Russia that its nuclear rhetoric in the Ukraine conflict is irresponsible, and that any use of Weapons of Mass Destruction (WMD) would be met with severe consequences.

The Foreign Secretary attends AUKMIN Meeting

Sanctions

We used targeted, coordinated and innovative sanctions to isolate Russia further on the world stage. Within the FCDO a new Sanctions Directorate was established and has sanctioned over 1,500 individuals and entities since the start of the invasion. This includes 24 banks with global assets worth £960 billion and more than 120 oligarchs with a combined net worth of over £145 billion.

We have also used our ‘Magnitsky’ and other sanctions tools to demonstrate the UK’s commitment to defend free societies and the human rights of everyone, everywhere. Our 9 December 2022 sanctions package included 30 designations spread across 11 different countries. On International Women’s Day on 8 March 2023, our sanctions targeted gender-based violence, building on the Foreign Secretary’s commitment to hold perpetrators of conflict related sexual violence to account.

Iran

The UK has designated more than 70 Iranian officials and entities for human rights violations since October 2022, with the total number of Iran-related designations amounting to more than 300. The list includes the Islamic Revolutionary Guard Corps in its entirety, the Iranian Prosecutor General and the Morality Police.

International security partnerships

The FCDO worked closely with the Ministry of Defence and other government departments to support the UK’s international security relationships. In December 2022, the Global Combat Air Programme, a collaboration with Italy and Japan, was announced. This has reinforced the UK’s role as a security actor in both the Indo-

Pacific and Euro-Atlantic spaces, and as a cutting-edge defence partner.

In March 2022, the Prime Minister, President Biden and Prime Minister Albanese jointly announced the AUKUS 'Optimal Pathway' to provide Australia with nuclear powered (conventionally armed) submarines. As part of a shared deterrence effort, this marks a major contribution to global security as well as stability in the Indo-Pacific and is representative of our shared commitment to defend freedom and democracy across the world.

Economic security

Throughout 2022-23, the FCDO used our international influence and worked with our allies and partners to strengthen further the UK's economic security and build collective economic resilience.

At the G7 Leaders' summit in June 2022, we secured ambitious commitments on economic security, agreeing to explore mechanisms to improve our collective assessment, preparedness, deterrence and response to economic security threats, including from economic coercion. We established a UK/Australia Economic Security Dialogue and developed a cross-Government approach to engagement on resilience with each of our G7 Partners.

We also worked closely with the Japanese Government, ahead of and during their G7 Presidency, to support their proposals on economic security.

Finally, we contributed to the refresh of the UK Critical Minerals Strategy published in March alongside IR2023, and launched a new UK-Canada Critical Minerals Supply Chain Dialogue to build secure and integrated supply chains.

Counter-terrorism

The FCDO continued to support implementation overseas of the Government's counter-terrorism strategy, CONTEST, and lead on the response to terrorist incidents overseas that affected UK nationals. We coordinated a series of cross-Government campaigns to target the terrorist groups that pose the greatest threat to the UK mainland and British nationals overseas and activity to reduce the risk to British Nationals in locations where there is highest risk (often popular tourist destinations).

Cyber security

As a direct result of UK support, 2022-23 saw further Interpol-led arrests of 11 cybercriminals and take-downs of malicious cyber infrastructure by African partners.

We continued our cyber deterrence efforts against malicious state and non-state actors, attributing malicious activity against the UK and our allies to both Russia and Iran. The FCDO collaborated with US partners to sanction seven Russian individuals, the start of a coordinated joint campaign against Russian cybercriminal actors. This marked a major milestone in the UK's response to cybercrime and was the first use of the UK's autonomous Cyber Sanctions Regime against cybercriminal actors.

In October, the UK was elected to the Council of the International Telecommunication Union (ITU). This will allow the UK to support the ITU in delivering its critical agenda, in particular its mission to 'connect the world'.

Information threats

The FCDO established a new Information Threats and Influence Directorate in 2022-23 – incorporating the Government Information Cell (GIC) – to strengthen our information statecraft and increase our capability to assess and respond to information manipulation by hostile state actors. This year, the Directorate has prioritised identifying and responding to disinformation relating to Russia's invasion of Ukraine.

Open Societies

Our work in the last year supported governance and institutions globally and at national level. We have addressed corruption and illicit finance through support to enhance the ability of the global financial system, by increasing the transparency of shell companies and by supporting the freezing and return of illicit assets. The UK continues to be an active member of the Media Freedom Coalition, with over 3,200 journalists supported by the Global Media Defence Fund between 2020-22.

China

Working with other Departments, the FCDO has taken forward the approach on China set out in the Integrated Review Refresh. Under the 'Protect' strand, the UK is further strengthening our national security protections in those areas where the actions of China pose a threat to our people, prosperity and security. Under 'Align', the UK is deepening cooperation and increasing alignment with our core allies and a broader group of partners, including to push back against behaviours from China that undermine international law, violate human rights, or seek to coerce or create dependencies. For example, on 31 October 2022, the UK played a leading role in securing the support of a record 50 countries for a joint statement on China's human rights violations in Xinjiang. Under 'Engage', we engage with China both bilaterally and in international fora to preserve and create space for open, constructive, predictable and stable relations. The Foreign Secretary had substantive discussions about bilateral and foreign policy issues with senior figures in the Chinese government.

CASE STUDY

February 2023 Sanctions

On 24 February 2023, one year on from Russia's full-scale invasion of Ukraine, the UK announced a new package of sanctions, coordinating with G7 allies to ensure maximum impact.

These sanctions targeted individuals and entities at the heart of Putin's military-industrial complex. Building on earlier measures, they restricted Russia's ability to fight a 21st century war, starving Russia of revenue and key Western components and technology. Russian efforts to purchase weapons from other suppliers were disrupted and it was isolated further from the international financial system.

We also targeted entities being used to evade sanctions, such as MTS Bank, whose UAE subsidiary was subsequently delicensed. Further packages built on this, including an April package which specifically targeted "enablers". This included several individuals in Cyprus, prompting a firm commitment from the Cypriot government to take action against sanctions evasion and illicit finance.

WHAT'S NEXT?

- Stepping up support to Ukraine, including working with partners to ensure adequate military aid and deliver a long-term package of international security assistance, delivering the Ukraine Recovery Conference and international fiscal support and maintaining the Black Sea Grain Initiative.
- Maintaining international unity in isolating Russia and ensuring it is held accountable, including through multilateral institutions (G7, G20, UNGA, UNSC).
- Continuing to enhance cooperation on our collective Euro-Atlantic security, through our leading position in NATO and bilateral defence and security partnerships with key partner countries.
- Enhancing security cooperation and stability across the Indo-Pacific and embedding and implementing the UK's policy towards China launched in IR2023.
- Using the full range of UK and UN geographic and thematic sanctions regimes effectively, engaging internationally to tackle sanctions circumvention and leading the £50 million Economic Deterrence Initiative.
- Countering the threat from Iran to regional and international security.
- Strengthening international cooperation on economic security and resilience.
- Countering the full range of state threats below the threshold of armed conflict.
- Increasing our capability to assess and respond to the hostile manipulation of information by hostile actors where they affect the UK's international interests.

UK aid for people affected by the earthquakes in Turkey arrives on a Royal Air Force flight

Priority outcome 3

Promote Global Britain by using our development leadership to empower and protect the freedom of women and girls, to provide reliable, honest infrastructure financing, and to support humanitarian needs.

KEY ACHIEVEMENTS

- » Publishing the International Development Strategy, setting out a new, whole of government approach to international development.
- » Responding to global crises to help those most in need, including in East Africa and Pakistan.
- » Continuing to champion the rights of Women and Girls globally, as described in the Women and Girls Strategy published in March 2023.
- » Supporting efforts to end the preventable deaths of mothers, babies and children, including pledging to spend at least £1.5 billion on nutrition.

Our progress on PO3

The FCDO is committed to reinvigorating the UK's position as a global leader on international development, as set out in IR2023.

International Development

The UK Government published its International Development Strategy (IDS) in May 2022. This is a whole of government approach that places development at the heart of the UK's foreign policy. It outlines a patient approach and a focused set of priorities that will drive lasting, sustainable growth, alleviate suffering and tackle the root causes of global crises. It will see us working closely with UK businesses, civil society, academia, research centres and beyond to bring together the UK's full capability for mutual benefit.

Women and Girls

In 2022-23 the FCDO championed the rights and freedoms of women and girls across the world. We supported the global effort to get 40 million more girls in school and 20 million more learning to read by age 10. Furthermore, the UK committed that with the £286 million of further funding pledged to Afghanistan, at least 50% of those reached with our aid should be women and girls. We continued to engage with key partners driving forward the girls' education agenda, for example at the UNGA Transforming Education Summit in September, and through new programmes for the Global Partnership for Education (£430 million), the Girls' Education Multiplier Programme (£68 million).

Our Women and Girls Strategy was published in March 2023.

Humanitarian Response

The FCDO continued to respond to humanitarian crises across the world. In November 2022, we published our new UK Humanitarian Framework. Building on the International Development Strategy, this sets out how the FCDO will deliver the UK's ambitions on humanitarian preparedness and response, helping to prevent humanitarian need and suffering.

We provided funding in 2022 to address global famine risks, including our commitment to provide £156 million in humanitarian assistance in East Africa in 2022-23. In response to the major flooding crisis in Pakistan, the UK committed

£26.5 million in humanitarian relief. The FCDO was instrumental in supporting UK imports of 86,000 items of shelter, hygiene and sanitation supplies to Pakistan to benefit up to 185,000 people in humanitarian need and delivered lifesaving support following the earthquakes in Turkey and Syria (£43.3 million allocated over financial years 2022-23 and 2023-24) and a severe cyclone in Mozambique and Malawi.

The UK remains one of the largest bilateral humanitarian donors to Ukraine. In 2022-23, the UK programmed £220 million of aid to Ukraine and the surrounding region, including the UK's largest ever aid match of £25 million towards the DEC appeal. This contributes to UN and Red Cross appeals which aim to deliver a response in support of the 17.7 million people inside Ukraine estimated to be in need of humanitarian assistance. The UK's funding to UNHCR and UNICEF has supported the establishment of Protection and Support Hubs along major crossing points, transit routes and where refugees have been congregating, provision of reception facilities for newly arriving refugees and education, health and social protection activities for refugee children.

Climate Change

Since 2011, the UK has supported 95 million people to cope with the effects of climate change. During 2022-23, the FCDO implemented new strategies and policies such as the December Climate, Environment and Education position paper.

The UK-India Green Growth Equity Fund continued to catalyse international investment into green infrastructure in India. This Fund, in which UK and India invest £120 million equally, has raised over £320 million from third parties to become the single largest country-focused climate fund in the world. The UK signed the Room to Run Guarantee Agreement with the African Development Bank, expected to unlock up to $250 million funding for countries adapting to climate change and build green economies, and supported the successful release of the JET investment plan at COP27.

Global Health

The UK has continued to play a leading role in global health, including through leadership on COVID-19 and on wider global health security. In 2022-23 the FCDO supported wider objectives including efforts to end the preventable deaths of mothers, babies and children, strengthening health systems and enabling women and girls to exercise their rights. We pledged to spend at least £1.5 billion addressing the nutrition needs of mothers, babies and children between 2022 and 2030. The UK prioritised health needs in our humanitarian response to Ukraine using surplus NHS stock in partnership with DHSC to supply medicines, including COVID vaccines (under the COVAX initiative), ambulances and specialist medical equipment to areas affected by the conflict.

The UK secured agreement from all 194 WHO Member States that a new global instrument to strengthen pandemic prevention preparedness and response will be legally binding. We continued to focus on COVAX in 2022-23: by the end of 2022, COVAX had delivered over 1.6 billion doses to 87 participating AMC countries, including four priority African countries, fully meeting demand. 15 million children were immunised through UK support to Gavi. As COVID-19 vaccines are integrated into routine immunisation delivery plans (known as Gavi 5.1) and countries focus on other immunisation and health priorities, AMC demand for COVID-19 vaccines has reduced.

Minister Mitchell visits Niger

CASE STUDY

Women and Girls Strategy

The new FCDO International Women and Girls Strategy, launched on International Women's Day, sets out how we will use the full weight of our diplomatic and development offer to put women and girls at the heart of everything we do.

The strategy sets out 5 new principles:

- » Stand up and speak out for women's and girls' rights and freedoms on the global stage and in our bilateral relationships.
- » Embolden and amplify the work and voices of diverse grassroots women's organisations and movements, championing their role as critical agents for change.
- » Target investment towards the key life stages for women and girls to maximise our effectiveness and secure life-long and intergenerational impact.
- » Act for and with women and girls impacted by crises and shocks, including conflict, global health, climate change, violence, food insecurity and malnutrition, and the resulting humanitarian crises.
- » Strengthen systems - political, economic and social - that play a critical role in protecting and empowering women and girls, embracing innovative financing models and technology use to secure long term development.

These principles align with our thematic priorities of the "3 Es" (Educating girls, Empowering women and girls and championing their health and rights and Ending gender-based violence). These are the areas where challenges are the most acute, potential gains are greatest and the UK is best placed to add value and catalyse progress.

The Strategy sets out new headline goals on how the FCDO will lead this work, including by: (1) Driving the conversation, through a major global campaign; (2) Leading by example, by ensuring women and girls are at the centre of the FCDO's operations and investments; and (3) Leading through knowledge, by driving forward new expertise, evidence and research.

WHAT'S NEXT?

As set out in IR2023 and the International Development Strategy, our priorities in 2023-24 will be:

- Reforming and greening the global financial system.
- Championing global efforts to make global tax systems fairer, so that low- and middle-income countries can self-finance their development.
- Delivering clean, green infrastructure and investment.
- Leading a campaign to improve global food security and nutrition.
- Leading a global campaign on 'open science for global resilience'.
- Catalysing international work to prevent the next global health crisis.
- Coalescing a collective response to the accelerating, well-financed and organised attacks on the rights of women and girls, as set out in the Women and Girls Strategy.

The Foreign Secretary and Prime Minister Rishi Sunak visit the FCDO Crisis Centre

Priority outcome 4

Support British nationals overseas by providing modern, round-the-clock consular services and agile crisis support.

KEY ACHIEVEMENTS

- Consistently exceeding our performance targets to deliver the best service to British nationals.
- Supporting British nationals in complex detentions abroad, including in Ukraine, Afghanistan, Iran, Iraq, Georgia, Russia and Myanmar.
- Continuing to professionalise and improve our delivery in line with the refreshed Consular and Crisis Strategy.

Our progress on PO4

In 2022-23 the FCDO remained committed to providing professional, 24/7 tailored consular assistance focused on the vulnerable, the prevention of incidents and continued strengthening of our crisis planning and response.

Consular and Crisis Strategy

As part of our work to continuously professionalise and improve our delivery of consular services to British nationals abroad, the FCDO published an updated Consular and Crisis Strategy in August 2022.

Underpinning all our consular strategies since the first in 2004 are fundamental principles: that we will consider all requests for consular assistance; that the support we provide individuals is empathetic and without judgement; and that we prioritise the best interests of the individual.

The core narrative in our 2022 strategy is of continuous improvement, with a particular focus on 24/7 service delivery and improved crisis response. The strategy reflects our commitment under the 2021 Integrated Review to offer a wider choice of digital services and has taken on board recommendations from bodies including: the Foreign Affairs Committee; the All-Party Parliamentary Group on Deaths Abroad, Consular Services and Assistance; the Parliamentary Ombudsman; and Dame Judith Macgregor's 2019 review into complex casework.

The Consular and Crisis Strategy is focused on four strands:

- **24/7 Services** – we will have dedicated consular staff available 24/7 to provide an initial response for any British person needing our help anywhere in the world.
- **Assistance** – we will provide professional and empathetic support to British people who need our help abroad, with the assistance we can provide set out clearly on gov.uk under Support for British Nationals Abroad.
- **Prevention** – we will provide timely, accurate and relevant information to enable British people to be aware of risks they may face when going abroad.
- **Crisis** – we will improve our crisis contingency planning, ensuring it is focused on priority risks and draws on the full range of expertise to provide integrated consular, political and humanitarian support when a crisis happens.

Consular Assistance

We have ensured that remote assistance is available 24/7 through our Consular Contact Centre and Global Response Centre.

We continued to play a vital role in supporting British nationals abroad, including in locations as difficult as Ukraine and Afghanistan. We assisted six British nationals detained in occupied Ukraine and their families, supported the repatriation of nine prisoners or nationals who had been

killed in Ukraine, and we helped over 50 families who had commissioned a surrogate baby in Ukraine prior to the conflict to get them home. The FCDO was instrumental in the release of six British nationals detained in Afghanistan by the Taliban and provided support to British nationals – and their families – in highly complex detentions in other countries including Iran, Iraq, Georgia, Russia and Myanmar. We continued to work with international partners to condemn and deter the abhorrent practice of arbitrary detention for diplomatic leverage.

The return of international travel has seen requests for consular assistance return to near pre-pandemic levels. Despite the increased demand, the FCDO continued to meet and exceed our customer satisfaction targets of 80% of customers rating our overall service as 8/10 or above; and 99% of enquiries were handled within the time frame set out in our Service Level Agreements. Just one example of our success in this area was in the extensive support we provided to British fans going to Qatar for the World Cup.

In just the last three months of the year, the FCDO's consular teams responded to:

» over 114,000 enquires;

» 5,300 new assistance cases (an increase of 29% on the same period in 2021-22), over 1,700 of whom were considered vulnerable; and

» over 6,700 applications for emergency travel documents.

Outside of the reporting period the FCDO was instrumental in responding to the violence in Sudan. The British 8-day, multi-route evacuation was the largest of any Western nation and evacuated more than 2,450 people on 30 flights, the vast majority of them being British nationals and their dependents.

Lessons learned

Since 2020 there have been two Foreign Affairs Committee inquiries alongside other internal and external reviews into the delivery of key elements of our consular services such as deaths abroad and complex overseas detentions. We embedded lessons learned from the 2020 global COVID-19 repatriation and our crisis responses to Afghanistan and Ukraine to drive resilience and agility across our network. The merger of the former Foreign & Commonwealth Office and Department for International Development has created opportunities for even closer collaboration on crisis management while reinforcing the importance of organisation-wide training and crisis awareness.

CASE STUDY

Support for survivors of rape and sexual assault

We worked with the Sri Lanka Ministry of Foreign Affairs, Attorney General and the High Commission of Sri Lanka in London to eliminate the barriers that were preventing survivors of rape and sexual assault from being able to testify in Sri Lankan court proceedings via video link from the UK. This means that survivors no longer need to either remain in Sri Lanka after the incident or return to the country later for court proceedings, reducing the risk of re-traumatisation. In addition, it increases the likelihood that alleged perpetrators will stand trial, which in turn may act as a deterrent.

Our Embassy in Peru lobbied the Peruvian authorities to embed a survivor-centred approach to working with survivors of rape and sexual assault. Following the sharing of UK expertise and highlighting the benefits of a one stop shop for survivors of rape and sexual assault, in 2022 the first-ever Sexual Assault Referral Centre was launched in Lima.

WHAT'S NEXT?

The Consular and Crisis Strategy sets out in detail what we plan to achieve during this strategy cycle. The strategy is supported by our digital change programme, which includes introducing a new integrated case management system that will ensure that consular staff have a complete view of our interactions with a British person, from first contact through to resolution, both in and out of crisis.

FCDO all staff meeting, November 2022

Strategic Enablers

Current reporting period – strategic enablers for 2022-23:

STRATEGIC ENABLER ONE
Workforce, skills and location

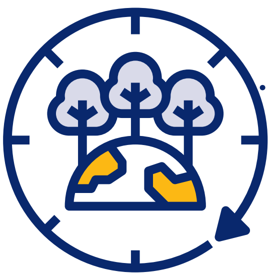
Creating a strong culture of learning and development to foster an exceptional workforce; providing flexible policies that enable staff to operate effectively wherever they are in the world; and using the merger to develop a workforce that reflects the new organisation's requirements across the world.

STRATEGIC ENABLER TWO
Innovation, technology and data

Becoming a world-leading department for the use of digital, data, information, and technology to deliver diplomatic and development outcomes; laying the FCDO's digital foundations; and continuously investing in structural innovations and nurture staff so they can turn ideas into solutions.

STRATEGIC ENABLER THREE
Delivery, evaluation and collaboration

Improving outcomes through strong delivery, evaluation, and collaboration; developing robust frameworks to support, track and analyse real world change; and focusing on skill and capability building and putting evidence and analysis at the heart of our approach, to advance and strengthen the use and quality of our analysis to make our interventions more efficient, sustainable, and impactful.



STRATEGIC ENABLER FOUR
Sustainability

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

Strategic Enabler 1

Workforce, skills and location

We have created a single organisation, integrated at all levels, with a clear mission and purpose. Our current staffing (March 2023) shows an increased total headcount figure to 17,033 from the start of the financial year (16,124).

Through the past year we introduced a phased approach to align our pay, reward and allowances policies, aligned pay structures for all three workforce groups in the FCDO (Senior Civil Service (SCS), UK Based Staff (UKBS), and Country-Based Staff (CBS) and implemented a new, unified Performance Management approach for all FCDO staff. We fully integrated our HR Services and began to deliver elements of these services through the FCDO's new HR and finance system, HERA.

The FCDO continues to look for ways to maximise efficiency within budgets to ensure we are delivering the best value for money for the taxpayer.

Increased senior leadership engagement on inclusion has brought about steady progress on improving inclusion and diversity data, and Equality Impact Analyses are increasingly informing core HR policies and processes. The FCDO Inclusion Framework 2021-25 has four inclusion outcomes:

1. Fair treatment;
2. Mutual respect and kindness;
3. Supportive work environment; and
4. Achieving potential.

We also have three key action plans to accelerate progress on our priority areas of Race, LGBTQ and Disability.

What's next?

We know that the increase in the cost of living is impacting our staff as it is across the

Civil Service. This has had an even more detrimental impact on CBS in countries with very high rates of inflation. We want to do all we can to help our staff, so have identified practical solutions to help staff with cost of living impacts and are investing in the capability of our leaders and managers to guide people through periods of uncertainty.

Given the FCDO's international focus, we successfully prioritised resources for the continued and coordinated international support for Ukraine (including the application of sanctions) in 2022-23. To ensure we continue to deliver the best possible outcomes, the Department is embedding a more agile approach to reviewing resources into Directorate structures and roles, with clearer expectations on agile working and aligning resources with changing Ministerial priorities as part of the business planning process, to support reprioritisation.

We are continuing to embed our new Learning and Development (L&D) Policy, where any L&D activity and spend takes account of agreed FCDO priorities and capability needs. We are also building our focus on capability and career pathways, investing in the skills that people have and helping them consider their career options in an enabling environment.

We are looking at how we guide our cadre of leaders to work with agility and compassion in a turbulent and uncertain operating context so that our people are inspired to deliver the FCDO's priorities. We are also committed to actions and interventions that build trust in a people-centred organisation. Combined with our new Home Welfare Team, supporting crisis teams in the UK, and enhanced counselling support available to staff overseas, this will also allow us to respond quickly to new priorities, while maintaining the wellbeing and safety of our people.

Strategic Enabler 2

Innovation, technology and data

Establishing a single, modern and integrated technology platform is a critical enabler of our integration post-merger. In 2022-23 the FCDO continued to progress the development of a high-performing digital and information platform to increase our efficiency and agility and to enhance our competitive edge.

The FCDO is subject to near continuous hostile activity and is one of the most targeted departments in Government, so we continue to prioritise our cyber-security: enhancing our cyber defences, developing our proactive cyber capabilities and through cultural and behavioural changes increasing the awareness and skills of all our staff.

2022-23 saw us complete the migration of 3,500 former DFID IT users and 24TB of data to the FCDO's Official-tier platform (Osprey) by October 2022. This means all FCDO staff and our partners can collaborate and work securely on the same system. We delivered HERA, on schedule in July-November 2022. This replaced aging legacy systems with a modern platform to support over 20,000 users globally and enable more effective working as One HMG around the world. We successfully integrated HERA with the FCDO's Aid Management Platform (AMP) which is used by teams across the FCDO to manage and report on aid projects and programmes worldwide.

Other digital, data and technology work continued with improvements to: our global network and connectivity; our hybrid-working capabilities in the UK and at key posts internationally; and the rapid delivery of digital solutions to meet urgent operational needs, for example building and deploying a digital product to manage the invitation responses, personal details and logistics for the 430+ VIP attendees to the State Funeral of Her Late Majesty Queen Elizabeth.

The FCDO continued to make progress on how it uses data, launching an Awareness level Data Analysis course alongside resources to enable people to self-serve, including a Data and Analysis Toolkit, "bite-size" teaching on PowerPoint and Excel skills, drop-in clinics and an Excel Community of Practice. 277 senior staff (Grade 6 and above) registered on the No. 10 Data Masterclass. We have built tools and accessible databases to underpin better use of data for decision-making, such as a Ministerial Visits Dashboard, Country and Region Indicators, FCDO Carbon footprint mapping tool, and a Conflict Early Warning Tool. We have undertaken our first Data Maturity Assessment in line with the Central Digital and Data Offices (CDDO) guidelines.

What's next?

The FCDO will continue to deliver on its multi-year Digital, Data and Technology (DDaT) Strategy which aligns to the cross-HMG 2022-2025 Roadmap for Digital and Data. This will continue to enhance our cyber-security capabilities, the ongoing evolution of our technology platform at all security tiers and the development of our DDaT function to ensure that the FCDO can benefit from technology to enhance its agility, efficiency and competitive edge. 2023-24 will see us complete the deployment of Osprey devices and deliver and iterate digital products to support front-line users.

The FCDO will implement its first Data Strategy, to deliver its vision of being evidence-driven, to increase our level of data maturity and ensure the FCDO has the skills, processes, digital products and the data platform it needs to harness effectively data in all its forms and maintain our strategic advantage in a rapidly evolving global landscape.

Further development of the HERA system is planned in 2023-24, including improved financial reporting.

Strategic Enabler 3

Delivery, evaluation and collaboration

Our Project Delivery Capability provided 892 individual places on a range of learning opportunities and funded accreditation for 72 staff on centrally sponsored Infrastructure and Projects Authority (IPA) Project Delivery Qualifications. Virtual learning has given the overseas network (with 62% of total places) equal access to those based in the UK. We piloted a Project Delivery Professional accreditation process which will be rolled out in 2023-24.

In the International Development Strategy, we committed to reducing bureaucracy in the FCDO, making it quicker to get programmes delivering on the ground. We developed a plan to guide this work and have delivered measures including: updating the Senior Responsible Owner/Responsible Owner induction course; speeding up the FCDO's programme approval process; streamlining programme documentation; a Solutions Hub to speed up programme design; and centralised due diligence assessments of key partners.

Snowdonia National Park in Northern Wales

The FCDO's Arms' Length Bodies (ALBs) work to deliver foreign policy priorities and underpin the UK's soft power. During the year, and working closely with the Cabinet Office, the FCDO established a new ALB hub as a centre of excellence within the department, providing more coherent and effective oversight of the sponsorship of our public bodies.

The FCDO's Commercial Directorate awarded 369 contracts (worth £585 million) to deliver our priorities and supported the Department globally with supplier relationship management and advice on contract management, grants and multilaterals. All programme suppliers are assessed against the Supplier Code of Conduct, which will be rolled out more fully across the contract portfolio during the next financial year. Over the last two years, the Directorate has delivered £21 million of cashable savings and avoided additional costs of £58 million for the FCDO. The FCDO Commercial Directorate was recognised as a leader in delivering sustainability, winning the Government Commercial Function (GCF) award for Social Value for its work to deliver sustainable contracts for COP26.

What's next?

In 2023-24 we will launch a Project Delivery Profession, and the Solutions Hub will continue to build the offer to the network by developing learning products. We will be continuing our Project Delivery capability learning and sponsorships offer, with targets of 1,100 internal and 100 IPA places respectively for 2023-24.

We will review and adapt our plans in response to ICAI reviews and Aid Transparency Index 2022 recommendations. In particular, we will improve transparency regarding our development priorities by publishing Country Development Partnership Summaries. These will provide host governments, development partners and members of the public with a higher level of insight into the UK Government's development strategy and programmes within a given country. We will develop internal training to ensure programme teams and other stakeholders use IATI data to strengthen aid effectiveness and accountability. We will continue to support IATI in encouraging data use globally.

We will establish a cross-government Community of Practice to share information on good programme management, and will increase commercial capability and awareness across the FCDO. This will be coupled with a focus on continuous improvement on financial skills to reflect the changing internal and external environment. We will protect value for money, ensure transparency and manage risks. The Evaluation Strategy, published in 2022 (see page 67, 'Performance in Other Areas'), will be the focus for building capability and fostering an evaluative culture and implementing a programme to deliver robust experimental and quasi-experimental strategic impact evaluations of FCDO interventions.

Strategic Enabler 4

Sustainability

Embedding sustainability in our thinking and policies has been a focus for the FCDO this financial year, as we support the Greening Government Commitments (GGC) made across Government.

The sustainability team have supported colleagues to understand how areas such as next generation Facilities

Management (FM) contracts should adapt to provide high levels of quality data and advice and have a key role in the implementation of sustainability measures. This has included making detailed information on energy use in the UK estate accessible, including through our 'Destination Zero' intranet site. We developed an online tool showing costs and emissions at Post around the world, with advice, guidance and tools for FCDO colleagues in our Green Team network.

Between 2020 and 2022, we had periods of low occupancy levels across our Estate due to COVID-19, with a related significant fall in greenhouse gas emissions. In 2022-23, we have seen a gradual rise in our occupancy levels and are learning how hybrid working affects our environmental impacts.

We are making steady progress towards our new GGC targets, more details of which can be found within the Sustainability Report (page 88). We continue to develop operational plans to meet our GGC targets and have maintained an ISO 14001 externally certified Environmental Management System (EMS), accredited since 2006.

What's next?

In 2023-24, the FCDO will develop a high-level net zero strategy through to 2050. Additionally, we are committed to embedding sustainability across the FCDO's global estate by:

» Continuing to fund and install sustainability measures in our buildings.

» Designing new buildings to high sustainability standards such as BREEAM (Building Research Establishment Environmental Assessment Method).

» Continuing work decarbonising our existing buildings, using renewable power where possible, upgrading building fabric, combining heating and power and using LED lighting.

» Installing electric vehicle charging points, energy efficiency measures and renewable energy in our UK estate to help reduce on site energy emissions.

HM Ambassador to Ukraine, Dame Melinda Simmons, visits temporary shelters

Issues with significant impact on the FCDO's work

The most significant external factors that impacted our work in 2022-23 have been the war in Ukraine and the state of the global economy.

Ukraine

Russia's illegal invasion of Ukraine has precipitated the largest military conflict, refugee and energy crisis in Europe since the end of the Second World War. Global security is now intrinsically linked to the outcome of the conflict in Ukraine. This was reflected in the United Nations General Assembly, where 141 States condemned Russia's invasion on 2 March 2022; 140 countries joined the humanitarian resolution on 24 March 2022; 143 states condemned 'annexation' of Ukrainian territory on 12 October 2022; and 141 countries supported the 23 February 2023 resolution.

The UK – including the FCDO – responded by committing £2.4 billion in military support and close to £1.6 billion in non-military assistance, including over £160 million in humanitarian assistance. The UK's package of internationally coordinated sanctions and trade measures included export bans on Russian battlefield materials. With partners, this is the strongest set of economic sanctions ever imposed on a major economy. The UK continues to work with the US, EU and others to end dependence on Russian fossil fuels. The UK has managed ongoing risks from the conflict through working with trans-Atlantic partners in NATO – on lethal, non-lethal aid, training of Ukrainian armed forces and on NATO's Comprehensive Assistance Package to Ukraine; and through the G7 – on sanctions coordination and economic security. These security, economic, food and energy risks may persist if there continues to be a stalemate or chronic conflict in Ukraine.

The FCDO as an organisation responded to these challenges by establishing the Sanctions Directorate and the Information Threats and Influence Directorate. Additionally, staff were surged into the Russia/Ukraine response, and the British Embassy Kyiv was reopened in April 2022 after a period of temporary closure following the Russian invasion.

Global Economy

UK GDP is estimated to have increased by 4.1% in 2022, down from the initial post-pandemic rebound of 7.6% in 2021, but still above the trend growth rate as the economy continues to recover from Covid-19 (Source: ONS); while global growth is estimated to have slowed from an estimated 6.1% in 2021 to 3.6% in 2022 (Source: IMF, April 2023). In the UK, the Consumer Price Index (CPI) rose by 10.1% in the 12 months to March 2023 (Source: ONS), reflecting a wider global trend of increased inflation over 2022-23. A tighter monetary policy environment in advanced economies and Russia's war in Ukraine have together constrained global growth (in January 2022, the IMF was forecasting 4.4% for 2022) and worsened debt distress in many developing economies.

The war in Ukraine has also driven increased instability in food and energy supply, which together with the above has resulted in higher poverty levels and economic and political instability, further undermining progress towards the Sustainable Development Goals (SDGs). Inflation has eroded the FCDO's budget and impacted FCDO staff around the world. In 2022, in line with

the uptick in GNI, the UK spent £1.4 billion more on ODA than 2021, bringing the total budget to £12.8 billion, of which the FCDO spent £7.64 billion. The war in Ukraine has exacerbated the economic and humanitarian crisis triggered by COVID-19, putting considerable strain on international resources including the UK's with £3.7 billion spent on in-donor refugee costs in 2022, up from £1.1 billion in 2021 (Source: FCDO provisional UK aid spend 2022).

While the OBR is no longer forecasting a recession in the UK for 2023, the outlook globally and for the UK remains challenging. If these conditions persist, it will continue to constrain delivery against the FCDO's priority outcomes.

The FCDO's Risk Profile

The FCDO operates globally and seeks to deliver on ambitious objectives in challenging environments. It therefore faces a wide range of risks. In financial year 2021-22, a number of crises affected the department's risk profile. The FCDO continued to manage associated risks in 2022-23, including the effects of Russia's invasion of Ukraine 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 conflict and instability rose over 2022-23 and risks relating to the potential actions of adversaries remained elevated. 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.

Risks stemming from Russia's invasion of Ukraine, such as those to the global economy, rose sharply towards the end of 2021-22 and continued in 2022-23. We will continue to monitor and address these in 2023-24, and prepare for the potential need to manage concurrent crises.

Policy and programme delivery risks evolved over 2022-23. Risks to UK objectives associated with negotiations to agree the future UK-EU relationship were reduced at the end of the transition period in December 2020 and have further reduced following agreement of the Windsor Framework. Nevertheless, there are still significant risks from potential failure or delay in concluding outstanding issues, including those linked to Gibraltar. These are being addressed through political and diplomatic engagement.

The risk to the FCDO's ability to deliver effective humanitarian response rose over 2022-23 because of increased demand for humanitarian assistance and the growing complexity of delivery contexts. The FCDO launched a new Humanitarian Framework in November 2022. We continue to prioritise those most in need, protect the most vulnerable and foster global partnerships which deliver preventative action and build resilience. Implementing the temporary reduction in ODA from 0.7% to 0.5% of GNI increased delivery risks in the FCDO's policy and programming in 2021-22 and also created risks to supply chains. These risks continued in 2022-23 with the addition of significant ODA costs of supporting Ukrainian and Afghan refugees. The FCDO has revisited original 2021 Spending Review allocations in this context and has worked in partnership with supply partners to manage difficult prioritisation decisions effectively and in line with the International Development Strategy.

Public service delivery and operations includes risks to the FCDO's crisis response and consular delivery, which remained elevated, in particular given pressures related to Russia/Ukraine. In parallel, the FCDO provided significant support for the State Funeral of Her Late Majesty Queen Elizabeth. We have addressed pressures through identifying additional resources to respond to the needs of UK citizens and providing virtual and digital services to supplement 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. The implementation of a single integrated finance and HR system (HERA) in 2022-23 temporarily increased some operational and delivery risks during the transition period as the business familiarised itself with the new system, but it is expected to deliver significant benefits to the organisation.

Our **people** risks were elevated over 2022-23, but a number of measures including design of a new resourcing operating model towards the end of the financial year are expected to deliver benefits during 2023 -24. The context of our operations include:

- challenges of delivering diplomacy and development in the current global context
- responding to crises.

Given these pressures, the department has enhanced its focus on staff resilience, welfare and inclusion with the development of our wellbeing offer and expanded welfare teams. A new 'workforce agility' model is being designed and embedded to better predict and prepare for new and changing priorities, and to be able to allocate staff to them quickly, drawing on lessons learned from the Afghanistan withdrawal. We will retain this strong focus on support and agility in 2023-24.

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. In 2021-22, we managed down new financial risks associated with implementing the temporary reduction of ODA. These risks increased again in 2022-23 with the revision of original 2021 Spending Review allocations as a result of the costs of supporting Ukrainian and Afghan refugees. We will continue to work closely with partners to implement budgetary changes in 2023-24.

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 to 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 risk management policy was agreed in 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.

Sign at King Charles Street

Risk management has been integrated into the FCDO's business and country planning process for this 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 component 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 each month it meets, 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 101.

Performance in other areas

One FCDO

Integrating foreign policy and development has shown how development and diplomatic expertise, working together, delivers for the UK and demonstrates our values to the world. We responded to Russia's aggression in Ukraine with an integrated crisis response structure from the outset – with integrated scenarios, embedded humanitarian response teams, and political and development experts working closely together. Our response to the Turkey/Syria earthquake was enhanced by our integrated skills and capabilities. We have a fully One HMG approach to the Lake Chad Basin Conflict, where military, Counter Terrorism (CT), humanitarian, development and political experts work together to deliver a regional and comprehensive strategy. The world witnessed the FCDO coming together as one team, to deliver the State Funeral of Her late Majesty Queen Elizabeth.

The FCDO is now a single organisation at all levels. We have single IT, HR and finance systems, a common pay framework and many common people policies. Single country plans exist in each overseas post, capturing the whole of the government's effort in-country. We are working to a common mission and purpose.

The Transformation Portfolio has been part of the Government Major Projects Portfolio (GMPP) since July 2021. After some revisions, at a review in August 2022 the portfolio achieved a green rating. We are now in the process of preparing for the Gate Five (closure) review in June 2023.

Safeguarding

The FCDO continued to drive delivery of the September 2020 UK Safeguarding Strategy. The aim remains to safeguard against sexual exploitation and abuse and sexual harassment (SEAH) linked to our work and to improve the response when SEAH occurs.

Internationally, we secured broad support to develop a new global framework to align approaches on SEAH in aid and peacekeeping and created a steering committee which is overseeing the work. We financed work designed to harmonise international SEAH data collection and reporting.

We improved safeguarding capability within the FCDO and our partners. For example, we funded a three-tiered safeguarding investigation qualification training scheme which trained over 400 participants from local and international organisations. The Safeguarding Resource and Support Hub expanded to new regions, supporting hundreds of local and international organisations. We also funded an SEAH community outreach fund.

We strengthened support to survivors through a new pilot programme in Malawi. We continued funding to the Office of the Victims Rights Advocate, the UN Trust Fund in Support of Victims of Sexual Exploitation and Abuse and a community feedback mechanism.

Work we funded is making it harder for perpetrators of SEAH to work in international development. Project Soteria with Interpol strengthened cooperation between law enforcement agencies and aid organisations globally and in seven priority countries. The Misconduct Disclosure

Delegates at the International Ministerial Conference on Preventing Sexual Violence in Conflict Initiative, November 2022

Scheme led to 88 new hires being rejected based on misconduct data in 2022, and 230 hires in total since 2019.

Within the FCDO, a Safeguarding Delivery Board is chaired quarterly by an ExCo member and the Management Board reviews safeguarding annually. The Permanent Under Secretary spelled out clear safeguarding accountabilities for all grades of staff. We increased the number of departments with a Safeguarding Champion and held the first Safeguarding Champions conference during our annual Safeguarding Week. We launched an internal safeguarding against SEAH toolkit, delivered bespoke training sessions to leaders and targeted support for priority country teams. All staff continue to undertake mandatory safeguarding training every two years.

The number of safeguarding concerns reported to the FCDO in 2022-23 was 300. These are cases across our programme portfolio, as well as internal cases (where either the survivor or subject of complaint is an FCDO staff member). The majority of cases were recorded as sexual assault, exploitation or abuse, or sexual harassment. This represents a 31% reduction in the overall number of safeguarding reports received from 2021-22 (437).

53 of the cases for this financial year were internal. This is an increase in the number of cases reported from last year. Work has been carried out internally, and continues to be carried out, to raise awareness of sexual harassment and to encourage staff to report when incidents do occur. In this financial year, we closed 32 internal cases. In all cases where the allegation was proven (28%), disciplinary action up to and including dismissal was taken. For the remaining cases, in 41% other management action was taken such as training, in 19% a referral was made to another organisation including law enforcement and in 12% of cases there were no grounds to investigate or there was no evidence.

247 cases in this financial year involved the FCDO's programme portfolio. Of those cases that were closed this financial year, 35% resulted in disciplinary action and in 19% partner organisations were recommended to take other action, such as strengthening their safeguarding policies and processes. In 42% of closed external cases, the allegations were not upheld or there was insufficient evidence.

Further information can be found the FCDO's safeguarding annual progress report and the dedicated gov.uk website.

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 with in 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

The FCDO's Evaluation Policy and Strategy set out principles and standards for evaluation and outcomes, to advance and strengthen the practice, quality and use of evaluation. The Evaluation Strategy, published in July 2022, outlines specific actions to increase strategic evaluation, ensure all evaluations are systematic and objective, improve learning from evaluations, and strengthen evaluative culture, expertise and capability.

We continue to deliver robust quality assurance and technical assistance for evaluations and have introduced a new framework to enable efficient access to good quality evaluation suppliers. Five thematic evaluations have been commissioned at a central level, based on where there is strong opportunity to support learning. An accreditation round brought 20 new individuals into the Government Social Research profession and a Professional Development Conference for statistics and evaluation professionals provided capability training and opportunities to learn from each other.

An FCDO official high fives a child at the Wadi Seidna Air Base in Sudan

We have a proportionate approach to evaluation, which sits alongside routine monitoring and accountability mechanisms. We will invest in evaluation for policies, programmes and strategies where the most learning can be generated. Evaluations will take place at the central level, with assessments used to identify the most strategic area for investment. It will also take place at local levels, where teams are best positioned to identify their own evaluation opportunities and learning needs, with central support on deciding when evaluation is needed and how to ensure quality and proportionality.

The strategy is reviewed annually to ensure it reflects departmental needs and complements other evidence generating parts of the department. A formal update to the FCDO's Investment and Delivery Committee will take place in June 2023.

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.

This year the FCDO welcomed ICAI's recognition in their rapid review, Transparency in UK Aid, that transparency has helped to promote accountability and effectiveness of our aid. Ministers have committed to a high ambition on transparency, accepting all of the recommendations from ICAI's review and committing to achieving 'Very Good' in the next Aid Transparency Index assessment. We continue to be an active member of the International Aid Transparency Initiative (IATI). The FCDO has re-established the cross-government Transparency Community of Practice, providing guidance and support to other departments on ODA transparency and working together to develop a plan to respond to the 2020 Aid Transparency Review of UK Government Departments. Furthermore, we worked with the Cabinet Office, civil society and other stakeholders to develop and deliver against the 'Aid Transparency' commitment under the UK National Action Plan for Open Government 2021-2023.

In late 2022-23, the FCDO commenced work to implement new finance systems. These developments required us to temporarily pause publication of the FCDO's monthly programme data to IATI and DevTracker, with work on track to resume publication in 2023-24.

UK aid-funded temporary shelters for Ukrainian refugees in Poland

SECTION 1.3
FINANCIAL REVIEW


МІСТЕЧКО
МАРІУПОЛЬ
UNDER A
SAFE ROOF
UKaid

In 2022-23, the FCDO successfully managed their finances within all Parliamentary and HM Treasury controls. This year, the global context continued to be challenging. The need to respond to the crises in Afghanistan and Ukraine, in particular the refugee support schemes, led to significant domestic ODA pressures. The FCDO delivered £1.7 billion of savings to ensure the UK delivered on its target to spend around 0.5% of GNI as ODA in the calendar year.

The FCDO's guarantee exposure has grown from £386 million in 2017 to £4.5 billion in March 2023. The guarantee portfolio is focused primarily on supporting Ukraine and climate action. The FCDO's use of guarantees supports the system of Multilateral Development Banks to bolster the scale of their lending by enabling them to lend more than their credit policies would otherwise allow.

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 and development, 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 British International Investment (BII).

2022-23 outturn compared to supplementary estimate

	Outturn (£m)	Estimate (£m)	Saving (£m)	Saving (%)
Resource DEL	7,428.3	7,613.7	185.4	2.44%
Capital DEL	2,151.6	2,306.5	154.9	6.72%
Resource AME	485.4	933.8	448.4	48.02%
Capital AME	289.5	289.5	0.0	0.00%

The main financial performance indicators used to monitor the 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 157).

Resource DEL

SOPS 1.1 – headings A through to I – an underspend of £185.4 million (2.44%) of £7.6 billion budget.

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

- **£20 million** estimated saving 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 share of commitments under the EU-UK Withdrawal Agreement for EU development programmes as part of the EU multi annual financial framework (2014-2020). Forecast amounts vary due to the speed of delivery, exchange rate fluctuations and ODA eligibility. The UK's residual contributions will continue, on a declining scale, until around 2030.
- **£63 million** RDEL ring-fence saving for depreciation and impairments for assets under construction when brought into use.

In addition, the FCDO exhausted all non-ODA programme spending options in the year, with the remaining underspends relating to operating expenditure, both pay and non-pay. This included £30 million in respect of leases classified as short term or low value on the implementation of IFRS16, where the exact lease term had not been confirmed at the time of agreeing the Supplementary Estimates.

Resource AME

SOPS 1.1: heading J – an underspend of £448.4 million (48.02%) of £933.8 million 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 the following:

- new guarantees entered into in the year (notably Government of Ukraine and African Development Bank Room to Run, see Note 12.3 to the Financial Statements);
- potential new provisions including providing for credit impaired guarantees which score

to Resource AME if we deem that the probability of default is 50% or more; and

» any temporary impairments of assets due to changes in market conditions.

Resource AME expenditure in 2022-23

Resource AME expenditure	£000
Unrealised foreign exchange (gains)/ losses on financial instruments, e.g. peacekeeping forward purchase contracts and promissory notes	(21,572)
Reimbursement of duties and taxes	49,153
Provisions, in particular, financial commitments to the Gavi vaccines alliance	135,929
Impairments (revaluation of worldwide properties) & AME depreciation	23,546
Movement on defined benefit pensions	876
Unwinding of discounts on loans	(36,698)
Development capital fair value revaluations	9,170
Financial guarantee	324,958
Total	**485,362**

The underspend of Resource AME in the year is due to:

» Favourable foreign exchange rates and stable economic conditions resulting in minimal Resource AME spend on balance sheet valuations.

» A significant increase in HM Treasury discount rates resulting in higher than anticipated discounting on provisions and loans.

» A fourth guarantee to Ukraine not being completed before the year end resulting in unutilised Resource AME budget (see Note 19 to the Financial Statements for more information).

Financial Guarantees

The Multilateral Development Banks (MDBs) are a major source of affordable finance for developing countries, providing around US$160 billion in 2021, along with economic policy advice. However, faced with the unprecedented global challenges, MDB resources are becoming increasingly stretched. Several countries are constrained in their ability to borrow more from the MDBs, despite significant need.

Guarantees allow the MDBs to provide additional loans that go beyond their credit limits, by insuring the MDBs against the risk of default on these loans. Over the last year, guarantees to the MDBs have become an increasingly important part of the FCDO's toolkit for supporting middle-income countries. We have announced over US$6 billion in guarantees (£4.5 billion of which are in place at 31 March 2023), with further guarantees in the pipeline. This includes guarantees with different structures and policy objectives (e.g. climate finance, crisis response).

No ODA is scored up front when a guarantee is issued (only if the guarantee is called). This means that guarantees can mobilise large volumes of financial assistance without immediate trade-offs with other UK ODA-funded projects. The risk of one of our guarantees being called is low, because the loans we are guaranteeing are covered by the MDB's Preferred Creditor Treatment, which means that borrower countries repay the MDBs before any other creditor. To manage the risks from the guarantees, we agree terms which give FCDO time to plan between a missed payment and a guarantee being called. We track the maximum possible pay-out in any given year and monitor our exposure to single countries/regions. The long maturity of MDB loans means that the maximum payout in any single year is relatively low compared to the volumes of finance that we are guaranteeing.

Guarantees for Ukraine are now an important part of the portfolio. Since Russia's illegal invasion in February 2022, UK guarantees for up to US$1.5 billion of MDB lending to Ukraine have been announced as part of our wider package of economic support. These guarantees enable vital budget support financing, to fund public sector salaries and social safety net payments. Alongside our guarantees for Ukraine, we announced at COP26 the "Room to Run" guarantee, which became operational in October 2022. This is the FCDO's largest guarantee to date and will enable the African Development Bank to provide up to US$2 billion of additional lending over four years to governments and businesses across Africa.

Although no ODA is scored up front, there is a budgetary impact to recognise the fair value of guarantees which scores as Resource AME. As at 31 March 2023, the FCDO has entered into guarantees totalling £4,524 million. The fair value of these guarantees is £478 million of which £325 million has been charged to Resource AME in the year.

Capital DEL

SOPS 1.2: headings A, C, D, E, F and H – an underspend of £154.9 million (6.72%) of £2.3 billion budget.

Capital DEL underspend relates to:

- **£129 million** in respect of implementing new lease accounting standard (IFRS16). The FCDO had to secure sufficient budgetary cover to ensure the significant risks of implementation could be managed and that there was no risk to a breach of parliamentary control totals. This was a significant challenge for the FCDO and required a review of c.3800 leases worldwide in 281 locations, to ensure that all lease information such as annual rent, lease expiry and options to renew were up to date and that the FCDO obtained sufficient evidence to support all assumptions.
- The remaining **£26 million** underspend is primarily as a result of delays and reduced costs of IT, projects delays in delivering two major infrastructure projects in Washington and Ottawa and usual budget retained to deal with year-end budget risks.

Capital AME

SOPS 1.2: heading K – there was a full spend of capital AME. This represents investments in the FCDO's wholly owned self-financing public corporation, British International Investment (BII).

Budget to accounts reconciliation

The FCDO's resource outturn (DEL and AME) was £7.9 billion compared to £8.3 billion net expenditure in the consolidated statement of comprehensive net expenditure (CSoCNE).

The key differences are that:

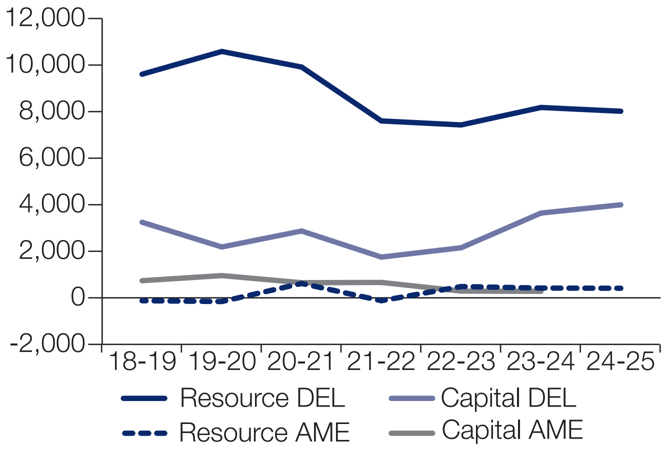
- Capital grants and research and development (that meets ESA 10 criteria for the national accounts) are treated as expenditure in the resource accounts but as capital in budgets.
- Profit on disposal of property, plant and equipment, particularly Tokyo.
- The CSoCNE does not include EU attribution, 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 2023-24 and 2024-25. Figures prior to 2020-21 have been combined from the former FCO and DFID budgets.

US First Lady Dr Jill Biden signs the condolence book after the death of HM The Queen

Spending trends, £m



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, there was a temporary increase in Resource DEL in 2022-23. This was offset by the reduction in 2022-23 from the FCDO's £1.7bn of savings undertaken to ensure the UK delivered on its target to spend around 0.5% of GNI as ODA in the calendar year.

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 contributes towards the FCDO's financial transactions target. The 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	2022-23 £000	2021-22 £000	Change £000	Change (%)	Explanation of movement between 2021-22 and 2022-23
Property, plant and equipment	2,279,797	2,771,108	-491,311	-18%	Decrease driven by the transfer of ground lease assets to Right of Use assets of £678 million offset against additions, depreciation and favourable foreign exchange movements on the FCDO's overseas property portfolio.
Right of Use assets	1,436,254	–	1,436,254	100%	As a result of the implementation of IFRS 16, Right of Use assets are disclosed separately on the balance sheet. £678 million of these assets were previously categorised as PPE and the rest have been brought onto the balance sheet as a result of the implementation.
Financial investments	13,503,789	12,546,618	957,171	8%	Additions of £456 million, including capital addition of £290 million in BII. Net favourable valuation gains of £517 million. For more details refer to note 6 of the financial statements.
Trade and other payables	-6,062,687	-6,267,552	-204,865	-3%	£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)	-1,185,550	-1,058,312	127,238	12%	Increase is due to £461 million new IFFIm Gavi provision in the year offset against provision utilisations and unwinding of discounts. For more details refer to note 11 of the financial statements.
Financial guarantees	-477,831	-152,873	324,958	213%	Increase in financial guarantee driven by US$3.5 billion guarantees issued in the year to the Government of Ukraine and the African Development Bank. 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 £3,253 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 (page 169).

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 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.

Financial Guarantees

The FCDO has a guarantee portfolio with total current exposure of £4.5 billion used to leverage financing primarily through the MDBs. Calls on these guarantees could lead to **unpredictable costs** in year, and significant trade-offs for a constrained ODA budget, particularly default in a region with high concentration risk. The Financial Transactions Steering Board review guarantee risk appetite quarterly.

Detail of the type of spend incurred over the year

IFRS16 implementation

The FCDO (along with other departments in the public sector) implemented IFRS 16 Leases from 1 April 2022. IFRS16 brings the vast majority of leases onto departments' balance sheets, and therefore significant changes to FCDO's budgets for leases was required. FCDO has a complex lease portfolio of over 3,800 leases in 281 locations across the world. In finalising the supplementary estimates the FCDO needed to manage the major risk that the complex assessment of lease terms and lease modifications across such a complex portfolio, could lead to a breach of control totals. HMT provided sufficient budgetary cover to manage the implementation risk and it was agreed that any underspend would be ring-fenced. Accordingly, the underspends did not come at an opportunity cost to the wider FCDO.

- RDEL ring-fenced depreciation charges for leased assets was £133.8 million, **an underspend of £16.2 million (10.8%) of a £150.0 million budget**.
- RDEL ring-fenced interest charges for leased assets was **£6.8 million, an underspend of £0.5 million (6.8%) of a £7.3 million budget**.
- CDEL ring-fenced capital expenditure for leased assets recognised on the balance sheet was £196.2 million, **an underspend of £128.6 million (39.6%) of a £324.8 million budget.**

COVID-19

With the world moving to living with COVID-19, and the World Health Organization declaring the public health emergency of international concern (PHEIC) over, disruptive restrictions are rarely impacting on our ability to deliver our full range of functions.

In the earlier part of 2022-23, the Omicron variant continued to impact our partner countries and £12.5 million of funding was used to help reduce health impacts. For the remainder of 2022-23, we significantly reduced COVID-19 expenditure in the absence of any significant Variants of Concern, and focus turned to wider work on pandemic preparedness, prevention and response.

Analysis of COVID-19 spend

Area	Outturn £000
Vaccines	65,250
Ancillary costs	720
Omicron package (Hygiene, Handwashing & Behaviour change)	12,515
COVAX	100,000
Total	**178,485**

COVID-19 vaccines

The FCDO has donated COVID-19 vaccines to the value of £329.2 million to over 40 countries, including through initiatives such as COVAX, of which £65.2 million was recognised in 2022-23. In addition, £3.644 million was spent on ancillary costs (£2.92 million from prior years and £0.72 million from 2022–23), such as transportation. As part of a wider £548 million commitment, the FCDO also made payment of £100 million in 2022-23 through COVAX Advance Market Commitment (AMC), supporting up to 92 ODA-eligible countries and territories (AMC 92) to access donor-funded COVID-19 vaccines.

British Council loan funding

The government committed to agreeing £200 million loan facility with the British Council to help support their short-term cash flow and restructure. As of 31 March 2023, the British Council had requested draw downs of £138.1 million (£81.3 million in FY22-23). British Council capital DEL loan funding was £81.3 million in 2022-23, of which £25 million was accrued due to the timing of the final draw down request.

EU exit

On 1 April 2022, responsibility for our relationship with Europe was transferred from the Cabinet Office to the FCDO, including £11.3 million of funding which covered the transfer of functions and staff of around 70 staff in the EU Secretariat; around 40 staff working on the Northern Ireland Protocol (now the Windsor Framework); and around 32 staff from

the Cabinet Office Europe Legal Team. This, alongside the baselined funding of £45 million for EU Exit / Future relations supports:

- the EU Directorate working to deliver the Prime Minister's and Foreign Secretary's priorities for the UK's relationship with the EU. Key deliverables include:
  - negotiating and agreeing the Windsor Framework – an important milestone in the delivery of Brexit – which restores the smooth flow of trade within the UK internal market; safeguards Northern Ireland's place in the Union; and addresses the democratic deficit;
  - maximising the opportunities in the Trade & Cooperation Agreement to support UK businesses and economic growth, including the Partnership Council, 22 Specialised Committees (including the Trade Partnership Committee), the TCA Domestic Advisory Group and TCA Civil Society Forum;
  - delivering our obligations under the UK EU Withdrawal Agreement, including protecting the rights of British Nationals in the EU.
  - supporting the Prime Minister's attendance at the inaugural European Political Community (EPC) meeting; and preparation and planning for the EPC taking place in the UK next year;
  - strengthening foreign policy cooperation on areas of mutual interest, including Ukraine and sanctions;
  - on-going negotiations with Spain and the EU on Gibraltar.
- for multilateral, sanctions and strategic engagement – approximately 50 roles working on our new sanctions regime;
- for the Legal Directorate – approximately 21 staff working on sanctions to ensure compliance with our new sanctions regime, international treaties relevant to trade, and international maritime policy;
- for the Trade Directorate and geographic directorates – approximately 25 roles 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.

ODA

In 2020, the UK government announced a temporary reduction in ODA spend from 0.7% of GNI to 0.5%. As set out in the Autumn Statement 2022, reflecting the significant shock to the economy and public finances, the independent OBR's forecasts showed that the principles for a return to spending 0.7% GNI on Official Development Assistance (ODA) confirmed by Parliament in 2021 had not been met. Consequently, HMG will continue to spend around 0.5% of GNI on ODA until the principles for a return are met.

Recognising the significant and unanticipated costs incurred to support the people of Ukraine and Afghanistan escape oppression and conflict and find refuge in the UK, the government provided additional resources of £1 billion in 2022-23 and £1.5 billion in 2023-24. However, despite this additional ODA, the FCDO and other ODA spending departments had to revisit original Spending Review allocations. The FCDO delivered almost £1.7 billion of savings to ensure the Government spent around 0.5% of GNI as ODA in the calendar year. These reductions required difficult spending decisions.

The FCDO's 2022-23 ODA settlement was £7.6 billion. This funding was allocated in accordance with the priorities set out in the International Development Strategy while maximising value for money and the FCDO's flexibility to respond to new or emerging priority issues.

Item	Value £ million
Core FCDO ODA settlement	**9,276**
transfer to BEIS for Ukraine Generators	-7
transfer to DCMS for Cultural Heritage Programme	-10
transfer to BEIS for LEAF Programme	-5
transfer to BEIS for PACT Programme	-21
transfer to BEIS for REDD+	-20
transfer from Home Office for Modern Slavery Programmes	2
Main estimate 2022-23 ODA budget	**9,215**
Reserve surrenders	-1,755
transfer from BEIS for ICF projects	131
transfer from DEFRA for Nature-related Financial Disclosures	1
transfer to DEFRA for Blue Belt Programme	-1
transfer to BEIS for ICF projects	-8
transfer to BEIS for UK Climate Investments	-11
Supplementary Estimate 2022-23 ODA budget	**7,572**

The FCDO's provisional statistics on international development confirmed that the UK's total aid spend was nearly £12.8 billion in calendar year 2022 (on a provisional basis) and the ODA:GNI ratio was 0.51 per cent. This shows that the UK has spent in line with the government's decision to spend around 0.5 per cent of Gross National Income on ODA in 2022. Final performance against the 0.5% target will be confirmed in autumn 2023 when it is reported to the OECD.

Planned ODA allocations for 2023-24 were published in the WMS on 30 March 23.

Further information on 2022-23 outturn and 2023-24 plans is contained in Annexes A and B.

Dancers prepare for the arrival of Foreign Secretary at the Grass Skirts Project in Papua New Guinea

SECTION 1.4
SUSTAINABILITY REPORT

Right: Abercrombie House

Overall strategy for sustainability

Climate change and nature loss are the most serious multipliers of other global threats and their effects are intensifying. Six of the top ten global risks for the decade ahead identified by the World Economic Forum[1] relate to climate, the environment and nature. The UK established itself as a global leader on climate issues through our COP Presidency. Through agile diplomacy, we stewarded agreement to: limit warming to 1.5 degrees, decarbonise key sectors of the global economy, build resilience to climate impacts, protect nature and mobilise finance.

In support of our extensive work internationally, we aim to lead by example by reducing the environmental impact of our own operations, both to protect our environment and to create a sustainable FCDO workplace. In 2022-23, the FCDO continued its work to achieve the UK Greening Government Commitment targets (GGCs) that mainstream climate change and sustainability themes into our business practices and operations.

Underpinning our efforts, the FCDO maintains an ISO 14001 environmental management system (EMS), with externally certified accreditation since 2006. The certification covers our offices in King Charles Street, London, and Hanslope Park, Milton Keynes, driving continual improvement in environmental performance and ensuring that the FCDO complies with its statutory environmental obligations.

We have also worked in the past year to understand in greater detail the environmental impacts of our global estate of embassies, high commissions and consulates, to enable us to take data-driven actions to improve our global sustainability and assist with the FCDO's transition to net zero.

We are actively embedding sustainability into the FCDO's ways of working, our internal strategies and our policies in order to

» Ensure our progress and ambition reflects the FCDO's desire to be a leader in sustainability;
» Align our operations with our diplomacy and development work on climate change, in order to contribute to the achievement of the UN's Sustainable Development Goals (SDGs), of which we are a leading advocate;
» Contribute towards the Glasgow's Climate Pact; and
» Make the FCDO the greenest diplomatic and development service in the world.

Greening Government Commitments

The FCDO measures its annual performance against the GGC targets for its core UK estate. The GGCs demonstrate how the UK government is working to improve the environmental performance of its estate and operations. We are actively engaged in embedding sustainability metrics into our ways of working, operations, policy, design, and procurement of our goods and services.

Our initial progress against the 2021-2025 targets has been positive, but we are aware that COVID-19 and the related hybrid working had an impact on our environmental performance in 2020-21 and 2021-22 due to reduced working in offices and restrictions on travel. Hybrid working continues to have an impact on environmental performance, the FCDO continues to adapt ways of working to embed greener behaviours into our operations.

1 WEF_Global_Risks_Report_2023.pdf (weforum.org)

The 2021-25 GGC framework reflects the current scope of the FCDO's UK estate. From 2021-22, the FCDO's GGC targets cover the FCDO's two joint headquarters: King Charles Street in London and Abercrombie House in East Kilbride, in addition to sites in:

- 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 their related impacts are included in the environmental figures in this report and the FCDO baseline, in line with our GGC scope[2].

Mitigating climate change – working towards net zero by 2050

Greenhouse gas emissions in the UK estate fell by 54% in 2022-23 compared to the baseline year of 2017-18. This is also a reduction on the previous year. To reduce carbon emissions in the UK estate, we have focused on estate rationalisation by exiting 22 Whitehall and consolidating staff into King Charles Street, as well as cultural change initiatives such as

2 Direction from the GGC exemption panel in 2021-22 has resulted in FCDO Services' wider market work and British Council being included from 2021-22 within the FCDO's reported impacts, when they had previously been exempt. The environmental performance data for 2017-18, 2021-22 and 2022-23 reflects the new adjusted reporting scope. Performance data for 2018-19, 2019-20 and 2020-21 reflects the FCDO's scope based on the previous GGC framework and therefore do not include FCDO Services wider market or British Council.

delaying activation of the Whitehall District Heating Scheme during October 2022, and continuing hybrid working practices which contribute to our greenhouse gas emissions reduction.

Table 1 provides headline greenhouse gas emissions consumption and carbon emission figures associated with the FCDO's in-scope UK operations (aligned with GGC scope as detailed above) for 2022-23.

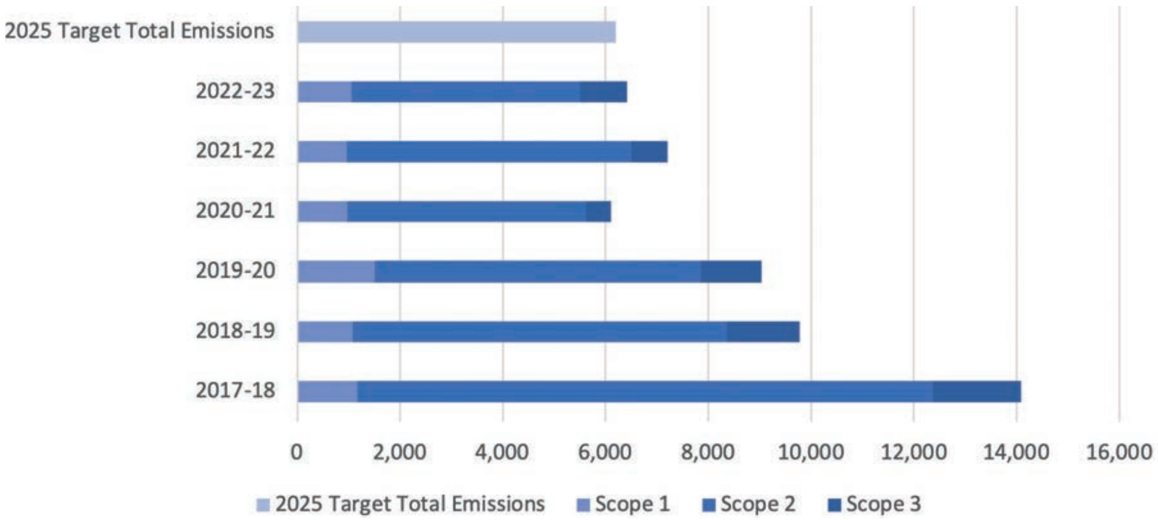
Table 1: FCDO UK greenhouse gas emissions consumption 2022-23

Greenhouse gas consumption	kWh-Miles	tCO_2e	GBP (£)[3]
Electricity	20,168,784	4,257	4,221,860
Gas	1,989,952	363	78,590
Heating oil	1,324,446	348	85,031
Biomass	15	0	–
Biodiesel	1,449,947	6	301,121
Whitehall district heating scheme	1,850,040	491	822,407
District heating	372,661	67	–
Fugitive[4]	–	227	–
Domestic flights	1,118,871	145	220,309
UK rail	4,171,113	148	435,522
Private mileage	987,671	194	179,557
Fleet	631,578	107	–
Taxi, Car Services & Car Hire	343,461	60	143,782
Total emissions by scope:			
Scope 1 (Energy direct)	–	1052	–
Scope 2 (Energy indirect)	–	4455	–
Scope 3 (Official business travel only)	–	909	–

3 Financial values reported cover the FCDO's central government estate only (King Charles Street, Lancaster House, Carlton Gardens, Hanslope Park and Abercrombie House).

4 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 GGC's requires emissions from refrigeration and AC equipment to be reported.

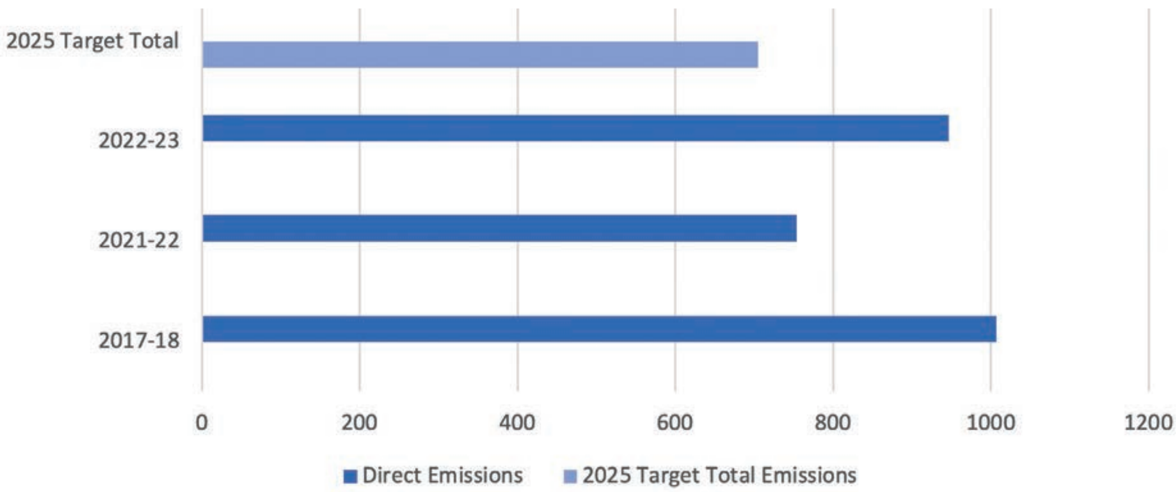
Table 1: Greening Government Commitments: progress against greenhouse gas emissions consumption[5]



Greening Government Commitments: progress against direct greenhouse gas emissions

In 2022-23, our direct emissions decreased by 6% since the baseline year of 2017-18. We aim to reduce direct emissions by 30% by 2025 compared to our 2017-18 baseline. In line with the GGCs, this target comprises direct emissions from the UK 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 tCO_2



5 tCO_2 e stands for tonnes of carbon dioxide equivalent. The GGC's 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[6]

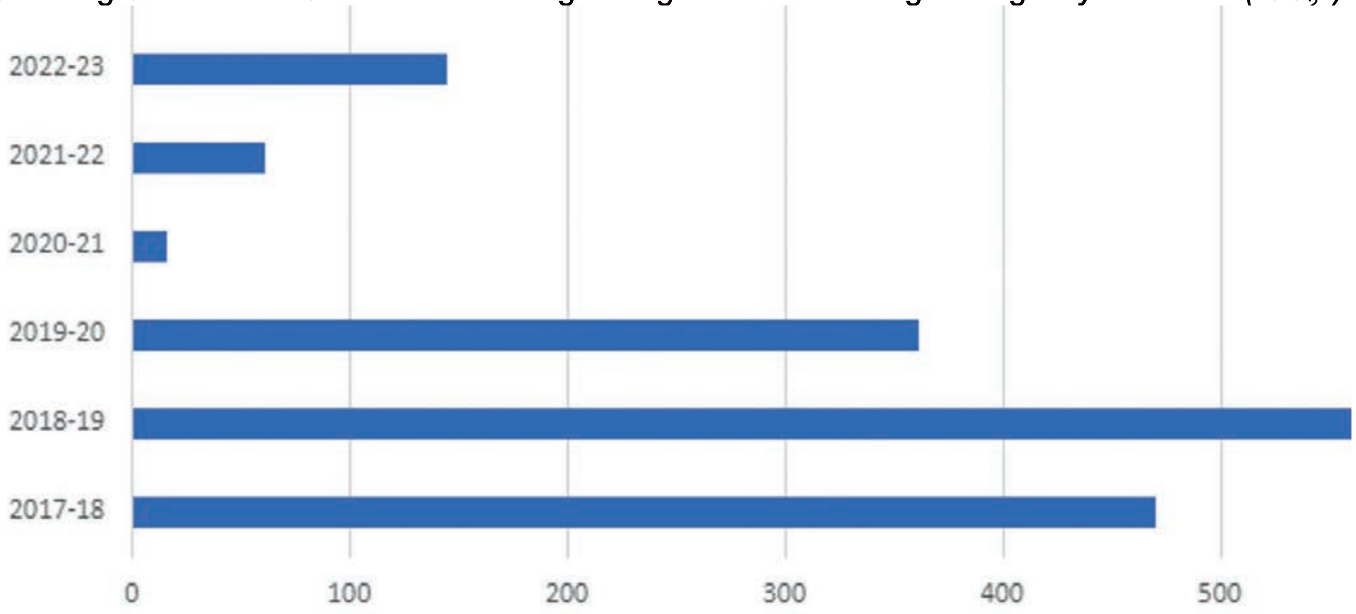
In 2022-23, our emissions from domestic flights decreased by 69% since the baseline year of 2017-18. However, emissions have increased on last year (2021-22).

Table 2 below provides headline domestic UK flight data for 2022-23.

Table 2: Domestic flights, 2022-23

Indicator	Amount
Total domestic flights	2,112
Non-financial indicator: Domestic UK km travelled	1,118,871km
Non-financial indicator: Carbon (tCO_2e)	145 tonnes CO_2e

Greening Government Commitments: Progress against domestic flights target by emissions (tCO_2e)



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 have seen an increase in rail travel between London and Glasgow, connecting our two headquarters. This policy change and increased use of technology to collaborate without the need for travel will help keep the FCDO on a downward trajectory in the reduction of domestic flights.

6 The number of domestic and international flights, distance travelled by domestic and international rail and flights and associated emissions and expenditure relate only to flights and train travel booked with the FCDO's travel provider. Flights and train travel booked by other means are not readily identifiable.

International travel

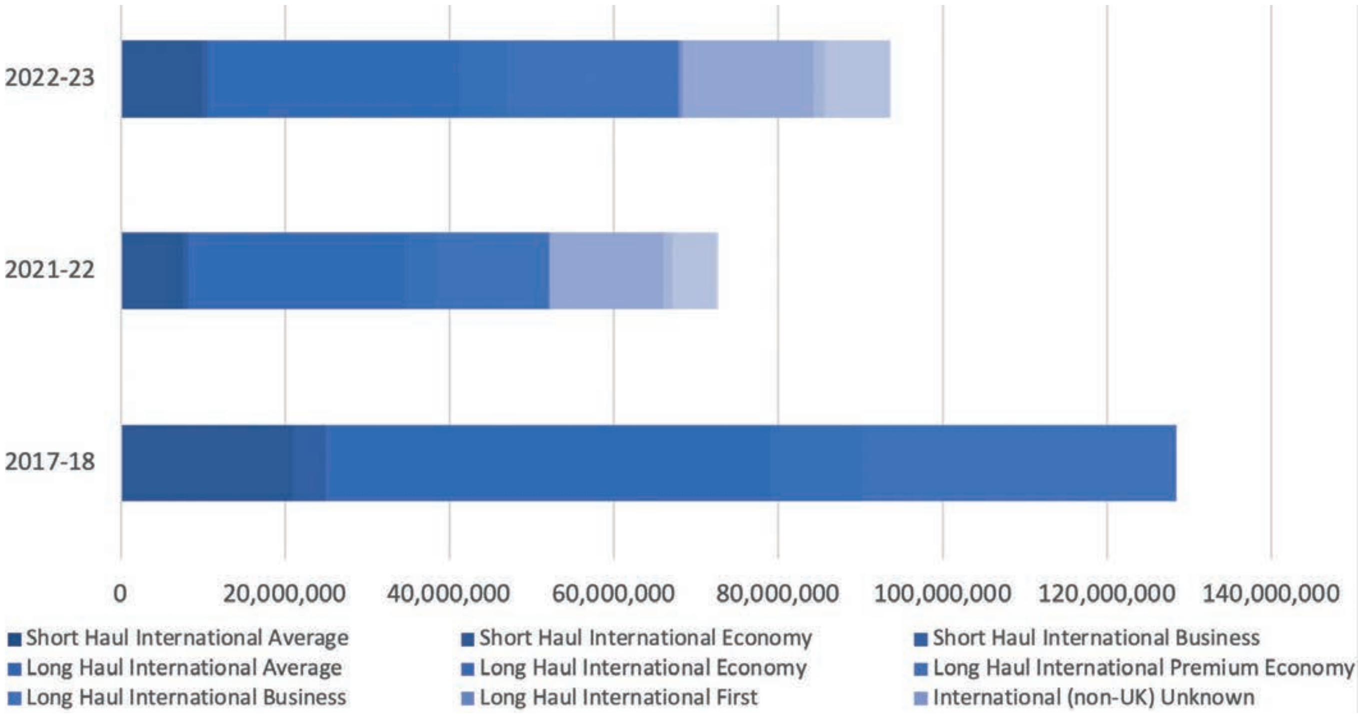
Table 3 below provides headline official duty international travel data for staff in the UK[7], covering flights and rail to/from the UK for 2022-23. International travel is categorised as other travel under GGCs framework and not included in the emissions target.

Table 3: International travel for staff in the UK (travel to/from the UK)

Indicator	Amount
International Air Travel:	
Distance travelled	93,687,376 km
Carbon	11,919 tCO_2e
International Rail (Eurostar):	
Distance travelled	92,009km
Carbon	0.41 tCO_2e

In line with the 2021-25 GGC framework, the FCDO reports on the distance travelled by international flights and Eurostar with a view to better understand and reduce related emissions where possible in the future.

International duty flights – air travel to/from the UK (km)[8]



7 International travel data relates to business work travel booked by staff who are based in the UK, booked with the FCDO's travel provider.

8 2017-18 does not include international flights travel between non-UK destinations (non-UK), 2021-22 and 2022-23 do include these.

Government Fleet Commitment

Under the Government Fleet Commitment (GFC) as set out in the Department for Transport's Road to Zero strategy, the Office for Zero Emission Vehicles (OZEV) asked all UK departments to commit to transition 25% of their car and small van fleets to Ultra Low Emission Vehicles (ULEV) by the end of 2022. The FCDO's UK fleet requirements are supplied and managed by FCDO Services who are acquiring eight ULEV vehicles, equivalent to 21% of the UK fleet. We are now jointly focused on meeting the GFC's 2027 commitment for the UK fleet to be 100% vehicles with zero tail-pipe emissions.

Minimising waste and promoting resource efficiency

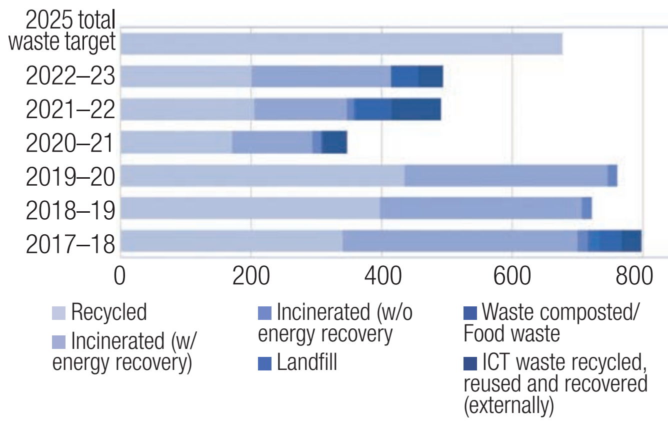
The FCDO's overall waste tonnage has decreased by 38% since the 2017-18 baseline, remaining on track to meet the GGC target to improve our waste management by reducing the overall amount of waste generated. The FCDO continues to aim for zero waste to landfill, increase recycling rates and reducing overall waste produced from FCDO operations.

Table 4 below provides headline waste disposal figures and costs across FCDO's UK operations for 2022-23.

Table 4: Waste disposal, 2022-23

Type of waste	Tonnes	Financial indicator[9]
Total waste	**494**	**£356,608**
Total waste by method of disposal:		
Recycled/reused	201	£71,423
Landfill	0	£0
Waste incinerated with energy recovery	213	£134,061
Waste incinerated without energy recovery	0	£0
Waste composted/ food waste	42	£7,315
ICT waste recycled, reused and recovered (externally)	38	£143,809

Greening Government Commitments: progress against waste target (tonnes)



In 2022-23, the FCDO recycled 57% of waste – a decrease compared to waste recycled in 2021-22. 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 communications campaigns to educate and inform staff on the importance of good waste management practices.

9 Financial values reported cover the FCDO's central government estate only (King Charles Street, Lancaster House, Carlton Gardens, Hanslope Park and Abercrombie House).

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 the UK estate and achieve zero avoidable plastic waste by the end of 2042. We continue to identify alternatives to single use plastic, including promoting the use of reusable cups in FCDO cafes and using Vegware compostable items where single-use items are necessary. Globally, FCDO Green Teams at post continue to embed lessons learned from the 2018-2020 #BeyondPlastic campaign, to eliminate avoidable single-use plastic.

Paper

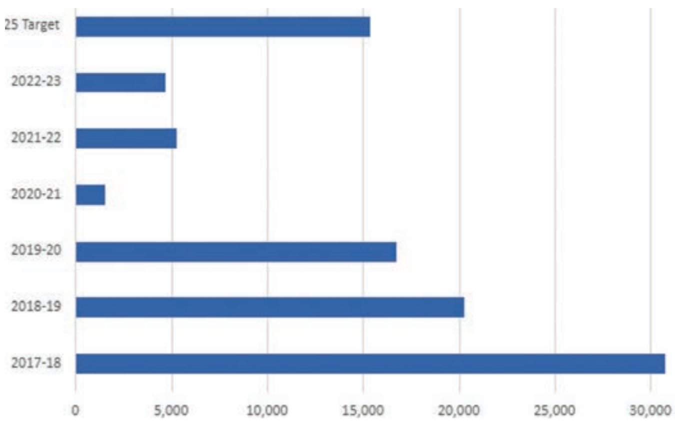
The FCDO's overall paper usage has decreased by 85% in 2022-23 compared to the 2017-18 baseline. This has been achieved due to increased use of new technology, including Office 365. We are exceeding the GGC target to reduce paper usage by 50% from our 2017-18 baseline by 2025.

Table 5 provides headline paper consumption figures across the FCDO's operations for 2022-23.

Table 5: paper consumption (A4 equivalent)

Indicator	Amount
Paper consumption	4,705 reams

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



Finite resource consumption and reducing our water

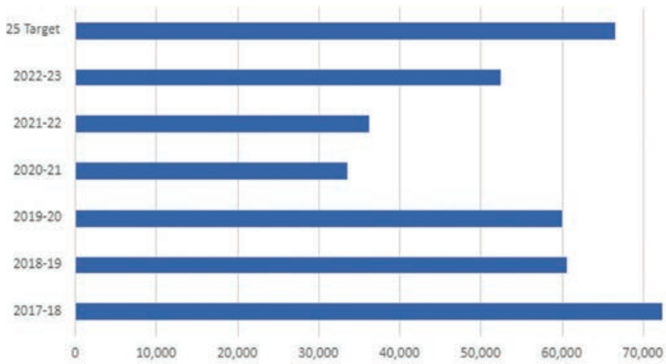
The FCDO's overall water usage in the UK decreased by 23% in 2022-23 compared to the 2017-18 baseline. However, it has increased compared with the previous year. We continue to encourage the efficient use of water in UK offices and seek to repair and replace water devices with efficient alternatives when required.

Table 6 below provides headline water consumption figures and costs across the FCDO's UK operations for 2022-23.

Table 6: Finite resource consumption – water, 2022-2023

Finite resource consumption – water	m^3	Financial indicator[10]
Total consumption Supplied	52,492	£179,685

Greening Government Commitments: progress against water target, Total office water consumption (m^3)



10 Financial values reported cover the FCDO's central government estate only (King Charles Street, Lancaster House, Carlton Gardens, Hanslope Park and Abercrombie House).

Normalised performance

Overview

To allow for comparison between years and organisations, the following table normalises sustainability impacts by staff numbers. Due to the impacts of COVID-19 and hybrid working, our 2020-21, 2021-22 and 2022-23 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 the FCDO and in scope Arms Length Bodies (ALBs). The UK estate occupancy FTE was 8,244 in 2022-23.

Table 7: normalised performance

Impact per full time equivalent (FTE)	2022-23	2021-22	2020-21	2019-20
Greenhouse gas emissions (tonnes of CO_2e per FTE)	0.78	0.82	0.72	1.07
Direct emissions[11] (tonnes of CO_2e per FTE)	0.11	0.08	–	–
Waste arising (kg per FTE)	60	56	37	94
Paper consumption (reams of A4e per FTE)	0.57	0.60	0.19	2.05
Water consumption (m^3 per FTE)	8.08	4.13	4.10	7.34

FCDO's global operations

Carbon emissions arising in the FCDO global estate present a significant challenge for the organisation. To ensure our global operations are managed towards becoming net zero by 2050 or earlier, we have an interim target, aiming by March 2025 to reduce worldwide energy use by at least 20% from an estimated 2019-20 baseline. Modernising our overseas estate through replacing end-of-life infrastructure, rationalisation, moving to modern offices, and investing in cleaner energy has reduced our carbon emissions as well as driving down costs.

In 2022-23, we continued to improve oversight of our emissions overseas to enable easier analysis and reporting. As part of the FCDO's Data Driven Diplomacy and Development programme, we constructed a model of estimated carbon emissions using financial, proprietary and open-source data to create the most comprehensive picture of FCDO's global carbon footprint yet. It provides a baseline of our global energy consumption and carbon generation, which will enable the FCDO to build our ability to manage our global path, track changes in emissions against target and to net zero using a data led, evidence-based approach. In 2022-23, we used this model to engage with our diplomatic posts to

11 2021-22 is the first year of FCDO reporting on Direct Greenhouse Gas Emissions.

further understand their carbon intensity and work with them to reduce carbon emissions.

The FCDO recognises the numerous benefits that solar photovoltaic (PV) technology brings to our global net zero targets and, in some areas, our business continuity arrangements. As a result, two on-site solar PV pilots in Amman and Harare have been installed in 2022-23. The lessons from these projects will ensure that future PV installations are safe, secure, and value for money as the FCDO rolls out its future global PV programme of works through 2023-24 and 2024-25.

The FCDO has also committed to transitioning as much of our non-armoured overseas vehicle fleet as possible to fully electric vehicles by 2030. Since 2018, the FCDO has mandated low emission vehicles (LEVs) as the default option when replacing overseas non-armoured fleet vehicles except where local conditions make an electric or hybrid vehicle impractical or costs are excessive. The FCDO currently has 91 electric or hybrid vehicles across 72 overseas posts.

Sustainable procurement

Following the launch of our Commercial Sustainable Procurement policy in 2021-22, the FCDO commercial department continued in 2022-23 to implement supportive structures to leverage its procurement to deliver sustainable benefit.

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 Environmental Management System (EMS). SOPB membership includes FCDO Commercial representation, and the board has endorsed the FCDO Commercial Directorate's Sustainable Procurement Policy.

Carbon reduction plans

The FCDO takes account of carbon reduction plans in the procurement process for our contracts valued at £5 million or over per annum. This means that as part of assessing supplier technical and professional ability we include as a selection criterion a requirement for bidding suppliers to provide a carbon reduction plan. This confirms the supplier's commitment to achieving net zero by 2050 in the UK as well as setting out the environmental management measures which will be in effect and utilised during the performance of the contract.

Social Value

The FCDO takes account of social value in the procurement of our contracts valued at £115k excluding VAT or over, by including within the supplier technical and professional assessment, a requirement for bidding suppliers to provide plans to address the social benefits the FCDO has selected from the range of Cabinet Office prescribed Social Value thematic outcomes, having selected those most relevant to the requirement. We have begun to capture information on supplier social value commitments and will look to utilise this to further inform our approach.

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

Left: Foreign Secretary, James Cleverly visits Saintfield garden centre in Belfast.
Right: Minister Andrew Mitchell sees the impact of the 6 February earthquake in Turkey and how UK aid is helping.

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. The Code of Conduct is applied to the lead contractor plus the entire delivery chain. Compliance to Code KPIs is reviewed on an annual basis. This allows for a focus on our supply partners' social and environmental sustainability commitments over time.

The FCDO Commercial Supply Chain Ethics and Risk Team monitors 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 to uphold the reputation of the government.

Supply partners and their delivery chains 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 and their delivery chains 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

The above are checked and monitored as part of compliance to the Supply Partner Code of Conduct.

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.

Following the merger in 2020 of the Department for International Development and the Foreign and Commonwealth Office, and the consolidation onto a single platform, we are taking opportunities to streamline and update old technologies such as a reduction of the printing estate and replacement of Video Conferencing systems with newer more efficient equipment throughout 2023.

The adoption of hybrid ways of working and the encouraged use 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 has greatly reduced.

The FCDO continues to overhaul its digital, data and technology function to ensure it has the structures, processes and skills to meet the needs of the FCDO now and into the future. This includes 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 landholdings or natural capital. We continue to explore our potential to improve nature recovery and biodiversity across our UK estate. By 2025, we will 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. Refurbishments in the Quad in King Charles Street have been underway since January 2023 and include plans to make the Quad a more sustainable environment in central London. Trees and planting will provide a pleasant environment and drainage issues will partly be resolved through the use of soft landscaping to absorb runoff water.

Adapting to climate change

The FCDO has robust business continuity plans in place to manage occurrences of extreme weather events. We have engaged across government and with the Government Property Agency to better understand the requirement for 2025, align the FCDO's organisational strategy with best practice and inform our development of a Climate Change Adaptation Strategy. The FCDO's Sustainable Operations and Programme Board will be accountable for this strategy.

Procurement of food and catering services

The FCDO's in-house catering provision works through the contract arrangements to meet and embed the government buying standards (GBS) for food and catering services.

Sustainable construction

The FCDO adheres to sustainable construction standards, follows the GBS and continues to support the government's timber procurement policy. In 2022-23, as part of

FCDO UK Facilities Management projects, 98.7% of construction and demolition waste was recycled with 1.39% sent to landfill.

This year we have invested in the UK estate by making building fabric improvements, and installing EV charging points with solar canopies.

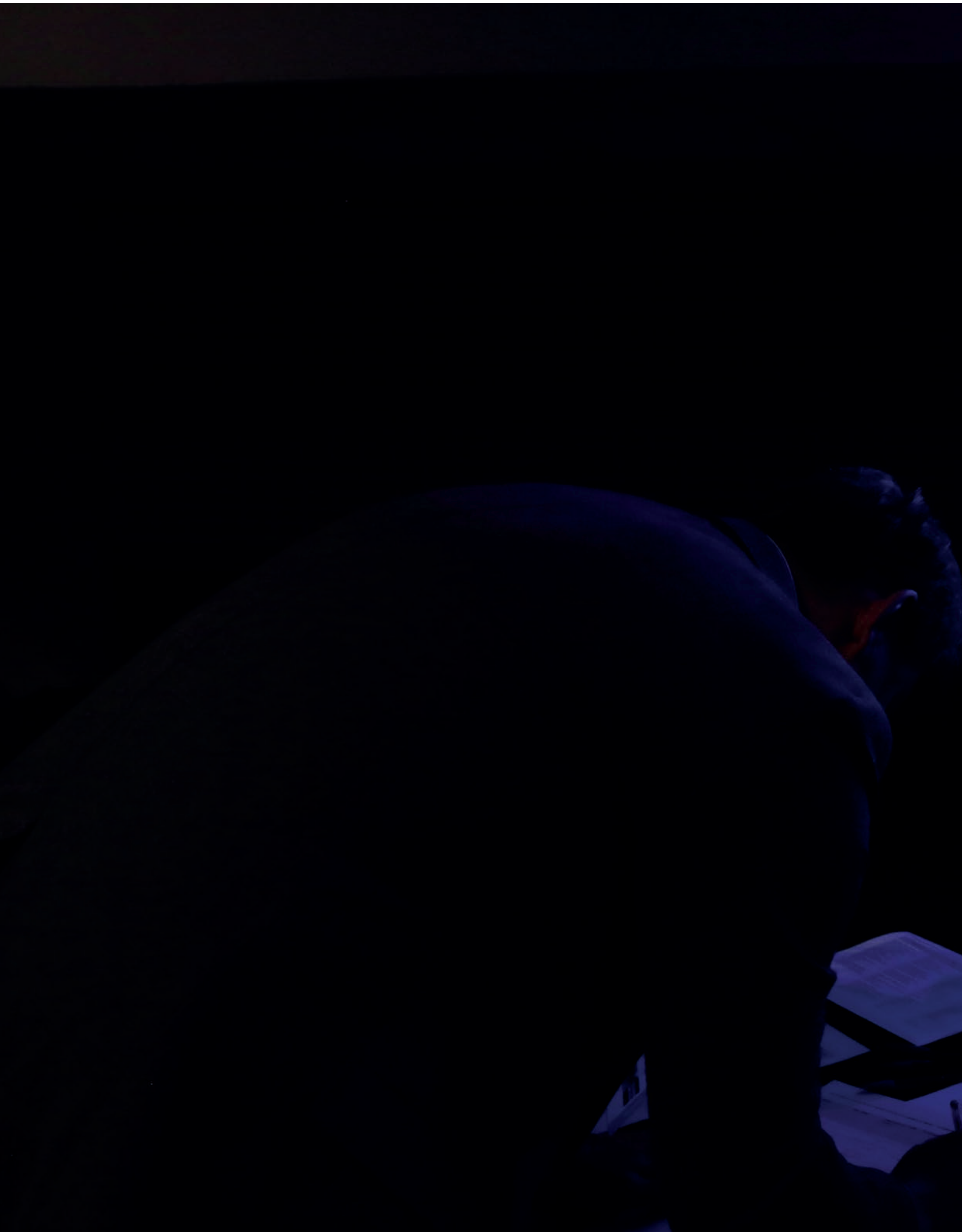
Additionally, opening this year, the new British High Commission office in Ottawa has been designed to be the greenest new building in the UK diplomatic network. Due to be finished later in 2023, it has been designed specifically to reach the internationally recognised Leadership in Energy and Environmental Design (LEED) "Gold" standard by including locally sourced recycled construction material, solar heating and a 40% reduction in water consumption. This project will consolidate the HMG estate in Ottawa onto one site, reducing the office footprint by over two thirds and generating significant ongoing operating savings.

Philip Barton KCMG OBE

Accounting Officer for the Foreign, Commonwealth & Development Office

12 July 2023

International Ministerial Conference on Freedom of Religion or Belief in London, July 2022



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 2022-23, including membership and attendance of the top-level boards and committees during 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

The Rt Hon James Cleverly MP, Foreign, Commonwealth and Development Secretary

Appointed 6 September 2022

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

Lord Ahmad, Minister of State (Middle East, North Africa, South Asia and United Nations)

Responsibilities include: Middle East and North Africa (including Iran), Afghanistan and Pakistan, India, UN and multilateral, open societies and human rights and the Prime Minister's Special Representative on Preventing Sexual Violence in Conflict.

The Rt Hon Andrew Mitchell MP, Minister of State (Development and Africa)

Appointed 25 October 2022

Responsibilities include: Africa, International Development Strategy, ODA, ICAI, British Investment Partnerships, international finance, global education, gender and equality (including scholarships), global health, humanitarian and migration, safeguarding, research and evidence (including Chief Scientific Adviser).

The Rt Hon Lord Goldsmith, Minister of State (Overseas Territories, Commonwealth, Energy, Climate and Environment)

Resigned 30 June 2023

Responsibilities include: Overseas territories (including Falkland Islands), the Commonwealth and energy, climate and environment.

The Rt Hon Anne-Marie Trevelyan MP, Minister of State (Indo-Pacific)

Appointed 26 October 2022

Responsibilities include: China and Northeast Asia, Southeast Asia, Australia, New Zealand and Pacific Islands, Indian Ocean, economic security (including export controls), sanctions, economics and evaluation (including Chief Economist), regulatory and economic diplomacy and technology and analysis.

Leo Docherty MP, Parliamentary Under Secretary of State (Europe)

Appointed 27 October 2022

Responsibilities include: Europe (including Gibraltar), Eastern Europe and Central Asia, UK-EU relationship (including the Windsor Framework), national security, defence and international security, conflict, stabilisation and mediation.

David Rutley MP, Parliamentary Under Secretary of State (Americas and Caribbean)

Appointed 27 October 2022

Responsibilities include: Americas and Caribbean, consular policy, Parliament, devolution, communications, BBC World Service, Wilton Park and British Council, departmental operations and legal.

Permanent Under-Secretary Philip Barton

Former Ministers

- **Foreign, Commonwealth and Development Secretary:** The Rt Hon Elizabeth Truss MP (15 September 2021 to 5 September 2022)
- **Minister of State (Minister for Europe):** Graham Stuart MP (7 July 2022 to 6 September 2022)
- **Parliamentary Under Secretary of State (Minister for North America, Sanctions and Consular Policy):** Rehman Chishti MP (8 July 2022 to 8 September 2022)
- **Minister of State (Minister for the Americas and the Overseas Territories):** The Rt Hon Jesse Norman MP (7 September 2022 to 26 October 2022)
- **Parliamentary Under Secretary of State (Minister for Africa):** The Rt Hon Gillian Keegan MP (7 September to 25 October 2022)
- **Parliamentary Under Secretary of State (Minister for Africa, Latin America and Caribbean)** (until 5 September 2022) and **Minister of State (Minister for Development)**: (6 September 2022 to 25 October 2022): The Rt Hon Vicky Ford MP
- **Minister of State (Minister for Asia and the Middle East)**: The Rt Hon Amanda Milling MP (until 7 September 2022)

FCDO special advisers

FCDO Special Advisers: Giles Dilnot, Victoria Hewson, Alice Hopkin, Jock McMillan and Hudson Roe.

Previous Special Advisers (until 6 September 2022): Hugh Bennett, Jamie Hope, Sophie Jarvis, Christopher Jenkins, Adam Jones, Sarah Ludlow, Reuben Solomon.

Directors' report

Elements of the statutory requirements of the Directors' report are detailed in the governance statement from page 107. 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. The Accounting Officer of the department has 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

Beverly Tew, Interim Lead Non-Executive Director

Beverley sits on the Supervisory Board. She attends the Management Board, the Audit and Risk Assurance Committee and the Strategy Committee. Beverley is a chartered accountant and has over three decades' experience as a chief financial officer and commercial leader in the public and private sectors. Her executive roles have included Finance Vice President at Burberry PLC and Group CFO at the BBC. Her current roles include Trustee and Chair 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, and Audit Committee member at the British Academy of Film and Television Arts (BAFTA).

John Coffey, Non-Executive Director

John sits on the Supervisory Board. He is Chair of the FCDO Audit and Risk Assurance Committee and attends the Management Board, Investment and 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.

Ann Cormack, Non-Executive Director

Ann sits on on the Supervisory Board and attends the Management Board, Senior Leadership Board, Oversight Board and People Committee. Ann established 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 Non-Executive Director roles include Council Member and Trustee of Chatham House, the Royal Institute for International Affairs, NED and Remco Chair at National Nuclear Laboratory and NED Envipco, a reverse vending machine manufacturer aiming to improve recycling of liquids containers. Ann was also recently elected to the Business Committee of the General Council of Edinburgh University, her alma mater. Previous executive roles include Executive Head of Human Resources at De Beers Group, 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).

Former FCDO Lead Non-Executive Director: Baroness Helena Morrissey DBE (2 September 2020 to 8 June 2022).

FCDO Non-Executive Members

Julia Grant

Julia Grant is a Non-Executive Member of the FCDO's Investment and 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.

Chris Wood

Chris Wood is a Non-Executive Member of FCDO's Audit and Risk Assurance Committee. Chris 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.

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 and the London Sinfonietta and serves on the board of the Overseas Development Institute.

Diagram: FCDO top-level boards and committees

Supervisory Board

Provides strategic direction and oversight. Supports and challenges the department with a view to the long-term health, reputation and success of the FCDO.

Audit and Risk Assurance Committee

Reviews processes for the overarching control framework and related assurance mechanisms, risk management, financial accounting and reporting, arms-length bodies, counter-fraud and safeguarding.

Management Board

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

Senior Leadership Board

Senior level appointments and performance assessment. Strategic approach to senior leadership cadre.

Executive Committee

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.

Staff Advisory Board

Operates as a Shadow Board of the Management Board. Provides constructive challenge, feedback and input from staff to Management Board decision-making.

Strategy Committee

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

Investment and Delivery Committee

Maximises value for money, approves and oversees the framework for investment decisions and major/novel/contentious programmes.

People Committee

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

Health and Safety Committee

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

FCDO top-level boards and committees

FCDO Supervisory Board

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

Members: Permanent Under-Secretary, NEDs, Ministerial team, DG Finance and Corporate

The Supervisory Board did not meet in 2022-23.

FCDO Management Board

Chair: Permanent Under-Secretary

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

The Management Board met 11 times in 2022-23. Discussions included:

» Risk and FCDO risk appetite statement
» Implementation of HERA rollout (FCDO single finance and HR system)
» FCDO transformation, information and digital, and security stocktakes
» Operational and performance oversight
» Staff Counsellor updates
» Global Asset Management Plan 2022-23
» Arm's Length Bodies
» Safeguarding
» Health and Safety strategy
» Operation London Bridge
» Afghanistan lessons learned
» People Survey 2022 results
» The FCDO Outcome Delivery Plan
» FCDO UK locations strategy

Audit and Risk Assurance Committee (ARAC)

Chair: NED John Coffey

Members: NED Beverley Tew, NEMs Fiona Thompson and Chris Wood

ARAC met six times in 2022-23. Meetings focused on consideration of:

» Regular updates from the Internal Audit Department and the Investigations Directorate, including reviews of progress against the Internal Audit Department's annual audit plans
» Regular reviews of progress on the proposed merger of FCDO Internal Audit with Government Internal Audit Agency
» Regular updates on the FCDO's risk management approach and risk policy, including review of the Risk Appetite Statement
» Overviews of financial accounting and reporting
» Oversight of the FCDO's control and assurance framework
» Review of the National Audit Office external audit plans, audit completion report and management response
» Review of response to departmental security health check
» Review of health and safety governance
» Regular updates and reports on the FCDO's cyber security position
» Afghanistan lessons learned
» Updates on FCDO progress to net zero

Executive Committee (ExCo)

Chair: Permanent Under-Secretary

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

The ExCo met 26 times in 2022-23. Discussions included:

» Organisational agility
» Corporate Services operating model
» HR Delivery Plan 2022-23
» Resource allocations
» Staff pay reward and performance measures
» Update on COVID-19 scenarios and enquiry
» International Technology Strategy implementation
» Inclusion planning and ambition
» International Remote Working policy
» Conflict management in the FCDO
» Delivery reporting
» Agility, prioritisation and capability
» FCDO Dignity and respect at work policy
» Coronation planning

Senior Leadership Board (SLB)

Chair: Permanent Under-Secretary

Members: NED Ann Cormack and DGs

The SLB met 12 times in 2022-23. Discussions in 2022-23 included:

» Recommendations for appointments at SCS2 both in the UK and overseas and for SCS3 appointments overseas
» Oversight of departmental 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
» Policy issues relating to SCS cadre management, including the approach to SCS pay and training for Head of Mission roles
» Building diversity and continued use of existing diversity in the senior leadership cadre

Staff Advisory Board (SAB)

Chair: SAB members, on rotation

Members: 21 staff from across the FCDO, representing major networks and groups

Operates as a Shadow Board of the Management Board. Provides constructive challenge, feedback and input from staff to Management Board decision-making.

In 2022-23, agendas mirrored those of the Management Board.

Top-level board membership and attendance in 2022-23

Board or Committee member	Date of in-year appointment / departure	Management Board attendance	Executive Committee attendance
Baroness Helena Morrissey, Lead Non-Executive Director	Departed 8 June 2022	2/3	–
Beverley Tew, Interim Lead Non-Executive Director	Appointed Interim Lead Non-Executive Director 29 June 2022	10/11	–
John Coffey, Non-Executive Director		10/11	–
Ann Cormack, Non-Executive Director		11/11	–
Sir Philip Barton, Permanent Under-Secretary		11/11	24/26
Sir Tim Barrow, Second Permanent Under-Secretary and Political Director	Departed 7 September 2022	2/5	4/12
Juliet Chua, Director General—Finance and Corporate		11/11	24/26
Tom Drew Director General—Defence and Intelligence		7/10	20/26
Nick Dyer, Director General—Humanitarian and Development		6/11	21/26
Harriet Mathews, Director General – Geopolitics and Security	Appointed 21 March 2022, departed 31 January 2023	7/8	18/21
Christian Turner, Director General—Geopolitics and Political Director	Appointed 16 January 2023	3/3	4/5
Kumar Iyer, Director General—Economics, Science and Technology		6/11	16/26
Moazzam Malik, Director General—Africa	Departed 30 September 2022	1/1	3/3
Corin Robertson, Acting Director General—Africa and Latin America	Appointed 14 April 2022	10/11	19/26
Vijay Rangarajan, Director General—Middle East, Afghanistan/Pakistan, US, Canada and the Overseas Territories		5/11	20/26

Board or Committee member	Date of in-year appointment / departure	Management Board attendance	Executive Committee attendance
Jenny Bates, Director General—Indo-Pacific		8/11	19/26
Julian Braithwaite, Director General –Europe	Departed 26 February 2023	4/10	14/23
Peter Wilson, Director General—Europe	Appointed 27 February 2023	2/2	2/3
Sally Langrish, Legal Adviser	Appointed 2 May 2022	6/10	19/24
Andrew Murdoch, Acting Legal Adviser	Appointed 25 February 2022 until 2 May 2022	1/1	1/2
Melanie Robinson, UK Ambassador to Zimbabwe (Overseas Network Representative)		9/11	–
Helen Bower-Easton, Director Communications	Returned from long term leave 1 August 2022, departed 24 February 2023	1/1	11/12
Danny Pruce, Interim Director Communications	Departed 1 August 2022	4/5	3/10
Janine Lloyd-Jones, Interim Director Communications	Appointed 27 February 2023	2/2	3/3
Tim Jones, Director Finance		11/11	20/26
Melinda Bohannon, Director Strategy		9/11	20/26
Mervyn Thomas, Chief People Officer		9/11	22/26
Pete Vowles, Director Transformation	Appointed 30 August 2022	3/6	13/14
Charlotte Watts, Chief Scientific Adviser		–	22/26
Adnan Khan, Chief Economist		–	22/26

Subcommittees of the Management Board

Strategy Committee

Chair: Permanent Under-Secretary

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

The Strategy Committee met three times between 1 April 2022 and 31 March 2023 and discussed issues including:

» The Integrated Review

» Building the partnerships of the future

» Geo-economics and implications for UK international economic policy

» Horizon scanning and "World in 2023" report

Investment and Delivery Committee

Chair: DG Finance and Corporate

The Investment and Delivery Committee is responsible for assessing whether the FCDO is spending on the right things for the best Value for Money (VFM). It focuses on oversight, assurance and decisions about whether major/high-risk programmes should proceed, ensuring FCDO spend achieves VFM and maximises impact.

The Investment and Delivery Committee met ten times between 1 April 2022 and 31 March 2023 and assessed 33 business cases on value for money grounds. The Committee also discussed:

» Quarterly management information updates

» A review of delivery against its terms of reference

» Annual Updates by sub-committees (Operations Committee, the Programme Cycle)

» Key corporate policy areas: FCDO Organisational Fraud Risk Assessment, FCDO Evaluation Policy and Strategy, Equalities and Inclusion report

» Portfolio reviews on guarantees and Ukraine programmes and thematic portfolio reviews on: International Climate Finance; Heath; Humanitarian; Education; Paper on FCDO's Multilateral Development Bank (MDB) Guarantees

People Committee

Chair: DG Finance and Corporate

The FCDO People Committee provides governance and support by promoting and assessing prioritisation and collective ownership of the development and implementation of people change initiatives as set out in the HR Delivery Plan.

The People Committee met seven times between 1 April 2022 and 31 March 2023 and discussed issues including:

» HR and HR Services delivery and improvement planning

» UK based and country based staff pay, terms and conditions, and allowances integration

» People policy changes including special leave and performance related payments

» Strategic workforce planning, workforce agility and resourcing strategy

» New FCDO Staff Awards

» Identifying and developing talent

» People Survey: Initiatives to support the FCDO response

Health and Safety Committee

Chair: DG Finance and Corporate

The Health and Safety Committee supports the Management Board in ensuring the FCDO's health and safety commitments in the UK and overseas are being delivered. The Health and Safety Committee reviews the strategic, policy and operational approaches on health and safety in relation to all staff, dependants, contractors/ suppliers and members of the public.

The Health and Safety Committee met three times between 1 April 2022 and 31 March 2023 and reviewed the following:

» Risk appetite, and the risk register
» Governance structure
» Health and safety management information data
» The health and safety maturity model
» Health and safety systems
» Medium/long term strategy for health and safety
» Health and Safety performance and assurance
» Incident investigations and lessons learned

Oversight Board

Chair: DG Finance and Corporate

Further to review and advice from the Infrastructure and Projects Authority (IPA) in February 2022, the Transformation Portfolio was reprioritised to focus on the integration of the two legacy departments: FCO and DFID. As such the Transformation Board was discontinued and a new board was formed, the Oversight Board (OB).

The OB is a temporary structure, accountable to the Management Board and oversees the delivery of the portfolio necessary to ensure the FCDO can operate as a single entity effectively and efficiently.

The OB met six times between 1 April 2022 and 31 March 2023. The OB monitored progress on the delivery of the Portfolio, held the different elements of the Portfolio accountable and advised the SRO on decisions pertinent to the Portfolio. The Oversight Board was disbanded in February 2023.

Board effectiveness evaluation

The FCDO completed an external review for the 2022-23 Board Effectiveness Evaluation. The evaluation had the following objectives:

» To obtain an independent view on the performance of the Management Board, including how the board works together, use of data and evidence to inform decision-making, inclusion, and efficiency.
» Identification of recommendations to enable continuous improvement.

Methods included observation of a Board meeting to assess its culture and dynamics (led by an independent reviewer), and desk research to consider the efficacy of agenda setting, information flows between the Board and sub-committees and the content and format of management information.

The 2022-23 Board Effectiveness Evaluation found that the FCDO's corporate governance structures were functioning well. Members' responses to the questionnaire showed that they felt positive about the effectiveness of the board, including: their understanding of risk and financial management responsibilities, utilization of skills, composition of the Board, relationships between members, chairing of meetings and the Board's ability to reach conclusions. An independent reviewer observed an FCDO Management Board meeting and concluded that the Board was operating effectively. More broadly, across the FCDO's supporting Boards and Committees, meetings took place regularly in 2022-23 with high levels of attendance. Further, top-level governance architecture was modified to reflect the maturation of the department following the merger in 2020.

The review highlighted areas where further progress could be made. In 2023-24, the Corporate Governance team will take forward recommendations to systematise the tracking of actions/decisions agreed at the Executive Committee and Management Board, strengthen the quality of Board papers to outline clearly the purpose of the discussion and ask of Board members and complete a review of NED portfolios to ensure the department is utilising their expertise effectively.

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, reviews 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, Oversight, People, Investment and Delivery and Health and 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, staff and those implementing 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, or 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 reputation, within the organisation and/ or externally, 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 2022-23 and how the Management Board reviews the principal risks can be found in the FCDO performance report.

The risk management rules for our portfolio of policy programmes are set out in the FCDO's Programme Operating Framework. The FCDO risk management policy was agreed in 2021 and is 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. This includes an FCDO Governance structure that provides a clear direction for effective decision making. It also outlines the relationship between risk, control, and assurance, and is designed to support the Permanent Under-Secretary as Accounting Officer, by providing reasonable assurance that FCDO goals and objectives are being met through robust control and assurance activities, where risks are identified, managed and controlled effectively.

Built on the foundations of the Civil Service Values, the framework has five basic principles: Proportionality, Transparency, being Responsible and Accountable, being Coherent and providing Effective Evidence. It uses the orange book three lines model to manage risk. Both first and second line manage risk, while the third line provides independent scrutiny on both first and second-line activity. Collectively, they are responsible for setting FCDO's objectives, defining strategies, establishing roles, structures, and processes to best manage risk in achieving objectives. Additional independent scrutiny is provided externally 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) is an end-of-year exercise that requires heads of mission and Directors to self-assess whether key controls operating in their area of responsibility, are either effective or requires some improvement. Improvement actions for local issues are managed and implemented by individual Directorates/Posts. Aggregated responses are reviewed centrally by functional leads, with improvement actions managed and implemented by individual functional areas. The results of the MAP are included in the Annual Assurance Report which is presented to the Audit and Assurance Committee (ARAC) annually in June.

FCDO assurance process on management of interests and business appointments

All FCDO staff are required to comply with the Civil Service Code and the Civil Service Management Code. In addition, the FCDO launched new guidance in 2023 to support staff to comply with secondary employment and business appointment rules and to manage conflicts of interest, including control and compliance. This ensures the three lines of defence are in place through operational management, monitoring of policies and processes, and robust audit processes. Transparency data for grades SCS1 and SCS2 is published in line with Cabinet Office guidelines.

Special Advisers, Supervisory Board and Management Board members in the FCDO must declare any relevant interests or confirm they do not consider they have any. In compliance with Business Appointment rules, the department is transparent in the advice given to individual applications for senior staff. Advice regarding specific business appointments has been published on GOV.UK here. The Accounting Officer considers these returns and relevant interests are published on gov.uk.

Personal data losses

The FCDO recorded 132 personal data related incidents in 2022-23, of which 90 were found to involve a breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, personal data. Only two incidents were considered serious enough to be reported to the Information Commissioner's Office. This is a significant decrease from the number of serious incidents reported in each of the last three years.

The table below shows the breakdown of personal data breaches reported between 1 April 2022 and 31 March 2023.

Category	Nature of Incident	1 April 2022—31 March 2023
A	Human Error	68
B	Technical Issue	8
C	Sharing Personal Data	–
D	Partners across government and supplier	13
E	Deliberate contraventions	1

The FCDO takes the protection of personal data very seriously. Every personal data related incident reported is investigated by the Office of the Data Protection Officer who then advise on and oversee actions to reduce the likelihood of re-occurrence. As most of the incidents reported relate to human error, training and awareness activities are being undertaken to reinsure that staff know the principles, processes and procedures that must be followed when handling personal data.

These figures do not include incidents involving visa or passport section information, as these are handled and reported on by the Home Office.

Internal audit annual assurance opinion

The Director of Internal Audit's assurance opinion is that for the period 1 April 2022 to 31 March 2023, the FCDO had adequate and effective frameworks for governance and risk management. The control framework has improved since the previous financial year, although some aspects need strengthening to consistently manage risk to within the Management Board's risk appetite.

The FCDO has made good progress in building a single, coherent set of controls to replace legacy departmental systems. We found a stepped improvement in organisational governance and risk management such as clustering Principal Risk Register (PRR) analysis; cross organisation implementation of the risk management framework; and enhanced portfolio level risk management practice. There is also a positive trajectory in the adequacy of internal controls, most notably with the implementation of new finance, HR and IT systems; and an overall improvement in the design of key control frameworks. However, more work is needed to fully roll out and consistently operationalise these frameworks, particularly across corporate functions where some risks remain outside of FCDO's target risk appetite.

The main areas of risk that we have identified as priorities for Management concern: the financial control system (HERA) operationalisation; IT (cyber maturity, legacy systems, archives and data protection); HR systems (including resourcing and wellbeing); sexual exploitation, abuse and harassment; development impact and the UK reputation; principal estates and security (duty of care); and estates maintenance.

Looking ahead we expect the corporate control environment to continue its positive trajectory of improvement in 2023-24. We expect the onus of implementation of effective frameworks to shift onto frontline delivery departments and as such anticipate risk judgements in relation to people and fiduciary risk to improve. Corporate controls will continue to be a priority for further audit work in 2023-24, 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. Following the merger of the Department for International Development and the Foreign and Commonwealth Office, an aligned FCDO Policy was put in place in November 2022 for Raising a Concern and Whistleblowing. The policy meets the UK's legislative framework, as set out in the Public Interest Disclosure Act. The policy supports the raising of 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 chains. A confidential hotline and e-mail address for reporting concerns is managed by a specialist team in our internal audit and investigations directorate, alongside other routes including the Nominated Officer network and the Staff Counsellor. Ways to report are promoted internally through our intranet and, externally, on gov.uk, the latter being particularly helpful for those wishing to raise concerns about any of our aid delivery partners. The Audit and 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.

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 2022-23 there were two complaints under investigation from previous years, of which one was closed and the other was ongoing. The PHSO informed the FCDO that it received six further referrals relating to complaints about the FCDO. Of these, four were not investigated further and two are pending a decision. All of these relate to the provision of consular support.

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 the following 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 on this board.

Second, the Supervisory Board did not meet during the reporting period. Meetings were scheduled but had to be postponed. The good governance of the department is instead maintained through the Management Board, which is chaired by the Permanent Under Secretary and meets on a monthly basis. The Management Board conducts its business according to the principles and guidance in the Code of Good Practice, including the four recognised precepts of good corporate governance and the adherence of members to the Nolan principles. The Management Board provides leadership to the department, reviews strategic and operational issues, and ensures the department delivers against its priorities and objectives. The Management Board also discharges the Supervisory Board's responsibility, outlined in the code, to provide oversight to the department's Arm's Length Bodies.

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 financial year 2022-23, ICAI examined and reported on a range of subjects across ODA spending departments. It conducted full reviews of:

- Assessing UK Aid's results in education
- The UK's support to the World Bank's International Development Association (IDA)
- The UK's humanitarian response to COVID-19
- UK aid to Afghanistan
- The UK's approaches to peacebuilding
- The UK's approach to democracy and human rights
- UK aid to India

Rapid reviews examined Transparency in UK aid; and UK aid to Refugees in the UK. ICAI information notes looked at the UK's changing approach to water, sanitation and hygiene (WASH); and the UK's work with the Global Fund. 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. During the year to 31 March 2023, the FCDO has been working on these recommendations along with HM Treasury, where appropriate, and updates to these recommendations are published on NAO's Recommendations tracker. All NAO reports are also 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 the public limited company British International Investment (BII). 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 18 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 2022-23, the British Council received £163.4 million grant-in-aid of which £125.2 million was ODA, and £1.3 million ODA Restructuring Grant.

Volatility in key markets, the impact of geopolitical events and international relations, as well as COVID-19, continue to present challenges to the British Council's activities and income. The British Council has taken steps to secure its financial position, including agreeing 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 2023, the British Council had drawn down £138.1 million (£81.3 million in 21-22). The British Council publishes its own annual report and accounts.

Wilton Park

Wilton Park is an executive agency of the FCDO, and administratively distinct from the department. It provides a platform for policy dialogue on international and strategic affairs, that brings together heads of state, government ministers, business leaders and civil society.

Between April 2022 and March 2023, Wilton Park hosted both in-person as well as virtual policy dialogues and events, including on climate change, global economy, global human rights, conflict prevention, resolution and state building, health, defence and security and sustainable development.

Wilton Park has taken time to recover from the impact of COVID-19, inflation and rising costs, on its business. In 2022-23, total operating expenditure was £8.5 million and total operating income was £7.7 million. Wilton Park produces its own annual report and accounts.

Great Britain-China Centre (GBCC)

The Great Britain-China Centre advances the UK's interests with China. They work to: improve the UK's China capabilities, a key priority of the Integrated Review Refresh; organise senior strategic dialogues between parliamentarians, legal experts and policymakers in China and the UK, which are used to deliver tough messages on Xinjiang, Tibet and Hong Kong; and deliver projects which support legal and judicial reform in China. In 2022-23, the GBCC received £340,000 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 2022-23. In 2022-23, 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 the MACC 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 2022-23 was £3.59 million.

Westminster Foundation for Democracy (WFD)

WFD supports democratic practices in developing democracies around the world. WFD is supported by grant-in-aid. The grant-in-aid expenditure in 2022-23 was £6.8 million. 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 and provides the UK government's scholarship scheme led by international development objectives. The CSC was established by an Act of Parliament in 1959 to manage the UK contribution to the Commonwealth Scholarship and Fellowship Plan, and it is an executive non-departmental public body. The FCDO is the lead department and main sponsor and provided the CSC with grant-in-aid in 2022-23 of £28.2 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 public funds. I am assured that the FCDO's corporate governance structures have adapted and functioned well to support the delivery of FCDO priorities in 2022-23.

There were no ministerial directions during the reporting period 2022-23.

Philip Barton KCMG OBE

Accounting Officer for the Foreign, Commonwealth & Development Office

12 July 2023

Foreign Secretary with FCDO staff, Locarno Room

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 body 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.

Remuneration for ministers (subject to audit)

Ministers	Salary[12]		Benefits in Kind (to nearest £100)		Pension benefits (to nearest £1,000)[13]		Total (to nearest £1,000)	
	22-23	21-22	22-23	21-22	22-23	21-22	22-23	21-22
The Rt Hon James Cleverly *Secretary of State* (from 06/09/2022)	46,871[14]	31,680	–	–	12,000	8,000	59,000	40,000
The Rt Hon Elizabeth Truss *Secretary of State* (to 06/09/22)	33,753[15]	33,753	–	–	7,000	11,000	41,000	44,000
Lord Ahmad of Wimbledon *Minister of State*	48,912[16]	85,424	–	–	13,000	21,000	62,000	106,000
The Rt Hon Lord Goldsmith *Minister of State*[17]	–	–	–	–	–	–	–	–
The Rt Hon Andrew Mitchell *Minister of State* (from 25/10/22)	13,796[18]	–			–	–	14,000	–
The Rt Hon Anne-Marie Trevelyan *Minister of State* (from 26/10/22)	13,711[19]	–	–	–	3,000	–	17,000	–
Leo Docherty *Parliamentary Under Secretary of State* (from 07/09/22)	11,838[20]	–	–	–	4,000	–	16,000	–
David Rutley *Parliamentary Under Secretary of State* (from 27/10/22)	9,624[21]	–	–	–	–	–	10,000	–

12 '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.

13 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.

14 The Rt Hon James Cleverly Secretary of State full year equivalent salary was £67,505 for 2022-23. The Rt Hon James Cleverly was paid £8,431 as Minister of State to 06/07/22. The full year equivalent salary for this position was £31,680. The value of pension benefits to the nearest £000 for 2022-23 as Minister of State was £2,000. The figure for 2021-22 was £8,000.

15 The Rt Hon Elizabeth Truss full year equivalent salary was £67,505 for 2021-22 and 2022-23.

16 This position became unpaid from 28/10/22.

17 Lord Goldsmith post was unpaid.

18 The Rt Hon Andrew Mitchell full year equivalent salary was £31,680 for 2022-23. Ministerial Pension Scheme Opt out.

19 The Rt Hon Anne-Marie Trevelyan full year equivalent salary was £31,680 for 2022-23.

20 Leo Docherty full year equivalent salary was £22,375 for 2022-23.

21 David Rutley full year equivalent salary was £22,375 for 2022-23. Ministerial Pension Scheme Opt out.

Staircase detail, FCDO King Charles Street building

Ministers	Salary[12] 22-23	Salary[12] 21-22	Benefits in Kind (to nearest £100) 22-23	Benefits in Kind (to nearest £100) 21-22	Pension benefits (to nearest £1,000)[13] 22-23	Pension benefits (to nearest £1,000)[13] 21-22	Total (to nearest £1,000) 22-23	Total (to nearest £1,000) 21-22
The Rt Hon Amanda Milling *Minister of State* (to 07/09/22)	13,816[22]	17,248	–	–	3,000	4,000	17,000	21,000
Vicky Ford *Minister of State* (to 24/10/22)	13,481[23]	11,187	–	–	4,000	3,000	17,000	14,000
The Rt Hon. Jesse Norman *Minister of State* (from 07/09/22 to 26/10/22)	5,155[24]	–	–	–	1,000	–	6,000	–
The Rt Hon Graham Stuart *Minister of State* (from 07/07/22 to 05/09/22)	10,049[25]	–	–	–	1,000	–	11,000	–
The Rt Hon. Gillian Keegan *Parliamentary Under Secretary of State* (from 08/09/22 to 25/10/22)	1,865[26]	–	–	–	1,000	–	3,000	–
Rehman Chishti *Parliamentary Under Secretary of State* (from 08/07/22 to 07/09/22)	3,743[27]	–	–	–	1,000	–	5,000	–
Amanda Solloway *Parliamentary Under Secretary of State* (from 08/07/22 to 20/09/22)[28]	–	–	–	–	–	–	–	–

Compensation for loss of office (subject to audit)

Vicky Ford left under severance terms on 24/10/22. She received a compensation payment of £7,920. Rehman Chishti left on severance terms on 07/09/22. He received a compensation payment of £5,593. Amanda Milling left on severance terms on 06/09/22. She received a compensation payment of £7,920.

22 The Rt Hon Amanda Milling full year equivalent salary was £31,680 for 2022-23 and 2021-22. Amanda Milling total salary for 2022-23 does not include severance payment of £7,920.
23 Vicky Ford full year equivalent salary was £22,375 for 2022-23 and 2021-22. Vicky Ford total salary for 2022-23 does not includes severance payment of £7,920.
24 The Rt Hon. Jesse Norman full year equivalent salary was £34,367 for 2022-23.
25 The Rt Hon Graham Stuart full year equivalent salary was £31,860 for 2022-23. Ministers who transfer from another department are paid by their new department with effect from the first day of the month following their date of appointment. FCDO continued to pay until 30/09/22.
26 The Rt Hon. Gillian Keegan full year equivalent salary was £22,375 for 2022-23. FCDO began to pay Gillian Keegan from 1 October 2022. Ministers who transfer from another department are paid with effect from the first day of the month following their date of appointment. The previous department continued to pay up until 30/09/22.
27 Rehman Chishti full year equivalent salary was £22,375 for 2022-23. Rehman Chishti total salary for 2022-23 does not include severance payment of £5,593.
28 Amanda Solloway was a joint Minister with the Home Office and was paid by Home Office and unpaid by the FCDO.

Remuneration for senior managers (subject to audit)

Senior officials	Salary (£000)[29]		Benefits in Kind (to nearest £100)		Bonus Payments (£000)		Pension benefits (to nearest £1,000)[30]		Total (to nearest £1,000)	
	22-23	21-22	22-23	21-22	22-23	21-22	22-23	21-22	22-23	21-22
Sir Philip Barton *Permanent Under-Secretary*	185-190	185-190	–	–	–	–	-19	237	185-190	420-425
Sir Tim Barrow *Second Permanent Under-Secretary and Political Director* (to 07/09/22)[31]	65-70	160-165	–	–	–	5-10	-11	16	55-60	185-190
Jenny Bates *Director General Indo-Pacific*	140-145	135-140	–	–	–	0-5	10	30	150-155	165-170
Julian Braithwaite *Director General Europe* (to 26/02/23)[32]	115-120	–	–	–	–	–	-19	5	100-105	0-5
Juliet Chua *Director General Finance and Corporate*	140-145	135-140	–	–	5-10	5-10	17	61	165-170	205-210
Thomas Drew *Director General Defence and Intelligence*	140-145	140-145	–	–	5-10	5-10	-11	28	140-145	175-180
Nick Dyer[33] *Director General Humanitarian and Development*	125-130	0-5	–	–	–	–	-72	-5	55-60	0–(5)
Kumar Iyer *Director General Delivery*	130-135	125-130	–	–	5-10	–	50	52	190-195	175-180

29 '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.

30 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.

31 Sir Tim Barrow full year equivalent salary was £160-165k for 2022-23 and 2021-22.

32 Julian Braithwaite full year equivalent salary was £130-135k for 2022-23. Pension benefits (to nearest £1000) figure for 2021-22 restated, previously 0 now reported as 5.

33 Nick Dyer full year equivalent salary was £125-130k in 2021-22.

Senior officials	Salary (£000)[29] 22-23	21-22	Benefits in Kind (to nearest £100) 22-23	21-22	Bonus Payments (£000) 22-23	21-22	Pension benefits (to nearest £1,000)[30] 22-23	21-22	Total (to nearest £1,000) 22-23	21-22
Moazzam Malik *Director General Africa* (to 30/09/22)[34]	85-90	140-145	–	–	–	5-10	1	32	85-90	180-185
Harriet Mathews *Director General Geopolitics and Security* (to 01/02/23)[35]	105-110	0-5	–	–	5-10	–	116	1	225-230	0-5
Vijay Rangarajan *Director General Americas and Overseas Territories*	145-150	145-150	–	–	0-5	0-5	3	27	150-155	175-180
Melinda Bohannon *Director, Strategy*	105-110	105-110	–	–	0-5	5-10	-6	24	100-105	135-140
Helen Bower-Easton *Director, Communication* (to 24/02/2023)[36]	95-100	110-115	–	–	–	0-5	21	30	120-125	145-150
Tim Jones *Director, Finance*	110-115	100-105	–	–	5-10	5-10	43	37	160-165	145-150
Daniel Pruce *Interim Director Communication* (to 1/08/2022)[37]	30-35	40-45	–	–	–	–	-9	7	20-25	50-55
Corin Robertson *Director of Transformation* (to 13/04/23 and Acting Director General – Africa and Latin America from 14/04/23)	125-130	50-55	–	–	5-10	–	143	10	275-280	60-65

34 Moazzam Malik full year equivalent salary was £120-125k for 2022-23 and £140-145k in 2021-22.
35 Harriet Mathews full year equivalent salary was £130-135k for 2022-23 and £100k-105k in 2021-22.
36 Helen Bower-Easton full year equivalent salary was £110-115k for 2022-23 and 2021-22.
37 Daniel Pruce full year equivalent salary was £95-100k for 2022-23 and 2021-22.

Senior officials	Salary (£000)[29]		Benefits in Kind (to nearest £100)		Bonus Payments (£000)		Pension benefits (to nearest £1,000)[30]		Total (to nearest £1,000)	
	22-23	21-22	22-23	21-22	22-23	21-22	22-23	21-22	22-23	21-22
Mervyn Thomas *Chief People Officer*[38]	140-145	135-140	–	–	0-5		–	24	140-145	155-160
Andrew Murdoch *Acting Legal Adviser* (to 2/05/22)[39]	10-15	10-15	–	–	–	–	8	4	20-25	15-20
Melanie Robinson *UK Ambassador to Zimbabwe* (Overseas Network Representative)	95-100	95-100	–	–	5-10	0-5	4	25	105-110	125-130
Peter Wilson *DG Europe* (from 27/02/2023)[40]	–	–	–	–	–	–	–	–	–	–
Christian Turner *DG Geopolitics* (Political Director) (from 16/01/2023)[41]	25-30	–	–		–	–	2	–	25-30	–
Sally Langrish *DG Legal Adviser* (from 02/05/22)[42]	115-120	–	–	–	–	–	45	–	160-165	–
Peter Vowles *Director Transformation* (from 30/8/22)[43]	50-55	–	–	–	5-10	–	4		60-65	–
Janine Lloyd-Jones *Director of Communications Interim* (from 27/02/23)[44]	–	–	–	–	–	–	1	–	0-5	–

38 Mervyn Thomas salary figure includes value from leave trading.
39 Andrew Murdoch full year equivalent salary was £100-105k for 2022-23 and 2021-22.
40 Peter Wilson did not transfer to FCDO payroll until 1 April 2023.
41 Christian Turner full year equivalent salary was £125-130k for 2022-23.
42 Sally Langrish full year equivalent salary was £125-130k for 2022-23.
43 Peter Vowles full year equivalent salary was £100-£105k for 2022-23.
44 Janine Lloyd-Jones is on loan from Cabinet Office not on FCDO payroll.

Fees paid to non-executive board and committee members (subject to audit)

During 2022-23, the following fees and taxable expenses were paid to Non-Executive Directors of the Board and Committee Members:

Non-Executive Directors of the Board	Fees and taxable expenses paid
Baroness Helena Morrissey *Lead Non-Executive Director FCDO* (to 09/06/22)	2022-23: £0-£5,000 (2021-22: £20,000-£25,000) (FYE:£20,000-£25,000)
Beverley Tew *Interim Lead Non-Executive Director FCDO*	2022-23: £15,000-£20,000 (2021-22: £15,000-£20,000)
John Coffey *Non-Executive Director, Chair FCDO Audit and Risk Assurance Committee*	2022-23: £15,000-£20,000 (2021-22: £15,000-£20,000)
Ann Cormack *Non-Executive Director FCDO*	2022-23: £15,000-£20,000 (2021-22: £15,000-£20,000)
Julia Grant *Non-Executive Member, FCDO Investment and Delivery Committee*	2022-23: £5,000-£10,000 (2021-22: £5,000-£10,000)
Fiona Thompson *Non-Executive Member, FCDO Audit and Risk Assurance Committee*	2022-23: £5,000-£10,000 (2021-22: £5,000-£10,000)
Chris Wood *Non-Executive Member, FCDO Audit and Risk Assurance Committee*	2022-23: £5,000-£10,000 (2021-22: £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 (increased to £84,144 from 1 April 2022) 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 the FCDO, legacy DFID or legacy FCO.

Bonuses

Bonuses are based on performance levels attained and are made as part of the appraisal process. The bonuses reported in 2022-23 relate to performance in 2021-22 and the comparative bonuses reported for 2021-22 relate to performance in 2020-21.

Pension benefits for ministers (subject to audit)

Ministers	Accrued pension at age 65 as at 31/03/23 (£000)	Real increase in pension at age 65 (£000)	CETV at 31/03/23 or end date whichever is earlier (£000)[45]	CETV at 31/03/22 or start date whichever is earlier (£000)	Real increase in CETV[46] (£000)
The Rt Hon James Cleverly *Secretary of State* (from 06/09/2022)[47]	0-5	0-2.5	57	43	7
The Rt Hon Elizabeth Truss *Secretary of State* (to 06/09/22)	0-5	0-2.5	144	130	3
The Rt Hon Amanda Milling *Minister of State*	0-5	0-2.5	18	14	1
Lord Ahmad of Wimbledon *Minister of State*	15-20	0-2.5	223	194	7
The Rt Hon Lord Goldsmith *Minister of State*	n/a	n/a	n/a	n/a	n/a
Vicky Ford *Minister of State* (to 24/10/22)	0-5	0-2.5	17	12	2
The Rt Hon Andrew Mitchell *Minister of State* (from 25/10/22)	Opt Out	n/a	n/a	n/a	n/a
The Rt Hon Anne-Marie Trevelyan *Minister of State* (from 26/10/22)	0-5	0-2.5	44	39	2
Leo Docherty *Parliamentary Under Secretary of State* (from 07/09/22)	0-5	0-2.5	18	13	2
David Rutley *Parliamentary Under Secretary of State* (from 27/10/22)	Opt Out	n/a	n/a	n/a	n/a
The Rt Hon. Jesse Norman *Minister of State* (from 07/09/22 to 26/10/22)	0-5	0-2.5	46	44	1
The Rt Hon. Gillian Keegan *Parliamentary Under Secretary of State* (from 08/09/22 to 25/10/22)	0-5	0-2.5	18	17	1
The Rt Hon Graham Stuart *Minister of State* (from 07/07/22 to 05/09/22)	0-5	0-2.5	72	69	1
Rehman Chishti MP *Parliamentary Under Secretary of State* (from 08/07/22 to 07/09/22)	0-5	0-2.5	1	0	1

45 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.

46 CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023-24 CETV figures.

47 The Rt Hon James Cleverly was Minister of State to 06/07/22.

Ministers	Accrued pension at age 65 as at 31/03/23 (£000)	Real increase in pension at age 65 (£000)	CETV at 31/03/23 or end date whichever is earlier (£000)[45]	CETV at 31/03/22 or start date whichever is earlier (£000)	Real increase in CETV[46] (£000)
Amanda Solloway *Parliamentary Under Secretary of State* (from 08/07/22 to 20/09/22)	Unpaid	n/a	n/a	n/a	n/a

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.

Pension benefits for senior officials (subject to audit)

Officials[48,49,50]	Accrued pension at pension age as at 31/03/2023 (£000)	Real increase in pension and related lump sum at pension age (£000)	CETV at 31/3/23[51] (£000)	CETV at 31/3/22 (£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	0 plus a lump sum of 0	2,016	2,006	-24	23
Sir Timothy Barrow *Second Permanent Under-Secretary and Political Director* (to 07/09/22)	75-80 plus a lump sum of 175-180	0 plus a lump sum of 0	1,606	1,561	-20	–
Jennifer Bates *Director General Indo-Pacific*	45-50 plus a lump sum of 5-10	0-2.5 plus a lump sum of 0	701	634	-7	–
Julian Braithwaite *Director General Europe* (to 26/02/23)	50-55 plus a lump sum of 95-100	0 plus a lump sum of 0	959	894	-34	–
Juliet Elisabeth Chua *Director General Finance and Corporate*	35-40 plus a lump sum of 50-55	0-2.5 plus a lump sum of 0	575	518	-3	–
Thomas Drew *DG Defence and Intelligence*	55-60 plus a lump sum of 95-100	0-2.5 plus a lump sum of 0	957	880	-27	–
Nicholas Dyer *Director General Humanitarian and Development*	65-70 plus a lump sum of 160-165	0 plus a lump sum of 0	1,473	1,389	-92	–
Kumar Iyer *Director General Delivery*	30-35	2.5-5	374	324	23	–

48 Taking account of inflation, the CETV funded by the employer has decreased in real terms.

49 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.

50 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.

51 Due to non-continuous service on the board, the 31/03/2022 (opening balance) CETV figures in the Financial Year 2021-22 report are not expected to match the 31/03/2022 (closing balance) CETV figures listed in the Financial Year 2021-22 report.

Officials[48,49,50]	Accrued pension at pension age as at 31/03/2023 (£000)	Real increase in pension and related lump sum at pension age (£000)	CETV at 31/3/23[51] (£000)	CETV at 31/3/22 (£000)	Real increase in CETV (£000)	Employer contribution to partnership pension account (£000)
Moazzam Malik *Director General Africa* (to 30/09/22)	40-45 plus a lump sum of 70-75	0-2.5 plus a lump sum of 0	771	723	-7	–
Harriet Matthews *Director General Geopolitics and Security* (to 01/02/23)	40-45 plus a lump sum of 75-80	5-7.5 plus a lump sum of 7.5-10	698	558	83	–
Vijay Rangarajan *Director General Americas and Overseas Territories*	50-55 plus a lump sum of 85-90	0-2.5 plus a lump sum of 0	888	808	-14	–
Melinda Bohannon *Director, Strategy*	35-40 plus a lump sum of 55-60	0-2.5 plus a lump sum of 0	529	489	-16	–
Helen Bower-Easton *Director, Communication* (to 24/02/2023)	35-40	0-2.5	487	439	3	–
Tim Jones *Director, Finance*	25-30	2.5-5	306	264	20	–
Mr Daniel Pruce *Interim Director Communication* (to 1/08/2022)	40-45 plus a lump sum of 85-90	0 plus a lump sum of 0	853	818	-13	–
Corin Robertson *Acting Director General – Africa and Latin America*	45-50 plus a lump sum of 85-90	5-7.5 plus a lump sum of 10-12.5	804	622	108	–
Mervyn Thomas *Chief People Officer*	–	–	–	–	–	24
Andrew Murdoch *Acting Legal Adviser* (to 2/05/22)	20-25	0-2.5	272	265	2	–
Melanie Robinson *UK Ambassador to Zimbabwe* (Overseas Network Representative)	30-35 plus a lump sum of 50-55	0-2.5 plus a lump sum of 0	473	430	-9	–
Peter Wilson *Director General Europe* (from 27/02/2023)	50-55 plus a lump sum of 100-105	0-2.5 plus a lump sum of 0	989	983	-1	–
Dr Christian Turner *Director General Geopolitics (Political Director)* (from 16/01/2023)	50-55 plus a lump sum of 90-95	0-2.5 plus a lump sum of 0	885	872	-2	–

Officials[48,49,50]	Accrued pension at pension age as at 31/03/2023 (£000)	Real increase in pension and related lump sum at pension age (£000)	CETV at 31/3/23[51] (£000)	CETV at 31/3/22 (£000)	Real increase in CETV (£000)	Employer contribution to partnership pension account (£000)
Sally Langrish *Director General Legal Adviser* (from 02/05/22)	0-5	2.5-5	37	2	26	–
Pete Vowles *Director Transformation* (from 30/8/22)	30-35	0-2.5	450	424	-3	–
Janine Lloyd-Jones *Director of Communications Interim* (from 27/02/23)	25-30	0-2.5	340	337	-1	–

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: three 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 switched 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, 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 in 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is 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

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 the FCDO 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 2022-23, employers' contributions of £73,463,542 were payable to the PCSPS (2021-22: £88,874,676) 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 2022-23 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 £663,781 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 £23,769, 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 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 17,033 employees as at 31 March 2023 comprising 7,601 (45%) UK-Based (UKB) staff and 9,432 (55%) Country Based Staff. The UKB full-time equivalent was 7,463. As at the 31 March 2023, 72% of UKB staff were working in the UK and 28% were based overseas.

FCDO Staff Headcount

Type of staff	Employees at 31/03/2023	Employees at 31/03/2022
UK Based	7,601	7,076
Country Based Staff	9,432	9,048
Ministers	7	6
Special Advisors	5	7

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 31/03/2023	FCDO SCS at 31/03/2022
Permanent Under-Secretary	1	2
SCS4	1	1
SCS3	34	30
SCS2	137	138
SCS1	404	365
Total	**577**	**536**

Salary for SCS Pay Bands

SCS Pay Band	Cabinet Office minimum	Cabinet Office maximum
Director General	£125,000	£208,100
Director	£95,000	£162,500
Deputy Director	£73,000	£117,800

The overall staffing numbers within the FCDO has increased since March 2022. We have been developing a workforce plan that will address the future size, shape and capability requirements of the organisation. The turnover rate for UKB staff in 2022-23 was 11.7%.

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 2023 from Other Government Departments

Grade	Loaned in total	Loaned in for <6 months	Loaned in for 6+ months	Average Loan length (in years)
AO	18	3	15	1
EO	35	14	21	1
HEO	199	66	133	1
SEO	92	26	66	2
G7	219	53	166	2
G6	66	20	46	1
SCS	59	7	52	2
Total	688	189	499	2

Number of staff loaned from the FCDO as at 31 March 2023 to Other Government Departments

Grade	Loaned out total	Loaned out for <6 months	Loaned out for 6+ months	Average Loan length (in years)
AO	–	–	–	–
EO	1	–	1	1
HEO	19	2	17	2
SEO	4	–	4	2
G7	36	3	33	1
G6	36	5	31	1
SCS	22	1	21	2
Total	118	11	107	1

Average Number of Persons Employed (subject to audit)

The average number of UK-Based whole-time equivalent persons employed by the FCDO during 2022-23 was 7,178.2. The FTE for the FCDO UK-Based for 2021-22 was 7,092.3.

The average number of whole-time equivalent persons employed by the departmental group during the year was as follows:

	2022-23					2021-22
	Permanently employed staff	Others	Ministers	Special Advisors	Total	Total
Total staff	7,433	–	7	5	7,445	7,342
Of which:					–	
Core Department	7,178	–	7	5	7,190	7,092
Agencies	91	–	–	–	91	94
Other designated bodies	164	–	–	–	164	156
Total	7,433	–	7	5	7,445	7,342

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)	2022-23 Total (£000)	2021-22 Total (£000)
Wages and Salaries	666,347	–	227	–	666,574	650,485
Social security costs	35,999	–	26	–	36,025	32,915
Other pension costs	105,185	–	–	–	105,185	110,586
Sub total	807,531	–	253	–	807,784	793,998
Less recoveries in respect of outward secondments	(1,369)	–	–	–	(1,369)	(3,584)
Total net costs	806,162	–	253	–	806,415	790,402

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 quartile[52], 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 2022-23 was £185-190k (2021-22 £185-190k). This was 3.75 times (2021-22: 3.80) the median remuneration of the workforce, which was £49,955 (2021-22: £49,372), 5.18 times the 25th percentile remuneration of the workforce, which was £36,212 and 3.06 times the 75th percentile remuneration of the workforce, which was £61,369.

In 2022-23, no employee received remuneration in excess of the highest-paid director. Remuneration ranged from £23,948-£190,000 (2021-22 £20,450-£190,000).

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.

Total Remuneration	2022-23	2021-22	% change
Band of highest paid director's total remuneration	£185-190k	£185-190k	–
25th percentile remuneration of all UK Based Staff	£36,212	£35,906	0.85%
Figure Ratio	5.18	5.22	–
Median remuneration of all UK Based staff	£49,955	£49,372	1.18
Ratio	3.75	3.80	
75th percentile remuneration of all UK Based Staff	£61,369	£61,672	-0.49%
Ratio	3.06	3.04	–

Median remuneration is as variable as the elements that are included within it and will differ year on year.

Total Salary	2022-23	2021-22	% change
Band of highest paid Director's total salary	£185k-190k	£185k-190k	
25th percentile total salary of all UK Based Staff	£34,000	£35,555	-4.37
Figure Ratio	5.37	5.27	
Median total salary of all UK Based Staff	£46,000	£48,835	-5.81
Ratio	3.97	3.84	
75th percentile total salary of all UK Based Staff	£58,714	£61,045	-3.82
Ratio	3.11	3.07	

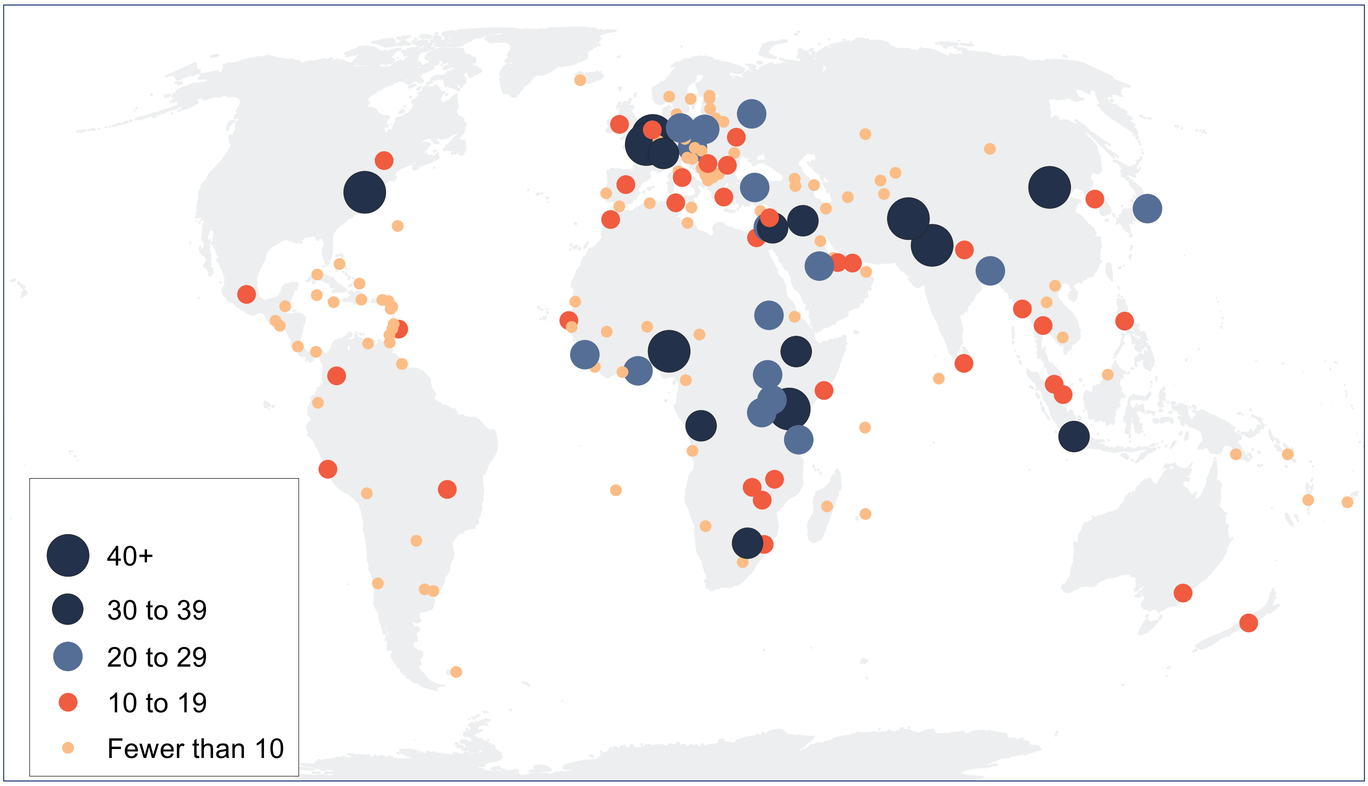
52 It is a requirement to disclose the relationship between the highest paid director and the lower and upper quartile remuneration of the organisations workforce.

Percentage change in total salary and bonuses for the highest paid Director and the staff average

	2022-23		2021-22	
Total Salary	Total Salary	Bonus	Total Salary	Bonus
Highest Paid Director	0.00%	0.00%	-5.06%	0.00%
Staff Average	-0.23%	-9.52%	2.40%	3.97%

Country-based staff remuneration and salaries are excluded from the fair pay disclosure calculations. Their 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, 18% Minority Ethnic, 13% disabled and 8% LGBO. However, we want to make sustained progress in increasing diversity at more senior grades particularly in the SCS.

Male and Female Employees

FCDO	% Female	% Male
UKB SCS	43%	57%
UKB Delegated Grades	52%	48%
Country Based Staff	45%	55%

FCDO – Directors	% Female	% Male
UKB SCS	37%	63%

We have defined Directors as all staff at SCS2 level.

Declared Diversity of FCDO UKB Staff as at 31 March 2023 (%):

Demographic	All UKB Staff	SCS	All Delegated Grades	G6	G7	SEO	HEO	EO	AO and AA
Female	51.09%	43.43%	51.71%	47.36%	51.52%	51.04%	51.93%	57.84%	56.77%
Ethnic Minority Background	18.07%	10.39%	18.79%	11.77%	15.37%	13.80%	22.48%	28.29%	31.54%
Disabled	13.30%	9.38%	13.70%	11.11%	11.62%	14.63%	13.24%	16.36%	25.57%
LGBO[53]	8.20%	7.47%	8.27%	7.41%	8.61%	7.69%	8.97%	5.30%	10.31%

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. We are working to increase diversity data reporting rates, including collection of socio-economic background data. 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.

The FCDO applies the Disability Confident Scheme (DCS) to internal as well as external job recruitment processes. Hiring managers are required to ensure that candidates with disabilities are not discriminated against and apply the Disability Confident Guaranteed interview criteria. The Guaranteed Interview Scheme commits to offering an interview to any person with a disability as defined by the Equality Act 2010 provided they can demonstrate that they meet the minimum requirements for the role. Before interviews,

53 LGBO – Lesbian, Gay, Bi-sexual, and Other.

candidates are also consulted about reasonable adjustments required, to ensure a fair and transparent process for all.

Since 2021, the FCDO has been an accredited 'Disability Confident Level 3 Leader' under the government's Disability Confident Scheme, which denotes organisations that have a positive commitment towards 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 Assistive Technology 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. Additionally staff who are profoundly deaf or with a significant hearing impairment can request the support of qualified British Sign Language interpreters and lip speakers.

Health, Safety and Wellbeing

FCDO Health and Safety

This year has seen a significant positive transformation to the way in which the FCDO ensures the safety and health of all our colleagues, contractors and others who interact with our work.

We have introduced new and strengthened governance structures for the effective management and oversight of H&S, culminating in our 2022–25 H&S Strategy, H&S Operating Model, H&S Vision and H&S Assurance Framework, which were launched between August 2022 and March 2023.

Underpinning the aims and objectives of this new vision and strategy are a suite of digitised tools and processes which have allowed for more efficient, accessible and user-friendly approaches to risk management to be deployed. Our new H&S digital offering has allowed colleagues to complete risk assessments digitally, record safety incidents and observations in real-time and provided the H&S Function with the ability to rapidly respond to and prioritise accident investigations. This system is also available to PAGs on the FCDO platform, and has strengthened our collaborative approach to risk and safety management globally.

As part of this digital transformation, we have continued to see a number of safety related incidents and observations being reported over the year. The volume of reporting has increased since the inception of the new digital system: a positive indication of wider engagement on risk management. It is expected that the rate of incidents seen this year will continue to rise as our network become more familiar with our systems, giving rise to data and details that can be used to reduce the risk of reoccurrence and prevent future harm.

Work continues across our global network to ensure that all our locations are applying the standards of safety and health expected of them, against both the FCDO standards and local law. Work has progressed this year to develop our H&S Assurance Framework, which will help the FCDO assess the safety maturity of the organisation; while also providing guidance on 'what good looks like' to ensure standardisation of our safety expectations. A number of proactive safety campaigns support this, including working at height and slips and trips, as well as a revised PUS communication sent across the FCDO, reminding colleagues of their responsibilities and the FCDOs commitment to a healthy and safe working environment.

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 created a home welfare team in April 2022, complementing our existing overseas welfare team to assist colleagues and managers, and have established a Mental Health Experts advisory Group to oversee and advise on work in that area. We have recently launched our 4 strands of welfare offer to our staff. We continue to review and improve our training offer and have a global network of over 450 Mental Health First Aiders qualified to signpost sources of appropriate support and advice, and an active Mental Health, Wellbeing and Listening Network. We hold quarterly training of Trauma Risk Management assessors. In addition, all staff (and adult dependants posted overseas) have 24/7 access to the FCDO's Employee Assistance Programme whose provider also arranges bespoke support for priority posts.

Staff Engagement

The annual Civil Service People Survey looks at civil servants' attitudes to and experience of working in government departments. This was the third survey since the FCDO was formed in 2020. Staff completed the survey during September and October 2022 with an increased response rate of 70%, compared with 66% in 2021. The FCDO's overall Employee Engagement Index (the measure of employee commitment to organisational goals and values) was down two points to 61% (compared to 63% in 2021). The EEI score for the whole of the Civil Service in 2022 was 65%.

In January 2023 the FCDO People Committee endorsed a set of initiatives, in response to the People Survey outcomes, which will invest in the FCDO leadership community; build a sense of shared purpose; understand the drivers behind demographic differences in engagement; foster a productive and inclusive culture; and build a picture of the realities of line management. This began with a successful UK SCS Leadership Conference in January 2023 which had a focus on the leadership community, strengthening FCDO culture, and fostering a strong people centric organisation. A further series of UK SCS leadership sessions took place in March 2023 to build on issues raised and to decide next steps. HR is considering options for targeted support to understand and address differences in staff engagement across demographic lines; notably UK and overseas, disability, gender, age and grade.

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 2022, the FCDO had an AWDL of 3.1, which is an decrease of 0.6 when compared to the 2021 figure of 3.7.

Sickness Absence in FCDO	2022	2021
Working days lost (short-term absence)	9,983	11,323
Working days lost (long-term absence)	11,500	15,825
Total working days lost	21,483	27,148
AWDL	3.1	3.7
Number of staff absent as a result of sickness	1,999	1,603
Percentage of staff with no sickness absence	76%	79%

The decrease in the number of working days lost between 2022 and 2021 is partly due to a change in methodology. In 2021, calendar days were incorrectly included in the calculations for some staff.

Ill Health Retirements

Two individuals retired early on ill-health grounds; the total additional accrued pension liability in the year amounted to £34,988.

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, consultancy spend and costs for temporary staff are associated to IT and digital activity which includes supporting the implementation of the HERA programme, priority programmes and merger activity where temporary and specialist expertise has been needed to ensure delivery.

Consultancy costs and spend on temporary staff for the FCDO

Costs	2022-23	2021-22
Consultancy costs[54]	4,259,979	5,760,152
Temporary staff costs	49,105,281	39,575,855

Consultancy and temporary spend – ALBs

ALB[55]	WP 2022–23	WP 2021–22	WFD 2022-23	WFD 2021–22	GBCC 2022–23	GBCC 2021–22	Total 2022-23	Total 2021-22
Consultancy staff	23,497	16,627	–	–	284,905	184,108	308,402	200,735
Temp. staff costs	70,951	–	178,899	108,040	78,853	68,341	328,703	176,381

Off-Payroll Engagements

For all off-payroll engagements as of 31 March 2023 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 2023	272	–	1	273
Of which				
No. that have existed for less than one year at time of reporting	71	–	–	71
No. that have existed for between one and two years at time of reporting	93	–	1	94
No. that have existed for between two and three years at time of reporting	57	–	–	57
No. that have existed for between three and four years at time of reporting	42	–	–	42
No. that have existed for four or more years at time of reporting	9	–	–	9

54 Consultancy services are defined by the Cabinet Office and Financial Reporting Manual.
55 WP – Wilton Park, WFD – Westminster Foundation for Democracy, GBCC – Great Britain China Centre.

For all off-payroll engagements as of 31 March 2023 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 2022 and 31 March 2023	71	–	–	71
Of which …				
No. assessed as caught by IR35	39	–	–	39
No. assessed as not caught by IR35	32	–	–	32
No. engaged directly (via PSC contracted to department) and are on the departmental payroll	–	–	–	–
No. of engagements reassessed for consistency/ assurance purposes during the year	–	–	–	–
No. of engagements that saw a change to IR35 status following the consistency review.	–	–	–	–

For any off-payroll engagement of board members, and/or senior officials with significant finance responsibility between 1 April 2022 and 31 March 2023 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.	–	–	–	–
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.	24	4	27	55

Reporting of Civil Service and Other Compensation Schemes – Exit Packages

UK Based staff exits (subject to audit)

FCDO 2022-23 (Comparative data for previous year shown in brackets)

	Core Department FCDO UK Based			*Core Department and Agencies FCDO UK Based*		
Exit package cost band[56,57,58]	Number of compulsory redundancies	Number of other departures agreed[59,60]	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(0)	0(2)	0(2)	0(0)	0(2)	0(2)
£10,000 – £25,000	0(0)	25(2)	25(2)	0(0)	25(2)	25(2)
£25,000 – £50,000	0(0)	15(1)	15(1)	0(0)	15(2)	15(2)
£50,000 – £100,000	0(0)	2(2)	2(2)	0(0)	2(2)	2(2)
£100,000 – £150,000	0(0)	1(0)	1(0)	0(0)	1(0)	1(0)
£150,000 – £200,000	0(0)	0(0)	0(0)	0(0)	0(0)	0(0)
Total number of exit packages	0(0)	43(7)	43(7)	0 (0)	43(8)	43(8)
Total cost £000			**1,177 (221)**			**1,177 (259)**

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.

56 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.
57 Payments attributed to the Financial Year the exit occurred rather than payment occurred.
58 Payments of standard contractual CILON/PILON excluded. Payments for Dismissal with compensation included. Payment of redundancy to Fixed Term Employees included.
59 In 2021-22 Wilton Park agreed 1 other departure which had a total cost of between £25–50k and have not been included in the table above.
60 In 2021-22 FCDOS agreed 1 other departure which had a cost of between £50–100k and have not been included in the table above.

Country Based Staff Exits (subject to audit)

FCDO 2022-23 (Comparative merged data for previous year 2021-22 shown in brackets)

	Core Department 2022-23		
Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	59 (35)	194 (107)	253 (142)
£10,000–£25,000	28 (23)	49 (4)	77 (27)
£25,000–£50,000	4 (14)	15 (4)	19 (18)
£50,000–£100,000	5 (7)	8 (4)	13 (11)
£100,000–£150,000	0 (1)	3 (0)	3 (1)
£150,000–£200,000[61]	1 (0)	2 (1)	3 (1)
Total number of exit packages	97 (80)	271 (120)	368 (200)
Total cost £000	**1,301 (1,516)**	**3,087 (769)**	**4,388 (2,284)**

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. The 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 2022 to 31 March 2023 was:

Number of employees who were relevant union officials during the relevant period

Number of employees	FTE employee number
37	37

Percentage of time spent on facility time

The number of employees who were relevant union officials employed during the period 1 April 2022 to 31 March 2023 spent the following percentage of their working hours on facility time was:

Percentage of time	Number of employees
0%	31
1-50%	6
51-99%	0
100%	0

61 One exit > £200,000.

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 2022 to 31 March 2023 was:

Description	Figures
Total cost of facility time	£95,993
Total pay bill	£669,372,178
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.01%

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 2022 to 31 March 2023:

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

UK Parliament.

SECTION 2.3

Parliamentary accountability and audit report

Statement of Outturn against Parliamentary Supply

Summary of Resource and Capital Outturn 2022-23

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 CSoCNE, 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 (page 72).

Summary tables – mirrors part 1 of the Estimates

Summary Table 2022-23

										2022-23	2021-22
				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	6,896,318	532,000	7,428,318	7,061,665	552,000	7,613,665	165,347	185,347		7,599,192
Capital	SOPS 1.2	2,151,635	–	2,151,635	2,306,485	–	2,306,485	154,850	154,850		1,749,633
Total		**9,047,953**	**532,000**	**9,579,953**	**9,368,150**	**552,000**	**9,920,150**	**320,197**	**340,197**		**9,348,825**
Annually Managed Expenditure											
Resource	SOPS 1.1	485,362	–	485,362	933,753	–	933,753	448,391	448,391		(123,836)
Capital	SOPS 1.2	289,500	–	289,500	289,500	–	289,500	–	–		660,650
Total		**774,862**	**–**	**774,862**	**1,223,253**	**–**	**1,223,253**	**448,391**	**448,391**		**536,814**
Total Budget											
Resource	SOPS 1.1	7,381,680	532,000	7,913,680	7,995,418	552,000	8,547,418	613,738	633,738		7,475,356
Capital	SOPS 1.2	2,441,135	–	2,441,135	2,595,985	–	2,595,985	154,850	154,850		2,410,283
Total Budget Expenditure		9,822,815	532,000	10,354,815	10,591,403	552,000	11,143,403	768,588	788,588		9,885,639
Non-Budget		–	–	–	–	–	–	–	–		–
Total Budget and Non Budget		9,822,815	532,000	10,354,815	10,591,403	552,000	11,143,403	768,588	788,588		9,885,639

Summary of Net Cash Requirement

				2022-23	2021-22
	Note	Outturn	Estimate	Saving/(Excess)	Outturn
		£000	£000	£000	£000
Net cash requirement	SOPS 3	9,635,371	10,145,046	509,675	9,856,986

Summary of Administration Costs

				2022-23	2021-22
	Note	Outturn	Estimate	Saving/(Excess)	Outturn
		£000	£000	£000	£000
Administration Costs		305,073	337,903	32,830	259,333

The SOPS and Estimates are compiled against the budgeting framework, which is similar to, but different from IFRS. An understanding of the budgeting framework and an explanation of key terms is provided on page 74 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 net resource outturn by Estimate line

											2022-23	2021-22
	Resource Outturn							Estimate			Outturn vs estimate saving/ (excess)	Prior Year Outturn Total
	Administration			Programme								
	Gross £000	Income £000	Net £000	Gross £000	Income £000	Net £000	Total £000	Total £000	Vire-ments £000	Total inc. Virements £000	£000	£000
Voted expenditure												
Type of Spend (Resource)												
Spending in Departmental Expenditure Limits (DEL) Voted Expenditure												
A: Operating costs, frontline diplomacy and overseas network	494,593	(190,760)	303,833	1,376,620	(84,766)	1,291,854	1,595,687	1,803,015	(95,000)	1,708,015	112,328	1,494,995
B: Funding for NDPBs within Departmental Group (Net)	1,240	–	1,240	40,143	–	40,143	41,383	41,590	–	41,590	207	39,051
C: British Council	–	–	–	164,709	–	164,709	164,709	165,712	–	165,712	1,003	190,500
D: Regional bilateral programmes	–	–	–	1,732,174	–	1,732,174	1,732,174	1,167,543	564,631	1,732,174	–	4,190,539
E: Core multilateral programmes	–	–	–	1,747,696	–	1,747,696	1,747,696	1,637,625	110,071	1,747,696	–	–
F: Centrally managed programmes	–	–	–	613,164	(89)	613,075	613,075	1,243,723	(582,577)	661,146	48,071	–
G: International subscriptions, scholarships and BBC World Service	–	–	–	336,954	–	336,954	336,954	334,079	2,875	336,954	–	319,072
H: Conflict, Stability and Security Fund	–	–	–	664,640	–	664,640	664,640	668,378	–	668,378	3,738	680,811
Total voted DEL	**495,833**	**(190,760)**	**305,073**	**6,676,100**	**(84,855)**	**6,591,245**	**6,896,318**	**7,061,665**	**–**	**7,061,665**	**165,347**	**6,914,968**

	Resource Outturn							Estimate			Outturn vs estimate saving/ (excess)	Prior Year Outturn Total
	Administration			Programme							2022-23	2021-22
	Gross £000	Income £000	Net £000	Gross £000	Income £000	Net £000	Total £000	Total £000	Vire-ments £000	Total inc. Virements £000	£000	£000
Non-Voted expenditure												
I: European Union Attributed Aid	–	–	–	532,000	–	532,000	532,000	552,000	–	552,000	20,000	684,224
Total non-voted DEL	**–**	**–**	**–**	**532,000**	**–**	**532,000**	**532,000**	**552,000**	**–**	**552,000**	**20,000**	**684,224**
Total spending DEL	**495,833**	**(190,760)**	**305,073**	**7,208,100**	**(84,855)**	**7,123,245**	**7,428,318**	**7,613,665**	**–**	**7,613,665**	**185,347**	**7,599,192**
Spending in Annually Managed Expenditure (AME)												
Voted expenditure												
J: Other central programme and technical costs	–	–	–	485,362	–	485,362	485,362	933,753	–	933,753	448,391	(123,836)
K: BII	–	–	–	–	–	–	–	–	–	–	–	–
Total voted AME	**–**	**–**	**–**	**485,362**	**–**	**485,362**	**485,362**	**933,753**	**–**	**933,753**	**448,391**	**(123,836)**
Non-Voted expenditure												
Total non-voted AME	–	–	–	–	–	–	–	–	–	–	–	–
Total spending AME	**–**	**–**	**–**	**485,362**	**–**	**485,362**	**485,362**	**933,753**	**–**	**933,753**	**448,391**	**(123,836)**
Total resource	495,833	(190,760)	305,073	7,693,462	(84,855)	7,608,607	7,913,680	8,547,418	–	8,547,418	633,738	7,475,356

Non-voted expenditure relates to spend by the European Union on development related activities which have been funded by the U.K.

During the Estimates process for 2022-23, the FCDO split the line D: Strategic priorities and other programme spending into three lines to more closely align with the Department's strategic priorities. The prior year Outturn will not be restated since it would then not match what was published on the Estimate Memorandum and laid in Parliament and is shown all on one line, D, instead.

SOPS 1.2 Analysis of capital outturn by Estimate line

								2022-23	2021-22
	Capital Outturn				Estimate			Outturn vs estimate saving/ (excess)	Prior Year Outturn Total
	Programme								
	Gross	Income	Net	Total	Total	Virements	Total inc. Virements		
Type of spend (resource)	£000	£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	348,260	–	348,260	348,260	519,782	(17,354)	502,428	154,168	144,496
B: Funding for NDPBs within Departmental Group (Net)	–	–	–	–	–	–	–	–	–
C: British Council	81,290	–	81,290	81,290	79,675	1,615	81,290	–	4,800
D: Regional bilateral programmes	151,744	–	151,744	151,744	163,880	(12,136)	151,744	–	1,579,767
E: Core multilateral programmes	1,006,458	–	1,006,458	1,006,458	858,020	148,438	1,006,458	–	–
F: Centrally managed programmes	558,364	–	558,364	558,364	680,068	(120,942)	559,126	762	–
G: International subscriptions, scholarships and BBC World Service	379	–	379	379	–	379	379	–	–
H: Conflict, Stability and Security Fund	5,140	–	5,140	5,140	5,060	–	5,060	(80)	20,570
Total voted DEL	**2,151,635**	**–**	**2,151,635**	**2,151,635**	**2,306,485**	**–**	**2,306,485**	**154,850**	**1,749,633**
Non-Voted expenditure									
I: European Union Attributed Aid	–	–	–	–	–	–	–	–	–
Total non-voted DEL	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total spending in DEL	**2,151,635**	**–**	**2,151,635**	**2,151,635**	**2,306,485**	**–**	**2,306,485**	**154,850**	**1,749,633**
Spending in Annually Managed Expenditure (AME)									
Voted expenditure									
J: Other central programme and technical costs	–	–	–	–	–	–	–	–	–
K: BII	289,500	–	289,500	289,500	289,500	–	289,500	–	660,650
Total voted AME	289,500	–	289,500	289,500	289,500	–	289,500	–	660,650
Voted expenditure									
Total non-voted AME									
Total spending AME	**289,500**	**–**	**289,500**	**289,500**	**289,500**	**–**	**289,500**	**–**	**660,650**
Total capital	2,441,135	–	2,441,135	2,441,135	2,595,985	–	2,595,985	154,850	2,410,283

During the Estimates process for 2022-23, the FCDO split the line D: Strategic priorities and other programme spending into three lines to more closely align with the Department's strategic priorities. The prior year Outturn will not be restated and is shown all on one line, D, instead.

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 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 72.

SOPS 2 Reconciliation of outturn to net operating expenditure

SOPS 2.1 Reconciliation of net resource outturn to net operating expenditure

		2022-23	2021-22
		FCDO	FCDO
		Outturn Total	Outturn Total
	SOPS note	£000	£000
Total Resource Outturn	SOPS 1.1	7,913,680	7,475,356
Capital Grants		1,606,806	1,401,612
Research and Development		2,203	6,727
Finance Income		44,366	43,099
Total		**1,653,375**	**1,451,438**
Non-voted EU attribution	SOPS 1.1	(532,000)	(684,224)
Net Profit/Loss on Disposal		6,912	(16,265)
Total		**(525,088)**	**(700,489)**
Net Operating Expenditure in CSoCNE		**9,041,967**	**8,226,305**

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 CSoCNE, 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 CSoCNE, then a reconciling item as shown in SOPS 2.

SOPS 3 Reconciliation of net resource outturn to net cash requirement

		2022-23			2021-22
		Outturn Total	Estimate	Saving/(Excess)	Outturn Total
	Note	£000	£000	£000	£000
Resource Outturn	**SOPS 1.1**	**7,913,680**	**8,547,418**	**633,738**	**7,475,356**
Capital Outturn	**SOPS 1.2**	**2,441,135**	**2,595,985**	**154,850**	**2,410,283**
Accruals to Cash Adjustments					
Adjustments for designated ALBs:					
Remove voted resource and capital		(41,383)	(41,590)	(207)	(35,394)
Add cash grant-in-aid		38,030	41,590	3,560	36,265
Adjustments to remove non-cash items:					
Depreciation/Amortisation	3	(287,946)	(363,848)	(75,902)	(166,383)
New impairments and adjustments to previous impairments DEL	3	(5,441)	–	5,441	(42,537)
New impairments and adjustments to previous impairments AME	3	(6,563)	–	6,563	(4,360)
New provisions and adjustments to previous provisions	11	(361,152)	(1,112,938)	(751,786)	1,837
Other non-cash items (except profit on disposal of PPE)		(266,181)	(13,238)	252,943	(1,436)
Adjustments to reflect movements in working balances					
Increase/(decrease) in inventory	CSoCF	7	–	(7)	(30)
Increase/(decrease) in receivables	CSoCF	(8,275)	–	8,275	15,371
(Increase)/decrease in payables	CSoCF	516,540	807,119	290,579	700,711
Use of provisions	11	235,271	236,548	1,277	150,438
Adjustments re pension schemes	CSoCF	(351)	–	351	1,528
Other Adjustments			–	–	(439)
Total		**10,167,371**	**10,697,046**	**529,675**	**10,541,210**
Removal of Non-Voted Budget Items					
Consolidated Fund Standing Services		(532,000)	(552,000)	(20,000)	(684,224)
Total		**(532,000)**	**(552,000)**	**(20,000)**	**(684,224)**
Net Cash Requirement		**9,635,371**	**10,145,046**	**509,675**	**9,856,986**

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 72.

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 2022-23		FCDO 2021-22
			Outturn Total		Outturn Total
		Accruals basis	Cash basis	Accruals basis	Cash basis
	Note	£000	£000	£000	£000
Operating income outside the ambit of the Estimate	Note 4	(17)	(17)	(1,177)	(1,177)
Interest payments for the British Council loan	Note 4	(3,419)	(1,871)	–	–
Receipts in respect of capital sales proceeds	Note 4	(681,177)	(678,920)	–	–
Total amount payable to the Consolidated Fund		**(684,613)**	**(680,808)**	**(1,177)**	**(1,177)**

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 Consolidated Statement of Changes in Taxpayers' Equity (CSoCTE) in the Financial Statements.

The disclosure shows cash payable and paid during the year 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 168. 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 2022-23	FCDO 2021-22
	Outturn Total	Outturn Total
	£000	£000
Consular fees	2,672	1,282
Miscellaneous income	30	24
Amount payable to the Consolidated Fund	**2,702**	**1,306**
Balance held at the start of the year	964	220
	3,666	**1,526**
Payments into Consolidated Fund	(2,479)	(562)
Balance held on trust at the end of the year	**1,187**	**964**

Parliamentary Accountability Disclosures

Losses and special payments (audited)

Losses statement

	2022-23	2021-22
Total number of losses	50	35
Total value of losses (£000)	2,064	1,197

All figures above relate to the FCDO. No additional losses were reported within the wider Departmental Group.

During 2022-23 the FCDO identified and estimated a loss of £2 million from our High Commission in Freetown, Sierra Leone, predominantly relating to the procurement of diesel fuel for the High Commission's electricity generators. Immediate action was taken to prevent any further losses. Based on information currently available, we assess the risk of similar issues elsewhere in the network to be low. It is likely that it was the application of controls that failed, as a result of collusion and mandatory checks and balances not being undertaken in the manner expected. This led to a programme of improvements to our internal control systems at Post. A lessons learned review is now underway to assess the roles and responsibilities at the High Commission and the application of controls, and additional internal audit is scheduled for later in the year.

After due consideration of the facts around the loss and the possibility of any recovery from the parties involved, we have assessed that there is no feasible alternative to accepting the loss and write-off. In line with the guidance within Managing Public Money, we have consulted with HM Treasury on this loss and the necessary write-off, in advance of bringing the loss to the attention of parliament by noting within the department's annual accounts.

The remaining cases related to a variety of losses and fruitless payments in relation to lost IT and mobile equipment, missed travel, and some programme-related stolen 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.

	2022-23	2021-22
Total number of special payments	26	19
Total value of special payments (£000)	366	2,174

All figures above relate to the FCDO. No additional special payments were reported within the wider Departmental Group

There were no special payments greater than £300,000 during the year.

There were two special severance payments made in the year totalling £216,725. The highest payment was £160,725 and the lowest payment was £56,000.

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 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 and the Control and Assurance Team who 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).

The total gross fraud losses before recovery in 2022-23 were £3,099,801. After recovery the total net losses were £2,096,300.

There are challenges in quantifying estimates of unreported fraud in overseas aid programmes. A previous exercise conducted by the University of Portsmouth (UoP) in 2012 concluded that the Department for International Development 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 this judgement to determine if there has been any development in methods or data that could be applied to enable more robust measurement. The University of Portsmouth delivered their report in October 2022. Their overarching conclusion was that "The authors believe that despite the changes since 2012 it is still not possible to measure fraud accurately in the total ODA budget". The report contained a number of detailed conclusions which are being developed, these include the development and empowerment of the Fraud Liaison Officer Network and the use of technology allied with a central Analytical/Intelligence Hub to identify fraud in data and produce accurate fraud loss measurement. The FCDO continue to consider ways to better understand the true level of fraud.

Gifts (subject to audit)

For the year ended 31 March 2023, there were no gifts that exceeded £300k.

Regularity (subject to audit)

For the year ended 31 March 2023, 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 2022-23.

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.

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)

			2022-23			2021-22
	Income	Full Cost	Surplus/ (Deficit)	Income	Full Cost	Surplus/ (Deficit)
	£000	£000	£000	£000	£000	£000
Legalisation Office	22,269	3,835	18,434	22,380	3,648	18,732
Emergency Travel Documents	3,508	16,381	(12,873)	1,922	22,861	(20,939)
Notarial and Documentary Services	1,379	7,741	(6,362)	1,290	10,121	(8,831)
Total for fee bearing services	**27,156**	**27,957**	**(801)**	**25,592**	**36,630**	**(11,038)**
Consular Premium[62] & EDRF[63]	105,200			79,660		
Consular and Crisis Assistance and Support		121,653	(16,453)		129,828	(50,168)
Total	**132,356**	**149,610**	**(17,254)**	**105,252**	**166,458**	**(61,206)**

Financial Guarantees and Indemnities

Financial Guarantees are disclosed within Note 12.3 to the Financial Statements.

The FCDO issued a Letter of Comfort for the financial year 2021-22 to one ALB: Wilton Park Agency (WP). The Letter of Comfort gave assurance to Wilton Park Agency (WP) 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 2021-22 accounts were certified by the Comptroller & Auditor General.

Wilton Park Agency did not call on the Letter of Comfort in 2022-23 by drawing down additional funds. No further Letters of Comfort have been issued in 2022-23.

Indemnities

1 April 2022 (£000)	Increase in year (£000)	Liabilities crystallised in year (£000)	Obligations expired in year (£000)	31 March 2023 (£000)	Amount reported to Parliament by Departmental Minute (£000)
449.0	0	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 the FCDO, British Council and HMT, the British Council will meet the first £3 million of any claim. These liabilities have remained consistent at £449k from 1st April 2022 to 31st March 2023. None of these are 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 reporting requirements and are measured following the requirements of IFRS9.

62 Consular Premiums are the two premiums in the cost of passports
63 An EDRF claim was made in 2021-22 only

Remote contingent liabilities (audited)

In addition to the 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 16,148.1 million (2021-22: £15,041.8) and comprise:

- 15,859.6 million (2021-22: £14,794.0 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.
- £51.3 million (2021-22: £48.3 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.
- £237.2 million (2021-22: £199.5 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. The FCDO does not expect any liabilities to arise in relation to these contingent liabilities.

Other IFI liabilities related to future performance conditions increased by £1.1 billion due to additional IFI replenishments during 2022-23.

Reconciliation of contingent liabilities included in the supply estimate to the accounts

		Supply Estimate	Amount disclosed in ARA	Variance
Quantifiable contingent liabilities	Note	£000	£000	£000
Callable Capital for IFIs		15,961,513	15,859,631	101,882
Callable Capital – IBRD maintenance of value		52,485	51,336	1,149
EIB Guarantee		208,219	237,200	(28,981)
Other IFI liabilities related to future performance conditions	12.2	2,477,000	3,044,093	(567,093)
IBRD Guarantees	12.3	2,732,000	2,803,390	(71,390)
AfDB Room2Run Guarantee	12.3	1,329,000	1,295,450	33,550
Gibraltar Guarantee	12.3	300,000	425,000	(125,000)
GuarantCo Callable Capital	12.2	130,000	130,000	–
CABI Pension Deficit Liability	12.2	32,259	18,195	14,064
Various legal cases	12.2	63,847	61,121	2,726
Indemnities		3,243	3,449	(206)

Description of the CL	Included in the Supply Estimate	Disclosed in the ARA	Explanation
Callable Capital – Other IFIs maintenance of value subscriptions	No	No	No agreed basis to quantify the liability

Other IFI liabilities related to future performance conditions increased by £567.1 million due to additional IFI replenishments during 2022-23.

Callable Capital for IFIs decreased by £101.9 million due to further Callable Capital commitments and FX movements.

IBRD guarantees increased by £71.4 million due mainly to an increase in interest rates.

The Gibraltar Guarantee increased by £125.0 million due to further drawdowns on the revolving credit facility by the Government of Gibraltar.

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 2022-23 is £877,000 (2021-22 £838,000) comprising:

	2022-23	**2021-22**
Notional audit fees:	£	£
Core department	760,000	740,000
Wilton Park Agency	41,000	36,000
Total notional audit fees	801,000	776,000
Cash audit fees:		
Audit fees for Arms-Length Bodies	76,000	62,000
Total audit fees for the department group	**877,000**	**838,000**
FCDO Overseas Superannuation Schemes	62,350	55,600
Total audit fees	**939,350**	**893,600**

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 £76,200 for consultancy advice to the FCDO during 2022-23. NAO also received indirect fees in 2022-23 from the FCDO totalling £69,000. For comparison, in 2021-22 the NAO received fees from the FCDO totalling £125,581 (£15,774 direct and £109,807 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

12 July 2023

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 (the Department), and of its Departmental Group for the year ended 31 March 2023 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 2022. The financial statements comprise: the Department's and the Departmental Group's:

» Statement of Financial Position as at 31 March 2023;

» 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 2023 and their 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 2023 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 and Regularity of Public Sector Bodies in the United Kingdom (2022)*. 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 am independent of the Department 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.

The framework of authorities described in the table below has been considered in the context of my opinion on regularity.

Framework of authorities	
Authorising legislation	Government Resources and Accounts Act 2000
Parliamentary authorities	Supply and Appropriation (Main Estimates) Act
HM Treasury and related authorities	Managing Public Money

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Department 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 Department 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 Department 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.

Overview of my audit approach

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditor, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of the audit of the financial statements as a whole, and in forming my opinion thereon. I do not provide a separate opinion on these matters.

I consider the key audit matters below to be those matters that had the greatest effect on my overall audit strategy, the allocation of resources in my audit and directing the efforts of the audit team in the current year. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

This is not a complete list of all risks identified through the course of my audit but only those areas that had the greatest effect on my overall audit strategy, allocation of resources and direction of effort. I have not, for example, included information relating to the work I have performed around the presumed risk of management override of controls where my work has not identified any matters to report.

The key audit matters were discussed with the Departmental Group's Audit and Risk Assurance Committee; its report on matters that they considered to be significant to the financial statements is set out in the Governance Statement.

Implementation of IFRS 16: Leases	
Description of risk In line with HM Treasury financial reporting requirements, FCDO is required to apply IFRS 16: Leases during the 2022-23 financial year. This has been a substantial task for the Department, involving considerable time, effort, and resource from stakeholders across both the finance and estates teams. The FCDO holds leased properties worldwide in different currencies and the contractual terms are correspondingly diverse, complex and subject to local laws. It has many smaller accommodation leases, but also larger leases for overseas offices and residences. It also has significant UK properties such as its headquarters building at King Charles Street, London. The wide geographical spread of the Department's estate also provided a challenge to ensure that the population of leases is materially complete. The implementation of the standard has had a significant impact on FCDO's financial statements, with a lease liability balance of £734 million and a related right of use asset balance of £757 million reported on the Statement of Financial Position as at 31 March 2023. The transition to the new accounting standard required significant assumptions and judgements to be applied by management in calculating the liability and asset valuation of a total of over 3,800 leases, key amongst which was the identification of the lease term where options to extend or break the contracts were present.	
How the scope of my audit responded to the risk	I have: » Documented the design and implementation of FCDO's controls in relation to leases and the transition to IFRS 16; » Considered the processes, judgements and assumptions adopted by FCDO in calculating the valuation of lease liabilities; » Conducted a review of the population used for the IFRS 16 transition to ensure that the listing is complete; » Performed a sample test of transitioned leases and tested to supporting calculations and assumptions to ensure that these have been carried out in compliance with the standard; and » Performed a sample test of new leases entered into during 2022-23 to confirm appropriate accounting under IFRS 16.

<table>
<tr><td></td><td>Key observations

Based upon these procedures, I have concluded that no material errors have been identified in relation to the implementation of IFRS 16.</td></tr>
<tr><td colspan="2">Valuation of financial guarantees</td></tr>
<tr><td colspan="2">Description of risk

The Department commonly enters into financial guarantees with third parties on non-commercial terms, where there is no active market or observable equivalent. The exposure to these guarantees is highly material to the financial statements at £478 million, and several new significant guarantees have been issued in the 2022-23 financial year.

There is a significant level of judgement required from management in determining the initial and subsequent measurement of these liabilities under the financial reporting framework which requires a lifetime expected credit loss valuation where the above criteria are met. These judgements relate to the complexities of the input data and assumptions used in measuring these liabilities due to changing global markets which make the modelling of the expected credit loss challenging. The Department employs the Government Actuary's Department (GAD) as a management expert to design a model to measure lifetime expected credit losses.</td></tr>
<tr><td>How the scope of my audit responded to the risk</td><td>I have, with the assistance of internal modelling and external financial instrument specialists:
» Documented the design and implementation of the FCDO's controls around the recognition, accounting, disclosure and subsequent measurement of financial guarantees;
» Reviewed the documentation around the business case and approvals of each guarantee to ensure the accounting treatment is reflective of the individual arrangements;
» Assessed the FCDO's judgement and calculations for initial and subsequent measurement of any financial guarantees; and
» Reviewed the inputs, assumptions and outputs from the GAD model for appropriateness and benchmarked this against relevant data. This included review of the movements in the financial markets to ensure that the credit risk ratings remain appropriate, and benchmarking FCDO assumptions against independently obtained observable market data; I have completed an assessment of the reasonableness of all assumptions used.

Key observations

Based upon these procedures, I have concluded that no material errors have been identified in relation to the valuation of financial guarantees.</td></tr>
</table>

Valuation of financial investments – BII and IFIs	
Description of risk The Department holds a number of equity investments. These include various minority holdings in International Financial Institutions (IFIs), as well as 100% ownership of British International Investments (BII) where inputs are unobservable. The values are highly material to the accounts at £13,020 million at 31 March 2023. These are not traded securities, and in the absence of available market data, the valuation of these equity investments is determined through calculating the Department's share of the net assets, based on the number of shares held by the Department. This valuation is made more complex by the fact that the entities have non-conterminous reporting dates to the Department. Consequently, the Department has little direct assurance over the value of its investments as at 31 March, and needs to apply considerable judgement to both recognise and mitigate the level of estimation uncertainty, recognising that material movements may occur between the date of the last audited investment valuation and the Department's year end. The lack of direct assurance over year end values presents a risk that the data used in the estimation is inaccurate, or that the assumptions applied are inappropriate or include error.	
How the scope of my audit responded to the risk	I have: » Reviewed and assessed the design and implementation of the Department's controls over its accounting for financial investments. This included an assessment of management's procedures to take account of the non- coterminous reporting dates; » Assessed the accounting treatment applied by the Department for the IFI and BII financial investments to ensure it is in accordance with IFRS 9 and IFRS 13, and that all relevant disclosures have been made in the accounts; » Agreed the Department's valuation of its financial investments to the available supporting documentation. This included reviewing the last audited accounts of the investee and assessing the investee's auditors in accordance with ISA 500; » Considered any movements in value between the date of the investee's accounts and the Department's year-end of 31 March, including the impact of foreign exchange movements and the investee's financial performance. This included obtaining letters of assurance from the investees, performing historic trend analysis, and assessing the appropriateness of any investee management information as at 31 March made available to the Department; and » Challenged any assumptions made by management in their valuation of the Department's financial investments and assessed the reasonableness of any judgements that they have made and the methodologies applied.

<table>
<tr><td></td><td>Key observations
Based upon these procedures, I have concluded that no material errors have been identified in relation to the valuation of the Department's IFI and BII investments.</td></tr>
<tr><td colspan="2">Valuation of land and buildings</td></tr>
<tr><td colspan="2">Description of risk
The valuation of the FCDO's land and buildings is material to the financial statements, being £2,384 million as at 31 March 2023. The valuation of the Department's land and buildings involves significant judgement by both management and the external property valuers (Colliers International and Knight Frank) used by the Department to prepare the valuations. There is added complexity to the valuations as the properties are located around the world, involving different property markets and currencies. The valuation date is 30 September, increasing the risk of movements between the valuation date and the year-end, including the impact of foreign currency movements. In addition, the Department was not able to perform physical valuations in Moscow and Kyiv as a result of the ongoing Russian-Ukraine conflict.</td></tr>
<tr><td>How the scope of my audit responded to the risk</td><td>I have, with the assistance of external property specialists:
» Documented the design and implementation of FCDO's controls over the valuation of land and buildings; considering the processes, judgements and assumptions adopted by FCDO's external valuers in valuing land and buildings;
» Tested a sample of valuations to supporting calculations and assumptions to ensure that these have been carried out in compliance with the RICS Red Book, with a focus on the regions subject to physical valuation in 2022-23 (the UK, Europe and Central Asia);
» Substantively tested the accuracy and completeness of the revaluations recorded in the non-current asset register against the reports provided by the external valuers;
» Reviewed FCDO's assessment as to whether there have been significant movements in property valuations in the period between the 30 September 2022 revaluation date and the 31 March 2023 year-end and reviewed any impairments recognised; and
» Reviewed the accounting transactions relating to the sale of the Tokyo property.
Key observations
Based upon these procedures, I have concluded that no material errors have been identified in relation to the valuation of the Department's land and buildings.</td></tr>
</table>

Application of materiality

Materiality

I applied the concept of materiality in both planning and performing my audit, and in evaluating the effect of misstatements on my audit and on the financial statements. This approach recognises that financial statements are rarely absolutely correct, and that an audit is designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement or irregularity. A matter is material if its omission or misstatement would, in the judgement of the auditor, reasonably influence the decisions of users of the financial statements.

Based on my professional judgement, I determined overall materiality for the Department and its Group's financial statements as below. There are no particular classes of transactions, account balances and disclosures where an additional materiality is applied.

	Departmental group	Department
Materiality	£93,330,000	£93,250,000
Basis for determining overall account materiality	1% of gross group expenditure of £9,333 million	1% of gross core department expenditure of £9,325 million
Rationale for the benchmark applied	I have set materiality based on gross expenditure. This is the main focus of the users as expenditure is the means with which the Department achieves its primary objectives of diplomatic influence and delivering development spend. Expenditure is therefore considered a figure of significant interest to users of the account and is a suitable basis on which to calculate materiality.	

Performance Materiality

I set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality of the financial statements as a whole. Group performance materiality was set at 75% of Group materiality for the 2022-23 audit (2021-22: 75%). In determining performance materiality, I have considered the uncorrected misstatements identified in the previous period, in addition to the low level of historic error and reasonable control environment and judge that the 75% threshold is appropriate.

Other Materiality Considerations

Apart from matters that are material by value (quantitative materiality), there are certain matters that are material by their very nature and would influence the decisions of users if not corrected. Such an example is any errors reported in the Related Parties note in the financial statements. Assessment of such matters needs to have regard to the nature of the misstatement and the applicable legal and reporting framework, as well as the size of the misstatement.

I applied the same concept of materiality to my audit of regularity. In planning and performing my audit work to support my opinion on regularity and in evaluating the impact of any irregular transactions, I considered both quantitative and qualitative aspects that would reasonably influence the decisions of users of the financial statements.

Error Reporting Threshold

I agreed with the Audit and Risk Assurance Committee that I would report to it all uncorrected misstatements identified through my audit in excess of £300,000, as well as differences below this threshold that in my view warranted reporting on qualitative grounds. I also reported to the Audit and Risk Assurance Committee on disclosure matters that I identified when assessing the overall presentation of the financial statements.

Total unadjusted audit differences reported to the Audit and Risk Assurance Committee would have decreased net expenditure and increased net assets by £37,551,000.

Audit scope

The scope of my Group audit was determined by obtaining an understanding of the Department and its Group's environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level.

I determined that the risks of material misstatement faced by the group to be the same as that of the core Department and that there are no additional significant risks which arise on consolidation. This is because the core Department is responsible for most of the group financial activity. All other group components are non-significant under ISA 600.

My audit work on the core Department covered substantially all of the Group's gross expenditure (99%), and together with the procedures performed at group level, which included performing analytical review procedures over the component transactions and balances, and testing the accuracy of the consolidation process, gave me the evidence I needed for my opinion on the group financial statements as a whole.

Other Information

The other information comprises the information included in the Annual Report, but does not include the financial statements and my auditor's certificate and report thereon. 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.

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; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements 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 Department and its Group and their 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:

- Adequate accounting records have not been kept by the Department and its Group or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; 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 to be audited 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;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Department and its Group from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- ensuring that the financial statements give a true and fair view and are prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000;
- ensuring that the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000; and
- assessing the Department 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, I:

- considered the nature of the sector, control environment and operational performance including the design of the Department and its Group’s accounting policies and key performance indicators.
- inquired of management, the Department’s head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Department and its Group’s policies and procedures on:
  - identifying, evaluating and complying with laws and regulations;
  - detecting and responding to the risks of fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Department and its Group’s controls relating to the Department’s compliance with the Government Resources and Accounts Act 2000 and Managing Public Money.
- inquired of management, the Department’s head of internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;

- they had knowledge of any actual, suspected, or alleged fraud,

- discussed with the engagement team and the relevant internal and external specialists, including financial instruments and property experts 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 Department 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, disbursement of overseas programme funds, particularly in fragile and conflict areas and outturn against control totals. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Department and Group's framework of authority and other legal and regulatory frameworks in which the Department and Group operates. I focused 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 2022, 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

To respond to the identified risks resulting from the above procedures:

- I reviewed 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;
- I enquired of management, the Audit and Risk Assurance Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed 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, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- I completed an 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 risks of fraud to all engagement team members including internal specialists and component audit teams 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 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 I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies **14 July 2023**

Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road Victoria
London SW1W 9SP

NATO FM's Meeting in Brussels.

SECTION 3

Financial Statements

Consolidated Statement of Comprehensive Net Expenditure

for the year ended 31 March 2023

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.

		FCDO			
		2022-23		2021-22	
	Note	Core Department & Agencies £000	Departmental Group £000	Core Department & Agencies £000	Departmental Group £000
Revenue from contracts with customers	4	(270,708)	(270,799)	(261,254)	(261,412)
Other operating income	4	–	–	(196,879)	(196,879)
Income of consolidated bodies	4	(5,748)	(12,896)	(5,369)	(14,762)
Total Operating Income		**(276,456)**	**(283,695)**	**(463,502)**	**(473,053)**
Operating Expenditure					
Staff costs	3	806,415	810,696	790,402	794,496
Grants	3	5,143,704	5,143,704	4,935,016	4,963,494
Promissory note deposits	3	1,380,009	1,380,009	950,158	950,158
Subscriptions to international organisations	3	179,773	179,773	165,439	165,437
Leases	3	19,147	19,147	148,503	148,503
Other costs	3	828,631	831,251	1,467,914	1,443,925
Depreciation, amortisation and impairment	3	299,950	299,955	213,280	213,280
Other non-cash costs	3	660,991	661,127	19,957	20,065
Total operating expenditure		**9,318,620**	**9,325,662**	**8,690,669**	**8,699,358**
Net Operating Expenditure		**9,042,164**	**9,041,967**	**8,227,167**	**8,226,305**
Other Income					
Finance income	4	(44,360)	(44,366)	(43,099)	(43,099)
Consolidated Fund extra receipts	4	(684,613)	(684,613)	(1,177)	(1,177)
		(728,973)	**(728,979)**	**(44,276)**	**(44,276)**
Other Expenditure					
Lease liability interest expense	15	6,841	6,841	–	–
		6,841	**6,841**	**–**	**–**
Net Expenditure for the Year		**8,320,032**	**8,319,829**	**8,182,891**	**8,182,029**
Total Expenditure	3	9,325,461	9,332,503	8,690,669	8,699,358
Total Income	4	(1,005,429)	(1,012,674)	(507,778)	(517,329)
Net Expenditure for the Year		**8,320,032**	**8,319,829**	**8,182,891**	**8,182,029**

		FCDO			
		2022-23		2021-22	
	Note	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	(125,317)	(125,317)	(263,776)	(263,776)
Revaluation of assets held for sale	5	–	–	57	57
Revaluation of intangible assets		–	–	1	1
Revaluation of right of use assets	15	(47,327)	(47,327)	–	–
Actuarial (gain)/loss on defined benefit pension schemes		(8,002)	(8,002)	(1,443)	(1,443)
		(180,646)	**(180,646)**	**(265,161)**	**(265,161)**
Items which may be reclassified to net operating expenditure:					
Net (gain)/loss on:					
Revaluation of development capital investments	6	(13,127)	(13,127)	(16,150)	(16,150)
Revaluation of International Financial Institution investments	6	(625,654)	(625,654)	(399,121)	(399,121)
Revaluation of investment in BII	6	113,100	113,100	(625,050)	(625,050)
		(525,681)	**(525,681)**	**(1,040,321)**	**(1,040,321)**
Total Comprehensive Net Expenditure		**7,613,705**	**7,613,502**	**6,877,409**	**6,876,547**

The notes following these main schedules form part of these financial statements.

Consolidated Statement of Financial Position

as at 31 March 2023

		FCDO			
		31 March 2023		31 March 2022	
	Note	Core Department & Agencies £000	Departmental Group £000	Core Department & Agencies £000	Departmental Group £000
Non-Current Assets					
Property, Plant and Equipment	5	2,279,784	2,279,797	2,771,093	2,771,108
Intangible Assets		13,435	13,434	16,119	16,119
Right of Use Assets	15	1,435,459	1,436,254	-	-
Financial Investments	6	13,503,789	13,503,789	12,546,618	12,546,618
Forward Currency Contracts	7	6,391	6,391	121	121
Retirement Benefit Schemes Asset	13	6,075	6,075	5,512	5,512
Trade and Other Receivables	9	973,447	973,447	1,032,861	1,032,861
Total Non-Current Assets		**18,218,380**	**18,219,187**	**16,372,324**	**16,372,339**
Current Assets					
Assets Classified as Held For Sale	5.1	10,372	10,372	23,364	23,364
Inventories		926	926	919	919
Trade and Other Receivables	9	578,805	582,182	399,860	403,285
Cash and Cash Equivalents	8	510,862	516,484	203,368	209,969
Forward Currency Contracts	7	11,925	11,925	1,966	1,966
Total Current Assets		**1,112,890**	**1,121,889**	**629,477**	**639,503**
Total Assets		**19,331,270**	**19,341,076**	**17,001,801**	**17,011,842**
Current Liabilities					
Bank Overdraft	8	–	–	(45)	(45)
Forward Currency Contracts	7	(2,845)	(2,845)	(3,185)	(3,185)
Trade and Other Payables	10	(6,017,073)	(6,028,286)	(6,221,034)	(6,226,931)
Provisions	11	(196,501)	(196,501)	(247,611)	(247,623)
Lease Liabilities	15	(122,835)	(123,654)	-	-
Total Current Liabilities		**(6,339,254)**	**(6,351,286)**	**(6,471,875)**	**(6,477,784)**
Total Asset less Current Liabilities		**12,992,016**	**12,989,790**	**10,529,926**	**10,534,058**

	Note	FCDO			
		31 March 2023		31 March 2022	
		Core Department & Agencies £000	Departmental Group £000	Core Department & Agencies £000	Departmental Group £000
Non-Current Liabilities					
Trade and Other Payables	10	(34,401)	(34,401)	(40,621)	(40,621)
Retirement Benefit Schemes Liability	13	(16,659)	(16,659)	(24,450)	(24,450)
Forward Currency Contracts	7	(3,229)	(3,229)	(626)	(626)
Financial Guarantee Contracts	12.3	(477,831)	(477,831)	(152,873)	(152,873)
Provisions	11	(989,049)	(989,049)	(810,678)	(810,689)
Lease Liabilities	15	(610,384)	(610,384)	–	–
Total Non-Current Liabilities		**(2,131,553)**	**(2,131,553)**	**(1,029,248)**	**(1,029,259)**
Total Assets less Liabilities		**10,860,463**	**10,858,237**	**9,500,678**	**9,504,799**
Tax-payers Equity and Other Reserves					
General Fund		2,883,081	2,880,294	2,211,882	2,216,003
Revaluation Reserve		7,977,382	7,977,943	7,288,796	7,288,796
Total Equity		**10,860,463**	**10,858,237**	**9,500,678**	**9,504,799**

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

12 July 2023

Consolidated Statement of Cash Flow

for the year ended 31 March 2023

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.

		2022-23		2021-22	
	Note	Core Department & Agencies £000	Departmental Group £000	Core Department & Agencies £000	Departmental Group £000
Cash Flows from Operating Activities					
Net operating expenditure for the year		(8,320,032)	(8,319,829)	(8,182,891)	(8,182,029)
Adjustments for non-cash transactions and non operating activities		238,057	240,311	225,489	225,559
(Increase)/decrease in trade and other receivables	9	(119,531)	(122,661)	(3,304)	(5,027)
Less movements in receivables relating to items not passing through the CSoCNE		130,936	130,936	(16,867)	(16,867)
(Increase)/decrease in inventories	CSoFP	(7)	(7)	30	30
Increase/(decrease) in trade payables	10	(210,181)	(204,865)	(708,831)	(708,266)
Less movements in payables relating to items not passing through the CSoCNE		(306,359)	(311,981)	10,120	10,131
Use of provisions	11	(235,271)	(235,271)	(150,438)	(150,438)
Adjustment to replace defined benefit pension scheme CSoCNE charge with cash payments		(351)	(351)	(1,528)	(1,528)
Net Cash Outflow from Operating Activities		**(8,822,739)**	**(8,823,718)**	**(8,828,220)**	**(8,828,435)**
Cash Flows from Investing Activities					
Purchase of property, plant and equipment	5	(156,503)	(156,503)	(166,680)	(166,689)
Acquisition of right of use assets		(2,063)	(2,063)		
Purchase of intangible assets		(93)	(93)	(3,216)	(3,277)
Proceeds from disposal of property, plant and equipment		688,842	688,842	37,734	37,734
Proceeds of disposal of financial investments		5,528	5,528	10,557	10,557
Additions to financial investments	6	(456,422)	(456,422)	(909,669)	(909,669)
Additions to loans		(56,290)	(56,290)	–	–
Repayment of loans from other bodies		5,686	5,686	5,686	5,686
Net Cash Inflow/(Outflow) from Investing Activities		**28,685**	**28,685**	**(1,025,588)**	**(1,025,658)**

		2022-23		2021-22	
	Note	Core Department & Agencies £000	Departmental Group £000	Core Department & Agencies £000	Departmental Group £000
Cash Flows from Financing Activities					
Lease liability interest expense	15	(6,841)	(6,841)	–	–
Lease liability principal repayment	15	(152,488)	(152,488)	–	–
From the Consolidated Fund (Supply) – current year	CSoCTE	9,942,687	9,942,687	9,848,422	9,848,422
Capital element of payments of finance leases and on-balance sheet (CSoFP) PFI contracts		(1,180)	(1,180)	(1,998)	(1,998)
Net Financing		**9,782,178**	**9,782,178**	**9,846,424**	**9,846,424**
Net Increase/(Decrease) in Cash and Cash Equivalents in the period before Adjustment for Receipts and Payments to the Consolidated Fund		**988,124**	**987,145**	**(7,384)**	**(7,669)**
Payments of amounts due to the Consolidated Fund		(683,287)	(683,287)	(1,739)	(1,739)
Receipts of amounts as agent of the Consolidated Fund	SOPS 4.2	2,702	2,702	1,306	1,306
Net Increase/(Decrease) in Cash and Cash Equivalents in the period after Adjustment for Receipts and Payments to the Consolidated Fund		**307,539**	**306,560**	**(7,817)**	**(8,102)**
Cash and Cash Equivalents at the beginning of the period	8	203,323	209,924	211,140	218,026
Cash and Cash Equivalents at the end of the period	8	510,862	516,484	203,323	209,924

The notes following these main schedules form part of these financial statements.

Consolidated Statement of Changes in Taxpayers Equity

		Core Department & Agencies			Departmental Group		
		General Fund	Revaluation Reserve	Total	General Fund	Revaluation Reserve	Total
	Note	£000	£000	£000	£000	£000	£000
Balance as 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	CSoCNE	(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	CSoCNE	–	263,776	263,776	–	263,776	263,776
Net gain/(loss) on revaluation of intangibles	CSoCNE	–	(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

	Note	Core Department & Agencies General Fund £000	Core Department & Agencies Revaluation Reserve £000	Core Department & Agencies Total £000	Departmental Group General Fund £000	Departmental Group Revaluation Reserve £000	Departmental Group Total £000
Balance at 31 March 2022	CSoFP	**2,211,882**	**7,288,796**	**9,500,678**	**2,216,003**	**7,288,796**	**9,504,799**
Implementation of IFRS 16		24,519	–	24,519	24,519	–	24,519
Restated Balance as at 1 April 2022	CSoFP	**2,236,401**	**7,288,796**	**9,525,197**	**2,240,522**	**7,288,796**	**9,529,318**
Net Parliamentary Funding – drawn down		9,942,687	–	9,942,687	9,942,687	–	9,942,687
Net Parliamentary Funding – deemed		202,359	–	202,359	202,359	–	202,359
Supply receivable/(payable) adjustment	10	(509,675)	–	(509,675)	(515,297)	–	(515,297)
CFERS payable to the Consolidated Fund	SOPS 4.1	(684,613)	–	(684,613)	(684,613)	–	(684,613)
Net expenditure for the year	CSoCNE	(8,320,032)	525,681	(7,794,351)	(8,319,829)	525,681	(7,794,148)
Net gain/(loss) on revaluation of PPE	CSoCNE	–	125,317	125,317	–	125,317	125,317
Net gain/(loss) on right of use assets		–	47,327	47,327	–	47,327	47,327
Actuarial gain/(loss) on defined benefit pension schemes	13	8,002	–	8,002	8,002	–	8,002
		638,728	**698,325**	**1,337,053**	**633,309**	**698,325**	**1,331,634**
Non-cash adjustments							
Non-cash charges – auditors remuneration	3	803	–	803	803	–	803
Movements in Reserves							
Realised element to General Fund		9,739	(9,739)	–	9,178	(9,178)	–
Consolidation and other in-year adjustments		(2,590)	–	(2,590)	(3,518)	–	(3,518)
Balance as at 31 March 2023	CSoFP	**2,883,081**	**7,977,382**	**10,860,463**	**2,880,294**	**7,977,943**	**10,858,237**

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 2022-23 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.

1.2 Machinery of Government changes

There were no material Machinery of Government changes in 2022-23.

1.3 Accounting policy changes

The FCDO adopted IFRS 16 Leases, for the period commencing 1 April 2022. This standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It replaces IAS 17 *Leases* and IFRIC 4 *Determining whether an arrangement contains a lease* with a single lessee accounting model that requires a lessee to recognise ('right of use') assets and lease liabilities. The definition of a lease has been updated under IFRS 16, such that there is more emphasis on being able to control the use of an asset identified in a contract.

The FCDO's new accounting policy for leases, following the adoption of IFRS 16 Leases, together with the policy applied in the comparative period, are set out in Note 1.18. As mandated by HMT the department has adopted IFRS 16 using a modified retrospective approach.

The impact of the adoption of IFRS 16 on the balance sheet as at 1 April 2022 is set out in the table in Note 1.18. Under the modified retrospective approach there has been no restatement of comparative information in the financial statements as a result of adopting IFRS 16. For contracts in place at this date of adoption, the FCDO continued to apply its existing definition of leases under the previous standards, IAS 17 and IFRIC 4, instead of reassessing whether existing contracts were, or contained, a lease at the date of application of the new standard.

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 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 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 (FVOCI) 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 FDCO 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.

Where financial guarantee contracts are issued below fair value and where no active market or observable equivalent exists (which is the case for most development / ODA guarantees), then, in accordance with the FReM, they are measured at initial recognition and at each reporting period end using lifetime ECLs as the fair value. The FCDO's financial guarantees in non-active markets are guarantees of International Bank for Reconstruction and Development (IBRD) and African Development Bank (AfDB) 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- 2021. 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 1960-2021 has been used. The FCDO calculates the lifetime ECL (i.e. fair value) of its IBRD and AfDB 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 using HM Treasury rates to reflect the time value of money. The discount rate applied at 31 March 2023 was 1.9% (31 March 2022: 3.5%).

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 on page 170.

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 FCDO's 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 on the last working day of the previous month. If the exchange rate deviates from this rate during the month by +/- 3% over 2 or more consecutive days, the average rate is updated to a revised spot rate.

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.

Short term and low value leases

Following the adoption of IFRS 16 during the year, most assets previously held under operating leases have now been capitalised and put onto the balance sheet as right of use (ROU) assets. Only buildings and land held on short term leases of less than 12 months, or which are under the capitalisation threshold when the ROU is calculated, are expensed during the year. As a result, there are no comparatives for prior years.

For these short term and low value leases the rental payments are recorded in the Consolidated Statement of Comprehensive Net Expenditure on a straight line basis over the term of the lease.

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 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-lifed where appropriate. Such changes constitute a change in accounting estimate.

1.18 Leases

IFRS 16 eliminates the distinction between operating and finance leases and imposes a single model aimed towards the recognition of all but low value or short-term leases. The FCDO define low value as where the underlying asset has a value on adoption under £10,000 (in line with our capitalisation threshold), and short-term leases are 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 expensed in the Consolidated Statement of Comprehensive Net Expenditure (CSoCNE).

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 are recognised on the Consolidated Statement of Financial Position. The rental expenses on IFRS 16 leases previously recognised within the CSoCNE are superseded by the depreciation of the assets and the interest charges arising on the obligations.

As at 1 April 2022 a ROU asset and lease liability is recognised for all relevant leases. The initial value of the ROU asset consists 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 example, on transition where there is an element of advance payment/prepayment on IFRS 16 leases this is brought into the calculation.

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, on the basis that the assets were already capitalised and work on the liability would not be practicable; and,
- to use the HM Treasury PES rate as the appropriate discount rate for determining present value.

The FCDO leases properties worldwide in different currencies and the contractual terms are correspondingly diverse, complex and subject to local laws.

Implementation and assumptions

The definition of a lease also includes arrangements with nil consideration. Peppercorn leases are examples of these, they are defined by HMT as lease payments significantly below market value. These assets are fair valued on initial recognition. On transition any differences between the discounted lease liability and the right of use asset are included through cumulative catch up. Any differences between the lease liability and right of use asset for new peppercorn leases after implementation of IFRS 16 are recorded within income in the CSoCNE.

For the public sector, the IAS 16 cost model has been withdrawn, and assets are measured at current value in existing use (i.e. market value in existing use for non-specialised assets and present value of the assets remaining service potential for specialised assets). The cost model in IFRS 16 is used as an appropriate proxy for current value in existing use or fair value for most leases. This is because the rents payable are aligned to open market rates. In the case of longer leases where there are not regular rent reviews, there is a greater chance of divergence between cost and fair value, hence a professional revaluation is appropriate.

Due to the adoption of practical expedients on transition for IFRS 16, additional disclosures are substituted for those normally required under IAS 8, and these disclosures can be found in Note 15.

Policy applicable from 1 April 2022

At inception of a contract, the FCDO assesses whether a contract is, or contains, a lease. A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time. This includes assets for which there is no consideration. To assess whether a contract conveys the right to control the use of an identified asset, an assessment is made to determine whether:

» The contract involves the use of an identified asset;

» The department has the right to obtain substantially all of the economic benefit from the use of the asset throughout the period of use; and

» The department has the right to direct the use of the asset.

The policy is applied to contracts entered into, or changed, on or after 1 April 2022. At inception or on reassessment of a contract that contains a lease component, the department allocates the consideration in the contract to each lease component on the basis of the relative standalone prices.

The FCDO assesses whether it is reasonably certain to exercise break options or extension options at the lease commencement date. This estimate determines the length of the lease term impacting the lease liabilities and right of use assets. This is reviewed if there is a significant event or significant change of circumstances that were not anticipated. Management's judgement includes the use of alternative buildings and the strategic importance of the building. Estimates include the length of the lease term, and the cost of a replacement property and any significant leasehold improvements that have been made. Reliance is placed on the professional judgement of estates staff, supported by information on corporate asset management plans, other business strategies, investment already made in the underlying asset, ongoing business needs and market conditions. The impact of these judgements and estimates are significant to the financial statements and are reviewed on a regular basis.

For residential leases (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.

For overseas offices and residences, when determining that a lease extension is reasonably certain, the FCDO assumes that the footprint will tend to be static due to the high cost of ingoing works and security adaptations. For these leases the FCDO will seek to extend the old lease or agree a new lease at expiry, unless a change has been agreed as part of the Global Asset Management Plan (GLAMP). Regional surveyors will review any upcoming lease expiry up to two years before the end of the lease. Consideration will be given to using an option to renew, negotiating an extension, or creating a separate new lease.

The FCDO's Estates team requires the completion of a Lease Authorisation Record (LAR) for any proposed contract regarding future lease commitments. The approval of an LAR is deemed to be the recognition point for making an option to extend a lease reasonably certain.

For residential leases, the FCDO will enter into an initial term, which can vary from a few months to 4-5 years. The average lease length is between 2-3 years. The lease will usually be extended to accommodate staff tour dates, and also to reflect additional work carried out on the property that would otherwise need to be replicated in an alternative property.

Options to extend or renew residential leases will largely depend upon the local market practices, legal jurisdictions and tax treatment. In many markets local law contains renewal or extension rights even if the lease itself is silent on extension or renewal options. Each decision on extension is different and will be driven by the needs of the FCDO's mission overseas.

Repayments of lease liabilities are classified separately in the cash flow statement where the cash payments for the principal portion of the lease liability are presented within financing activities, and cash payments for the interest portion are presented within operating activities. Payments in relation to short-term leases and leases of low value assets which are not included on the balance sheet are included within operating expenses.

Irrecoverable VAT is not part of the lease liability and is not capitalised as part of the right of use asset. Instead it is treated in line with IFRIC 21 and expensed at the tax point.

As a lessee

Right of use assets

The department recognises a right of use asset and lease liability at the commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for initial direct costs, prepayments or incentives, and costs related to restoration at the end of a lease.

Lessees are required to recognise lease incentives over the lease term as a reduction of lease expense. For the FCDO, in most cases incentives are paid as a deduction of the regular rent charge over the lease term often to the first review period, and the net rent is used for the PV calculation. Where there are exceptional cases with material incentives these should be accounted for separately upfront.

The cost measurement model in IFRS 16 is used as an appropriate proxy for current value in existing use for the majority of leases except for those which meet one of the following:

» A longer-term lease that has no provisions to update lease payments for market conditions or if there is a significant period of time between those updates; and;

» The fair value or current value in existing use of the underlying asset is likely to fluctuate significantly due to changes in market prices.

In all other cases the regular rent reviews in contracts mean that the cost will reflect the fair value of the lease.

The right of use asset is depreciated using the straight line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of the right of use assets are determined on the same basis of those of property plant and equipment assets.

Under some circumstances, the FCDO provides guarantees via a bank with no money paid directly to the landlord. In these circumstances the bond is a recoverable debtor balance, with interest earned on the amount deposited with the bank.

The right of use asset is a nonmonetary asset and the lease liability is a monetary liability. The right of use asset is remeasured into GBP using the exchange rate on the lease commencement date, while the lease liability is remeasured based on the period end exchange rate.

The cost measurement model in IFRS 16 is used as an appropriate proxy for current value in existing use or fair value, except for exceptional circumstances such as peppercorn leases, or where particularly long leases do not provide a viable calculated cost when compared to market value. In these circumstances the ROU is initially measured at cost, and then subsequently measured at current value in existing use or fair value.

Where cost is used as a proxy the resulting depreciation charge of the assets in subsequent periods is a fixed amount in the reporting currency (i.e. at the exchange rate used at the inception of the lease), while the periodic repayment is recorded at the average exchange rate of the relevant period. Any changes to the lease liability due to exchange rate changes would be recognised in the CSoCNE.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate provided by HM Treasury (HMT). The HMT discount rates were 0.95% for leases entered or transitioned into prior to 31 December 2022, or 3.51% after 1 January 2023.

The HMT discount rate is used, as a Supply-funded public sector body, undertakes any "borrowing" through a request for Supply from the Exchequer. There are no interest rates levied to supply-funded bodies and the interest rates charged upon the Exchequer do not take account of the reasons for the borrowing.

The FCDO applies IAS 36 *Impairment of Assets* to determine whether the right of use asset is impaired and to account for any impairment loss identified. An impairment test will only be necessary for an individual ROU where there are indicators of impairment at the end of the reporting period. The FCDO considers that residential leases are unlikely to require impairment assessment.

Lease payments included in the measurement of the lease liability comprise the following:

» Fixed payments, including in-substance fixed payments.
» Variable lease payments that depend on an index or a rate are treated as a fixed payment, and initially measured using the index rate as at the commencement date.
» Amounts expected to be payable under a residual value guarantee.
» The exercise price under a purchase option that the department is reasonably certain to exercise, lease payments in an optional renewal period if the department is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the department is reasonably certain not to terminate early.

When the lease liability is re-measured, a corresponding adjustment is made to the right of use asset or recorded in the CSoCNE if the carrying amount of the right of use asset is zero.

The lease payment is re-measured when there is a change in future lease payments arising from a change in the index or rate, if there is a change in the department's estimates of the amount expected to be payable under a residual value guarantee, or if the department changes its assessment of whether it will exercise a purchase, extension or termination option.

A lease modification is a change in the scope of a lease, or the consideration for a lease, that was not part of its original terms and conditions.

The FCDO accounts for a lease modification as a separate lease if **both**:

a. the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
b. the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

In the event that a lease contract has expired, but the FCDO remains in occupation pending negotiations for a renewed term, the lease term has been measured as the estimated time until the new contract will be agreed.

The lease liabilities are included within current and non-current liabilities on the CSoFP.

As a lessor

When the department acts as a lessor, it determines at lease inception whether each lease is a finance or operating lease.

To classify each lease, the department makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease, if not then it is an operating lease.

Where the department is the head lessor the accounting should not be affected if the intermediate party enters into a sub-lease.

When the department is the intermediate lessor, it accounts for its interest depending on the classification of the sub-lease. If the sub lease is classified as a finance lease, the department de-recognises the right of use asset (to the extent that it is subject to the sub-lease) and recognises a lease receivable. If the sub lease is classified as an operating lease, the department continues to recognise the right of use asset. Revenue from the sub lease is recognised over the term of the sublease.

The accounting policies applicable to the department as lessor are largely unchanged by IFRS 16 except for reviews of intermediate lessor arrangements.

The FCDO considers the cross-charging agreements with partner organisations (PAGs) for sharing the platform do not contain a lease and therefore fall out of the scope of the IFRS 16. Such charges will continue to be collected under memorandums of understanding (MOTOs). The FCDO regards MOTOs as not granting specific rights of use over a building and are thus out of scope. The FCDO does not hold assets specifically to lease out.

Adjustments recognised on adoption of IFRS 16

On transition to IFRS 16, the department recognised an additional £697.3 million of right of use. When measuring lease liabilities, the group discounted lease payments using the 2022 PES rate of 0.95%. Agency and ALB leases are not material to the below table.

	Departmental Group £000
Operating lease commitment at 31 March 2022	**755,699**
Discount using PES rate	(6,250)
Service charges and other elements outside the scope of IFRS 16	(125,617)
Exemptions for:	
Short term leases	(1,743)
Leases of low value assets	(5,338)
Impacts of restatements for operating leases and finance leases	41,141
Lease liabilities recognised at 1 April 2022	**657,892**

The operating lease commitments figure has been restated for arrangements not previously identified as leases, along with any material reconciling items such as adjustment for the impact of discounting and for the differing assessments of the lease term (the previous operating lease commitment reflected amounts payable during the non-cancellable lease period, while the IFRS 16 lease term reflects the FCDO's assessment of the likelihood that it will exercise lease extension or cancellation options).

1.19 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.

1.20 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.

1.21 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.

1.22 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 the 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. The 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 2023 and 2022 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 the FCDO's interests is assessed as the 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).

British International Investment (BII)

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 the 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 expected credit losses (ECLs) calculated in-line with IFRS 9. 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 at the date of inception or the rate intrinsic to each agreement. Expected credit losses applied are based on appropriate evidence and likelihood of default. Further information on expected credit loss allowances 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 at the date of inception.

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.

1.23 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 the 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 too the 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 the 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 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.

1.24 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.

1.25 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 (3.27% between 0 and 5 years, 3.20% between 5 and 10 years and 3.51% 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.

1.26 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.

1.27 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 1.70% (2021-22: -1.30%) 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.

1.28 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). A full 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. A follow-up analysis did not indicate any change from this position. 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.

1.29 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’. These remote contingent liabilities can be found in the Parliamentary Accountability and Audit Report of the Annual Report and Accounts.

2. Statement of Operating Expenditure by Operating Segment

	2022-23			2021-22 (Restated)		
Director General	Gross £000	Income £000	Net £000	Gross £000	Income £000	Net £000
DG Africa, Latin America & the Caribbean	1,404,698	(643)	1,104,055	1,266,748	(1,454)	1,265,294
DG Defence and Intelligence	519,675	(26,810)	492,865	428,345	(25,770)	402,575
DG Economics, Science and Technology	369,724	–	369,724	328,765	–	328,765
DG Europe	524,316	(702)	523,614	658,832	(299)	658,533
DG Finance & Corporate	1,162,384	(17,706)	1,144,678	670,396	(251,057)	419,339
DG Humanitarian & Development	2,707,100	(28)	2,707,072	2,719,760	–	2,719,760
DG Indo-Pacific	423,113	(457)	422,656	501,226	(558)	500,668
DG Middle East, Afghanistan, Pakistan, US, Canada and Overseas Territories	1,404,497	(8,966)	1,395,531	1,188,594	(8,641)	1,179,953
DG Political Director (Geopolitics)	465,370	(10)	465,360	531,640	(12)	531,628
Other	644,785	(283,373)	416,412	405,052	(185,262)	219,790
Total	**9,325,662**	**(283,695)**	**9,041,967**	**8,699,358**	**(473,053)**	**8,226,305**

The FCDO reorganised its reporting structure and Director General responsibilities and moved from having 8 DGs (DG Delivery, DG Indo-Pacific, DG Finance & Corporate, DG Africa, DG Political, DG MENA, Afghanistan and Pakistan, DG Americas and Overseas Territories, DG Transformation) to a new structure with 9 DGs: DG Africa, Latin America & the Caribbean, DG Defence and Intelligence, DG Economics, Science and Technology, DG Europe, DG Finance & Corporate, DG Humanitarian & Development, DG Indo-Pacific, DG Middle East, Afghanistan, Pakistan, US, Canada and Overseas Territories and DG Political Director (Geopolitics).

As a result of the reorganisation, the prior year comparatives have been restated to align with the DG structure as at 2022-23.

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 the FCDO means that all assets included in the Consolidated Statement of Financial Position are used for the general administration and benefit of the 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.

3. Operating Expenditure

	Note	2022-23 Core Department & Agencies £000	2022-23 Departmental Group £000	2021-22 Core Department & Agencies £000	2021-22 Departmental Group £000
Staff costs[1]					
Wages and salaries		665,080	668,326	649,000	652,135
Social security costs		36,025	36,367	32,915	33,237
Other pension costs		105,185	105,878	110,586	111,223
Recoveries outward secondments		(1,369)	(1,369)	(3,584)	(3,584)
Apprenticeship levy costs		1,494	1,494	1,485	1,485
		806,415	**810,696**	**790,402**	**794,496**
Grants					
Diplomatic programmes		236,296	236,296	327,694	327,694
British Council		164,709	164,709	190,500	190,500
Conflict, stability and security fund programmes		692,280	692,280	641,142	641,142
Peacekeeping foreign exchange rate loss/(gain)		(22,499)	(22,499)	11,379	11,379
Humanitarian assistance payments		143,554	143,554	242,963	242,963
Trust funds contributions		213,231	213,231	246,259	246,259
Voluntary contributions		764,293	764,293	780,463	780,463
Core contributions		1,587,700	1,587,700	1,674,851	1,674,851
Accountable grant payments		437,828	437,828	469,726	469,726
Other[2]		926,312	926,312	350,039	378,517
		5,143,704	**5,143,704**	**4,935,016**	**4,963,494**
Promissory notes					
Promissory note deposits		1,380,009	1,380,009	950,158	950,158
		1,380,009	**1,380,009**	**950,158**	**950,158**
Subscriptions to International Organisations					
Subscriptions to international organisations (inc NATO, UN & Council of Europe)		179,773	179,773	165,439	165,437
		179,773	**179,773**	**165,439**	**165,437**

	Note	2022-23 Core Department & Agencies £000	2022-23 Departmental Group £000	2021-22 Core Department & Agencies £000	2021-22 Departmental Group £000
Leases					
Rentals under short term and low value leases[3]		19,147	19,147	–	–
Rentals under operating leases		–	–	148,503	148,503
		19,147	**19,147**	**148,503**	**148,503**
Other costs					
Reimbursements of duties to other Governments		49,388	49,388	16,041	16,041
Audit fees for arms length bodies		–	76	–	62
Auditors' remuneration and expenses – cash[4]		76	76	16	16
Exchange rate (gains)/losses – realised		(35,035)	(35,035)	(10,774)	(10,774)
Business hospitality		9,133	9,133	7,380	7,380
Consular		1,556	1,556	18,169	18,169
Contractor, consultancy and fee based services		60,526	60,526	49,920	49,920
Estate, security and capital related costs		282,183	282,183	284,372	284,372
Grant in aid to other Arms Length Bodies		38,030	–	36,423	–
Information and commercial services		6,347	6,347	5,838	5,838
IT and communications		208,527	208,527	201,961	201,961
Medical		23,469	23,469	12,966	12,966
On-balance sheet PFI contracts		1,785	1,785	1,774	1,774
Recruitment		3,217	3,217	1,203	1,203
Representation		2,737	2,737	1,554	1,554
Research & development[5]		2,203	2,203	24,262	24,262
Service element of on-balance sheet contracts		2,964	2,964	2,297	2,297
Transport equipment costs		7,634	7,634	5,479	5,479
Training		9,639	9,639	12,760	12,760
Travel		86,687	86,687	37,292	37,292
Other programme costs[6]		–	–	516,093	516,093
Other non programme costs[7]		67,565	108,139	242,888	255,260
		828,631	**831,251**	**1,467,914**	**1,443,925**
Total Cash		**8,357,679**	**8,364,580**	**8,457,432**	**8,466,013**

	Note	2022-23 Core Department & Agencies £000	2022-23 Departmental Group £000	2021-22 Core Department & Agencies £000	2021-22 Departmental Group £000
Depreciation, amortisation and impairment					
Depreciation of property, plant and equipment	5	116,680	116,690	161,816	161,816
Depreciation of right of use assets		166,019	166,019	–	–
Amortisation of intangible assets		5,247	5,242	4,567	4,567
Movement on impairments – Departmental Expenditure Limit		5,441	5,441	42,537	42,537
Movement on impairments – Annually Managed Expenditure		6,563	6,563	4,360	4,360
		299,950	**299,955**	**213,280**	**213,280**
Other non-cash costs					
Non-perpetual leasehold land prepayment release		83	83	1,561	1,561
(Gain)/Loss on disposal of property, plant and equipment		6,912	6,912	(16,275)	(16,265)
(Gain)/Loss on disposal of investments		–	–	119	119
Financial guarantee[8]		324,958	324,958	47,435	47,435
Revaluation of investments through profit and loss	6	9,170	9,170	14,401	14,401
Auditors' remuneration and expenses		801	801	832	832
Provisions: Provided in year	11	482,128	482,117	20,724	20,786
Provisions: Written back in year	11	(2,504)	(2,504)	(9,456)	(9,456)
Provisions: Unwinding of discount	11	(118,471)	(118,471)	(13,105)	(13,105)
Other discounting		(44,068)	(44,068)	(9,906)	(9,906)
Exchange rate (gains)/losses – unrealised		1,982	2,129	(16,373)	(16,337)
		660,991	**661,127**	**19,957**	**20,065**
Total Non-Cash		**960,941**	**961,082**	**233,237**	**233,345**
Total Expenditure		**9,318,620**	**9,325,662**	**8,690,669**	**8,699,358**

1. For more information on staff costs refer to the Staff Report section of the Remuneration Report.
2. Other grants includes financial aid that is made via joint programmes and pooled funding to a range of aid providers and other governments. This includes around £220 million of debt relief, £117 million of other financial aid to Governments and the remaining being general programme contributions, pooled/basket funding and research and development.
3. All leases other than low value or short term leases are now capitalised onto the balance sheet as a result of the implementation of IFRS 16 – see Note 1 and 15 for details.
4. A breakdown of audit fees paid to the NAO can be found in the Accountability Report on page 170.
5. Not all Research & Development costs are shown under Other Costs, some of the R&D costs sit within the Grants control account.
6. The FCDO implemented a new accounting system in the year, HERA, and as a result, we no longer use the Other Programme Costs line in Other costs. In order to report grant programme spend more accurately, all grant related expenditure is now reported within the Grants section. Costs that would previously have been shown in Other Programme Costs are now within the Grants section in the line Other.
7. Within Other Non Programme Costs are a range of costs including payments for compensation, bank charges and equipment maintenance.
8. For further details on this please refer to Guarantees Note 12.3.

4. Income

	2022-23		2021-22	
	Core Department & Agencies £000	Departmental Group £000	Core Department & Agencies £000	Departmental Group £000
Revenue from contracts with customers				
Income from OGDs[1]	212,538	212,538	214,814	214,814
Income from other organisations[2]	815	815	2,286	2,444
Consular fees[3]	25,062	25,062	24,302	24,302
Running cost receipts[4]	32,293	32,384	19,852	19,852
	270,708	**270,799**	**261,254**	**261,412**
Other operating income				
Vaccine receipts – grant in kind	–	–	196,879	196,879
	–	**–**	**196,879**	**196,879**
Income of consolidated bodies				
Agency: Wilton Park	5,748	5,748	5,369	5,369
Non-Departmental Public Bodies	–	7,148	–	9,393
	5,748	**12,896**	**5,369**	**14,762**
Total operating income	**276,456**	**283,695**	**463,502**	**473,053**
Finance income				
Effective interest rate (EIR) interest income[5]	36,702	36,702	37,017	37,017
Dividends receivable	5,891	5,891	3,308	3,308
Interest on loans	1,767	1,773	2,774	2,774
	44,360	**44,366**	**43,099**	**43,099**
Consolidated Fund extra receipts				
Interest payments for the British Council loan	3,419	3,419	–	–
Receipts in respect of capital sales proceeds[7]	681,177	681,177	–	–
Consolidated Fund extra receipts	17	17	1,177	1,177
	684,613	**684,613**	**1,177**	**1,177**
Total Income	**1,005,429**	**1,012,674**	**507,778**	**517,329**

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 grouped into three categories: legalisation fees, emergency travel documents (including emergency passports) and Notarial and documentary services. This line only includes income from legalisation fees and emergency travel documents and emergency passports. Notarial 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. This is notional income reflecting the release of discounting on loans.
6. 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. Capital sales proceeds include Tokyo - see note 5.

5. Property, Plant and Equipment

	2022-23											
	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
Cost or Valuation												
At 1 April 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
Reclassification to right of use assets*	(41,702)	(735,542)	–	(43,283)	(582,945)	–	–	–	–	–	–	(1,403,472)
Additions	–	–	–	–	–	–	–	–	45	–	156,503	156,548
Disposals	–	(710)	–	(822)	–	–	(36,338)	(6,969)	(1,263)	–	–	(46,102)
Impairments	(1,961)	(5,004)	–	(2,131)	(3,818)	–	(502)	–	–	–	–	(13,416)
Reversals of impairments	2,283	16,166	–	5,634	8,122	–		–	–	–	–	32,205
Reclassification	6	1,916	2,484	(6)	7,596	–	18,080	1,883	45,643	–	(81,805)	(4,203)
Revaluation	6,282	123,020	–	16,142	118,995	–	3,252	88	497	–	–	268,276
At 31 March 2023	**254,320**	**1,202,162**	**131,170**	**279,572**	**1,166,288**	**4,884**	**251,464**	**110,758**	**339,438**	**20,223**	**299,590**	**4,059,869**
Depreciation												
At 1 April 2022	–	940,539	79,058	–	791,153	2,973	206,200	85,381	193,621	–	–	2,298,925
Reclassification to right of use assets*	–	(403,113)	–	–	(331,750)	–	–	–	–	–	–	(734,863)
Charged in year	–	29,555	9,671	–	24,436	552	21,103	10,259	21,114	–	–	116,690
Disposals	–	(710)	–	–	–	–	(36,251)	(6,804)	(819)	–	–	(44,584)
Impairments	–	(1,747)	–	–	(851)	–	(292)	–	–	–	–	(2,890)
Reversals of impairments	–	4,855	–	–	2,253	–		–		–	–	7,108
Reclassification	–	709	(709)	–	–	–	(3,273)	–	–	–	–	(3,273)
Revaluation	–	78,824	–	–	62,114	–	1,820		201	–	–	142,959
At 31 March 2023	**–**	**648,912**	**88,020**	**–**	**547,355**	**3,525**	**189,307**	**88,836**	**214,117**	**–**	**–**	**1,780,072**
Net Book Value 1 April 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**
Net Book Value 31 March 2023	**254,320**	**553,250**	**43,150**	**279,572**	**618,933**	**1,359**	**62,157**	**21,922**	**125,321**	**20,223**	**299,590**	**2,279,797**

* Following the implementation of IFRS 16 ground leaseholds were moved to Note 15.5.

	2022-23											
	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	236,378	526,622	43,150	279,572	618,933	1,359	62,157	21,922	125,321	20,223	299,590	2,235,227
Leased	–	–	–	–	–	–	–	–	–	–	–	–
On-balance sheet (CSoFP) PFI Contracts	17,942	26,628	–	–	–	–	–	–	–	–	–	44,570
Net Book Value 31 March 2023	**254,320**	**553,250**	**43,150**	**279,572**	**618,933**	**1,359**	**62,157**	**21,922**	**125,321**	**20,223**	**299,590**	**2,279,797**
Of the Total												
Department	254,320	553,250	42,678	279,572	618,933	1,359	61,988	21,921	124,998	20,223	299,590	2,278,832
Agencies	–	–	472	–	–	–	156	1	323	–	–	952
ALBs	–	–	–	–	–	–	13	–	–	–	–	13
Net Book Value 31 March 2023	**254,320**	**553,250**	**43,150**	**279,572**	**618,933**	**1,359**	**62,157**	**21,922**	**125,321**	**20,223**	**299,590**	**2,279,797**

	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
Cost or Valuation												
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
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												
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
At 31 March 2022	**–**	**940,539**	**79,058**	**–**	**791,153**	**2,973**	**206,200**	**85,381**	**193,621**	**–**	**–**	**2,298,925**
Net Book Value 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 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**

	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 (CSoFP) PFI Contracts	16,385	24,602	–	–	–	–	–	–	–	–	–	40,987
Net Book Value 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	224,892	2,770,181
Agencies	–	–	440	–	–	–	187	3	287	–	–	917
ALBs	–	–	–	–	–	–	9	–	1	–	–	10
Net Book Value 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**

Property Valuations

Valuations are carried out by Royal Institution of Chartered Surveyors (RICS) qualified surveyors in accordance with RICS Valuation – Global Standards. Non-specialist properties are valued at fair value, interpreted as market value for existing use; specialist properties, for which there is no external market, are valued at depreciated replacement cost.

Further information on the methods of valuation can be found at Note 1 – Accounting Policies.

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 2022
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 of the FCDO's properties as at 30 September 2022 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 the FCDO's in-house 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. Europe, Eastern Europe and Central Asia and the Home Estate were inspected for 2022-23. Due to the war and diplomatic issues Ukraine and Russia were not inspected.

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. There were some movement in office use types in Berlin and Stockholm and large residential properties (like our Residence) in Stockholm. Elsewhere any movements in the market were deemed insignificant.

Colliers have quoted a material uncertainty for Russia and Ukraine following the sanctions placed on Russia and the conflict in Ukraine. Assets were left unchanged in 2022-23 at £3.2 million for Ukraine and £127.5 million for Russia. In addition Colliers have included uncertainty for asset valuations for Kazakhstan and Tajikistan, where the commercial and residential property markets are very opaque with little in the way of publicly available transactions. Assets in these countries were left with unchanged valuations as any changes would have to be treated with caution . Valuers drew attention to market uncertainty within certain other countries. These countries are Syria, Iran, Yemen, Iraq, and Myanmar where unrest and conflict has impacted markets. In South Asia valuers drew attention to opaque markets in Pakistan and Sri Lanka. Asia Pacific and Sub Sahara Africa will be inspected for the 2023-24 accounts as required every five years Evidence will be expected to be obtained when these locations are visited. 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 2022 with those as at 31 March 2023, and the valuations shown in Note 5 amended for changes in FX rates.

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 2022, 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

In previous years ground leaseholds were included in Note 5. After the implementation of IFRS 16 these leases are now shown separately in Note 15.5. All leases in Note 15 are valued at fair value. Except for ground leases, cost is used as a proxy for fair value. The fair value of ground leases are measured using the revaluation process used for PPE in Note 5.

Antiques and Works of Art (AWA)

Antiques and Works of Art valuers have been appointed. AWA assets in all of our Designated Residences will be inspected during 2023-24. These inspections will be part of a 5 yearly inspection and valuation schedule.

Assets Under Construction

The top 3 projects contained within the AUC category are Washington Embassy major works (£118.8 million), Ottawa new office (£23.7 million) and Paris Chancery refurbishment (£18.2m). The majority of projects are at early stages, where spending will grow in future years.

5.1 Assets Held for Sale

The following assets are classified as held for sale **Overseas Properties**	2022-23 £000	2021-22 £000
Balance as at 1 April	23,364	21,547
Reclassification to Assets Held For Sale at Carrying Value	–	22,830
Revaluation to Fair Value Less Costs to Sell	–	(57)
(Impairments)/Reversals	–	–
Disposals	(12,992)	(20,956)
Balance as at 31 March	**10,372**	**23,364**

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 CSoFP.

Proceeds from Assets Sales

In 2022-23 Asset sales included £3.4 million from the sale of property in Dar Es Salaam and £1.5 million from the sale of surplus land in Skopje.

In April 2022 the FCDO completed the sale of part of the Tokyo Embassy compound that was no longer required. The FCDO has deferred £6.8 million of the income to 2023-24. The FCDO received £685.7 million after sale costs. The £678.9 million remainder of the proceeds has been surrendered as CFER. Our Spending Review settlement allows the FCDO to draw down all the income surrendered to the Consolidated Fund from the sale of assets such as the sale of the Tokyo Embassy site.

6. Financial Investments

	2022-23				
	Other development capital £000	International Financial Institutions £000	BII £000	Other Public Sector Bodies £000	Total £000
At 1 April 2022	397,172	4,053,164	8,091,300	4,982	**12,546,618**
Additions	93,661	73,261	289,500	–	**456,422**
Disposals	(5,528)	–	–	–	**(5,528)**
Impairment	(5,921)	–	–	(1)	**(5,922)**
Gains taken to other comprehensive income	13,127	625,654	(113,100)	–	**525,681**
Losses taken to profit and loss	(9,170)	–	–	–	**(9,170)**
Financing cost[1]	(4,312)	–	–	–	**(4,312)**
At 31 March 2023	**479,029**	**4,752,079**	**8,267,700**	**4,981**	**13,503,789**
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)**
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**

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 1.22. 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 2023, these include equity investments (£228.2 million), debt instruments (£217.2 million), convertible loans (£14.0 million) and other returnable grant arrangements (£19.6 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 1.22.

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 DC assets increased by £81.9 million during the year to 31 March 2023 due to further investment of £93.6 million, disposals of £5.5 million relating to the partial exit of mature investments, impairment of £5.9 million of one investment, favourable revaluations of £4.0 million and financing costs of £4.3 million.

International financial institutions

Investments in International Financial Institutions (IFIs) are valued at fair value. There is no market for 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 of 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 1.22.

The FCDO's fair value of its investments in IFIs increased by £698.9 million during the year to 31 March 2023 due to further shares being subscribed in the International Bank for Reconstruction and Development and African Development Bank of £46.4 million, and £26.9 million respectively and favourable investment revaluations of £625.7 million. 30% 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).

	2022-23		2021-22	
	Currency 000	£000	Currency 000	£000
International Bank for Reconstruction and Development	$2,407,664	1,946,673	$2,007,940	1,528,926
International Finance Corporation	$1,596,883	1,291,131	$1,525,400	1,161,501
Asian Development Bank	$1,104,685	893,173	$1,076,994	820,066
Inter-American Development Bank	$364,725	294,891	$337,885	257,279
African Development Bank (in Units of Account)	183,221	199,163	155,211	163,471
Caribbean Development Bank	$78,743	63,666	$88,357	67,279
Multilateral Investment Guarantee Agency	$78,391	63,382	$71,762	54,643
		4,752,079		**4,053,165**

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 BII 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 the 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 five years to 2026, BII aims to invest £9 billion over the period. This is an ambitious target and exceeds the £7 billion committed over the 2017-2021 strategy period.

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 2022 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 2022 and 31 March 2023 and a post-financial statement review of BII is performed to 31 March 2023 to identify other possible adjustments. At 31 March 2023, this post-financial statement review noted an estimated decrease of £119.4 million to the FCDO’s investment.

The FCDO’s fair value of its investment in BII increased by £176.4 million during the year to 31 March 2023 due to further shares being subscribed of £289.5 million (detailed below), an audited profit to 31 December 2022 of £6.3 million and an estimated loss of £119.4 million in the 3 months to 31 March 2023. The audited profit to 31 December 2022 has largely been impacted by the changes in the sterling to US dollar exchange rate with sterling substantially depreciating during the year moving from 1.35 at 31 December 2021 to 1.12 at 31 December 2022. BII total net assets increased during 2022 from £7,715.2 million to £8,097.6 million, a rise of 5.0% (2021: 13.4%). BII’s investment portfolio increased by £877.5 million in 2022 to £6,888.6 million, driven primarily by drawdowns in excess of realisations and foreign currency valuation gains. In US dollar terms, the portfolio generated a loss of 3.8% (2021 10.8% gain). 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 2023, the FCDO subscribed for a further 289.5 million shares in BII for £289.5 million consideration (2021-22: 660.7 million shares for £660.7 million consideration). These transactions were funded through the use of promissory notes (refer to notes 10.2, 10.3 and 17).

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 13-16 of BII's Annual Accounts 2022.

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.	• 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 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.	• Each investment proposal is reviewed and approved at the Investment Committee. This includes: – 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 of transactions as part of the portfolio review and valuations process. • Single obligor limit framework is designed to control concentration risk for debt investments. • 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.	• Investment & Committee review includes: – 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. • Environmental, Social and Governance Impact (ESGI) team contribute to pre-investment due diligence, agree action plans, track progress against action plans and monitor environmental and social 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.	• 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 investment and advisory teams to ensure the technical integrity of contractual documentation. • Dedicated Security team sets policies and processes to identify, assess and mitigate security risks associated with BII offices, business travel and IT systems. • Compliance team sets the Compliance Policy Framework, ensuring BII complies with applicable laws and regulations. They provide regulatory advice 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. • BII reviews and updates its systems regularly to include industry best practice for built-in redundancy and resilience for core systems.IT systems are included in disaster recovery and critical incident management practices, including annual testing of ability to restore systems.

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 the 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 in January 2019 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, The FCDO wrote-off this loan in 2019-20. On 9 March 2023, the E3 announced the liquidation of INSTEX for commercial reasons and therefore the FCDO investment has been fully impaired.

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 2023 or 31 March 2022. 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:

	2022-23			
	Amortised Cost £000	Financial assets at FVTPL £000	Financial assets at FVOCI £000	Total carrying value £000
Financial Assets				
Non-Current Financial Assets				
Financial investments	19,637	231,164	13,248,007	13,498,808
Forward currency contracts	–	6,391	–	6,391
Trade and other receivables	973,447	–	–	973,447
	993,084	237,555	13,248,007	14,478,646
Current Financial Assets				
Forward currency contracts	–	11,925	–	11,925
Trade and other receivables	291,994	–	–	291,994
Cash and cash equivalent	516,484	–	–	516,484
	808,478	11,925	–	820,403
Total financial assets	**1,801,562**	**249,480**	**13,248,007**	**15,299,049**
Financial Liabilities				
Non-current Financial Liabilities				
Forward currency contracts	–	(3,229)	–	(3,229)
Financial guarantee	–	(477,831)	–	(477,831)
Trade and other payables	(34,401)	–	–	(34,401)
	(34,401)	(481,060)	–	(515,461)
Current Financial Liabilities				
Forward currency contracts	–	(2,845)	–	(2,845)
Bank overdraft	–	–	–	–
Trade and other payables	(6,028,286)	–	–	(6,028,286)
	(6,028,286)	(2,845)	–	(6,031,131)
Total financial liabilities	**(6,062,687)**	**(483,905)**	**–**	**(6,546,592)**
Net financial instruments	**(4,261,125)**	**(234,425)**	**13,248,007**	**8,752,457**

	2021-22			
	Amortised Cost £000	Financial assets at FVTPL £000	Financial assets at FVOCI £000	Total carrying value £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**

Valuation of financial instruments

The FCDO 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, 1.20, 1.22 and 6 for more information on valuation techniques and inputs.

	Note	2022-23 £000	2021-22 £000
Financial assets			
Level 1			
Cash and cash equivalents	8	516,484	209,969
Financial investments	6	18,579	30,609
Level 2			
Trade and other receivables	9	1,265,441	1,227,615
Forward Currency Contracts		18,316	2,087
Level 3			
Financial investments	6	13,480,229	12,511,027
		15,299,049	13,981,307
Financial liabilities			
Level 1			
Bank overdraft	8	–	(45)
Level 2			
Trade and other payables	10	(6,062,687)	(6,267,552)
Forward Currency Contracts		(6,074)	(3,811)
Financial Guarantee	12.3	(105,873)	(105,873)
Level 3			
Financial Guarantee	12.3	(371,958)	(47,000)
		(6,546,592)	(6,424,281)

There have been no transfers between Level 1 and Level 2 of the fair value hierarchy in 2022-23 or 2021-22.

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 as at 31 March 2021	10,613,710
Additions	879,060
Disposals	(10,676)
Transfers	–
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 as at 31 March 2022	**12,511,027**
Additions	456,422
Disposals	(5,528)
Transfers	–
Gains/(Losses) taken to other comprehensive income	531,791
Gains/(Losses) taken to profit and loss	(9,170)
Impairment	(1)
Other movements	(4,312)
Balance as at 31 March 2023	**13,480,229**

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. Transactions denominated in foreign currencies are translated into sterling at the spot rate or average rate when settled. Accounting policy 1.14 gives more details about the foreign exchange policy.

The FCDO manages non-ODA expenditure exchange risks through the Foreign Currency Mechanism (FCM) agreed with HM Treasury. 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 expenditure and it does not include Peacekeeping or ODA 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:

	2022-23			2021-22		
	Foreign Currency 000	Sterling Cost £000	Average Exchange Rate	Foreign Currency 000	Sterling Cost £000	Average Exchange Rate
Euro	22,440	19,670	1.14	22,954	20,929	1.10
US Dollar	419,335	319,165	1.31	331,822	250,733	1.32
		338,835			**271,662**	

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:

	2022-23				
	Foreign Currency	Currency Value 000	Sterling Value £000	Unrealised Gains £000	Unrealised Losses £000
Current Assets and Liabilities					
Maturing in 2023-24	Euro	15,333	13,277	297	–
	US Dollar	314,294	250,832	11,628	(2,845)
			264,109	**11,925**	**(2,845)**
Non-current Assets and Liabilities					
Maturing in 2024-25	Euro	7,757	6,826	115	–
	US Dollar	169,692	135,293	5,874	(1,754)
			142,119	**5,989**	**(1,754)**
Maturing in 2025-26	Euro	3,982	3,584	11	(1)
	US Dollar	72,524	60,629	389	(1,391)
			64,213	**400**	**(1,392)**
Maturing in 2026-27	Euro	–	–	–	–
	US Dollar	4,076	3,435	2	(83)
			3,435	**2**	**(83)**
	Sterling	207,767		6,391	(3,229)
Total			**473,876**	**18,316**	**(6,074)**

	Foreign Currency	Currency Value 000	Sterling Value £000	Unrealised Gains £000	Unrealised Losses £000
			2021-22		
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)**
	Sterling	207,873		121	(626)
Total			**546,708**	**2,087**	**(3,811)**

FCDO's exposure to foreign currency risk mainly relates to ODA expenditure, which is not covered by the FCM, and is shown in the following tables. This is based on the carrying amount for monetary financial instruments.

	Sterling £000	Euro £000	US dollar £000	Other £000	Total £000
			2022-23		
Financial investments	8,440,763	–	4,663,098	394,947	13,498,808
Trade and other receivables	1,205,351	16,472	43,618	–	1,265,441
Cash and cash equivalents	370,570	7,979	92,620	45,315	516,484
Trade and other payables	(6,060,363)	–	(2,324)	–	(6,062,687)
Net exposure	**3,956,321**	**24,451**	**4,797,012**	**440,262**	**9,218,046**

	Sterling £000	Euro £000	US dollar £000	Other £000	Total £000
			2021-22		
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**

Sensitivity analysis

A 10% strengthening of the following currencies against the pound sterling at 31 March 2023 and at 31 March 2022 would have increased taxpayers' equity and lowered net comprehensive expenditure by the amounts shown below. This calculation assumes that the change occurred at the Consolidated Statement of Financial Position date and had been applied to risk exposures existing at that date.

This analysis assumes that all other variables, in particular other exchange rates and interest rates, remain constant.

	2022-23		2021-22	
	Equity	(Profit) or loss	Equity	(Profit) or loss
	£000	£000	£000	£000
Euro	2,717	(2,717)	2,671	2,671
US Dollar	533,001	(14,879)	451,286	4,202
	535,718	**(17,596)**	**453,957**	**6,873**

A 10% weakening of the above currencies against the pound sterling at 31 March 2023 and at 31 March 2022 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:

	2022-23	2021-22
	£000	£000
Fixed rate instruments		
Cash and cash equivalents	–	–
Trade and other receivables	993,572	1,000,353
	993,572	**1,000,353**
Variable rate instruments		
Cash and cash equivalents	241,046	24,041
Trade and other receivables	113,090	56,800
	354,136	**80,841**

For the financial year ending 31 March 2023 the department earned interest from financial instruments of £1.2 million (2021-22: £1.3 million). The interest earned from these financial instruments does not represent a material source of income for the FCDO.

(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 publicly 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 2023, 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 £475.2 million (at 31 March 2022: £405.3 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 2022 and reflecting any capital contributions by the FCDO in the period between that date and 31 March 2023. 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 2023, 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 £826.8 million (at 31 March 2022: £809.1 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 £52.6 million (2021-22: £49.2 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 a £200 million revolving credit facility designed to provide short term liquidity. The loan facility was first made available in 2020-21 and due to expire on 31 March 2024, with an option to extend repayment until 31 March 2025. At 31 March 2022, the British Council had drawn down £56.8 million and during 2022-23 drew down a further £56.3 million resulting in a total drawdown of £113.1 million at 31 March 2023. The expected credit loss allowance is £6.95 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, Gibraltar, Ukraine and to a portfolio of loans with the African Development Bank (AfDB) "Room to Run". Credit risk for these guarantees 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.

For financial guarantees issued below fair value and where no active market exists, the FReM requires the financial guarantees to be measured upon initial recognition, and at each reporting period end, at an amount equal to lifetime expected credit losses (ECLs) in accordance with the requirements of IFRS 9. Initial measurement and subsequent measurement are recognised through profit and loss. Financial guarantee contracts are presented separately in the tables below for Iraq, Egypt, Jordan, Ukraine and Room to Run.

For financial guarantees issued in an active market or where there are 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 1.22. 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 £7.0 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 £52.6 million.

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 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 as at 31 March 2022	**1,067**	**49,217**	**–**	**47,000**	**1,648**	**98,932**
Impact of change to cashflows	5,889	3,364	–	324,958	1,892	**336,103**
Impact of change of credit rating assessment	–	–	–	–	–	**–**
Balance as at 31 March 2023	**6,956**	**52,581**	**–**	**371,958**	**3,540**	**435,035**

Credit quality of loans held at amortised cost

	2022-23			2021-22		
	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	1,131,662	–	–	1,057,153	–	–
Past due but not credit-impaired	–	72,786	–	–	74,510	–
Credit-impaired	–	–	–	–	–	–
Less: impairment allowances	(6,956)	(52,581)	–	(1,067)	(49,216)	–
Loan balance net of allowances	**1,124,706**	**20,205**	**–**	**1,056,086**	**25,294**	**–**

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 £4.625.1 million (2021-22: £5,300.7 million) due on demand and £804.7 million (2021-22: £614.6 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 2023-24 amounts has already been provided and there is no reason to believe the allocation for 2024-25 and beyond will not be forthcoming.

8. Cash and cash equivalents

	2022-23		2021-22	
	Department & Agencies £000	Departmental Group £000	Department & Agencies £000	Departmental Group £000
Balance at 1 April	203,323	209,924	211,140	218,026
Net change in cash balances	307,539	306,560	(7,817)	(8,102)
Balance as at 31 March 2023	**510,862**	**516,484**	**203,323**	**209,924**
Of which:				
Cash and cash equivalents	510,862	516,484	203,368	209,969
Bank overdraft	–	–	(45)	(45)
Balance as at 31 March 2023	**510,862**	**516,484**	**203,323**	**209,924**
The following balances and overdrafts were held at 31 March:				
Government Banking Service	280,086	280,086	19,244	19,243
Government Banking Service – NDPB	–	3,424	–	3,191
Commercial banks and cash in hand UK and overseas	230,776	232,974	184,079	187,490
Balance at 31 March 2022	**510,862**	**516,484**	**203,323**	**209,924**

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

	2022-23		2021-22	
	Department & Agencies £000	Departmental Group £000	Department & Agencies £000	Departmental Group £000
Amounts Falling Due Within 1 Year				
Development capital loans	2,846	2,846	5,686	5,686
Bilateral and multilateral loans	37,485	37,485	51,257	51,257
Trade receivables	34,720	39,966	59,772	60,399
Other receivables	148,797	148,797	49,941	52,028
Deposits and advances	3,595	3,595	12,938	13,104
Prepayments	289,437	290,188	200,501	201,046
Accrued income	61,925	62,025	19,765	19,765
	578,805	**582,182**	**399,860**	**403,285**
Amounts Falling Due After 1 Year				
Leasehold land (non-perpetual) prepayments	–	–	7,485	7,485
Other receivables	–	–	56,696	56,696
Development capital loans	–	–	2,713	2,713
Bilateral and multilateral loans	973,447	973,447	965,967	965,967
	973,447	**973,447**	**1,032,861**	**1,032,861**
Total	**1,552,252**	**1,555,629**	**1,432,721**	**1,436,146**

10. Trade payables and other liabilities

10.1 Analysis by type

	2022-23		2021-22	
	Department & Agencies £000	Departmental Group £000	Department & Agencies £000	Departmental Group £000
Amounts Falling Due Within 1 Year				
Other taxation and social security	13,848	14,032	5,285	5,327
Trade payables	74,190	77,145	48,190	49,045
Other payables	92,563	92,649	118,351	119,065
Accruals	689,034	690,274	492,583	496,869
Deferred income	9,294	10,420	2,011	2,011
Promissory notes: due on demand	4,625,059	4,625,059	5,348,839	5,348,839
Payments on account	–	–	448	448
Imputed finance lease element of on-CSoFP PFI contracts	2,223	2,223	2,004	2,004
Total excluding amounts due to the Consolidated Fund	**5,506,211**	**5,511,802**	**6,017,711**	**6,023,608**
Amounts issued from the Consolidated Fund for supply but not spent	509,675	515,297	202,359	202,359
Income due to be paid to the Consolidated Fund	1,187	1,187	964	964
	6,017,073	**6,028,286**	**6,221,034**	**6,226,931**
Amounts Falling Due After 1 Year				
Payables, accruals and deferred income	15,902	15,902	20,723	20,723
Imputed finance lease element of on-CSoFP PFI contracts	18,499	18,499	19,898	19,898
	34,401	**34,401**	**40,621**	**40,621**
Total	**6,051,474**	**6,062,687**	**6,261,655**	**6,267,552**

10.2 Promissory notes payable: movement during the year

	2022-23	
	Department & Agencies £000	Departmental Group £000
Balance as 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 as at 31 March 2022	–	(5,348,840)
New notes deposited in year	(1,380,009)	–
Cash drawn down against notes previously issued	2,103,924	–
Foreign exchange losses	(133)	–
Balance as at 31 March 2023	**–**	**(4,625,058)**

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 £1,883.3 million which is expected to be encashed within 1 year and £2,741.7 million which is expected to be encashed after 1 year based on non-legally binding encashment schedules.

10.3 Promissory notes payable: analysis by institution

	At 31 March 2023 £000	At 31 March 2022 £000
International Development Association	2,010,790	2,606,171
BII	365,900	905,450
African Development Fund	579,006	461,170
Green Climate Fund	1,005,700	731,700
Climate Investment Funds (CIFs)	56,813	56,813
Caribbean Development Bank	150,107	168,809
World Health Organization	47,000	99,000
Private Infrastructure Development Group	103,229	118,844
Global Environment Fund	135,635	108,730
Asian Development Fund	48,093	45,334
KfW Group	16,231	16,231
International Fund for Agricultural Development	12,320	–
European Bank for Reconstruction and Development	7,174	10,301
International Finance Corporation	2,500	15,000
IFC Catalyst Fund	2,324	2,188
Multilateral Investment Guarantee Agency	3,098	3,099
Sustainable Infrastructure Programme	30,752	–
Renewable Energy Performance Platform	10,280	–
IBRD Territorios Forestalos Sostenibles (TEFOS)	30,960	–
UNODC Territorios Forestalos Sostenibles (TEFOS)	7,146	–
Total	**4,625,058**	**5,348,840**

11. Provisions

11.1 Analysis of Movement

	2022-23					
	IFFIm £000	IFFIm – COVAX £000	IFFIm – GAVI £000	Terminal Gratuities £000	Other £000	Total £000
Balance as at 1 April 2022	508,522	489,393	–	51,761	8,636	1,058,312
Provided in year (bal)	–	–	461,000	11,135	9,992	482,127
Provisions not required written back	–	–	–	–	(2,504)	(2,504)
Provisions utilised in the year	(127,047)	(100,000)	–	(7,706)	(518)	(235,271)
Foreign exchange movement	–	–	–		–	–
Unwinding of discount/(initial discount on recognition of provision)	(16,491)	(29,055)	(72,925)	–	–	(118,471)
Terminal gratuities exchange unrealised (gain)/loss	–	–	–	1,367	–	1,367
Balance as at 31 March 2023	**364,984**	**360,338**	**388,075**	**56,557**	**15,596**	**1,185,550**

	2021-22					
	IFFIm £000	IFFIm – COVAX £000	IFFIm – GAVI £000	Terminal Gratuities £000	Other £000	Total £000
Balance as 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 as at 31 March 2022	**508,522**	**489,393**	**–**	**51,761**	**8,636**	**1,058,312**

11.2 Analysis of Expected Timing of Discounted Cash Flows

	2022-23					
	IFFIm £000	IFFIm – COVAX £000	IFFIm – GAVI £000	Terminal Gratuities £000	Other £000	Total £000
Not later than 1 year	109,986	78,616	–	3,776	4,123	196,501
Later than 1 year but not later than 5 years	238,381	193,546	136,611	12,658	10,070	591,266
Later than 5 years	16,619	88,176	251,464	40,123	1,401	397,783
Balance as at 31 March 2023	**364,986**	**360,338**	**388,075**	**56,557**	**15,594**	**1,185,550**

	2021-22					
	IFFIm £000	IFFIm – COVAX £000	IFFIm – GAVI £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 as at 31 March 2022	**508,522**	**489,393**	**–**	**51,761**	**8,636**	**1,058,312**

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.

In 2006, 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. During 2020-21, the UK pledged £500.0 million to IFFIm in support of the Gavi COVID-19 Vaccines Advanced Market Commitment (COVAX AMC), through a legally binding agreement with annual payment obligations from October 2022 to October 2029. During 2022-23, the UK pledged a further £461.0 million to IFFIm in support of Gavi, through a legally binding agreement with annual payment obligations from October 2026 to October 2029. This pledge is not in support of any specific immunisation programme and closely resembles the structure of the original IFFIm obligation.

The signing of each of the legal agreements was the recognition point for the provisions.

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 remained at 0% as none of the specified countries are currently in protracted arrears.

The provisions are calculated as the total of the FCDO's expected remaining payments after adjusting for reductions for countries in protracted arrears at the period end, discounted at the nominal discount rates set by HM Treasury (3.27% between 0 and 5 years, 3.20% between 5 and 10 years and 3.51% exceeding 10 years, as at 31 March 2023).

At 31 March 2023, the UK liabilities in net present value terms (after deducting payments already made) are IFFIm: £365.0 million, IFFIm – COVAX: £360.3 million and IFFIm-Gavi: £388.1 million

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 and liabilities for other estate commitments.

12. Contingent Assets and Contingent Liabilities

12.1 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 2023 we received carried interest payments of US$Nil (2021-22: US$Nil).

12.2 Contingent Liabilities

The Department has the following quantifiable non-remote contingent liabilities:

	1 April 2022 £000	Increase in year £000	Liabilities crystallised in year £000	Obligations expired in year £000	31 March 2023 £000
Contributions due to IFIs	2,256,648	1,458,356	(670,911)	–	3,044,093
Callable Capital – GuarantCo	130,000	–	–	–	130,000
Pension liability – CABI	26,938	–	–	(8,743)	18,195
Legal claims	60,897	224	–	–	61,121
Total contingent liabilities	**2,474,483**	**1,458,580**	**(670,911)**	**(8,743)**	**3,253,409**

Contingent liabilities of £3,044.1 million (2021-22: £2,256.6 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 further replenishments to the IFIs which have been made in the year. The FCDO expects a high proportion of this amount to crystalise as a liability in the coming years.

Contingent liabilities of £130.0 million (2021-22 £130.0 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 £18.2 million (2021-22: £26.9 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 2023 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 discloses, 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.

12.3 Guarantees

At 31 March 2023, the total outstanding amounts and corresponding fair values of our financial guarantees are as follows:

	2022-23			2021-22		
	Guaranteed amount outstanding Currency 000	Guaranteed amount outstanding £000	Fair Value £000	Guaranteed amount outstanding Currency 000	Guaranteed amount outstanding £000	Fair Value £000
Government of Egypt	$281,622	227,700	13,379	$225,080	171,385	7,150
Republic of Iraq	$472,993	382,430	44,691	$425,956	324,340	31,830
Hashemite Kingdom of Jordan	$311,317	251,710	14,814	$249,116	189,687	8,020
Government of Ukraine	$1,731,509	1,399,980	143,009	–	–	–
Government of Ukraine	€615,765	541,570	58,079	–	–	–
African Development Bank	$1,602,226	1,295,450	97,986	–	–	–
		4,098,840	**371,958**		**685,412**	**47,000**
Government of Gibraltar	–	425,000	105,873	–	200,000	105,873
		4,523,840	**477,831**		**885,412**	**152,873**

The movement in the department's financial guarantees during 2022-23 is shown below:

	1 April 2022 £000	Increase in year £000	Liabilities crystallised in year £000	Obligations expired in year £000	31 March 2023 £000
Government of Egypt	171,385	70,625	–	(14,310)	227,700
Republic of Iraq	324,340	58,090	–	–	382,430
Hashemite Kingdom of Jordan	189,687	62,023	–	–	251,710
Government of Ukraine	–	1,941,550	–	–	1,941,550
African Development Bank (Room to Run)	–	1,295,450	–	–	1,295,450
Government of Gibraltar	200,000	225,000	–	–	425,000

	1 April 2022 £000	Increase in year £000	Liabilities crystallised in year £000	Obligations expired in year £000	31 March 2023 £000
Total Guarantees	**885,412**	**3,652,738**	**–**	**(14,310)**	**4,523,840**

Initial measurement of the fair value of guarantees issued at below market value, where no active market or observable equivalent exists (i.e. development guarantees), is based on lifetime expected credit losses (ECLs) in accordance with the FReM. Guarantees are subsequently measured by recalculating the lifetime ECLs at the reporting date. See Note 1.6 (g) 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), the Hashemite Kingdom of Jordan (Jordan) and the Government of Ukraine (Ukraine). These loans were issued at below fair value where there is no active market or observable market equivalents so have been fair valued using lifetime ECLs.

IBRD member countries are subject to a Single Borrower Limit (SBL). The FCDO works with the IBRD to guarantee lending to countries of strategic priority who are reaching the Bank's Single Borrower Limit so 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 interest 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 guarantee to Ukraine is in three tranches entered into in 2022 and 2023. The first tranche guarantees €426.0 million principal plus interest over 18 years. The second and third tranches guarantee $500.0 million principal plus interest each over 18 and 27 years respectively.

The FCDO provides a guarantee called Room to Run (R2R) to the African Development Bank (AfDB) over a portfolio of its existing lending. This differs to other FCDO guarantees in that it does not cover specified loans. The guarantee instead covers US$2.0 billion of existing AfDB loans to 11 countries. The UK's share of the R2R guarantee (US$1.6 billion) is on a second loss basis, with private insurance companies guaranteeing the first US$400.0 million of losses. The first loss cover reduces the overall credit risk of the R2R guarantee. The R2R guarantee was issued with a fee equal to 0.1% of the value of the R2R cover. The fee is payable twice each year to cover the ongoing provision of the guarantee and is significantly below fair value. The R2R guarantee has therefore been deemed to be issued at below fair value and has been valued using discounted lifetime ECLs rather than the transaction price.

The UK guarantees a £500 million revolving credit facility entered into by the Government of Gibraltar (GoG). The guarantee enabled the GoG to borrow at more favourable rates while it manages the financial impact of COVID-19. In 2021-22, the fair value was calculated based on the actual amount drawn down 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. There have been no repayments made towards the underlying loan and so the fair value of the guarantee has remained in line with 2021-22.

Further information regarding the fair valuation of guarantees can be found in Accounting Policy 1.6 (g).

Sensitivity analysis

As stated 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, Jordan, Ukraine and countries covered by R2R.

The FCDO's best estimate of the fair value of these guarantees at 31 March 2023 is £372.0 million (31 March 2022: £47.0 million) representing an increase of £325.0 million. The increase is principally due to the new guarantees to the Government of Ukraine and African Development Bank entered into in the year and increases to the existing guarantees due to higher interest rates at 31 March 2023.

As described in Accounting Policy 1.6 (g), the fair values have been calculated using probability weighting for different recovery rates on 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 £190.1 million and a maximum possible fair value of £1,463.1 million. The stated fair value of £372.0 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 department has the following indemnity:

	1 April 2022 £000	Increase in year £000	Liabilities crystallised in year £000	Obligations expired in year £000	31 March 2023 £000
Indemnities - BVI	3,000	–	–	–	3,000

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.

The FCDO issued a Letter of Comfort for the financial year 2021-22 to one ALB: Wilton Park Agency (WP). The Letter of Comfort gave assurance to Wilton Park Agency (WP) 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 a going concern, for at least 12 months from the date that their 2021-22 accounts were certified by the Comptroller & Auditor General.

Wilton Park Agency did not call on the Letter of Comfort in 2022-23 by drawing down additional funds. No further Letters of Comfort have been issued in 2022-23.

13. Retirement Benefit Schemes

Retirement benefits for UK-based employees are provided through the Civil Service pension arrangements. Details are given in the Remuneration Report. For staff engaged overseas the FCDO observes local employment laws and, where local state pension provision does not meet the FCDO requirements, provides for the payment of pensions or other terminal benefits. 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. Defined contribution schemes are operated at some Posts and the value of contributions in 2022-23, excluding contributions to local government schemes, was £1,500,000 (2021-22: £3,605,000). 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 2023-24 is £489,000.

Pension Schemes Obligations (Liabilities)	2022-23 Funded Schemes £000	2022-23 Unfunded Schemes £000	2022-23 Total £000	2021-22 Funded Schemes £000	2021-22 Unfunded Schemes £000	2021-22 Total £000
Balance at 1 April	(20,273)	(24,139)	(44,412)	(22,062)	(24,533)	(46,595)
Employees contributions	(101)	–	(101)	(106)	–	(106)
Matched by annuity contracts	63	–	63	20	–	20
Interest cost	(817)	(371)	(1,188)	(722)	(298)	(1,020)
Changes in assumptions	1,631	6,602	8,233	780	(960)	(180)
Current service cost	(297)	–	(297)	(409)	–	(409)
Payments of pensions	951	1,228	2,179	969	1,254	2,223
Actuarial gains & losses	1,456	847	2,303	1,773	239	2,012
FX gain/loss	(421)	(826)	(1,247)	(516)	159	(357)
Total	**(17,808)**	**(16,659)**	**(34,467)**	**(20,273)**	**(24,139)**	**(44,412)**

FV Pension Schemes Assets	2022-23 Funded Schemes £000	2022-23 Unfunded Schemes £000	2022-23 Total £000	2021-22 Funded Schemes £000	2021-22 Unfunded Schemes £000	2021-22 Total £000
Balance at 1 April	25,474	–	25,474	24,685	–	24,685
Employees contributions	101	–	101	106	–	106
Matched by annuity contracts	(63)	–	(63)	(20)	–	(20)
Finance income	1,086	–	1,086	887	–	887
Employers contributions	356	–	356	430	–	430
Payments of pensions	(950)	–	(950)	(969)	–	(969)
Actuarial gains & losses	(2,534)	–	(2,534)	(388)	–	(388)
FX gain/loss	413	–	413	743	–	743
Total	**23,883**	**–**	**23,883**	**25,474**	**–**	**25,474**

Net liability	**(10,584)**
Summary	
Net assets	6,075
Net liabilities	(16,659)
Net Asset/(Liability)	**(10,584)**

14. Capital and Other Commitments

14.1 Capital Commitments

	2022-23		2021-22	
	Core Department & Agencies £000	Departmental Group £000	Core Department & Agencies £000	Departmental Group £000
Estates Projects	67,637	67,637	53,678	53,678
IT Infrastructure	7,887	7,887	837	837
Vehicles	567	567	1,329	1,329
	76,091	**76,091**	**55,844**	**55,844**

Other financial commitments entered into by the Department are not material.

14.2 Commitments under short term and low value leases

Operating Leases

Total future minimum lease payments under short term and low value leases are given in the table below for each of the following periods:

	2022-23		2021-22	
	Core Department & Agencies £000	Departmental Group £000	Core Department & Agencies £000	Departmental Group £000
Land and Buildings				
Not later than 1 year	1,601	1,601	108,233	108,233
Later than 1 year but not later than 5 years	144	144	184,786	184,786
Later than 5 years	99	99	462,469	462,469
	1,844	**1,844**	**755,488**	**755,488**
Other				
Not later than 1 year	15	15	130	130
Later than 1 year but not later than 5 years	9	9	79	79
Later than 5 years	–	–	2	2
	24	**24**	**211**	**211**
Total	**1,868**	**1,868**	**755,699**	**755,699**

The majority of the FCDO’s leases became finance leases from 1 April 2022, and are reported in Note 15. IFRS 16 has been implemented in 2022-23, with no changes to comparative data.

Most leases reported as operating leases in previous years have now become leases under IFRS 16 as shown in Note 15.

Note 1 contains an update on the implementation of IFRS 16 Leases.

14.3 Commitments under PFI Contracts and other service concession arrangements

14.3.1 On-Balance Sheet (included within Consolidated Statement of Financial Position)

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. This is the only PFI contract the FCDO has entered into. 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.

	2022-23 £000	2021-22 £000
Not later than 1 year	3,904	3,748
Later than 1 year but not later than 5 years	15,615	14,994
Later than 5 years	8,783	12,183
	28,302	**30,925**
Less Interest element	(7,580)	(9,023)
Present Value of obligations	**20,722**	**21,902**
The above liability is disclosed under Payables (Note 10) as follows:		
Amounts falling due within 1 year	2,223	2,004
Amounts falling due after 1 year	18,499	19,898
	20,722	**21,902**

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 CSoCNE for service performance and finance cost.

14.3.2 Future charge to the Consolidated Statement of Comprehensive Net Expenditure for the service charge element

Contractual payments comprise two elements: imputed finance lease charges and service charges. The liability to pay for the Berlin Embassy is in substance a finance lease obligation.

	2022-23		2021-22	
	Core Department & Agencies £000	Departmental Group £000	Core Department & Agencies £000	Departmental Group £000
Not later than 1 year	2,450	2,450	2,286	2,286
Later than 1 year but not later than 5 years	9,799	9,799	9,144	9,144
Later than 5 years	7,349	7,349	9,144	9,144
	19,598	**19,598**	**20,574**	**20,574**

15. Leases

The vast majority of the FCDO's leases are for operational land and buildings, comprised of two distinct elements:

» Leases for offices and official residences. These are managed by chartered surveyors within the Estates team. Lease terms are taken out in the name of the Secretary of State, and will vary from 1 year to many years; and

» Residential Post Hirings. These are typically shorter agreements, leased in the name of the local UK Mission. Lease terms vary from a few months to four-five years, and exceptionally in a few locations, up to nine years.

As permitted by the FReM, IFRS 16 has been implemented using the cumulative catch-up method, without restatement of prior year figures.

The FCDO has identified around 3,800 leases worldwide. The most significant leases are:

» King Charles Street, which is held under a Terms of Occupation Agreement (TOA) with the Government Property Agency (GPA). Lease liability £339 million.

» UK Mission New York lease liability £40.9 million.

» Abercrombie House, held under a TOA with GPA. Lease liability £13.2 million

» British Embassy Beijing – lease liability £10.8 million.

15.1 Quantitative disclosure around right of use assets

	2022-23					
Consolidated	Land £000	Buildings excluding dwellings £000	Dwellings £000	Plant & Machinery £000	Vehicles £000	Total £000
Cost or valuation						
At 1 April 2022 (cumulative catch up)	–	520,688	173,881	102	80	694,751
Additions	–	82,760	113,385	27	46	196,218
At 31 March 2023	**–**	**603,448**	**287,266**	**129**	**126**	**890,969**
Depreciation						
At 1 April 2022	–	–	–	–	–	–
Charged in year	–	49,736	83,944	70	35	133,785
At 31 March 2023	–	49,736	83,944	70	35	133,785
Carrying Amount at 31 March 2023	**–**	**553,712**	**203,322**	**59**	**91**	**757,184**

Ground leases are disclosed in Note 15.5 below.

15.2 Quantitative disclosures around lease liabilities

A maturity analysis of contractual undiscounted cash flows relating to lease liabilities is given below. The cash flows and balances are presented net of irrecoverable VAT.

	2022-23	
	Core Department & Agencies £000	Departmental Group £000
Buildings excluding dwellings		
Not later than one year	58,759	58,759
Later than one year and not later than five years	197,012	197,012
Later than five years	374,963	374,963
Subtotal Land	630,734	630,734
Less: Unaccrued interest	(74,912)	(74,662)
Present value of obligations	**555,822**	**556,072**
Dwellings		
Not later than one year	78,422	78,422
Later than one year and not later than five years	96,508	96,508
Later than five years	19,306	20,231
Subtotal Buildings	194,236	195,161
Less: Unaccrued interest	(16,992)	(16,992)
Present value of obligations	**177,244**	**178,169**
Other (Plant & Machinery and Vehicles)		
Not later than one year	74	74
Later than one year and not later than five years	75	75
Later than five years	4	4
Subtotal Other	153	153
Less: Unaccrued interest	–	–
Present value of obligations	**153**	**153**
TOTAL present value of obligations		
Comprising:		
Current	122,835	123,654
Non-current	610,384	610,384
Balance as at 31 March	**733,219**	**734,038**

As the FCDO has no borrowings (which is the case for all entities consolidated into the departmental group, HM Treasury issues discount rates to be used. These cover calendar years and were 0.95% for 2022 and 3.51% for 2023.

IFRS 16 has been implemented in 2022-23 using the modified retrospective approach (see Note 1.4 for more information) meaning that there have been no changes to comparative data.

15.3 Amounts recognised in the Consolidated Statement of Comprehensive Net Expenditure

	2022-23	
	Core Department & Agencies £000	Departmental Group £000
Interest on lease liabilities	6,841	6,841
Foreign exchange	21,344	21,344
Depreciation	166,019	166,019
Expenses relating to short-term liabilities	507	507
Expenses relating to leases of low value assets	5,654	5,654
TOTAL	**200,365**	**200,365**

15.4 Amounts recognised in the Consolidated Statement of Cashflows

	2022-23	
	Core Department & Agencies £000	Departmental Group £000
Acquisition of right of use assets	2,063	2,063
Interest expense	6,841	6,841
Repayment of principal on leases	152,488	152,488
TOTAL	**161,392**	**161,392**

15.5 Right of Use assets – ground leases

The cost measurement model in IFRS 16 is used as an appropriate proxy for current value in existing use for the majority of leases except for those which meet one of the following:

» A longer-term lease that has no provisions to update lease payments for market conditions or if there is a significant period of time between those updates; and

» The fair value or current value in existing use of the underlying asset is likely to fluctuate significantly due to changes in market prices.

In these circumstances the ROU is initially measured at cost, and then subsequently measured at current value in existing use or fair value.

For more information on valuation methodology see Note 5. In previous years ground leases were included in Note 5. After the implementation of IFRS 16 these leases are now shown separately in Note 15.5. Unlike other leases within Note 15, ground leases are subject to revaluation and held at current cost.

	2022-23				
	Non-residential Land £000	Buildings excluding dwellings £000	Residential Land £000	Dwellings £000	Total £000
Cost or valuation					
At April 2022 (transferred from PPE)	41,702	735,542	43,283	582,945	1,403,472
Revaluation	2,859	41,744	1,515	67,181	113,299
Impairments	472		384	705	1,561
Reversal of Impairments		(18,157)			(18,157)
Disposals	–	–	–	(4,339)	(4,339)
At 31 March 2023	**45,033**	**759,129**	**45,182**	**646,492**	**1,495,836**
Depreciation					
At 1 April 2022 (transferred from PPE)	–	403,113	–	331,750	734,863
Charged in year	–	18,657	–	13,577	32,234
Revaluation	–	26,532	–	39,440	65,972
Impairments	–		–	365	365
Reversal of Impairments		(13,315)			(13,315)
Disposals	–	–	–	(2,558)	(2,558)
At 31 March 2023	**–**	**434,987**	**–**	**382,574**	**817,561**
Net Book Value 1 April 2022	**41,702**	**332,429**	**43,283**	**251,195**	**668,609**
Net Book Value 31 March 2023	**45,033**	**324,142**	**45,182**	**263,918**	**678,275**
Previously stated as leased assets within PPE (Note 5)					
At 31 March 2022	30,601	312,026	44,584	257,657	644,868
Reclassified within PPE	11,101	20,404	(1,301)	(6,463)	23,741
At 1 April 2022	**41,702**	**332,430**	**43,283**	**251,194**	**668,609**

16. 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.

	2022-23 £000	2021-22 £000
Amounts held in third party account	1,528	1,500
	1,528	**1,500**

17. Related Parties

The FCDO is the 100% shareholder in British International Investment plc (formerly CDC Group plc). During the year to 31 March 2023 the FCDO subscribed for a further 289.5 million shares for £289.5 million consideration (2021-22: 660.65 million shares for £660.65 million consideration). These transactions were funded through the use of promissory notes (refer to note 10).

The FCDO consolidates Wilton Park as an Executive Agency plus four Non-Departmental Public Bodies (NDPBs) and two advisory bodies. In addition, the FCDO sponsors a number of bodies outside its accounting boundary (and therefore not consolidated in these accounts), including FCDO Services and the British Council as listed in Note 18. 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 Business and Trade (DBT (formally known as 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)

Sir Philip Barton, Permanent Under Secretary, declared that his sister works for Oxford University Clinical Research Unit which received funding from the FCDO of £7,628,341 for a joint global health trial and Fleming fund grant. Beverley Tew, a non-executive director, is a Trustee of Plan International UK (a global children's charity) which received payments totalling £2,691,049 in 2022-23.

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.

18. Entities within the departmental accounting boundary

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 2022-23 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 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 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 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-19 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 it's 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.

19. 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.

In mid-July 2023, the FCDO will sign a guarantee of $1,000 million financing by the World Bank to the Government of India. This was previously announced at COP26 and a Written Ministerial Statement laid in Parliament in 2021.

On 21 June 2023, at the Ukraine Recovery Conference, the UK announced a landmark package of financial support for Ukraine. This includes the FCDO offering a further $3 billion of additional guarantees to unlock World Bank lending, expected to come in place over the next three years.

In April 2023, the British Embassy in Khartoum suspended in-country operations, and evacuated FCDO staff because of escalating violence and specific threats against foreign diplomats and Embassy properties. As at 31 March 2023 the Net Book Value of FCDO assets in Sudan was £21.5 million, largely in respect of property, armoured vehicles, equipment and building enhancements. Further work is under way to assess the potential financial impact for 2023-24.

On 23 May 2023, the Prime Minister announced a Machinery of Government change and laid a Written Ministerial Statement to that effect. This will see responsibility for the delivery of the Windsor Framework move from the FCDO to Cabinet Office, where it will be part of a new Director General area that has responsibility for wider Union policy. The Foreign Secretary will remain responsible for the UK-EU relationship, including chairing the Withdrawal Agreement Joint Committee that oversees the Windsor Framework. As a result, part of the current Windsor Framework Taskforce will be remaining in the FCDO to support the Foreign Secretary in discharging those responsibilities.

On 3 July 2023 Nick Dyer was appointed Second Permanent Under-Secretary of the FCDO. He was also appointed as an Additional Accounting Officer for Official Development Assistance programmes and allocations and development finance instruments. As Additional Accounting Officer, he will be personally accountable to Parliament whilst at the same time supporting the Permanent Under-Secretary of State in his role as Principal Accounting Officer for the Department as a whole.

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.

Foreign Secretary James Cleverly speaks to workers at the World Food Programme truck compound, where trucks funded by UK Aid prepare to deliver humanitarian aid to the North-west of the Tigray region.

SECTION 4
Annexes


IVECO
people

Annex A: FCDO programme outturn

Annex A sets out the FCDO's actual ODA and Non-ODA programme resource outturn for 2022-23 and plans for programme outturn in 2023-24 and 2024-25. Initial allocations have been set internally to deliver the priorities set out in the International Development Strategy (May 2022) and the Integrated Review Refresh 2023, based on the FCDO's Spending Review 2021 settlement.

The department's spending plans for the period 2022-23 to 2024-25 have been revisited to ensure HMG continues to spend around 0.5% of Gross National Income (GNI) on ODA. This was in the context of the significant and unexpected costs incurred to support the people of Ukraine and Afghanistan escape oppression and conflict and find refuge in the UK, and others seeking asylum. The Government provided additional resources of £1 billion in 22-23 and £1.5 billion in 23-24 to help meet these unanticipated costs. The Government remains committed to returning ODA spending to 0.7% of GNI when the fiscal situation allows, in line with the approach confirmed by the House of Commons in July 2021.

The following table shows the breakdown of programme budgets allocated to individual countries for 2023-24 and 2024-25. These allocations are indicative and subject to revision as, by its nature, the department's work is dynamic. Programme allocations are continually reviewed to respond to changing global needs, including humanitarian crises, fluctuations in GNI and other ODA allocation decisions.

It should be noted that these figures do not reflect the full range of UK ODA spending in these individual countries as they do not include spend delivered via core contributions to multilateral organisations, or regional programmes delivered by the FCDO's central departments. Other UK Government departments also spend a large amount of ODA overseas. Details of ODA spent by other UK government departments can be found in their Annual Report and Accounts and the Statistics for International Development.

	2022-23 Programme Outturn			2023-24 Plans			2024-25 Plans		
	FCDO ODA £000	FCDO Non-ODA £000	FCDO Total £000	FCDO ODA £000	FCDO Non-ODA[1] £000	FCDO Total £000	FCDO ODA £000	FCDO Non-ODA[1] £000	FCDO Total £000
Regional Programmes									
Africa	**762,134**	**168**	**762,302**	**645,887**	**150**	**646,037**	**1,364,000**	**–**	**1,364,000**
Democratic Republic of the Congo	42,699	–	42,699	44,636	–	44,636	105,000	–	105,000
Ethiopia	85,220	–	85,220	89,253	–	89,253	214,000	–	214,000
Ghana and Liberia	11,613	–	11,613	5,587	–	5,587	16,150	–	16,150
Kenya	36,447	13	36,460	24,646	–	24,646	81,000	–	81,000
Malawi	26,018	–	26,018	16,342	–	16,342	51,000	–	51,000
Mozambique	25,680	–	25,680	20,076	–	20,076	47,000	–	47,000
Nigeria	84,071	–	84,071	72,324	–	72,324	120,000	–	120,000
Other African countries[2]	1,569	155	1,724	2,051	–	2,051	2,850	–	2,850
Pan Africa Department	93,283	–	93,283	49,505	–	49,505	93,000	–	93,000
Rwanda	20,814	–	20,814	14,423	–	14,423	32,000	–	32,000
Sahel & Security Department[3]	18,669	–	18,669	19,181	–	19,181	46,000	–	46,000
Sierra Leone	30,100	–	30,100	25,398	–	25,398	33,000	–	33,000
Somalia	76,325	–	76,325	90,065	–	90,065	138,000	–	138,000
South Africa	10,254	–	10,254	5,892	–	5,892	13,000	–	13,000
South Sudan	62,353	–	62,353	47,906	–	47,906	111,000	–	111,000
Sudan	31,071	–	31,071	42,349	–	42,349	89,000	–	89,000
Tanzania	31,790	–	31,790	17,645	–	17,645	57,000	–	57,000
Uganda	30,143	–	30,143	18,301	–	18,301	57,000	–	57,000
Zambia	16,837	–	16,837	10,845	–	10,845	27,000	–	27,000
Zimbabwe	27,178	–	27,178	29,462	–	29,462	31,000	–	31,000
Americas and Overseas Territories	**112,602**	**32,975**	**145,577**	**111,535**	**19,470**	**131,005**	**158,000**	**19,450**	**177,450**
Brazil	890	274	1,164	–	–	–	–	–	–
Caribbean Development Team	32,969	–	32,969	25,835	–	25,835	60,000	–	60,000
Colombia	–	167	167	–	–	–	–	–	–
Mexico	–	289	289	–	–	–	–	–	–
Other American Countries[4]	–	1,243	1,243	–	–	–	–	–	–
Overseas Territories	78,743	30,159	108,902	85,700	–	85,700	98,000	–	98,000
USA and Canada	–	744	744	–	–	–	–	–	–
Venezuela	–	99	99	–	–	–	–	–	–
Europe	**30,099**	**3,318**	**33,417**	**23,900**	**1,170**	**25,070**	**38,000**	**800**	**38,800**
Albania	–	13	13	–	–	–	–	–	–
Bosnia and Herzegovina	–	83	83	–	–	–	–	–	–
Kosovo	–	11	11	–	–	–	–	–	–
Montenegro	–	12	12	–	–	–	–	–	–
North Macedonia	–	32	32	–	–	–	–	–	–
Other European Countries[5]	–	2,840	2,840	–	–	–	–	–	–
Serbia	–	164	164	–	–	–	–	–	–

	2022-23 Programme Outturn			2023-24 Plans			2024-25 Plans		
	FCDO ODA £000	FCDO Non-ODA £000	FCDO Total £000	FCDO ODA £000	FCDO Non-ODA[1] £000	FCDO Total £000	FCDO ODA £000	FCDO Non-ODA[1] £000	FCDO Total £000
Turkey	22,873	163	23,036	18,200	–	18,200	25,000	–	25,000
Western Balkans	7,226	–	7,226	5,700	–	5,700	13,000	–	13,000
Eastern Europe & Central Asia	**226,116**	**350**	**226,466**	**230,000**	**–**	**230,000**	**169,000**	**–**	**169,000**
Central Asia[6]	6,778	196	6,974	3,643	–	3,643	4,000	–	4,000
Eastern Neighbourhood[7]	8,768	81	8,849	16,087	–	16,087	10,000	–	10,000
Other Eastern European & Central Asian Countries[8]	456	73	529	270	–	270	–	–	–
Ukraine	210,114	–	210,114	210,000	–	210,000	155,000	–	155,000
Indo Pacific	**208,058**	**8,582**	**216,640**	**192,907**	**5,300**	**198,207**	**326,000**	**6,800**	**332,800**
ASEAN[9]	396	3,363	3,759	9,200	–	8,840	21,000	–	21,000
Bangladesh	49,816	5	49,821	45,373	–	45,373	49,000	–	49,000
China	35	1,326	1,361	–	–	–	–	–	–
India	33,363	1,304	34,667	37,973	–	37,973	57,000	–	57,000
Indo Pacific Regional Team	13,541	–	13,541	24,373	–	24,373	50,000	–	50,000
Indonesia[9]	12,480	678	13,158	12,170	–	12,170	28,000	–	28,000
Myanmar	61,946	–	61,946	30,127	–	30,127	44,000	–	44,000
Nepal	36,210	–	36,210	28,674	–	28,674	66,000	–	66,000
Other North East Asia Countries and Territories[10]	6	1,276	1,282	–	–	–	–	–	–
Other South East Asia and Pacific Countries[11]	265	630	895	5,017	–	5,377	11,000	–	11,000
Middle East and North Africa	**554,009**	**7,755**	**561,764**	**373,663**	**9,120**	**382,783**	**637,000**	**6,000**	**643,000**
Afghanistan	246,182	–	246,182	100,387	–	100,387	151,000	–	151,000
Bahrain	–	1,369	1,369	–	–	–	–	–	–
Egypt	2,151	–	2,151	2,177	–	2,177	4,000	–	4,000
Iraq	7,495	–	7,495	6,500	–	6,500	–	–	–
Jordan	36,213	–	36,213	23,000	–	23,000	53,000	–	53,000
Kuwait	–	1,403	1,403	–	–	–	–	–	–
Lebanon	10,002	78	10,080	10,000	–	10,000	12,000	–	12,000
Libya	821	–	821	–	–	–	–	–	–
Middle East & North Africa Regional Team	11,683	–	11,683	9,052	–	9,052	19,000	–	19,000
Occupied Palestinian Territories	25,733	–	25,733	17,000	–	17,000	29,000	–	29,000
Oman	–	1,274	1,274	–	–	–	–	–	–
Other Middle East and North Africa Countries[12]	–	1,414	1,414	–	–	–	–	–	–
Pakistan	57,589	–	57,589	41,547	–	41,547	133,000	–	133,000
Saudi Arabia	–	2,217	2,217	–	–	–	–	–	–
Syria	72,713	–	72,713	77,000	–	77,000	97,000	–	97,000
Yemen	83,427	–	83,427	87,000	–	87,000	139,000	–	139,000

	2022-23 Programme Outturn			2023-24 Plans			2024-25 Plans		
	FCDO ODA £000	FCDO Non-ODA £000	FCDO Total £000	FCDO ODA £000	FCDO Non-ODA[1] £000	FCDO Total £000	FCDO ODA £000	FCDO Non-ODA[1] £000	FCDO Total £000
Regional Programmes Total	**1,893,018**	**53,148**	**1,946,166**	**1,577,892**	**35,210**	**1,613,102**	**2,692,000**	**33,050**	**2,725,050**
Policy Priorities, International Organisations and Humanitarian									
British Investment Partnerships	**369,501**	**7,218**	**376,719**	**403,893**	**20,228**	**424,121**	**930,165**	**19,331**	**949,496**
British Investment Partnerships	342,018	4,657	346,675	388,893	–	388,893	891,000	–	891,000
UK Representation to UN Food and Agriculture Agencies in Rome	27,483	2,561	30,044	15,000	–	15,000	39,165	–	39,165
Centre for Delivery	**17**	**–**	**17**	**509**	**4,747**	**5,256**	**700**	**1,800**	**2,500**
Better Delivery	17	–	17	509	–	509	700	–	700
Defence and International Security	**–**	**6,724**	**6,724**	**–**	**6,751**	**6,751**	**–**	**6,000**	**6,000**
Counter-Proliferation	–	3,793	3,793	–	–	–	–	–	–
Intelligence Policy Department	–	2,931	2,931	–	–	–	–	–	–
Development and Parliament	**16,913**	**–**	**16,913**	**9,594**	**–**	**9,594**	**17,000**	**–**	**17,000**
Development Partnerships and Multilateral Effectiveness Department	754	–	754	586	–	586	–	–	–
Development Policy Department	8,431	–	8,431	4,358	–	4,358	–	–	–
Development	–	–	–	–	–	–	17,000	–	17,000
Safeguarding Unit	7,728	–	7,728	4,650	–	4,650	–	–	–
Economic Security[13]	**5,916**	**417**	**6,333**	**2,618**	**3,150**	**5,768**	**5,000**	**2,100**	**7,100**
Economic Security Directorate	5,916	417	6,333	2,618	–	2,618	5,000	–	5,000
Economics and Evaluation	**1,310**	**132**	**1,442**	**750**	**980**	**1,730**	**1,000**	**920**	**1,920**
Evaluation and Statistics	1,310	132	1,442	750	–	750	1,000	–	1,000
Education, Gender & Equality	**147,987**	**5,863**	**153,850**	**139,902**	**1,100**	**141,002**	**354,500**	**800**	**355,300**
Gender and Equalities Department	28,147	943	29,090	26,689	–	26,689	59,998	–	59,998
Girls Education Department	84,980	–	84,980	75,881	–	75,881	252,002	–	252,002
Scholarships, Tertiary Education and Partnerships	34,860	4,920	39,780	37,332	–	37,332	42,500	–	42,500
Energy, Climate and Environment	**481,942**	**–**	**481,942**	**576,802**	**1,070**	**577,872**	**652,800**	**850**	**653,650**
Adaptation, Nature and Resilience Department (incl. Africa Adaptation)	70,108	–	70,108	38,500	–	38,500	69,300	–	69,300

	2022-23 Programme Outturn			2023-24 Plans			2024-25 Plans		
	FCDO ODA £000	FCDO Non-ODA £000	FCDO Total £000	FCDO ODA £000	FCDO Non-ODA[1] £000	FCDO Total £000	FCDO ODA £000	FCDO Non-ODA[1] £000	FCDO Total £000
Climate Finance and International Systems Department	289,658	–	289,658	421,000	–	421,000	362,200	–	362,200
Climate, Strategy & Co-ordination Department	–	–	–	10,500	–	10,500	27,500	–	27,500
International Forest Unit	82,645	–	82,645	84,202	–	84,202	159,900	–	159,900
UK Partnership for Accelerating Climate Transitions	39,531	–	39,531	22,600	–	22,600	33,900	–	33,900
Europe	**835,768**	**–**	**835,768**	**701,300**	**–**	**701,300**	**543,825**	**–**	**543,825**
EU Attribution	532,000	–	532,000	434,000	–	434,000	328,000	–	328,000
Europe Department	303,768	–	303,768	267,300	–	267,300	215,825	–	215,825
Health	**1,021,355**	**–**	**1,021,355**	**809,556**	**–**	**809,556**	**1,065,600**	**–**	**1,065,600**
Global Health Multilateral Organisations	–	–	–	–	–	–	–	–	–
Health Institutions & Health Security Department	700,337	–	700,337	686,656	–	686,656	904,600	–	904,600
Health Directorate Central	3,206	–	3,206	–	–	–	–	–	–
Human Development Department	141,843	–	141,843	122,900	–	122,900	161,000	–	161,000
Vaccines, Therapeutics and Diagnostics	175,969	–	175,969	–	–	–	–	–	–
Humanitarian and Migration	**365,392**	**–**	**365,392**	**174,200**	**–**	**174,200**	**295,000**	**–**	**295,000**
Humanitarian and Migration Directorate	365,392	–	365,392	174,200	–	174,200	295,000	–	295,000
Information Threats	**–**	**942**	**942**	**–**	**4,500**	**4,500**	**–**	**4,500**	**4,500**
Information Threats Directorate	–	942	942	–	–	–	–	–	–
International Finance	**1,039,506**	**–**	**1,039,506**	**2,079,856**	**2,200**	**2,082,056**	**698,010**	**–**	**698,010**
International Finance Institutions Department	848,360	–	848,360	1,880,000	–	1,880,000	527,010	–	527,010
Private Sector Department	162,161	–	162,161	147,856	–	147,856	117,700	–	117,700
Public Finance and Tax Department	28,985	–	28,985	52,000	–	52,000	53,300	–	53,300
Multilateral and Human Rights[14]	**10,563**	**1,487**	**12,050**	**10,072**	**3,067**	**13,139**	**15,200**	**2,097**	**17,297**
Multilateral and Human Rights Directorate	10,563	1,487	12,050	10,072	–	10,072	15,200	–	15,200
Office for Conflict, Stabilisation and Mediation	**16,803**	**68**	**16,871**	**13,299**	**500**	**13,799**	**21,000**	**400**	**21,400**
Office for Conflict, Stabilisation & Mediation	16,803	68	16,871	13,299	–	13,299	21,000	–	21,000
Open Societies	**69,326**	**1,587**	**70,913**	**59,318**	**1,100**	**60,418**	**78,000**	**850**	**78,850**
Anti-corruption and Illicit Finance	5,864	1,400	7,264	12,937	–	12,937	–	–	–

	2022-23 Programme Outturn			2023-24 Plans			2024-25 Plans		
	FCDO ODA £000	FCDO Non-ODA £000	FCDO Total £000	FCDO ODA £000	FCDO Non-ODA[1] £000	FCDO Total £000	FCDO ODA £000	FCDO Non-ODA[1] £000	FCDO Total £000
Civil Society and Civic Space	47,624	–	47,624	40,194	–	40,194	–	–	–
Democratic Governance and Media Freedom	15,838	187	16,025	6,187	–	6,187	–	–	–
Open Societies	–	–	–	–	–	–	78,000	–	78,000
Research and Evidence	**319,276**	**7,887**	**327,163**	**306,825**	**9,208**	**316,033**	**494,000**	**9,208**	**503,208**
Evidence, Use and Capability	11,787	–	11,787	6,825	–	6,825	13,000	–	13,000
Research and Development	307,489	7,887	315,376	300,000	–	300,000	481,000	–	481,000
Technology and Analysis	**3,249**	**534**	**3,783**	**3,906**	**2,500**	**6,406**	**6,000**	**1,800**	**7,800**
Global Statistics and International Technology Department	3,249	534	3,783	3,906	–	3,906	6,000	–	6,000
Policy Priorities, International Organisations and Humanitarian	**4,704,824**	**32,859**	**4,737,683**	**5,292,400**	**61,101**	**5,353,501**	**5,177,800**	**50,656**	**5,228,456**
Non-Departmental Public Bodies & Scholarships									
British Council (Grant in Aid)	126,245	38,465	164,710	133,500	39,500	173,000	126,500	36,000	162,500
British Council (Loan facility)	–	81,290	81,290	–	40,000	40,000	–	–	–
Commonwealth Scholarship Commission	27,800	–	27,800	27,800	–	27,800	27,800	–	27,800
Chevening Scholarship	58,994	1,699	60,693	57,650	1,680	59,330	57,650	1,680	59,330
Great Britain China Centre	–	340	340	–	350	350	–	350	350
Independent Commission for Aid Impact	2,800	–	2,800	2,800	–	2,800	2,800	–	2,800
Marshall Aid Commemoration Commission	–	2,698	2,698	–	2,700	2,700	–	4,100	4,100
Westminster Foundation for Democracy	6,150	350	6,500	6,150	350	6,500	6,150	350	6,500
Wilton Park	1,400	879	2,279	1,400	1,300	2,700	1,400	1,300	2,700
Non-Departmental Public Bodies & Scholarships Total	**223,389**	**125,721**	**349,110**	**229,300**	**85,880**	**315,180**	**222,300**	**43,780**	**266,080**
BBC World Service Total	**78,340**	**17,500**	**95,840**	**76,900**	**27,500**	**104,400**	**76,900**	**27,500**	**104,400**

	2022-23 Programme Outturn			2023-24 Plans			2024-25 Plans		
	FCDO ODA £000	FCDO Non-ODA £000	FCDO Total £000	FCDO ODA £000	FCDO Non-ODA[1] £000	FCDO Total £000	FCDO ODA £000	FCDO Non-ODA[1] £000	FCDO Total £000
Multilateral Subscriptions to International Organisations Total	**66,567**	**111,861**	**178,428**	**84,811**	**114,629**	**199,440**	**93,012**	**131,322**	**224,334**
Other Central Programmes Total[15]	**-57,758**	**1,352**	**-56,406**	**142,698**	**12,160**	**148,854**	**–**	**12,160**	**12,160**
Crisis Reserve Total	**–**	**–**	**–**	**–**	**–**	**–**	**50,000**	**–**	**50,000**
Conflict, Stability and Security Fund (CSSF) Total[16]	**N/A**	**N/A**	**669,693**	**N/A**	**N/A**	**898,344**	**N/A**	**N/A**	**924,249**
Total	**6,908,380**	**342,441**	**7,920,514**	**7,404,001**	**336,480**	**8,638,825**	**8,312,012**	**298,468**	**9,534,729**

1 Non-ODA allocations for 2023-24 and 2024-25 are presented at a regional and Directorate level. These will be broken down by country and department when teams confirm plans.

2 Other African Countries Includes Angola, Botswana, Burundi, Cameroon, Chad, Cote d'Ivoire, Djibouti, Eritrea, Eswatini, Guinea, Lesotho, Madagascar, Mali, Mauritania, Mauritius, Namibia, Niger, Senegal, Seychelles, and the Gambia.

3 The Joint Sahel Department was renamed Sahel & Security Department effective from 1 June 2021.

4 Other American Countries Includes Antigua & Barbuda, Argentina, Bahamas, Barbados, Belize, Bolivia, Chile, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Latin America Department, Network Ops, Panama, Paraguay, Peru, Saint Lucia, Trinidad and Tobago, and Uruguay.

5 Other European Countries Includes Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Holy See, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, and Europe Department.

6 Central Asia includes Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan.

7 Eastern Neighbourhood includes Armenia, Azerbaijan, Georgia and Moldova.

8 Other Eastern European and Central Asian Countries includes Belarus and regional spend which cannot be attributed to a single country.

9 ASEAN is Association of South East Asian Nations which includes: Brunei, Cambodia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam. Indonesia includes ASEAN regional spend in 2022-23.

10 Other North East Asia Countries and Territories includes Mongolia, Taiwan, Japan, Hong Kong, and South Korea.

11 Other South East Asia and Pacific Countries includes Australia, Fiji, India and Indian Ocean Director's Office, Maldives, New Zealand, Papua New Guinea, Oceania and Myanmar Department, Solomon Islands, South East Asia and Pacific Central, Sri Lanka, Tonga, and Vanuatu.

12 Other Middle East and North Africa Countries includes Israel, Iran, Morocco, the United Arab Emirates, and Qatar.

13 Trade for Development was renamed to Economic Security from 1 April 2022.

14 Multilateral & UN Directorate is now called Multilateral and Human Rights Directorate. Human Rights and Rule of Law Department was renamed to Human Rights Department and moved into Multilateral and Human Rights Directorate, effective on 03 January 2023.

15 Other Central Programmes includes loan reflows and returned funds where the expenditure is offset elsewhere.

16 CSSF spend by regional, cross regional and non-discretionary theme is reported in the CSSF Annual Report. The CSSF Annual Report 2022-23 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 the FCDO's publication Statistics on International Development (SID). Provisional figures for 2022 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 the FCDO. The Statistics on International Development[64] 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.[65]

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 2022 will be published in "Statistics on International Development: Final UK Aid Spend 2022 (SID 2022)" in Autumn 2023.

64 For more information on the SID publication, please see https://www.gov.uk/guidance/statistics-on-international-development

65 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

	2017 £ million	2018 £ million	2019 £ million	2020[R] £ million	2021[R] £ million	2022[1] £ million
Total Bilateral ODA	**8,795**	**9,229**	**10,404**	**9,532**	**7,146**	**9,447**
as a % of GNI	0.44	0.44	0.48	0.46	0.32	0.38
of which: Administration costs[2]	545	658	760	784	740	673
of which: Debt Relief	3	4	–	194	–	–
of which: Non DFID Department[3]	3	4	–	44	–	–
Total Multilateral ODA	**5,256**	**5,313**	**4,772**	**4,945**	**4,277**	**3,327**
as a % of GNI	0.26	0.25	0.22	0.24	0.19	0.13
of which:Total European Commission	1,354	1,386	1,832	1,517	1,319	836
Total World Bank	1,365	1,931	962	990	749	546
Total UN Agencies	480	562	799	582	523	507
Total Other Organisations[4]	2,057	1,435	1,180	1,857	1,686	1,439
TOTAL ODA	**14,051**	**14,542**	**15,176**	**14,477**	**11,423**	**12,774**
as a % of GNI	**0.70**	**0.70**	**0.70**	**0.70**	**0.50**	**0.51**

1 These are provisional figures from 'Statistics on International Development: Provisional UK Aid Spend 2022'. Final estimates will be published in autumn 2023 in 'Statistics on International Development: Final UK Aid Spend 2022'.

2 Includes Front Line Delivery Costs. This is in line with OECD DAC Statistical Reporting Directives.

3 Export Credits Guarantee Department (operational name: UK Export Finance).

4 Includes Regional Development Banks and other multilateral agencies on the DAC List of Multilateral Organisations.

R Revised figures. These revisions affect 2020 and 2021 data, are minor and do not affect any previously reported trends (see background notes of Statistics on International Development: Final UK Aid Spend 2021 report).

Table B.2: Total UK Net ODA[1] and Humanitarian Assistance by recipient country

Country	ODA Breakdown	2017 £ thousand	2018 £ thousand	2019 £ thousand	2020 £ thousand	2021 £ thousand	Main Spend Departments in 2021 (% Share)
Africa							
Algeria	UK Net Bilateral ODA	6,710	6,613	8,327	6,898	6,185	CSSF 55%, FCDO 44%, Other 1%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.08%	0.07%	0.08%	0.07%	0.09%	
Angola	UK Net Bilateral ODA	532	446	1,105	1,010	1,466	FCDO 99%, DEFRA 1%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.00%	0.01%	0.01%	0.02%	
Benin	UK Net Bilateral ODA	318	389	174	18	30	FCDO 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	
Botswana	UK Net Bilateral ODA	1,072	1,113	1,979	1,903	2,356	FCDO 56%, SG 23%, Other 21%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.00%	0.01%	0.01%	0.02%	
Burkina Faso	UK Net Bilateral ODA	1,748	1,825	1,498	344	201	BEIS 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.02%	0.02%	0.01%	0.00%	0.00%	
Burundi	UK Net Bilateral ODA	4,916	4,025	5,017	2,995	802	FCDO 100%
	of which Humanitarian Assistance	4,248	3,690	3,601	1,074	523	
	Percentage of Total Net Bilateral ODA	0.06%	0.04%	0.05%	0.03%	0.01%	
Cameroon	UK Net Bilateral ODA	2,062	10,341	11,187	15,092	8,030	FCDO 87%, BEIS 9%, Other 4%
	of which Humanitarian Assistance	0	7,750	6,244	11,714	4,996	
	Percentage of Total Net Bilateral ODA	0.02%	0.11%	0.11%	0.16%	0.11%	
Cabo Verde	UK Net Bilateral ODA	288	387	248	156	216	DEFRA 77%, FCDO 24%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	
Central African Republic	UK Net Bilateral ODA	13,652	14,531	15,111	19,839	9,923	FCDO 100%
	of which Humanitarian Assistance	13,422	14,531	15,111	19,334	9,923	
	Percentage of Total Net Bilateral ODA	0.16%	0.16%	0.15%	0.21%	0.14%	

Country	ODA Breakdown	2017 £ thousand	2018 £ thousand	2019 £ thousand	2020 £ thousand	2021 £ thousand	Main Spend Departments in 2021 (% Share)
Chad	UK Net Bilateral ODA	21	15	1,939	4,242	1,201	FCDO 58%, BEIS 42%
	of which Humanitarian Assistance	0	0	1,900	1,100	200	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.02%	0.04%	0.02%	
Comoros	UK Net Bilateral ODA	29	132	128	113	149	DEFRA 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	
Congo	UK Net Bilateral ODA	1,852	1,792	5,534	802	71	DEFRA 89%, FCDO 11%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.02%	0.02%	0.05%	0.01%	0.00%	
Cote d'Ivoire	UK Net Bilateral ODA	383	592	1,189	1,364	3,454	FCDO 86%, BEIS 10%, Other 4%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.01%	0.01%	0.01%	0.05%	
Democratic Republic of the Congo	UK Net Bilateral ODA	166,228	203,708	184,033	136,071	72,960	FCDO 99%, BEIS 1%
	of which Humanitarian Assistance	62,069	105,142	80,355	66,016	33,821	
	Percentage of Total Net Bilateral ODA	1.89%	2.21%	1.77%	1.43%	1.02%	
Djibouti	UK Net Bilateral ODA	39	50	608	1,147	280	FCDO 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.01%	0.01%	0.00%	
Egypt	UK Net Bilateral ODA	23,128	22,510	23,630	17,153	16,325	FCDO 65%, CSSF 22%, Other 13%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.26%	0.24%	0.23%	0.18%	0.23%	
Equatorial Guinea	UK Net Bilateral ODA	0	0	0	0	29	FCDO 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	
Eritrea	UK Net Bilateral ODA	629	2,753	4,393	1,908	1,637	FCDO 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.03%	0.04%	0.02%	0.02%	
Eswatini	UK Net Bilateral ODA	304	281	315	426	399	FCDO 99%, Colonial Pensions 1%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.01%	

Country	ODA Breakdown	2017 £ thousand	2018 £ thousand	2019 £ thousand	2020 £ thousand	2021 £ thousand	Main Spend Departments in 2021 (% Share)
Ethiopia	UK Net Bilateral ODA	326,131	301,341	299,246	253,887	119,790	FCDO 99%, BEIS 1%
	of which Humanitarian Assistance	101,482	89,832	85,886	103,037	70,429	
	Percentage of Total Net Bilateral ODA	3.71%	3.27%	2.88%	2.66%	1.68%	
Gabon	UK Net Bilateral ODA	23	15	21	0	0	z
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	
Gambia	UK Net Bilateral ODA	15,454	16,134	17,281	20,118	17,991	BEIS 91%, FCDO 9%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.18%	0.17%	0.17%	0.21%	0.25%	
Ghana	UK Net Bilateral ODA	56,445	37,680	47,080	34,450	25,002	FCDO 78%, DHSC 12%, Other 10%
	of which Humanitarian Assistance	0	0	0	168	24	
	Percentage of Total Net Bilateral ODA	0.64%	0.41%	0.45%	0.36%	0.35%	
Guinea	UK Net Bilateral ODA	431	344	647	562	753	FCDO 88%, DEFRA 11%, Other 1%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.01%	0.01%	0.01%	
Guinea-Bissau	UK Net Bilateral ODA	22	23	68	88	310	DEFRA 62%, CSSF 38%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	
Kenya	UK Net Bilateral ODA	152,807	116,123	134,334	91,958	71,993	FCDO 82%, BEIS 13%, Other 5%
	of which Humanitarian Assistance	24,233	8,329	11,783	11,700	7,201	
	Percentage of Total Net Bilateral ODA	1.74%	1.26%	1.29%	0.96%	1.01%	
Lesotho	UK Net Bilateral ODA	358	259	253	523	899	FCDO 64%, BEIS 36%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.01%	0.01%	
Liberia	UK Net Bilateral ODA	3,131	604	9,334	2,939	2,932	FCDO 90%, DEFRA 6%, Other 4%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.04%	0.01%	0.09%	0.03%	0.04%	
Libya	UK Net Bilateral ODA	14,721	13,162	16,427	13,282	12,789	FCDO 51%, CSSF 49%
	of which Humanitarian Assistance	987	585	96	26	925	
	Percentage of Total Net Bilateral ODA	0.17%	0.14%	0.16%	0.14%	0.18%	

Country	ODA Breakdown	2017 £ thousand	2018 £ thousand	2019 £ thousand	2020 £ thousand	2021 £ thousand	Main Spend Departments in 2021 (% Share)
Madagascar	UK Net Bilateral ODA	2,166	2,364	3,178	1,643	6,337	FCDO 87%, DEFRA 9%, Other 4%
	of which Humanitarian Assistance	0	0	0	0	4,800	
	Percentage of Total Net Bilateral ODA	0.02%	0.03%	0.03%	0.02%	0.09%	
Malawi	UK Net Bilateral ODA	89,561	83,759	81,104	65,713	42,298	FCDO 73%, SG 19%, Other 8%
	of which Humanitarian Assistance	9,311	4,632	7,058	4,464	1,595	
	Percentage of Total Net Bilateral ODA	1.02%	0.91%	0.78%	0.69%	0.59%	
Mali	UK Net Bilateral ODA	2,678	6,265	5,197	8,963	8,476	CSSF 60%, FCDO 26%, Other 14%
	of which Humanitarian Assistance	0	200	0	0	0	
	Percentage of Total Net Bilateral ODA	0.03%	0.07%	0.05%	0.09%	0.12%	
Mauritania	UK Net Bilateral ODA	66	36	13	-5	526	FCDO 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.01%	
Mauritius	UK Net Bilateral ODA	316	508	2,005	866	892	FCDO 88%, BEIS 11%, Other 1%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.01%	0.02%	0.01%	0.01%	
Morocco	UK Net Bilateral ODA	5,705	5,279	9,658	8,193	7,041	CSSF 54%, FCDO 42%, Other 4%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.06%	0.06%	0.09%	0.09%	0.10%	
Mozambique	UK Net Bilateral ODA	57,526	70,895	103,583	55,852	37,493	FCDO 97%, SG 1%, Other 2%
	of which Humanitarian Assistance	9,554	2,490	36,467	8,308	3,453	
	Percentage of Total Net Bilateral ODA	0.65%	0.77%	1.00%	0.59%	0.52%	
Namibia	UK Net Bilateral ODA	631	417	1,125	1,351	1,449	FCDO 81%, BEIS 19%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.00%	0.01%	0.01%	0.02%	
Niger	UK Net Bilateral ODA	142	881	993	645	1,085	FCDO 44%, CSSF 33%, Other 23%
	of which Humanitarian Assistance	0	0	0	100	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.01%	0.01%	0.01%	0.02%	

Country	ODA Breakdown	2017 £ thousand	2018 £ thousand	2019 £ thousand	2020 £ thousand	2021 £ thousand	Main Spend Departments in 2021 (% Share)
Nigeria	UK Net Bilateral ODA	325,178	295,502	256,835	240,577	140,146	FCDO 90%, CSSF 8%, Other 2%
	of which Humanitarian Assistance	69,224	89,565	78,277	78,058	37,714	
	Percentage of Total Net Bilateral ODA	3.70%	3.20%	2.47%	2.52%	1.96%	
Rwanda	UK Net Bilateral ODA	59,469	54,746	62,046	42,380	34,946	FCDO 83%, SG 13%, Other 4%
	of which Humanitarian Assistance	4,553	48	3,392	1,800	0	
	Percentage of Total Net Bilateral ODA	0.68%	0.59%	0.60%	0.44%	0.49%	
Sao Tome & Principe	UK Net Bilateral ODA	103	146	55	-[low]	-[low]	FCDO 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	
Senegal	UK Net Bilateral ODA	1,422	784	2,373	2,609	2,891	FCDO 74%, SG 18%, Other 8%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.02%	0.01%	0.02%	0.03%	0.04%	
Seychelles	UK Net Bilateral ODA	338	0	0	0	0	z
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	
Sierra Leone	UK Net Bilateral ODA	117,947	93,712	76,314	74,088	50,048	FCDO 97%, SG 1%, Other 2%
	of which Humanitarian Assistance	7,680	-1,595	-259	0	0	
	Percentage of Total Net Bilateral ODA	1.34%	1.02%	0.73%	0.78%	0.70%	
Somalia	UK Net Bilateral ODA	282,037	193,766	175,871	232,457	100,696	FCDO 89%, CSSF 11%
	of which Humanitarian Assistance	199,613	88,186	62,409	63,824	39,443	
	Percentage of Total Net Bilateral ODA	3.21%	2.10%	1.69%	2.44%	1.41%	
South Africa	UK Net Bilateral ODA	19,111	29,290	33,246	48,065	102,251	BEIS 80%, FCDO 18%, Other 2%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.22%	0.32%	0.32%	0.50%	1.43%	
South Sudan	UK Net Bilateral ODA	168,236	151,313	207,398	155,765	96,175	FCDO 98%, CSSF 2%
	of which Humanitarian Assistance	88,977	84,783	77,081	61,529	33,034	
	Percentage of Total Net Bilateral ODA	1.91%	1.64%	1.99%	1.63%	1.35%	

Country	ODA Breakdown	2017 £ thousand	2018 £ thousand	2019 £ thousand	2020 £ thousand	2021 £ thousand	Main Spend Departments in 2021 (% Share)
Saint Helena	UK Net Bilateral ODA	50,708	41,301	39,205	45,887	38,678	FCDO 89%, DEFRA 6%, Other 5%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.58%	0.45%	0.38%	0.48%	0.54%	
Sudan	UK Net Bilateral ODA	62,985	89,447	93,229	139,241	94,213	FCDO 98%, CSSF 1%, Other 1%
	of which Humanitarian Assistance	35,190	44,916	55,732	52,634	20,471	
	Percentage of Total Net Bilateral ODA	0.72%	0.97%	0.90%	1.46%	1.32%	
Tanzania	UK Net Bilateral ODA	166,426	152,043	137,160	96,367	60,605	FCDO 92%, BEIS 7%, Other 1%
	of which Humanitarian Assistance	13,355	8,871	15,608	11,977	5,378	
	Percentage of Total Net Bilateral ODA	1.89%	1.65%	1.32%	1.01%	0.85%	
Togo	UK Net Bilateral ODA	0	0	5	0	0	z
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	
Tunisia	UK Net Bilateral ODA	10,372	11,753	16,865	14,454	9,974	CSSF 64%, FCDO 36%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.12%	0.13%	0.16%	0.15%	0.14%	
Uganda	UK Net Bilateral ODA	140,297	107,413	153,768	89,327	64,352	FCDO 76%, BEIS 21%, Other 3%
	of which Humanitarian Assistance	65,312	29,575	43,464	21,130	6,753	
	Percentage of Total Net Bilateral ODA	1.59%	1.16%	1.48%	0.94%	0.90%	
Zambia	UK Net Bilateral ODA	53,068	28,131	51,000	40,930	27,921	FCDO 80%, SG 13%, Other 7%
	of which Humanitarian Assistance	0	0	0	1,169	0	
	Percentage of Total Net Bilateral ODA	0.60%	0.30%	0.49%	0.43%	0.39%	
Zimbabwe	UK Net Bilateral ODA	93,573	93,865	99,005	97,808	50,968	FCDO 93%, DHSC 3%, Other 4%
	of which Humanitarian Assistance	763	0	0	24,448	4,512	
	Percentage of Total Net Bilateral ODA	1.06%	1.02%	0.95%	1.03%	0.71%	
Africa, regional	UK Net Bilateral ODA	318,533	425,042	395,119	345,336	270,906	FCDO 83%, BEIS 11%, Other 6%
	of which Humanitarian Assistance	708	524	1,488	10,247	4,705	
	Percentage of Total Net Bilateral ODA	3.62%	4.61%	3.80%	3.62%	3.79%	

Country	ODA Breakdown	2017 £ thousand	2018 £ thousand	2019 £ thousand	2020 £ thousand	2021 £ thousand	Main Spend Departments in 2021 (% Share)
Eastern Africa, regional[4]	UK Net Bilateral ODA	0	0	5,190	12,669	22,908	BEIS 47%, CSSF 26%, Other 27%
	of which Humanitarian Assistance	0	0	0	200	566	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.05%	0.13%	0.32%	
Middle Africa, regional	UK Net Bilateral ODA	0	11,386	9,670	8,079	7,585	CSSF 89%, BEIS 7%, Other 4%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.12%	0.09%	0.08%	0.11%	
North of Sahara, regional	UK Net Bilateral ODA	3,662	5,757	10,958	7,984	5,061	z
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.04%	0.06%	0.11%	0.08%	0.07%	
South of Sahara, regional	UK Net Bilateral ODA	168,361	148,213	156,399	137,013	56,138	BEIS 45%, FCDO 41%, Other 14%
	of which Humanitarian Assistance	50,291	66,495	65,289	61,204	9,653	
	Percentage of Total Net Bilateral ODA	1.91%	1.61%	1.50%	1.44%	0.79%	
Southern Africa, regional	UK Net Bilateral ODA	0	0	0	1,561	2,058	DHSC 37%, PF 36%, Other 27%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.02%	0.03%	
Western Africa, regional[4]	UK Net Bilateral ODA	0	0	5,378	4,635	4,439	BEIS 62%, FCDO 23%, Other 15%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.05%	0.05%	0.06%	

Country	ODA Breakdown	2017 £ thousand	2018 £ thousand	2019 £ thousand	2020 £ thousand	2021 £ thousand	Main Spend Departments in 2021 (% Share)
Asia & Middle East							
Afghanistan	UK Net Bilateral ODA	226,948	248,699	289,773	225,552	187,213	FCDO 89%, CSSF 11%
	of which Humanitarian Assistance	35,536	53,658	69,690	52,324	136,491	
	Percentage of Total Net Bilateral ODA	2.58%	2.69%	2.79%	2.37%	2.62%	
Armenia	UK Net Bilateral ODA	980	862	2,675	2,255	4,213	FCDO 74%, CSSF 25%, Other 1%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.01%	0.03%	0.02%	0.06%	

Country	ODA Breakdown	2017 £ thousand	2018 £ thousand	2019 £ thousand	2020 £ thousand	2021 £ thousand	Main Spend Departments in 2021 (% Share)
Azerbaijan	UK Net Bilateral ODA	1,571	776	2,953	1,772	2,291	FCDO 87%, CSSF 13%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.02%	0.01%	0.03%	0.02%	0.03%	
Bangladesh	UK Net Bilateral ODA	175,830	189,904	256,296	203,360	87,196	FCDO 96%, BEIS 4%
	of which Humanitarian Assistance	48,954	79,932	124,930	87,224	29,577	
	Percentage of Total Net Bilateral ODA	2.00%	2.06%	2.46%	2.13%	1.22%	
Bhutan	UK Net Bilateral ODA	355	255	392	395	197	FCDO 70%, BEIS 30%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	
Burma	UK Net Bilateral ODA	120,910	100,262	113,030	103,257	66,288	FCDO 92%, CSSF 5%, Other 3%
	of which Humanitarian Assistance	18,064	17,724	32,224	29,348	21,495	
	Percentage of Total Net Bilateral ODA	1.37%	1.09%	1.09%	1.08%	0.93%	
Cambodia	UK Net Bilateral ODA	3,985	4,156	2,755	2,109	2,035	FCDO 55%, DEFRA 27%, Other 18%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.05%	0.05%	0.03%	0.02%	0.03%	
China (People's Republic of)	UK Net Bilateral ODA	43,911	55,649	68,267	64,120	51,735	FCDO 58%, BEIS 36%, Other 6%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.50%	0.60%	0.66%	0.67%	0.72%	
Georgia	UK Net Bilateral ODA	835	1,277	4,566	3,968	5,239	FCDO 73%, CSSF 23%, Other 4%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.01%	0.04%	0.04%	0.07%	
India	UK Net Bilateral ODA	90,138	94,665	107,514	94,881	90,679	FCDO 72%, BEIS 25%, Other 3%
	of which Humanitarian Assistance	138	0	59	0	0	
	Percentage of Total Net Bilateral ODA	1.02%	1.03%	1.03%	1.00%	1.27%	

Country	ODA Breakdown	2017 £ thousand	2018 £ thousand	2019 £ thousand	2020 £ thousand	2021 £ thousand	Main Spend Departments in 2021 (% Share)
Indonesia	UK Net Bilateral ODA	25,434	29,932	33,496	33,304	29,494	FCDO 64%, BEIS 25%, Other 11%
	of which Humanitarian Assistance	0	3,879	812	198	849	
	Percentage of Total Net Bilateral ODA	0.29%	0.32%	0.32%	0.35%	0.41%	
Iran	UK Net Bilateral ODA	1,621	1,405	1,566	2,877	434	FCDO 100%
	of which Humanitarian Assistance	0	0	0	2,000	0	
	Percentage of Total Net Bilateral ODA	0.02%	0.02%	0.02%	0.03%	0.01%	
Iraq	UK Net Bilateral ODA	82,837	73,945	77,307	46,402	50,693	FCDO 66%, CSSF 32%, Other 2%
	of which Humanitarian Assistance	47,958	28,535	28,287	12,086	9,285	
	Percentage of Total Net Bilateral ODA	0.94%	0.80%	0.74%	0.49%	0.71%	
Jordan	UK Net Bilateral ODA	60,979	138,147	131,206	81,385	62,380	FCDO 81%, CSSF 16%, Other 3%
	of which Humanitarian Assistance	3,683	9,698	34,347	27,384	16,042	
	Percentage of Total Net Bilateral ODA	0.69%	1.50%	1.26%	0.85%	0.87%	
Kazakhstan	UK Net Bilateral ODA	1,184	1,822	2,803	2,819	1,959	FCDO 97%, CSSF 3%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.02%	0.03%	0.03%	0.03%	
Korea (Democratic People's Republic of)	UK Net Bilateral ODA	40	199	304	218	135	FCDO 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	
Kyrgyz Republic	UK Net Bilateral ODA	3,556	4,051	5,322	4,878	4,837	FCDO 97%, DEFRA 2%, Other 1%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.04%	0.04%	0.05%	0.05%	0.07%	
Lao People's Democratic Republic	UK Net Bilateral ODA	654	584	1,138	1,527	1,094	FCDO 78%, DHSC 15%, Other 7%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.01%	0.01%	0.02%	0.02%	

Country	ODA Breakdown	2017 £ thousand	2018 £ thousand	2019 £ thousand	2020 £ thousand	2021 £ thousand	Main Spend Departments in 2021 (% Share)
Lebanon	UK Net Bilateral ODA	115,183	96,479	148,716	120,418	57,943	FCDO 63%, CSSF 35%, Other 2%
	of which Humanitarian Assistance	42,207	36,732	54,500	44,348	18,799	
	Percentage of Total Net Bilateral ODA	1.31%	1.05%	1.43%	1.26%	0.81%	
Malaysia	UK Net Bilateral ODA	13,121	9,511	11,348	10,264	10,930	FCDO 52%, BEIS 43%, Other 5%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.15%	0.10%	0.11%	0.11%	0.15%	
Maldives	UK Net Bilateral ODA	229	284	635	595	1,628	CSSF 81%, FCDO 24%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.01%	0.01%	0.02%	
Mongolia	UK Net Bilateral ODA	449	1,290	1,773	2,408	1,803	FCDO 77%, DEFRA 16%, Other 7%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.01%	0.02%	0.03%	0.03%	
Nepal	UK Net Bilateral ODA	100,283	95,507	90,053	84,261	59,299	FCDO 95%, BEIS 3%, Other 2%
	of which Humanitarian Assistance	12,374	11,676	15,527	20,701	11,982	
	Percentage of Total Net Bilateral ODA	1.14%	1.03%	0.87%	0.88%	0.83%	
Pakistan	UK Net Bilateral ODA	402,497	330,961	304,986	199,987	127,766	FCDO 90%, CSSF 8%, Other 2%
	of which Humanitarian Assistance	7,255	15,772	4,705	30,117	7,110	
	Percentage of Total Net Bilateral ODA	4.58%	3.59%	2.93%	2.10%	1.79%	
Philippines	UK Net Bilateral ODA	7,493	10,150	13,638	19,196	13,671	FCDO 37%, CSSF 30%, Other 33%
	of which Humanitarian Assistance	0	0	246	898	19	
	Percentage of Total Net Bilateral ODA	0.09%	0.11%	0.13%	0.20%	0.19%	
Sri Lanka	UK Net Bilateral ODA	5,683	8,444	8,897	9,659	8,585	CSSF 51%, FCDO 40%, Other 9%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.06%	0.09%	0.09%	0.10%	0.12%	

Country	ODA Breakdown	2017 £ thousand	2018 £ thousand	2019 £ thousand	2020 £ thousand	2021 £ thousand	Main Spend Departments in 2021 (% Share)
Syrian Arab Republic	UK Net Bilateral ODA	200,177	230,843	222,943	181,201	91,069	FCDO 82%, CSSF 17%, Other 1%
	of which Humanitarian Assistance	140,145	160,001	194,462	148,013	56,930	
	Percentage of Total Net Bilateral ODA	2.28%	2.50%	2.14%	1.90%	1.27%	
Tajikistan	UK Net Bilateral ODA	2,293	5,127	2,677	4,462	2,852	FCDO 92%, DEFRA 6%, Other 2%
	of which Humanitarian Assistance	0	0	0	0	1000	
	Percentage of Total Net Bilateral ODA	0.03%	0.06%	0.03%	0.05%	0.04%	
Thailand	UK Net Bilateral ODA	7,209	8,908	13,903	11,496	9,465	FCDO 57%, BEIS 39%, Other 4%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.08%	0.10%	0.13%	0.12%	0.13%	
Timor-Leste	UK Net Bilateral ODA	230	311	282	173	159	DEFRA 89%, FCDO 11%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	
Turkmenistan	UK Net Bilateral ODA	224	281	608	548	369	FCDO 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.01%	0.01%	0.01%	
Uzbekistan	UK Net Bilateral ODA	2,230	2,243	4,945	3,288	2,448	FCDO 80%, CSSF 16%, Other 4%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.03%	0.02%	0.05%	0.03%	0.03%	
Vietnam	UK Net Bilateral ODA	6,786	10,458	11,677	7,831	10,542	FCDO 55%, BEIS 36%, Other 9%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.08%	0.11%	0.11%	0.08%	0.15%	
West Bank & Gaza Strip	UK Net Bilateral ODA	61,367	49,400	80,726	51,852	41,310	FCDO 53%, CSSF 45%, Other 2%
	of which Humanitarian Assistance	2,400	8,755	16,245	1,800	7,720	
	Percentage of Total Net Bilateral ODA	0.70%	0.54%	0.78%	0.54%	0.58%	

Country	ODA Breakdown	2017 £ thousand	2018 £ thousand	2019 £ thousand	2020 £ thousand	2021 £ thousand	Main Spend Departments in 2021 (% Share)
Yemen	UK Net Bilateral ODA	204,923	166,368	260,424	221,108	114,414	FCDO 96%, CSSF 3%, Other 1%
	of which Humanitarian Assistance	189,254	147,751	219,246	158,678	79,895	
	Percentage of Total Net Bilateral ODA	2.33%	1.80%	2.50%	2.32%	1.60%	
Asia, Regional	UK Net Bilateral ODA	108,273	134,380	127,380	101,717	83,277	FCDO 87%, BBCWS 9%, Other 4%
	of which Humanitarian Assistance	1,034	53	248	4,385	764	
	Percentage of Total Net Bilateral ODA	1.23%	1.46%	1.22%	1.07%	1.17%	
Central Asia, regional	UK Net Bilateral ODA	5,186	3,280	4,871	2,098	1,643	CSSF 90%, FCDO 10%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.06%	0.04%	0.05%	0.02%	0.02%	
Far East Asia, regional	UK Net Bilateral ODA	405	19	2,987	3,766	4,401	BEIS 71%, DHSC 17%, Other 12%
	of which Humanitarian Assistance	0	0	0	198	50	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.03%	0.04%	0.06%	
Middle East, regional	UK Net Bilateral ODA	64,542	56,030	38,894	25,763	24,538	FCDO 63%, BBCWS 28%, Other 9%
	of which Humanitarian Assistance	2,633	1,321	816	432	404	
	Percentage of Total Net Bilateral ODA	0.73%	0.61%	0.37%	0.27%	0.34%	
South & Central Asia, regional	UK Net Bilateral ODA	63,535	63,402	891	5,399	4,069	DHSC 47%, BEIS 32%, Other 21%
	of which Humanitarian Assistance	0	0	104	0	0	
	Percentage of Total Net Bilateral ODA	0.72%	0.69%	0.01%	0.06%	0.06%	
South Asia, regional	UK Net Bilateral ODA	2,454	4,685	13,481	31,267	14,126	PF 49%, BEIS 18%, Other 33%
	of which Humanitarian Assistance	100	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.03%	0.05%	0.13%	0.33%	0.20%	

Country	ODA Breakdown	2017 £ thousand	2018 £ thousand	2019 £ thousand	2020 £ thousand	2021 £ thousand	Main Spend Departments in 2021 (% Share)
Rest of the World							
Albania	UK Net Bilateral ODA	745	1,126	2,759	1,348	3,504	CSSF 50%, FCDO 50%
	of which Humanitarian Assistance	0	0	0	0	977	
	Percentage of Total Net Bilateral ODA	0.01%	0.01%	0.03%	0.01%	0.05%	
Antigua and Barbuda	UK Net Bilateral ODA	7	96	253	196	91	FCDO 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	
Argentina	UK Net Bilateral ODA	2,654	2,374	4,414	3,639	3,308	FCDO 94%, BEIS 6%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.03%	0.03%	0.04%	0.04%	0.05%	
Belarus	UK Net Bilateral ODA	707	1,233	1,996	1,535	2,635	CSSF 55%, FCDO 45%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.01%	0.02%	0.02%	0.04%	
Belize	UK Net Bilateral ODA	700	773	1,694	1,559	1,151	FCDO 93%, BEIS 7%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.01%	0.02%	0.02%	0.02%	
Bolivia	UK Net Bilateral ODA	465	573	1,573	1,501	1,503	FCDO 56%, DEFRA 29%, Other 15%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.01%	0.02%	0.02%	0.02%	
Bosnia and Herzegovina	UK Net Bilateral ODA	3,582	2,529	6,640	4,220	4,794	FCDO 67%, CSSF 33%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.04%	0.03%	0.06%	0.04%	0.07%	
Brazil	UK Net Bilateral ODA	21,725	24,957	34,134	33,923	28,247	FCDO 44%, BEIS 31%, Other 25%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.25%	0.27%	0.33%	0.36%	0.40%	
Chile	UK Net Bilateral ODA	2,199	0	0	0	0	z
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.02%	0.00%	0.00%	0.00%	0.00%	
Colombia	UK Net Bilateral ODA	24,070	35,085	49,589	73,442	42,215	BEIS 56%, CSSF 26%, Other 18%
	of which Humanitarian Assistance	0	100	8,245	0	0	
	Percentage of Total Net Bilateral ODA	0.27%	0.38%	0.48%	0.77%	0.59%	

Country	ODA Breakdown	2017 £ thousand	2018 £ thousand	2019 £ thousand	2020 £ thousand	2021 £ thousand	Main Spend Departments in 2021 (% Share)
Costa Rica	UK Net Bilateral ODA	636	645	1,179	697	822	FCDO 99%, DEFRA 1%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.01%	0.01%	0.01%	0.01%	
Cuba	UK Net Bilateral ODA	4,351	4,650	2,090	1,837	1,476	FCDO 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.05%	0.05%	0.02%	0.02%	0.02%	
Dominica	UK Net Bilateral ODA	79	395	1,060	981	711	FCDO 80%, BEIS 20%
	of which Humanitarian Assistance	0	0	85	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.01%	0.01%	0.01%	
Dominican Republic	UK Net Bilateral ODA	283	447	526	542	881	FCDO 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.01%	0.01%	0.01%	
Ecuador	UK Net Bilateral ODA	290	407	1,068	1,269	1,058	BEIS 52%, FCDO 48%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.01%	0.01%	0.01%	
El Salvador	UK Net Bilateral ODA	253	333	868	706	700	FCDO 97%, BEIS 3%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.01%	0.01%	0.01%	
Fiji	UK Net Bilateral ODA	1,103	251	3,431	2,761	1,284	FCDO 77%, CSSF 12%, Other 11%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.00%	0.03%	0.03%	0.02%	
Grenada	UK Net Bilateral ODA	82	179	118	52	93	BEIS 72%, FCDO 28%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	
Guatemala	UK Net Bilateral ODA	963	2,251	1,224	878	1,764	FCDO 46%, BEIS 43%, Other 11%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.02%	0.01%	0.01%	0.02%	
Guyana	UK Net Bilateral ODA	1,375	1,122	2,009	1,678	1,448	FCDO 71%, BEIS 21%, Other 8%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.02%	0.01%	0.02%	0.02%	0.02%	

Country	ODA Breakdown	2017 £ thousand	2018 £ thousand	2019 £ thousand	2020 £ thousand	2021 £ thousand	Main Spend Departments in 2021 (% Share)
Haiti	UK Net Bilateral ODA	4,871	190	439	194	983	FCDO 95%, BEIS 5%
	of which Humanitarian Assistance	4,610	32	0	0	485	
	Percentage of Total Net Bilateral ODA	0.06%	0.00%	0.00%	0.00%	0.01%	
Honduras	UK Net Bilateral ODA	474	379	328	271	282	DEFRA 54%, FCDO 37%, Other 9%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.00%	0.00%	0.00%	0.00%	
Jamaica	UK Net Bilateral ODA	7,834	8,044	9,756	8,587	6,134	FCDO 97%, Colonial Pensions 2%, Other 1%
	of which Humanitarian Assistance	0	0	12	0	0	
	Percentage of Total Net Bilateral ODA	0.09%	0.09%	0.09%	0.09%	0.09%	
Kiribati	UK Net Bilateral ODA	18	9	31	25	7	Colonial Pensions 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	
Kosovo	UK Net Bilateral ODA	3,251	3,130	6,650	7,154	5,351	CSSF 55%, FCDO 45%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.04%	0.03%	0.06%	0.08%	0.07%	
Marshall Islands	UK Net Bilateral ODA	239	57	83	-[low]	0	z
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	
Mexico	UK Net Bilateral ODA	13,288	16,462	24,320	34,964	20,364	FCDO 53%, BEIS 32%, Other 15%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.15%	0.18%	0.23%	0.37%	0.28%	
Micronesia	UK Net Bilateral ODA	5	70	141	93	0	z
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	
Moldova	UK Net Bilateral ODA	216	228	846	1,287	2,267	FCDO 66%, CSSF 34%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.01%	0.01%	0.03%	
Montenegro	UK Net Bilateral ODA	1,037	1,011	3,810	1,491	1,898	FCDO 74%, CSSF 26%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.01%	0.04%	0.02%	0.03%	

Country	ODA Breakdown	2017 £ thousand	2018 £ thousand	2019 £ thousand	2020 £ thousand	2021 £ thousand	Main Spend Departments in 2021 (% Share)
Montserrat	UK Net Bilateral ODA	27,486	26,144	24,847	33,993	27,146	FCDO 93%, CSSF 6%, Other 1%
	of which Humanitarian Assistance	92	196	0	0	0	
	Percentage of Total Net Bilateral ODA	0.31%	0.28%	0.24%	0.36%	0.38%	
Nicaragua	UK Net Bilateral ODA	261	366	329	326	415	DEFRA 66%, FCDO 33%, Other 1%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.01%	
North Macedonia	UK Net Bilateral ODA	1,957	2,969	4,168	2,655	4,059	FCDO 53%, CSSF 47%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.02%	0.03%	0.04%	0.03%	0.06%	
Panama	UK Net Bilateral ODA	1,052	881	1,698	1,398	867	FCDO 68%, CSSF 32%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.01%	0.02%	0.01%	0.01%	
Papua New Guinea	UK Net Bilateral ODA	614	1,276	1,443	1,246	1,196	FCDO 67%, CSSF 26%, Other 7%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.01%	0.01%	0.01%	0.01%	0.02%	
Paraguay	UK Net Bilateral ODA	303	806	582	752	827	FCDO 75%, DEFRA 25%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.01%	0.01%	0.01%	0.01%	
Peru	UK Net Bilateral ODA	3,520	6,184	10,204	8,021	7,939	BEIS 57%, FCDO 35%, Other 8%
	of which Humanitarian Assistance	0	0	0	0	538	
	Percentage of Total Net Bilateral ODA	0.04%	0.07%	0.10%	0.08%	0.11%	
Saint Lucia	UK Net Bilateral ODA	120	78	563	395	305	FCDO 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.01%	0.00%	0.00%	
Saint Vincent & Grenadines	UK Net Bilateral ODA	163	64	84	60	818	FCDO 100%
	of which Humanitarian Assistance	0	0	0	0	550	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.01%	
Samoa	UK Net Bilateral ODA	166	59	1,870	75	660	FCDO 99%, CSSF 1%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.02%	0.00%	0.01%	

Country	ODA Breakdown	2017 £ thousand	2018 £ thousand	2019 £ thousand	2020 £ thousand	2021 £ thousand	Main Spend Departments in 2021 (% Share)
Serbia	UK Net Bilateral ODA	2,390	3,890	3,412	2,761	2,968	FCDO 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.03%	0.04%	0.03%	0.03%	0.04%	
Solomon Islands	UK Net Bilateral ODA	251	896	796	898	599	FCDO 95%, Colonial Pensions 5%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.01%	0.01%	0.01%	0.01%	
States Ex-Yugoslavia unspecified	UK Net Bilateral ODA	210	0	-2349	170	77	FCDO 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	-0.02%	0.00%	0.00%	
Suriname	UK Net Bilateral ODA	22	39	64	39	5	FCDO 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	
Tonga	UK Net Bilateral ODA	22	59	72	26	138	CSSF 59%, FCDO 41%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	
Türkiye	UK Net Bilateral ODA	137,907	72,447	56,146	52,166	37,872	FCDO 84%, CSSF 10%, Other 6%
	of which Humanitarian Assistance	36,675	17,912	3,516	0	0	
	Percentage of Total Net Bilateral ODA	1.57%	0.78%	0.54%	0.55%	0.53%	
Tuvalu	UK Net Bilateral ODA	0	44	48	13	18	FCDO 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	
Ukraine	UK Net Bilateral ODA	15,943	28,167	28,637	25,385	31,210	CSSF 64%, FCDO 35%, Other 1%
	of which Humanitarian Assistance	1,801	12,394	5,797	4,266	656	
	Percentage of Total Net Bilateral ODA	0.18%	0.31%	0.28%	0.27%	0.44%	
Uruguay	UK Net Bilateral ODA	303	0	0	0	0	z
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%	
Vanuatu	UK Net Bilateral ODA	58	7	1,449	74	689	FCDO 79%, CSSF 21%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.01%	0.00%	0.01%	

Country	ODA Breakdown	2017 £ thousand	2018 £ thousand	2019 £ thousand	2020 £ thousand	2021 £ thousand	Main Spend Departments in 2021 (% Share)
Venezuela	UK Net Bilateral ODA	1,364	1,300	8,732	20,555	2,525	FCDO 95%, CSSF 4%, Other 1%
	of which Humanitarian Assistance	0	0	6,300	18,600	110	
	Percentage of Total Net Bilateral ODA	0.02%	0.01%	0.08%	0.22%	0.04%	
America, Regional	UK Net Bilateral ODA	4,710	10,709	6,670	8,478	7,450	BEIS 47%, FCDO 47%, Other 6%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.05%	0.12%	0.06%	0.09%	0.10%	
Caribbean & Central America, regional[2]	UK Net Bilateral ODA	-	-	4,359	1,669	1,078	FCDO 93%, BEIS 5%, Other 2%
	of which Humanitarian Assistance	0	0	3,439	350	1,005	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.04%	0.02%	0.02%	
Caribbean, regional[3]	UK Net Bilateral ODA	0	0	28,084	18,155	16,343	FCDO 100%
	of which Humanitarian Assistance	0	0	212	73	363	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.27%	0.19%	0.23%	
Central America, regional[4]	UK Net Bilateral ODA	-	-	2,835	855	487	BEIS 50%, DEFRA 42%, Other 8%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.03%	0.01%	0.01%	
Europe, Regional	UK Net Bilateral ODA	54,778	77,821	74,880	65,661	57,286	CSSF 95%, FCDO 4%, Other 1%
	of which Humanitarian Assistance	0	0	5,878	975	0	
	Percentage of Total Net Bilateral ODA	0.62%	0.84%	0.72%	0.69%	0.80%	
Melanesia, regional[4]	UK Net Bilateral ODA	0	0	1,078	4,688	860	BEIS 100%
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.01%	0.05%	0.01%	
North & Central America, Regional[2]	UK Net Bilateral ODA	15,473	24,698	0	0	0	z
	of which Humanitarian Assistance	0	0	0	0	0	
	Percentage of Total Net Bilateral ODA	0.18%	0.27%	0.00%	0.00%	0.00%	
Oceania, Regional	UK Net Bilateral ODA	3,387	8,299	5,838	9,242	4,256	FCDO 73%, CSSF 25%, Other 2%
	of which Humanitarian Assistance	0	45	0	0	0	
	Percentage of Total Net Bilateral ODA	0.04%	0.09%	0.06%	0.10%	0.06%	

Country	ODA Breakdown	2017 £ thousand	2018 £ thousand	2019 £ thousand	2020 £ thousand	2021 £ thousand	Main Spend Departments in 2021 (% Share)
South America, regional	UK Net Bilateral ODA	112,042	73,720	17,958	10,624	16,291	BEIS 60%, FCDO 24%, Other 16%
	of which Humanitarian Assistance	0	0	0	-[low]	-[low]	
	Percentage of Total Net Bilateral ODA	1.27%	0.80%	0.17%	0.11%	0.23%	
West Indies, Regional[3]	UK Net Bilateral ODA	92,058	110,482	0	0	0	z
	of which Humanitarian Assistance	0	968	0	0	0	
	Percentage of Total Net Bilateral ODA	1.05%	1.20%	0.00%	0.00%	0.00%	
Total Africa	UK Net Bilateral ODA	2,994,049	2,861,202	2,985,046	2,609,742	1,726,731	FCDO 79%, BEIS 12%, Other 9%
	Percentage of Total Net Bilateral ODA	34.04%	31.00%	28.69%	27.38%	15.12%	
	Percentage of Gross National Income	0.15%	0.14%	0.14%	0.13%	0.08%	

Country	ODA Breakdown	2017 £ thousand	2018 £ thousand	2019 £ thousand	2020 £ thousand	2021 £ thousand	Main Spend Departments in 2021 (% Share)
Total Asia	UK Net Bilateral ODA	2,330,189	2,234,950	2,468,096	1,973,835	1,334,419	FCDO 80%, CSSF 10%, Other 10%
	Percentage of Total Net Bilateral ODA	26.49%	24.22%	23.72%	20.71%	11.68%	
	Percentage of Gross National Income	0.12%	0.11%	0.11%	0.10%	0.06%	
Rest of the World	UK Net Bilateral ODA	574,098	560,409	447,523	457,211	359,359	FCDO 48%, CSSF 30%, Other 22%
	Percentage of Total Net Bilateral ODA	6.53%	6.07%	4.30%	4.80%	3.15%	
	Percentage of Gross National Income	0.03%	0.03%	0.02%	0.02%	0.02%	
Unspecified Region	UK Net Bilateral ODA	3,010,597	3,572,480	4,502,673	4,490,776	3,725,200	FCDO 70%, Home Office 13%, Other 17%
	Percentage of Total Net Bilateral ODA	32.94%	38.71%	43.28%	47.11%	52.10%	
	Percentage of Gross National Income	0.14%	0.17%	0.21%	0.22%	0.16%	
Total UK Net Bilateral ODA	UK Net Bilateral ODA	8,795,074	9,229,040	10,403,338	9,531,563	7,145,708	FCDO 72%, Home Office 9%, Other 19%
	Percentage of Total Net Bilateral ODA	100.00%	100.00%	100.00%	100.00%	100.00%	
	Percentage of Gross National Income	0.44%	0.44%	0.48%	0.46%	0.43%	
Low Income Countries	UK Net Bilateral ODA	2,825,793	2,483,537	2,810,333	2,392,750	1,429,993	FCDO 91%, BEIS 4%, Other 5%
	Percentage of Total Net Bilateral ODA	32.13%	26.91%	27.01%	25.10%	20.01%	
	Percentage of Gross National Income	0.14%	0.12%	0.13%	0.12%	0.06%	
Total UK Net Multilateral ODA	UK Net Multilateral ODA	5,256,167	5,312,977	4,772,317	4,945,381	4,276,920	FCDO 86%, BEIS 7%, Other 7%
	Percentage of Gross National Income	0.26%	0.25%	0.22%	0.24%	0.19%	

1 ODA can be negative due to returns from ODA eligible investments or from projects and programmes.

2 The DAC renamed the region category "North & Central America, regional" to "Caribbean & Central America, regional" for ODA 2019 reporting.

3 The DAC replaced 'West Indies, regional' with the "Caribbean, regional" in 2021.

4 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

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

Country	FCDO Net ODA Spend in 2021 £ thousand	Total UK Net ODA Spend in 2021 £ thousand	Percentage of Total ODA by dept £ thousand
Afghanistan	166,271	187,213	FCDO 89%, CSSF 11%
Africa, regional	225,876	270,906	FCDO 83%, BEIS 11%, Other 6%
Angola	1,445	1,466	FCDO 99%, DEFRA 1%
Antigua and Barbuda	91	91	FCDO 100%
Argentina	3,125	3,308	FCDO 94%, BEIS 6%
Armenia	3,117	4,213	FCDO 74%, CSSF 25%, Other 1%
Asia, regional	72,655	83,277	FCDO 87%, BBCWS 9%, Other 4%
Azerbaijan	1,996	2,291	FCDO 87%, CSSF 13%
Bangladesh	83,739	87,196	FCDO 96%, BEIS 4%
Belize	1,075	1,151	FCDO 93%, BEIS 7%
Benin	30	30	FCDO 100%
Bhutan	138	197	FCDO 70%, BEIS 30%
Bolivia	848	1,503	FCDO 56%, DEFRA 29%, Other 15%
Bosnia and Herzegovina	3,209	4,794	FCDO 67%, CSSF 33%
Botswana	1,331	2,356	FCDO 56%, SG 23%, Other 21%
Brazil	12,417	28,247	FCDO 44%, BEIS 31%, Other 25%
Burundi	802	802	FCDO 100%
Cambodia	1,118	2,035	FCDO 55%, DEFRA 27%, Other 18%
Cameroon	6,969	8,030	FCDO 87%, BEIS 9%, Other 4%
Caribbean & Central America, regional	1,005	1,078	FCDO 93%, BEIS 5%, Other 2%
Caribbean, regional	16,343	16,343	FCDO 100%
Central African Republic	9,923	9,923	FCDO 100%
Chad	694	1,201	FCDO 58%, BEIS 42%
China (People's Republic of)	30,097	51,735	FCDO 58%, BEIS 36%, Other 6%
Costa Rica	816	822	FCDO 99%, DEFRA 1%
Cote d'Ivoire	2,959	3,454	FCDO 86%, BEIS 10%, Other 4%
Cuba	1,476	1,476	FCDO 100%
Democratic Republic of the Congo	72,529	72,960	FCDO 99%, BEIS 1%
Developing countries, unspecified	1,879,367	3,725,200	FCDO 70%, Home Office 13%, Other 17%
Djibouti	280	280	FCDO 100%
Dominica	568	711	FCDO 80%, BEIS 20%
Dominican Republic	881	881	FCDO 100%
Egypt	10,627	16,325	FCDO 65%, CSSF 22%, Other 13%
El Salvador	679	700	FCDO 97%, BEIS 3%
Equatorial Guinea	29	29	FCDO 100%
Eritrea	1,637	1,637	FCDO 100%
Eswatini	397	399	FCDO 99%, Colonial Pensions 1%
Ethiopia	118,049	119,790	FCDO 99%, BEIS 1%

Country	FCDO Net ODA Spend in 2021 £ thousand	Total UK Net ODA Spend in 2021 £ thousand	Percentage of Total ODA by dept £ thousand
Fiji	983	1,284	FCDO 77%, CSSF 12%, Other 11%
Georgia	3,803	5,239	FCDO 73%, CSSF 23%, Other 4%
Ghana	19,388	25,002	FCDO 78%, DHSC 12%, Other 10%
Guatemala	812	1,764	FCDO 46%, BEIS 43%, Other 11%
Guinea	663	753	FCDO 88%, DEFRA 11%, Other 1%
Guyana	1,034	1,448	FCDO 71%, BEIS 21%, Other 8%
Haiti	933	983	FCDO 95%, BEIS 5%
India	65,056	90,679	FCDO 72%, BEIS 25%, Other 3%
Indonesia	18,887	29,494	FCDO 64%, BEIS 25%, Other 11%
Iran	434	434	FCDO 100%
Iraq	33,628	50,693	FCDO 66%, CSSF 32%, Other 2%
Jamaica	5,922	6,134	FCDO 97%, Colonial Pensions 2%, Other 1%
Jordan	50,713	62,380	FCDO 81%, CSSF 16%, Other 3%
Kazakhstan	1,908	1,959	FCDO 97%, CSSF 3%
Kenya	59,238	71,993	FCDO 82%, BEIS 13%, Other 5%
Korea (Democratic People's Republic of)	135	135	FCDO 100%
Kyrgyz Republic	4,685	4,837	FCDO 97%, DEFRA 2%, Other 1%
Lao People's Democratic Republic	854	1,094	FCDO 78%, DHSC 15%, Other 7%
Lebanon	36,237	57,943	FCDO 63%, CSSF 35%, Other 2%
Lesotho	572	899	FCDO 64%, BEIS 36%
Liberia	2,647	2,932	FCDO 90%, DEFRA 6%, Other 4%
Libya	6,493	12,789	FCDO 51%, CSSF 49%
Madagascar	5,491	6,337	FCDO 87%, DEFRA 9%, Other 4%
Malawi	30691	42298	FCDO 73%, SG 19%, Other 8%
Malaysia	5,688	10,930	FCDO 52%, BEIS 43%, Other 5%
Mauritania	526	526	FCDO 100%
Mauritius	788	892	FCDO 88%, BEIS 11%, Other 1%
Mexico	10,759	20,364	FCDO 53%, BEIS 32%, Other 15%
Middle East, regional	15,393	24,538	FCDO 63%, BBCWS 28%, Other 9%
Moldova	1,487	2,267	FCDO 66%, CSSF 34%
Mongolia	1,381	1,803	FCDO 77%, DEFRA 16%, Other 7%
Montenegro	1,409	1,898	FCDO 74%, CSSF 26%
Montserrat	25,161	27,146	FCDO 93%, CSSF 6%, Other 1%
Mozambique	36,419	37,493	FCDO 97%, SG 1%, Other 2%
Myanmar	61,013	66,288	FCDO 92%, CSSF 5%, Other 3%
Namibia	1,171	1,449	FCDO 81%, BEIS 19%
Nepal	56,096	59,299	FCDO 95%, BEIS 3%, Other 2%
Niger	479	1,085	FCDO 44%, CSSF 33%, Other 23%
Nigeria	125,470	140,146	FCDO 90%, CSSF 8%, Other 2%
North Macedonia	2,164	4,059	FCDO 53%, CSSF 47%
Oceania, regional	3,110	4,256	FCDO 73%, CSSF 25%, Other 2%
Pakistan	115,453	127,766	FCDO 90%, CSSF 8%, Other 2%
Panama	588	867	FCDO 68%, CSSF 32%
Papua New Guinea	797	1,196	FCDO 67%, CSSF 26%, Other 7%

Country	FCDO Net ODA Spend in 2021 £ thousand	Total UK Net ODA Spend in 2021 £ thousand	Percentage of Total ODA by dept £ thousand
Paraguay	623	827	FCDO 75%, DEFRA 25%
Philippines	5123	13671	FCDO 37%, CSSF 30%, Other 33%
Rwanda	28,986	34,946	FCDO 83%, SG 13%, Other 4%
Saint Lucia	305	305	FCDO 100%
Saint Vincent & Grenadines	818	818	FCDO 100%
Samoa	653	660	FCDO 99%, CSSF 1%
Sao Tome & Principe	- 0	- 0	FCDO 100%
Senegal	2,148	2,891	FCDO 74%, SG 18%, Other 8%
Serbia	2,968	2,968	FCDO 100%
Sierra Leone	48,506	50,048	FCDO 97%, SG 1%, Other 2%
Solomon Islands	572	599	FCDO 95%, Colonial Pensions 5%
Somalia	89,172	100,696	FCDO 89%, CSSF 11%
South Sudan	93,884	96,175	FCDO 98%, CSSF 2%
St. Helena	34,307	38,678	FCDO 89%, DEFRA 6%, Other 5%
States Ex-Yugoslavia unspecified	77	77	FCDO 100%
Sudan	92,274	94,213	FCDO 98%, CSSF 1%, Other 1%
Suriname	5	5	FCDO 100%
Syrian Arab Republic	74,682	91,069	FCDO 82%, CSSF 17%, Other 1%
Tajikistan	2,619	2,852	FCDO 92%, DEFRA 6%, Other 2%
Tanzania	55,936	60,605	FCDO 92%, BEIS 7%, Other 1%
Thailand	5,401	9,465	FCDO 57%, BEIS 39%, Other 4%
Türkiye	31,641	37,872	FCDO 84%, CSSF 10%, Other 6%
Turkmenistan	369	369	FCDO 100%
Tuvalu	18	18	FCDO 100%
Uganda	49,186	64,352	FCDO 76%, BEIS 21%, Other 3%
Uzbekistan	1,950	2,448	FCDO 80%, CSSF 16%, Other 4%
Vanuatu	542	689	FCDO 79%, CSSF 21%
Venezuela	2,387	2,525	FCDO 95%, CSSF 4%, Other 1%
Vietnam	5,767	10,542	FCDO 55%, BEIS 36%, Other 9%
West Bank & Gaza Strip	21,805	41,310	FCDO 53%, CSSF 45%, Other 2%
Yemen	110,161	114,414	FCDO 96%, CSSF 3%, Other 1%
Zambia	22,267	27,921	FCDO 80%, SG 13%, Other 7%
Zimbabwe	47,544	50,968	FCDO 93%, DHSC 3%, Other 4%

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
America, regional	3,525	7,450	BEIS 47%, FCDO 47%, Other 6%
Burkina Faso	201	201	BEIS 100%
Central America, regional	243	487	BEIS 50%, DEFRA 42%, Other 8%
Colombia	23,565	42,215	BEIS 56%, CSSF 26%, Other 18%
Eastern Africa, regional	10,854	22,908	BEIS 47%, CSSF 26%, Other 27%
Ecuador	554	1,058	BEIS 52%, FCDO 48%
Far East Asia, regional	3,110	4,401	BEIS 71%, DHSC 17%, Other 12%
Gambia	16,361	17,991	BEIS 91%, FCDO 9%
Grenada	67	93	BEIS 72%, FCDO 28%
Melanesia, regional	860	860	BEIS 100%
Peru	4,546	7,939	BEIS 57%, FCDO 35%, Other 8%
South Africa	81,637	102,251	BEIS 80%, FCDO 18%, Other 2%
South America, regional	9,791	16,291	BEIS 60%, FCDO 24%, Other 16%
South of Sahara, regional	25,383	56,138	BEIS 45%, FCDO 41%, Other 14%
Western Africa, regional	2,754	4,439	BEIS 62%, FCDO 23%, Other 15%

The Conflict, Stability and Security Fund is the majority spending department in the following countries:

Country	CSSF Net ODA Spend in 2021 £ thousand	Total UK Net ODA Spend in 2021 £ thousand	Percentage of Total ODA by dept £ thousand
Albania	1,768	3,504	CSSF 50%, FCDO 50%
Algeria	3,418	6,185	CSSF 55%, FCDO 44%, Other 1%
Belarus	1,450	2,635	CSSF 55%, FCDO 45%
Central Asia, regional	1,472	1,643	CSSF 90%, FCDO 10%
Europe, regional	54,523	57,286	CSSF 95%, FCDO 4%, Other 1%
Kosovo	2,938	5,351	CSSF 55%, FCDO 45%
Maldives	1,316	1,628	CSSF 81%, FCDO 24%, Other -5%
Mali	5,081	8,476	CSSF 60%, FCDO 26%, Other 14%
Morocco	3,822	7,041	CSSF 54%, FCDO 42%, Other 4%
North of Sahara, regional	4,516	5,061	CSSF 89%, BEIS 7%, Other 4%
Sri Lanka	4,355	8,585	CSSF 51%, FCDO 40%, Other 9%
Tonga	81	138	CSSF 59%, FCDO 41%
Tunisia	6374	9974	CSSF 64%, FCDO 36%
Ukraine	20,071	31,210	CSSF 64%, FCDO 35%, Other 1%

Table B.4: UK Gross Bilateral ODA by Sector

Sector Description	2017[R] £ thousand	2018[R] £ thousand	2019[R] £ thousand	2020[R] £ thousand	2021 £ thousand
Social Infrastructure & Services:					
Education	788,723	699,494	796,800	548,655	459,751
Health	965,282	982,078	1,028,970	1,296,410	794,400
Population policies/programmes and reproductive health	367,252	369,751	433,877	304,903	199,977
Water supply and sanitation	177,032	208,044	177,522	111,094	78,997
Government & Civil Society	1,164,397	1,204,098	1,322,996	1,048,725	799,320
Other social infrastructure and services	236,366	215,440	248,824	259,559	153,867
Economic Infrastructure & Services:					
Transport and storage	215,796	141,699	70,547	69,331	52,410
Communications	4,705	4,891	5,909	46,698	32,395
Energy	117,630	229,752	386,051	215,317	270,645
Banking and financial services	366,552	649,617	823,275	565,964	452,090
Business and other services	70,956	117,309	87,116	45,569	38,816
Production sectors:					
Agriculture, forestry and fishing	395,488	319,664	372,144	271,529	197,476
Industry, mining and construction	241,283	343,827	442,299	334,226	244,234
Trade policies and regulations	79,569	71,290	90,799	75,609	60,782
Tourism	1,984	1,333	845	1,095	499
Multi sector/cross cutting:					
General environmental protection	320,758	352,626	344,219	248,847	223,074
Other multisector	596,326	696,400	731,262	612,181	388,579
Non Sector Allocable:					
General budget support	0	0	0	0	0
Developmental food aid/food security assistance	48,590	35,549	71,013	65,324	19,282
Action relating to debt	2,891	3,534	0	194,386	0
Humanitarian Assistance	1,455,582	1,303,539	1,539,587	1,531,078	746,865
Administrative costs of donors	543,812	657,700	761,210	786,535	741,256
Support to non-governmental organisations[1]	308,940	294,318	324,801	305,197	207,611
Refugees in Donor Countries	378,063	369,676	477,390	627,815	1,052,240
Non Sector Allocable[2]	44,887	84,070	39,768	86,823	42,019
Total UK Gross Bilateral ODA	**8,892,862**	**9,355,700**	**10,577,224**	**9,652,870**	**7,256,585**

1 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).

2 Excludes spend through NGOs

R Revised figures. These revisions affect 2017, 2018, 2019 and 2020 data, are minor and do not affect any previously reported trends (see background notes of Statistics on International Development: Final UK Aid Spend 2021 report).

Table B.5: Imputed UK share of Multilateral Net ODA by country, 2017-2021[1,2]

Country	2017 £ thousand	2018 £ thousand	2019 £ thousand	2020 £ thousand	2021 £ thousand	Average 2017-2021 £ thousand
North Africa						
Algeria	6,861	6,044	5,960	7,601	3,335	5,960
Egypt	21,966	12,290	12,200	13,673	27,208	17,467
Libya	7,228	8,506	11,868	5,975	5,645	7,844
Morocco	38,033	20,510	18,524	43,406	28,887	29,872
Tunisia	15,148	15,660	19,520	28,371	17,935	19,327
North of Sahara, regional	2,525	4,809	4,027	12,790	5,330	5,896
Sub-Saharan Africa						
Angola	18,064	14,341	18,027	8,309	15,064	14,761
Benin	57,850	32,593	28,629	36,468	20,531	35,214
Botswana	3,799	2,272	2,655	1,837	11,685	4,450
Burkina Faso	53,555	89,002	66,255	60,412	47,893	63,423
Burundi	20,650	28,196	34,564	25,185	24,580	26,635
Cabo Verde	4,534	3,241	8,877	6,224	5,347	5,644
Cameroon	208,568	46,729	54,317	39,975	37,656	77,449
Central African Republic	59,946	41,342	42,675	36,630	25,365	41,191
Chad	63,508	48,321	34,589	41,760	26,145	42,865
Comoros	4,025	4,937	5,876	4,894	3,640	4,674
Congo	6,544	9,550	10,079	7,803	14,012	9,598
Côte d'Ivoire	104,801	56,602	44,242	52,469	44,694	60,561
Democratic Republic of the Congo	112,154	149,610	144,461	141,873	142,453	138,110
Djibouti	4,660	7,311	14,834	9,162	6,849	8,563
Equatorial Guinea	382	427	504	533	1,162	602
Eritrea	4,179	6,991	5,926	4,138	1,894	4,626
Eswatini	6,608	4,633	4,225	3,531	4,477	4,695
Ethiopia	188,861	354,174	175,621	179,702	82,256	196,123
Gabon	1,760	1,358	951	1,200	1,728	1,399
Gambia	27,916	14,729	17,480	13,365	11,405	16,979
Ghana	114,603	47,137	36,791	86,546	36,411	64,298
Guinea	37,892	30,696	34,340	27,445	23,968	30,868
Guinea-Bissau	11,969	13,907	9,629	7,510	7,956	10,194
Kenya	105,941	140,938	121,968	127,846	91,434	117,625
Lesotho	7,548	10,028	12,091	9,893	9,266	9,765
Liberia	30,930	23,566	24,344	23,819	25,431	25,618
Madagascar	117,493	42,435	35,374	42,558	31,655	53,903
Malawi	81,381	52,076	63,831	51,436	42,957	58,336
Mali	88,269	74,985	83,650	53,157	34,423	66,897
Mauritania	26,238	18,202	20,587	22,076	16,281	20,677
Mauritius	1,674	3,315	3,429	1,570	2,048	2,407
Mozambique	54,070	65,706	75,296	85,880	62,630	68,716
Namibia	5,013	6,609	5,369	3,999	3,287	4,855
Niger	93,291	65,640	79,787	66,500	55,900	72,224
Nigeria	159,252	195,347	154,223	120,433	105,130	146,877
Rwanda	105,467	71,700	51,440	55,564	48,836	66,601

Country	2017 £ thousand	2018 £ thousand	2019 £ thousand	2020 £ thousand	2021 £ thousand	Average 2017-2021 £ thousand
Saint Helena	29	1,223	15	794	123	437
Sao Tome and Principe	3,386	2,767	2,961	5,411	3,152	3,535
Senegal	38,425	35,781	49,936	41,645	26,286	38,415
Seychelles	419	0	0	0	0	84
Sierra Leone	51,671	21,217	31,724	32,598	29,373	33,317
Somalia	40,298	37,657	63,010	64,209	63,208	53,676
South Africa	15,584	17,770	13,506	19,808	21,234	17,580
South Sudan	53,566	26,814	52,354	32,452	40,712	41,179
Sudan	29,331	41,611	51,363	56,287	167,887	69,296
Tanzania	141,040	124,010	88,133	78,751	107,036	107,794
Togo	63,273	15,837	24,888	22,924	12,283	27,841
Uganda	65,153	79,585	85,414	97,118	85,062	82,466
Zambia	30,362	48,725	39,194	30,610	35,112	36,801
Zimbabwe	22,305	34,659	43,299	48,652	30,831	35,949
Africa, regional	90,872	127,746	96,146	121,005	139,810	115,115
Eastern Africa, regional	0	0	532	10,391	8,048	3,794
Middle Africa, regional	0	0	0	245	1,244	298
South of Sahara, regional	51,501	105,335	241,231	85,614	126,709	122,078
Southern Africa, regional	0	0	0	478	121	120
Western Africa, regional	0	0	2,862	2,664	6,783	2,462
Middle East						
Iran	2,348	3,025	4,501	3,846	3,458	3,436
Iraq	21,162	27,892	24,576	24,301	15,305	22,647
Jordan	31,185	27,920	28,284	46,010	18,621	30,404
Lebanon	27,165	27,573	26,408	24,519	14,291	23,991
Syrian Arab Republic	36,109	57,673	48,534	34,401	34,886	42,321
West Bank and Gaza Strip	50,489	58,553	57,220	51,869	20,344	47,695
Yemen	76,978	77,950	74,385	33,167	35,461	59,588
Middle East, regional	5,782	8,659	12,036	7,972	11,147	9,119
South and Central Asia						
Afghanistan	75,856	93,705	80,099	87,456	55,201	78,463
Armenia	5,352	8,477	4,778	15,715	4,945	7,853
Azerbaijan	9,728	4,413	2,836	3,413	2,614	4,601
Bangladesh	162,606	255,466	126,528	124,127	72,871	148,320
Bhutan	11,730	7,949	4,732	6,379	3,181	6,794
Georgia	18,395	22,348	11,070	47,331	9,867	21,802
India	159,565	177,533	83,136	69,504	48,438	107,635
Kazakhstan	4,067	1,990	2,155	1,893	1,428	2,307
Kyrgyzstan	26,392	14,828	8,689	12,580	10,758	14,649
Maldives	1,414	1,043	1,871	2,898	8,216	3,088
Myanmar	42,764	51,001	39,596	53,563	23,851	42,155
Nepal	46,704	91,494	67,454	51,851	40,789	59,658
Pakistan	112,586	112,512	85,018	116,209	78,566	100,978
Sri Lanka	26,721	69,438	9,769	31,317	12,642	29,977
Tajikistan	15,779	21,113	10,625	18,555	11,809	15,576
Turkmenistan	1,251	1,386	954	1,315	7,940	2,569
Uzbekistan	13,850	27,979	16,969	30,377	22,224	22,280
Central Asia, regional	3,240	3,267	5,989	3,213	4,102	3,962

Country	2017 £ thousand	2018 £ thousand	2019 £ thousand	2020 £ thousand	2021 £ thousand	Average 2017-2021 £ thousand
South & Central Asia, regional	544	242	419	3	261	294
South Asia, regional	2,275	4,278	4,153	2,456	12,222	5,077
Far East Asia						
Cambodia	13,330	24,317	17,360	18,796	15,487	17,858
China (People's Republic of)	6,188	6,099	4,380	5,655	5,386	5,542
Democratic People's Republic of Korea	5,499	5,077	6,169	4,130	395	4,254
Indonesia	29,850	15,408	13,892	62,627	25,854	29,526
Lao People's Democratic Republic	15,352	128,050	53,434	8,003	11,075	43,183
Malaysia	1,677	1,426	1,141	1,485	1,228	1,391
Mongolia	15,750	17,676	3,726	22,326	18,245	15,545
Philippines	9,024	11,395	12,519	10,056	8,593	10,317
Thailand	4,546	3,817	3,086	7,200	7,770	5,284
Timor-Leste	5,975	3,834	4,703	4,005	11,588	6,021
Viet Nam	85,778	113,370	40,664	58,368	30,731	65,782
Asia, regional	7,280	6,765	6,706	9,410	7,292	7,491
Far East Asia, regional	6,359	8,619	13,234	14,902	20,157	12,654
Latin America and the Caribbean						
Antigua and Barbuda	1,431	1,413	1,161	15,438	98	3,908
Belize	2,387	1,791	1,292	1,635	7,340	2,889
Costa Rica	1,488	1,695	942	25,781	1,061	6,193
Cuba	3,271	2,319	4,177	20,931	25,538	11,247
Dominica	2,623	3,047	3,720	2,507	2,807	2,941
Dominican Republic	4,190	4,908	8,040	3,255	4,513	4,981
El Salvador	2,924	13,941	5,628	3,350	1,949	5,558
Grenada	3,192	14,074	750	2,214	7,656	5,577
Guatemala	6,806	10,049	7,093	20,252	5,130	9,866
Haiti	22,681	35,155	26,946	24,757	27,258	27,360
Honduras	8,260	8,875	9,438	18,508	11,764	11,369
Jamaica	3,427	5,291	4,153	2,957	4,077	3,981
Mexico	2,045	2,607	2,510	2,175	5,553	2,978
Montserrat	147	722	973	439	401	536
Nicaragua	11,066	12,783	8,207	22,413	7,548	12,403
Panama	2,132	1,020	827	1,535	740	1,251
Saint Lucia	1,358	1,329	1,298	3,289	7,579	2,971
Saint Vincent and the Grenadines	558	1,533	3,340	2,797	4,373	2,520
Caribbean & Central America, regional	5,073	3,791	12,210	4,533	4,528	6,027
Caribbean, regional	4,576	3,666	13,984	4,710	8,238	7,035
Central America, regional	0	0	227	886	1612	545
South America						
Argentina	1,773	2,148	1,183	38,487	1,386	8,995
Bolivia	11,997	11,119	8,760	7,252	7,226	9,271

Country	2017 £ thousand	2018 £ thousand	2019 £ thousand	2020 £ thousand	2021 £ thousand	Average 2017-2021 £ thousand
Brazil	3,641	6,120	3,766	18,290	7,019	7,767
Chile	1,320	0	0	0	0	264
Colombia	18,402	13,506	14,736	24,635	8,271	15,910
Ecuador	4,326	4,358	5,518	4,829	2,619	4,330
Guyana	3,973	9,560	1,818	1,934	2,673	3,992
Paraguay	3,093	9,641	3,150	3,732	2,784	4,480
Peru	4,562	4,159	4,587	4,432	6,331	4,814
Suriname	1,414	886	1,130	1,186	818	1,087
Uruguay	503	0	0	0	0	101
Venezuela	846	4,378	11,465	6,331	4,127	5,430
America, regional	8,556	14,219	8,731	13,683	12,753	11,588
South America, regional	4,138	7,124	5,153	3,767	36,730	11,382
Europe						
Albania	8,107	9,706	8,468	9,776	9,024	9,016
Belarus	4,685	3,871	3,579	4,603	2,238	3,795
Bosnia and Herzegovina	17,308	12,214	10,924	15,034	7,463	12,588
Kosovo	18,888	16,470	16,847	26,684	10,648	17,907
Moldova	22,212	7,020	13,169	20,274	15,917	15,718
Montenegro	4,399	4,724	4,778	8,895	3,915	5,342
North Macedonia	12,160	10,511	6,015	16,530	7,382	10,520
Serbia	18,201	22,708	20,240	22,409	15,908	19,893
States Ex-Yugoslavia unspecified	125	158	119	560	1,061	405
Türkiye	80,898	55,593	113,186	94,244	105,428	89,870
Ukraine	28,305	34,496	35,622	129,660	28,413	51,299
Europe, regional	51,048	48,940	60,082	49,335	34,078	48,697
Pacific Countries						
Cook Islands	1,045	300	170	0	0	303
Fiji	5,328	2,819	3,009	5,447	7,560	4,832
Kiribati	1,966	7,862	985	636	449	2,379
Marshall Islands	270	6,135	1,115	521	981	1,804
Micronesia	782	3,361	925	732	4,422	2,045
Nauru	6,718	271	190	59	65	1,461
Niue	256	132	105	171	282	189
Palau	65	47	184	596	353	249
Papua New Guinea	7,704	34,352	17,154	17,008	20,961	19,436
Samoa	4,793	5,117	5,445	2,606	1,863	3,965
Solomon Islands	6,534	3,001	3,961	2,721	2,082	3,660
Tokelau	11	6	16	8	15	11
Tonga	1,795	8,233	1,395	3,444	2,759	3,525
Tuvalu	875	873	551	801	1,464	913
Vanuatu	2,081	5,260	2,820	2,360	3,665	3,237
Wallis and Futuna	99	1,537	239	837	158	574
Melanesia, regional	0	0	43	156	31	46
Micronesia, regional	0	0	0	0	2,088	418
Oceania, regional	4,158	4,793	11,340	25,906	13,022	11,844

Country	2017 £ thousand	2018 £ thousand	2019 £ thousand	2020 £ thousand	2021 £ thousand	Average 2017-2021 £ thousand
Unspecified Country/ Region						
Developing countries, unspecified	298,459	317,496	325,734	309,310	488,286	347,857
Country Unallocated[3]	507,700	294,979	407,597	402,776	383,397	399,290
Total Multilateral Net ODA	**5,256,170**	**5,312,974**	**4,772,321**	**4,945,396**	**4,276,920**	**4,912,748**
of which: Low Income Countries[4]	1,687,725	1,686,472	1,534,770	1,424,989	1,220,216	1,510,835
proportion of country-specific total	40%	39%	43%	37%	41%	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.

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 priorites 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 2023-24 and 2024-25, as set out below, represent notional spending plans and remain subject to change.

See the Financial Review page 77 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 Outturn £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	1,595,687	1,709,075	1,541,030
Section B: Funding for NDPBs within Departmental Group (Net)	36,065	37,026	37,011	34,424	39,051	41,383	41,692	41,491
Section C: British Council	171,000	188,300	191,500	148,700	190,500	164,709	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	336,954	292,916	286,210
Section F: Conflict, Stability and Security Fund[2]	829,999	894,527	863,229	886,302	680,811	664,640	778,726	889,249
Prosperity Fund[3]	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						1,732,174	1,889,319	2,050,916
Core multilateral programmes						1,747,696	1,788,000	1,611,000
Centrally managed programmes						613,075	1,071,256	1,128,963
Non-Voted								
Section G: European Union Attributed Aid	439,000	452,000	475,000	522,000	684,224	532,000	434,000	305,000
	9,765,364	**9,606,484**	**10,583,179**	**9,913,920**	**7,599,192**	**7,428,318**	**8,177,984**	**8,016,359**
Resource AME								
Voted								
Section H: Other central programme and technical costs	444,715	(123,418)	(158,584)	617,378	(123,836)	485,362	418,768	410,666
Total Resource AME	**444,715**	**(123,418)**	**(158,584)**	**617,378**	**(123,836)**	**485,362**	**418,768**	**410,666**
Total Resource	**10,210,079**	**9,483,066**	**10,424,595**	**10,531,298**	**7,475,356**	**7,913,680**	**8,596,752**	**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 2023-24 and 2024-25 the budget for the Conflict, Stability and Security Fund will be superseded by the UK Integrated Security Fund.

3 In FCO's 2017-18 accounts the Prosperity Fund was included in the row entitled Administration and programme expenditure.

4 Plans for 2023-24 and 2024-25 are notional.

5 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 Outturn £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	348,260	526,000	98,000
Section C: British Council				52,000	4,800	81,290	40,000	
Section D: Strategic priorities and other programme spending	2,723,264	3,070,905	2,016,732	2,668,045	1,579,767			
Section E: International subscriptions, scholarships and BBC World Service	–	–	–	–	–	379	–	–
Section F: Conflict, Stability and Security Fund[2]	9,012	17,334	23,807	37,000	20,570	5,140		
Prosperity Fund		35,354	19,394	4,692				
Regional bilateral programmes						151,744	397,000	1,721,000
Core multilateral programmes						1,006,458	1,677,000	524,000
Centrally managed programmes						558,364	1,000,820	1,654,000
	2,461,404	**3,246,275**	**2,183,941**	**2,871,077**	**1,749,633**	**2,151,635**	**3,640,820**	**3,997,000**
Capital AME								
Voted								
Section I: CDC Group plc[3]	395,000	736,000	955,000	650,000	660,650	289,500	280,000	
Total Capital AME	**395,000**	**736,000**	**955,000**	**650,000**	**660,650**	**289,500**	**280,000**	**-**
Total Capital	**2,856,404**	**3,982,275**	**3,138,941**	**3,521,077**	**2,410,283**	**2,441,135**	**3,920,820**	**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 the Conflict, Stability and Security Fund will be superseded by the UK Integrated Security Fund.

3 In 2023-24 and 2024-25 the budget for CDC Group plc (now British International Investment) is in Capital DEL "Centrally managed programme" and will be switched to Capital AME through the Estimate process.

4 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 Outturn £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	303,833	325,623	334,822
Section B: Funding for NDPBs within Departmental Group (Net)	1,949	1,933	805	800	662	1,240	924	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**	**305,073**	**326,547**	**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 Grant-in-Aid from the FCDO. 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. 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)	3,595	28,219	1,843	340	2,700	6,754
Total Operating Income (£000)	–	–	7,653	989	–	5,981
Total Operating Expenditure (£000)	3,595	25,090	8,484	1,310	3,297	15,359
Total Net Operating Expenditure (£000)	**–**	**3,129**	**1,012**	**19**	**(597)**	**(2,624)**
Finance Income (£000)	–	–	–	4	270	–
Finance Expense (£000)	–	–	–	–	–	–
Net Expenditure for the year (£000)	–	**3,129**	**1,012**	**23**	**(327)**	**(2,624)**

Staffing Information by ALB	ICAI	CSC[1]	Wilton Park	GBCC	MACC[1]	WFD
No. of permanent staff	7	–	75	6	–	55
No. of other staff	3	–	4	1	–	2
Total number of staff	**10**	**–**	**79**	**7**	**–**	**57**
Permanent staff costs (£000)	414	–	3,835	364	–	3,712
Other staff costs (£000)	316	–	133	26	–	179
Total staff costs (£000)	**730**	**–**	**3,968**	**390**	**–**	**3,891**

1 There are no staff employed in CSC and MACC. Day to day functions are carried out by external administrators.

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