

Annexes



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Photograph: Sumatra, Indonesia. Felicity Rose.

Annex 1

Analysis of Departmental Expenditure

1. This annex provides information on DFID's actual and planned spending for the period 1999-2000 to 2007-08. The figures for the planning years, 2005-06 to 2007-08, reflect the outcome of the 2004 Spending Review settlement, which increased DFID's overseas development budget by an average of 9.2% a year over the three-year period.
2. Tables 2 and 3 show how the Department's expenditure relates to our Public Service Agreements for the Spending Review periods. A more detailed analysis of spending into individual programmes is included in Table 4.
3. Information on the costs of running the Department and staff numbers is given in Tables 6 and 7. The other tables provide a detailed breakdown of DFID's assets and liabilities.

Table 1: DFID public spending

4. Table 1 summarises all Government spending that falls within the Department's responsibility. In 2004-05, the Departmental Expenditure Limit (DEL) for DFID is £3,924 million. In addition, the Department is responsible for managing two budgets within Annually Managed Expenditure. Provision of £55 million for charges relating to the Department's investment in CDC Group plc is included in the Department's main Vote, and is shown as part of the Eliminating Poverty in Poorer Countries line in the Consumption of Resources section of the table. A sum of £77 million for overseas superannuation costs is provided for in the separate Overseas Superannuation Vote.

Table 1: Total public spending for the Department for International Development £ million

	1999/00 Outturn	2000/01 Outturn	2001/02 Outturn	2002/03 Outturn	2003/04 Outturn	2004/05 Estimated Outturn	2005/06 Plans	2006/07 Plans	2007/08 Plans
Consumption of Resources									
Eliminating Poverty in Poorer Countries	2,743	3,000	3,089	3,463	3,799	3,877	4,480	4,998	5,299
Conflict Prevention	–	–	22	35	45	46	55	65	66
Overseas Superannuation	58	81	59	51	77	77	70	68	66
Total resource budget	2,801	3,081	3,170	3,549	3,921	4,000	4,605	5,131	5,431
of which:									
Resource DEL	2,743	3,000	3,057	3,447	3,793	3,868	4,473	4,995	5,289
Capital spending:									
Eliminating Poverty in Poorer Countries	25	-16	24	17	27	38	30	20	22
Conflict Prevention	–	–	–	–	–	1	–	–	–
Total capital budget	25	-16	24	17	27	39	30	20	22
of which:									
Capital DEL	25	-16	24	17	27	41	30	20	22
Total public spending ⁽¹⁾	2,821	3,060	3,184	3,550	3,918	4,014	4,613	5,129	5,430

(1) Total public spending calculated as the total of the resource budget plus the capital budget less depreciation.

5. The DFID DEL is split between the Resource DEL, which supports current expenditure on overseas aid, staff, other goods and services, and the Capital DEL that supports the acquisition of fixed assets and investments as well as long-term loans. Most of DFID's spending is on international development, but a relatively small amount derives from the inter-departmental Conflict Prevention Pools.
6. The majority of expenditure within the DEL is voted as part of the Department for International Development's Estimate, but the Resource DEL also includes non-voted provision (£605 million in 2004-05, arising from the attribution to the United Kingdom of European Community spending on overseas aid).

Tables 2 and 3: DFID resource budget and capital budget

7. Tables 2 and 3 provide a more detailed breakdown of the resource and capital spending totals given in Table 1. The figures in Table 2 show that most of DFID's resource budget is allocated to one of the five main objectives contained in the Public Service Agreement. The resource consumption figures shown against each activity include programme costs and any administration costs associated with managing the activity. Details of the administration costs attributed to each heading are shown separately in Table 6.

Table 2: Resource budget for the Department for International Development

£ million

	1999/00 Outturn	2000/01 Outturn	2001/02 Outturn	2002/03 Outturn	2003/04 Outturn	2004/05 Estimated Outturn	2005/06 Plans	2006/07 Plans	2007/08 Plans
Eliminating Poverty in Poorer Countries	2,743	3,000	3,089	3,463	3,799	3,877	4,480	4,998	5,299
<i>of which:</i>									
Reducing Poverty in Sub-Saharan Africa	375	529	537	654	678	881	1,074	1,266	1,299
Reducing Poverty in Asia	282	285	507	463	624	684	746	839	864
Reducing Poverty in the Rest of the World	241	226	201	253	450	261	196	177	172
Improve Effectiveness of Multilateral Aid	867	869	679	759	731	938	1,305	1,414	1,454
Developing Innovative Approaches to Development	306	385	333	294	250	172	148	309	344
Programmes Contributing to Multiple Objectives ⁽¹⁾	72	71	108	199	142	252	267	243	251
Central Departments	58	52	82	97	50	74	77	75	76
Certain Beneficiaries of the Gibraltar Social Insurance Fund	21	8	7	8	7	7	7	7	7
EC Development Programmes	517	573	633	733	865	605	627	635	540
Retrospective Terms Adjustment –RTA	4	2	2	3	2	3	3	3	3
Other	–	–	–	–	–	–	–	–	–
Unallocated Provision	–	–	–	–	–	–	30	30	289
Conflict Prevention	–	–	22	35	45	46	55	65	66
<i>of which:</i>									
Sub-Saharan Africa	–	–	14	22	19	22	20	–	–
Global	–	–	8	13	26	22	16	–	–
Post-Conflict Reconstruction	–	–	–	–	–	2	12	3	3
Africa Conflict Prevention DUP	–	–	–	–	–	–	7	62	63
Overseas Superannuation	58	81	59	51	77	77	70	68	66
<i>of which:</i>									
Overseas Superannuation ⁽²⁾	58	81	59	51	77	77	70	68	66
Total resource budget	2,801	3,081	3,170	3,549	3,921	4,000	4,605	5,131	5,431

(1) Programmes Contributing to Multiple Objectives includes some spending with annually managed expenditure for 2004/05 to 2007/08.

(2) Overseas Superannuation spending is within annually managed expenditure.

8. Table 3 shows how DFID's capital budget is divided between our activities. Capital spending shown against the Central Departments heading is mainly investment in IT infrastructure and this supports all of DFID's activities. Negative figures indicate that loan repayments or receipts from asset sales exceeded gross capital spending against the heading in that year.

Table 3: Capital budget for the Department for International Development**£ million**

	1999/00 Outturn	2000/01 Outturn	2001/02 Outturn	2002/03 Outturn	2003/04 Outturn	2004/05 Estimated Outturn	2005/06 Plans	2006/07 Plans	2007/08 Plans
Eliminating Poverty in Poorer Countries	25	-15	24	17	27	38	30	20	22
<i>of which:</i>									
Reducing Poverty in Sub-Saharan Africa	-2	-3	-7	-4	2	5	2	2	2
Reducing Poverty in Asia	-2	-2	-7	-5	-1	1	-1	-1	-1
Reducing Poverty in the Rest of the World	-5	-7	-14	-12	9	14	12	-4	-4
Improve Effectiveness of Multilateral Aid	29	-17		17	-1	-8	-4	-4	-4
Developing Innovative Approaches to Development	-	-	-		-	-	-	-	-
Programmes Contributing to Multiple Objectives ⁽¹⁾	-	-	-	-	-	2	-	-	-
Central Departments	5	14	52	21	30	24	21	21	21
Crown Agent Loan Repayment	-	-	-	-	-	-	-	-	-
Other ⁽²⁾				-12					
DFID Unallocated Capital								6	8
Conflict Prevention					1				
<i>of which:</i>									
Post-Conflict Reconstruction						1			
Total capital budget	25	-15	24	17	27	39	30	20	22

(1) Programmes Contributing to Multiple Objectives includes some spending within annually managed expenditure in 2004-05.

(2) The negative total against Other in 2003-04 is excess non-operating appropriations in aid that was not attributed to specific programmes.

Table 4: DFID allocation by programme

9. DFID's available programme resources are allocated to country or regional specific aid programmes, international bilateral aid programmes, policy development, or other programmes in the annual resource allocation round. This establishes an aid framework allocation, approved by the Secretary of State, which provides divisions within DFID with a firm budget for the current year and planning figures for the subsequent two financial years.
10. In Table 4, the figures up to and including 2002/03 represent cash spending, while from 2003/04 onwards, expenditure and plans are set in resource budgeting terms.

Table 4: DFID Allocation by Programme

£ thousand

	2000/01 Outturn	2001/02 Outturn	2002/03 Outturn	2003/04 Outturn	2004/05 Estimated Outturn	2005/06 Plans	2006/07 Plans	2007/08 Plans
AFRICA¹								
East and Central Africa								
Democratic Republic of the Congo	3,096	5,558	12,933	13,157	30,300	46,350	54,000	70,000
Ethiopia	15,445	11,390	40,341	40,395	59,500	90,050	90,000	130,000
Kenya	47,359	24,925	42,390	26,001	37,300	50,000	50,000	50,000
Rwanda	32,764	26,891	35,263	28,134	45,734	46,100	46,000	46,000
Tanzania	67,042	63,254	75,497	79,819	88,614	110,000	110,000	120,000
Uganda	83,345	66,665	53,206	54,493	62,637	71,670	70,000	70,000
Central and Eastern Africa Other ²	9,103	7,236	26,805	22,693	33,100	44,200	39,000	44,000
Total	258,154	205,919	286,345	264,692	357,185	458,370	459,000	530,000
Southern Africa								
Malawi	56,010	42,058	51,728	53,107	54,500	60,000	65,000	70,000
Mozambique	29,902	38,567	30,563	36,608	45,673	55,000	55,000	60,000
South Africa ³	–	–	–	–	–	25,000	23,000	20,000
Lesotho ⁴	2,139	2,900	2,759	3,311	–	–	–	–
Zambia	52,101	39,113	37,710	24,664	28,548	35,000	35,000	40,000
Zimbabwe	10,578	14,699	30,776	33,148	27,500	30,000	30,000	40,000
Southern Africa Regional (inc Lesotho) ⁵	36,905	29,619	81,014	58,637	54,545	18,590	18,000	18,000
Total	187,635	166,956	234,550	209,475	210,766	223,590	226,000	248,000
West Africa								
Ghana	69,550	51,615	52,871	58,022	66,442	70,100	70,000	70,000
Sudan	4,587	5,286	19,050	14,655	89,100	104,250	100,000	70,000
Nigeria	15,815	19,725	29,237	31,876	44,908	70,470	80,000	100,000
Sierra Leone	35,059	34,408	33,004	35,160	30,200	40,000	40,000	40,000
Other West Africa ⁶	6,555	5,713	4,295	11,020	7,510	17,810	19,000	19,000
Total	131,566	116,747	138,458	150,733	238,160	302,630	309,000	299,000
Africa Non Country Programmes								
Africa Policy	–	–	–	–	–	12,000	13,000	14,000
African Union/Regional	3,940	4,665	2,671	7,014	10,756	55,000	55,000	69,000
Humanitarian Assistance ⁷	2,255	2,597	–	3,815	16,200	25,410	35,000	35,000
Africa Reserve	–	–	–	–	–	23,000	50,000	70,000
Africa – ATPB	181	24	1,103	–	–	–	–	–
Other ⁸	–	–	–	3,245	–	–	–	–
Total	6,376	7,238	3,774	14,074	26,956	115,410	153,000	188,000
AFRICA Total	583,371	496,860	663,217	638,974	833,067	1,100,000	1,147,000	1,265,000

£ thousand

	2000/01 Outturn	2001/02 Outturn	2002/03 Outturn	2003/04 Outturn	2004/05 Estimated Outturn	2005/06 Plans	2006/07 Plans	2007/08 Plans
South and East Asia and Pacific								
Afghanistan ¹⁰	116	216	34,661	68,604	72,801	90,000	102,000	113,000
Bangladesh	70,791	60,313	75,580	57,300	122,379	125,000	125,000	125,000
China	18,624	23,247	33,804	21,652	34,944	35,000	40,000	35,000
India	105,383	180,524	155,997	214,425	237,232	265,000	270,000	300,000
Nepal	17,185	20,471	26,812	27,778	33,828	40,000	35,000	40,000
Pakistan	12,810	42,690	37,970	66,221	56,639	74,000	76,000	86,000
South East Asia ¹¹	32,695	38,227	57,007	59,938	87,212	56,000	58,000	47,000
Vietnam ¹²	–	–	–	–	–	55,000	50,000	50,000
Asia Directorate ¹³	7,155	5,801	9,404	22,552	4,625	8,000	8,000	9,000
Asia Reserve (inc Post Tsunami Rehabilitation)	–	–	–	–	15,000	20,000	30,000	30,000
Asia – ATP8	26,651	25,593	19,504	–	–	–	–	–
ASIA Total	291,410	397,442	450,740	538,470	664,660	768,000	794,000	835,000
Europe/Central Asia								
C Asia, South Caucasus, Moldova ¹⁴	10,785	10,397	14,938	15,269	16,272	23,000	20,000	22,500
Ukraine	9,241	8,877	7,888	6,745	6,666	6,500	4,000	3,000
Russia	26,072	22,560	24,152	21,498	13,466	5,000	5,000	3,000
Balkans ¹⁵	19,280	26,146	18,426	18,197	15,335	13,700	14,000	14,000
EU Accession/Pre Accession Countries ¹⁶	17,393	18,225	17,544	7,756	6,276	–	–	–
Total	82,771	86,205	82,948	69,465	58,015	48,200	43,000	42,500
Americas/Overseas Territories								
Latin America ¹⁷	22,996	31,741	30,592	23,529	18,035	11,000	12,000	12,000
Caribbean ¹⁸	19,750	19,475	18,780	12,246	19,799	10,500	10,500	10,500
Overseas Territories ¹⁹	38,846	40,076	37,712	38,341	36,290	29,000	31,800	35,300
Latin America – ATP ⁸	403	314	217	–	–	–	–	–
Total	81,995	91,606	87,301	74,116	74,124	50,500	54,300	57,800
Middle East/North Africa								
Yemen	1,215	2,198	2,143	2,425	6,782	12,500	10,000	12,500
Palestinian Authority	8,879	14,445	15,004	16,868	15,750	15,000	15,000	15,000
Egypt/Jordan/Lebanon/Syria	6,952	6,344	5,369	4,713	7,160	–	–	–
Middle East Regional	–	–	–	–	–	2,600	2,500	3,000
UN Relief & Works Agency for Palestinian Refugees	18,791	25,426	18,807	23,646	17,350	15,000	15,000	15,000
Total	35,837	48,413	41,324	47,652	47,042	45,100	42,500	45,500
EMAD Regional Programmes								
Research/Consultancy/EMAP Regional	–	141	140	278	160	200	200	200
EBRD Subscription (Capital)	11,286	13,082	15,082	16,778	16,800	16,000	–	–
Other ²⁰	–	–	–	25,990	6,000	–	–	–
Total	11,286	13,223	15,222	43,046	22,960	16,200	200	200
<i>Iraq</i>	8,929	7,554	–	211,656	61,000	65,000	45,000	30,000
EUROPE, MIDDLE EAST, AND AMERICAS								
Total	228,818	247,001	226,794	445,935	263,141	225,000	185,000	176,000
TOTAL – COUNTRY/REGIONAL PROGRAMMES	1,095,959	1,141,303	1,340,661	1,623,379	1,760,868	2,093,000	2,126,000	2,276,000
POLICY PROGRAMMES²¹								
Growth and investment	–	–	–	45,610	30,154	19,472	19,000	13,100
Governance and social	–	–	–	11,704	6,752	1,475	1,100	700
Human development	–	–	–	17,331	12,437	26,500	31,000	37,403
Multilateral contributions: environment	–	–	–	61,928	37,451	40,353	45,354	50,897
Global partnerships- human development	–	–	–	60,190	63,335	73,000	65,000	65,000
Sustainable Development	–	–	–	–	–	10,200	6,946	5,800
Development Effectiveness	–	–	–	–	–	2,000	1,600	1,100
TOTAL – POLICY PROGRAMMES	217,224	219,421	281,577	196,763	150,129	173,000	170,000	174,000

£ thousand

	2000/01 Outturn	2001/02 Outturn	2002/03 Outturn	2003/04 Outturn	2004/05 Estimated Outturn	2005/06 Plans	2006/07 Plans	2007/08 Plans
UN, CONFLICT AND HUMANITARIAN PROGRAMMES								
Conflict Prevention and Humanitarian								
Humanitarian and Refugee Policy	5,524	6,301	5,617	3,120	5,000	9,000	10,500	12,000
Humanitarian Response ²²	96,288	87,667	74,264	15,845	18,000	18,000	23,500	26,550
Humanitarian Response – Tsunami	–	–	–	–	75,000	–	–	–
Conflict Policy and Projects	2,278	2,650	3,696	–	1,310	2,800	2,800	2,800
International Humanitarian Organisations ²³	47,948	52,081	46,942	48,072	37,522	87,600	93,650	99,700
Good Humanitarian Donorship Facility	–	–	–	–	–	–	23,000	23,000
Post-Conflict Reconstruction Unit ²⁴	–	–	–	–	1,560	9,173	6,255	2,895
Global Conflict Prevention Pool ²⁵	–	6,778	13,816	25,617	21,500	15,550	–	–
Total	152,038	155,477	144,334	92,654	158,892	142,123	159,705	166,945
United Nations and Commonwealth								
UN Development Programme	35,000	37,000	37,000	37,000	40,000	45,000	50,000	55,000
UNESCO (Subscription)	12,008	12,182	12,019	12,500	12,500	12,000	12,500	12,500
IFAD	3,000	2,728	3,000	3,610	4,600	3,250	2,319	250
FAO (Subscription)	12,400	12,504	11,702	11,000	13,000	14,000	14,350	14,700
WHO Core Grant	9,860	10,400	12,000	12,500	12,500	16,500	19,500	18,500
UNICEF	2,203	17,000	17,000	17,000	19,000	19,000	22,000	24,000
UNFPA Core Grant	40,000	24,000	9,000	18,100	20,000	20,000	22,000	22,000
Other UN Institutions ²⁶	10,916	251	10,301	14,000	23,903	31,600	34,600	35,600
Technical Cooperation for UN	3,647	6,163	7,041	5,500	18,753	19,124	19,029	21,272
Commonwealth Programmes ²⁷	6,562	8,294	8,353	7,751	19,260	23,309	23,270	23,270
Unallocated Multilateral Contributions	–	–	–	–	10,000	5,000	15,000	15,000
Total	135,596	130,522	127,416	138,961	193,516	208,783	234,568	242,092
TOTAL – UN, CONFLICT AND HUMANITARIAN PROGRAMMES	287,634	285,999	271,751	231,615	353,408	350,906	394,273	409,037
EUROPE, TRADE, AND INTERNATIONAL FINANCIAL INSTITUTIONS								
European Union								
European Development Fund (Resource)	121,376	91,463	132,545	210,883	254,000	255,801	282,666	253,230
European Development Fund (Capital) ²⁸	–	–	–	20,000	18,000	–	–	–
Other EU Programmes	5,014	5,321	3,756	5,339	5,000	6,750	4,877	4,850
EU Attribution ²⁹	529,365	633,000	730,000	760,000	605,000	627,000	635,000	540,000
Total	655,755	729,874	866,301	996,222	882,000	889,551	922,543	798,080
International Financial Institutions								
African Development Fund ³⁰	13,190	29,058	33,198	40,598	40,598	39,000	40,000	70,000
Asian Development Fund ³⁰	25,851	26,638	26,103	26,154	21,180	28,500	28,500	58,500
Caribbean Dev Bank Special Dev Fund ³⁰	981	2,115	5,319	4,374	10,500	–	6,000	6,000
IFF for Immunisation	–	–	–	–	–	5,772	37,950	32,505
Reg Dev Banks (Cap Sub)	1,257	–	2,400	841	1,500	900	5,900	5,900
Technical Cooperation for Development Banks	–	–	2,788	1,210	1,590	5,000	5,000	5,000
IDA 9-12 ³⁰	233,310	213,850	220,920	–	–	–	–	–
IDA 13 ³⁰	–	–	–	149,500	150,000	364,800	–	–
IDA 14	–	–	–	–	–	105,200	550,000	595,000
IMF Funds	–	–	10,000	–	1,000	3,000	3,000	3,000
World Bank Trust Fund (FIRST)	–	1,638	–	325	–	–	–	–
HIPC Trust Fund Contributions	27,518	23,400	17,855	42,123	42,123	29,000	15,000	15,000
HIPC 100% Bilateral Policy	4,026	8,457	29,312	2,608	–	–	20,000	10,000
100% Multilateral Debt Relief	–	–	–	–	–	26,000	40,000	50,000
Other IFI Programmes	3,982	5,513	8,486	–	906	1,000	–	–
Trade-related technical cooperation	2,547	4,087	2,617	3,064	6,177	9,910	8,681	7,500
Private Sector Infrastructure	7,911	31,963	24,002	17,183	18,000	36,000	36,000	36,000
Policy Partnerships	–	–	–	–	3,223	5,000	5,000	3,000
Total	320,303	346,719	383,000	287,980	296,797	659,082	801,031	897,405
TOTAL – EUROPE, TRADE, AND INTERNATIONAL FINANCIAL INSTITUTIONS	976,058	1,076,503	1,249,301	1,284,202	1,178,797	1,548,633	1,723,574	1,695,485

£ thousand

	2000/01 Outturn	2001/02 Outturn	2002/03 Outturn	2003/04 Outturn	2004/05 Estimated Outturn	2005/06 Plans	2006/07 Plans	2007/08 Plans
KNOWLEDGE AND COMMUNICATIONS								
Partnership Programme Agreements	28,245	53,650	57,227	56,567	63,271	79,140	85,608	88,601
Civil Society Challenge Fund	3,399	5,744	9,683	7,000	10,383	14,400	14,300	14,300
Development Awareness	5,580	5,411	5,431	2,681	5,293	7,700	8,500	8,500
Strategic Grants	535	116	14	470	1,094	1,800	1,800	1,800
Joint Funding Scheme	31,335	7,254	4,671	197	500	–	–	–
Information & Communications for Dev	270	1,872	3,206	3,693	6,000	6,024	6,024	6,024
Media & Marketing	–	–	–	667	2,000	1,600	1,500	1,500
NGO Resource Development	–	–	–	–	–	336	268	275
Other Information Programmes	–	–	165	320	–	–	–	–
Social, Political and Environmental Change Research ³¹	–	–	–	10,847	14,569	15,000	18,800	23,000
Human Development Research ³¹	–	–	–	27,843	26,707	43,500	43,000	52,000
Growth and Livelihoods Research ³¹	–	–	–	27,946	39,251	46,000	50,400	53,000
Communications Research ³¹	–	–	–	12,727	3,580	5,500	6,800	8,000
Evaluation	709	1,063	1,465	558	1,000	1,000	1,000	1,000
Other ³²	730	671	460	3,806	3,118	–	–	–
TOTAL – KNOWLEDGE AND COMMUNICATIONS	70,803	75,781	82,322	154,962	176,766	222,000	238,000	258,000
Finance and Corporate Performance Division								
FCPD Other Programmes	537	1,536	2,162	626	840	1,600	1,600	1,600
Finance and Corporate Performance Division Total	537	1,536	2,162	626	840	1,600	1,600	1,600
Human Resources Division³³								
HRD Programmes	3,966	4,776	3,825	–	–	–	–	–
Pensions	7,556	5,162	5,317	–	–	–	–	–
Human Resources Division Total	11,552	9,938	9,143	–	–	–	–	–
TOTAL – OTHER PROGRAMMES	12,089	11,474	11,305	626	840	1,600	1,600	1,600
GRAND TOTAL	2,659,767	2,810,481	3,236,917	3,491,547	3,620,808	4,389,139	4,653,447	4,814,122

1. Africa total includes spending on programmes within ring-fenced Africa Conflict Prevention Pool.
2. Includes programmes in Angola, Eritrea, Burundi, and Somalia.
3. Included as part of Southern Africa Regional until 2003-04.
4. Included under Southern Africa Regional from 2003-04 onwards.
5. Includes South Africa until 2003-04.
6. Includes programmes in Cameroon and Gambia and regional interventions.
7. Expenditure is generally charged to country specific lines in year.
8. Aid and Trade Provision lines record cash spending against earlier agreements to 2002/03. Under full resource budgeting only new provisions count against the DFID budget, and hence no expenditure is recorded from 2003/04.
9. Expenditure charged to the Africa section in the DFID resource account, but not attributed to specific programmes.
10. Most expenditure in Afghanistan until 2003/04 is recorded under Conflict and Humanitarian programmes.
11. Includes country programmes for Sri Lanka, Indonesia, Cambodia, Burma, and Vietnam (until 2003/04)
12. Included in South East Asia until 2003/04.
13. Covers regional funds and programmes including the Pacific region.
14. Includes country programmes for Kyrgyz Republic, Tajikistan, Uzbekistan, Armenia, Georgia, and Moldova.
15. Includes country programmes for former Yugoslavia and Albania.
16. Includes only Romania and Bulgaria in later years.
17. Includes Nicaragua, Honduras, Bolivia, Brazil, Peru, Mexico (up to 2002/03) and some regional programmes.
18. Covers the Caribbean Community (CARICOM) countries in the independent Caribbean, including Guyana, Jamaica, Belize, and the Windward Islands
19. Includes St Helena, Anguilla, Montserrat, Turks and Caicos, and Caribbean Dependencies programme.
20. Expenditure charged to the Rest of the World section in the DFID resource account, but not attributed to specific Programmes.
21. A new budget structure was adopted in 2003/04.
22. Includes expenditure under the Mines Action Initiative
23. Includes UN Commissioner for Refugees, International Committee of the Red Cross, and World Food Programme
24. An interdepartmental unit (DFID, FCO, MOD) set up in 2004/05.
25. Expenditure on programmes from the interdepartmental Pool. Funding agreed annually
26. Includes funding for UNIDO, UNAIDS, ILO, UNIFEM, UNCHS Habitat.
27. Includes contributions to the Commonwealth Fund for technical cooperation.
28. Capital costs were not identified separately prior to 2003-04.
29. Share of EU spending on development programmes attributed to the UK.
30. Expenditure charged to budget at time a promissory note is deposited with international financial institutions.
31. Research programmes included under policy programmes in 2000/01 to 2002/03.
32. Includes Commonwealth Education Fund.
33. Expenditure classified as administration costs from 2003/04 onwards.

Table 5: DFID capital employed

11. Table 5 shows capital employed within the Departmental Group, analysed by type of asset and liability. The figures for 2000-2001 to 2003-04 are actual outturn totals, an estimated outturn is given for 2004-05, and the figures for 2005-06 to 2007-08 are projections against the Department's expected pattern of investment over the planning period.

Table 5: DFID capital employed

£ thousand

	2000/01 Outturn	2001/02 Outturn	2002/03 Outturn	2003/04 Outturn	2004/05 Estimated Outturn	2005/06 Projected Outturn	2006/07 Projected Outturn	2007/08 Projected Outturn
Assets on balance sheet at end of year								
Fixed Assets	2,168,696	2,022,341	2,067,570	1,821,539	2,603,925	2,639,568	2,643,348	2,643,140
of which:								
Tangible Assets								
Land and Buildings	3,835	4,193	9,542	9,594	12,280	11,683	11,085	10,487
Improvements to leasehold buildings	1,143	31,426	30,782	31,382	33,054	38,085	37,357	35,694
Vehicles	988	2,779	2,964	2,840	2,828	2,740	2,738	2,349
Office and domestic furniture and equipment	2,761	6,136	7,398	8,209	8,890	10,764	12,678	12,761
IT equipment and systems	13,427	19,508	17,067	15,927	13,925	15,802	20,346	43,109
Assets in the course of construction	6,340	3,273	3,067	2,338	10,663	22,209	20,859	455
Investments	2,140,112	1,955,116	1,996,750	1,751,249	2,522,285	2,538,285	2,538,285	2,538,285
Intangible Assets								
of which:								
Software licences	627	1,133	833	550	605	3,308	3,645	1,150
	627	1,133	833	550	605	3,308	3,645	1,150
Current Assets	1,340,849	1,364,963	1,335,695	1,279,453	497,081	464,584	432,084	399,584
of which:								
Long term loans (due after more than one year)	1,047,047	1,028,573	1,116,146	1,094,206	311,834	284,334	256,834	229,334
Debtors and Prepayments	275,103	327,371	179,680	169,997	169,997	165,000	160,000	155,000
Cash at Bank and in hand	18,699	9,019	39,869	15,250	15,250	15,250	15,250	15,250
Current Liabilities	-428,104	-457,417	-514,579	-584,915	-441,849	-622,000	-672,000	-667,000
of which:								
Bank overdraft at Paymaster	-62,392	0	0	0	0	0	0	0
Creditors (due within one year)	- 365,172	-457,417	-514,579	-584,915	-441,849	-622,000	-672,000	-667,000
Net Current Assets	912,745	907,546	821,116	694,538	55,232	-157,416	-239,916	-267,416
Total Assets less Current Liabilities	3,082,068	2,931,110	2,889,519	2,516,627	2,659,762	2,485,460	2,407,077	2,376,874
Creditors (due after one year)	-631,230	-512,000	-528,462	-216,408	-247,983	-300,000	-620,000	-910,000
Provisions for Liabilities and Charges	-227,386	-170,540	-179,761	-127,127	-110,247	-89,695	-73,367	-58,566
Net Assets	2,223,452	2,248,570	2,181,296	2,173,092	2,301,552	2,095,765	1,713,710	1,408,308
Total capital employed within main department	2,223,452	2,248,570	2,181,296	2,173,092	2,301,552	2,095,765	1,713,710	1,408,308
NDPB Net Assets	-	-	-	-	-	-	-	-
Public corporation net assets	-	-	-	-	-	-	-	-
Total capital employed in departments	2,223,452	2,248,570	2,181,296	2,173,092	2,301,552	2,095,765	1,713,710	1,408,308

Table 6: DFID administration costs

12. Table 6 provides information on the costs of running the Department. Expenditure is assigned to the one of the five main Public Service Agreement objectives where there is a direct relationship between the expenditure and the objective. Expenditure shown against the central department supports all of DFID's activities. The large increase in the level of administration costs between 2002-03 and 2003-04 relates to the introduction of new definitions of administration costs within DFID in the latter year. Administration costs now include expenditure on staff travel and allowances, consultants, contractors, research, and other items previously paid from the programme budget.
13. Direct comparisons between administration costs spend in 2003-04 and earlier years are difficult, because the change in internal definitions coincided with the move from Stage 1 to Stage 2 resource budgeting which brought all administration related non-cash expenditure within administration costs control. In broad terms, most of the increase in administration costs spend between 2002-03 and 2003-04 can be attributed to the adoption of the new definitions by DFID.
14. The 2002-03 outturn for administration costs was restated in the DFID resource accounts for 2003-04 on a Stage 2 resource budgeting basis at £226.4 million. The equivalent figure for 2003-04 is £197.4 million. Therefore, on a Stage 2 resource budgeting basis, DFID's spending on administration costs fell by around 13% between 2002-03 and 2003-04, largely because of the presence of a new administration costs provision in 2002/03. A more realistic comparison of administration costs spend between the two years is possible if non-cash costs are eliminated. This produces outturn totals of £165.1 million in 2002-03 and £164.6 million in 2003-04.
15. If the current definitions for administration costs had been in use for earlier years it is estimated that the outturns reported would have been:

1999-2000	2000-01	2001-02
£163.7m	£177.2m	£180.2m

16. The run of figures in Table 6 demonstrate, when adjusted, that DFID's spending on administration increased over the period to 2004-05 in line with the growth of the Department's programmes. The figures for the planning years reflect the agreement in the Spending Review 2004 Settlement for DFID to reduce spending on administration costs as part of the efficiency programme.

Table 6: DFID administration costs**£ million**

	1999/00 Outturn	2000/01 Outturn	2001/02 Outturn	2002/03 Outturn	2003/04 Outturn	2004/05 Estimated Outturn	2005/06 Plans	2006/07 Plans	2007/08 Plans
Administration Expenditure									
Paybill	38	42	63	49	73	95	168	181	181
Other	41	35	22	50	229	142	76	569	56
Total Administration Expenditure	79	77	85	99	202	237	244	240	237
Administration Income	-4	-4	-3	-5	-5	-5	-5	-5	-5
Total Administration Budget	75	73	82	94	197	232	239	235	232
Analysis by activity:									
Reducing Poverty in sub-saharan Africa	6	7	7	7	39	48	56	55	55
Reducing Poverty in Asia	4	4	4	4	32	35	32	36	36
Reducing Poverty in the Rest of the World	5	6	6	6	21	25	24	16	16
Improve Effectiveness of Multilateral Aid	3	5	4	4	8	13	14	12	12
Developing Innovative Approaches to Development	9	9	11	12	25	28	19	28	28
Programmes Contributing to Multiple Objectives	1	4	3	3	-	9	14	9	5
Central Departments	47	38	47	58	72	74	77	76	77
Post-Conflict Reconstruction							3	3	3
Total Administration Budget	75	73	82	94	197	232	239	235	232

Table 7: DFID staff numbers

17. Table 7 shows the number of full-time equivalent Civil Service staff employed by the Department in the UK and overseas, with part-time staff counted according to the percentage of time worked. No distinction is made between permanent and casual staff from 2002/03 onwards, due to changes in contractual arrangements.

Table 7: DFID staff numbers**Staff years**

	1999/00 Actual	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Estimated	2005/06 Plans	2006/07 Plans	2007/08 Plans
Civil Servants Full Time Equivalents ⁽¹⁾	1,280	1,229	1,390	1,600	1,780	1,883	1,820	1,715	1,610
Overtime ⁽²⁾	20	20	17	20	N/A	N/A	N/A	N/A	N/a
Casuals ⁽³⁾	25	14	40	NIL	NIL	NIL	NIL	NIL	NIL
TOTAL	1,325	1,263	1,447	1,620	1,780	1,883	1,820	1,715	1,610

(1) Figures include staff designated as working overseas on aid projects.

(2) Figures for overtime staff from 2003/04 onwards are not shown. Due to different overtime rates paid at different grades it is not possible to equate the total overtime bill to a meaningful generic number of full-time equivalent posts across all grades.

(3) Figures for casual staff are excluded from 2002/03 onwards due to a change by Cabinet Office in the definition of who to include in this category.

Table 8: DFID liabilities

18. DFID has a number of liabilities, some of which should accrue at a future date in accordance with agreed schedules and providing the qualifying criteria are met. Some of the payment schedules relating to such liabilities can be set for several years ahead and it is not unusual for the schedules to be altered during the period or for the qualification criteria to be questioned. Other liabilities are regarded as contingent because they are unlikely to accrue. DFID's policy is to record both of these types of liabilities in the notes to the account. The tables below identify each type.

Liabilities accruing over several years

£ million

	Promissory notes	Others	Total
African Development Bank	0.0	2.5	2.5
African Development Fund	176.0	0.0	176.0
Asian Development Bank	0.7	0.0	0.7
Asian Development Fund	69.8	0.0	69.8
Caribbean Development Bank	3.6	0.0	3.6
Caribbean Development Bank Special Development Fund	22.7	0.0	22.7
European Bank for Reconstruction and Development	20.4	16.0	36.4
Inter-American Development Bank	0.2	0.0	0.2
International Bank for Reconstruction and Development Global Environment Trust Funds	48.3	58.9	107.2
International Development Association	303.1	400.0	703.1
International Fund for Agricultural Development	3.3	13.4	16.7
United Nations Environment Programme	12.1	7.2	19.3
Total	660.2	498.0	1158.2

Contingent liabilities

£ million

The UK's share of the callable capital of the International Bank for Reconstruction and Development	4,955.0
The UK's share of callable capital of the International Bank for Reconstruction and Development	4,261.0
The UK's share of callable capital of international financial institutions and Government guarantees to those institutions in respect of UK loans made to dependent territories	2,172.3
The UK's share of the guarantees provided collectively by European Union Member States in respect of European Investment Bank lending and national guarantees on European Investment Bank lending in relation to UK dependencies	332.1
The Sterling Safeguard scheme to protect the value of pensions for overseas civil servants in Hong Kong and the dependent territories	101.1
For certain non-departmental public bodies	49.2
Tax indemnities, under Aid and Trade Provision soft loan financing arrangements which are callable only if the Inland Revenue remove concessions	11.1
Indemnities to National Resources Institute	Unquantifiable
Maintenance of value of capital stock of International Bank for Reconstruction and Development and some of the Regional Development Banks	Unquantifiable
A guarantee issued to a company operating on a capital aid project to meet the costs of certain disputed claims	3.0
A guarantee issued to the Bank of Monserrat in respect of a project to make mortgage loans for the construction of new private sector housing	0.4

Country and Regional Analysis Tables

19. These tables are not included in DFID's Departmental Report following agreement with the Treasury that all of our expenditure can be considered to provide benefits outside the United Kingdom.

Annex 2

Millennium Development Goals (MDGs)

Goals and Targets (from the Millennium Declaration)	Indicators for monitoring progress
GOAL 1: ERADICATE EXTREME POVERTY AND HUNGER	
Target 1: Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day	<ol style="list-style-type: none"> 1. Proportion of population below \$1 (PPP) per day^a 2. Poverty gap ratio [incidence x depth of poverty] 3. Share of poorest quintile in national consumption
Target 2: Halve, between 1990 and 2015, the proportion of people who suffer from hunger	<ol style="list-style-type: none"> 4. Prevalence of underweight children under five years of age 5. Proportion of population below minimum level of dietary energy consumption
GOAL 2: ACHIEVE UNIVERSAL PRIMARY EDUCATION	
Target 3: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling	<ol style="list-style-type: none"> 6. Net enrolment ratio in primary education 7. Proportion of pupils starting grade 1 who reach grade 5^b 8. Literacy rate of 15-24 year-olds
GOAL 3: PROMOTE GENDER EQUALITY AND EMPOWER WOMEN	
Target 4: Eliminate gender disparity in primary and secondary education preferably by 2005 and in all levels of education no later than 2015	<ol style="list-style-type: none"> 9. Ratios of girls to boys in primary, secondary and tertiary education 10. Ratio of literate women to men, 15-24 year-olds 11. Share of women in wage employment in the non-agricultural sector 12. Proportion of seats held by women in national parliament
GOAL 4: REDUCE CHILD MORTALITY	
Target 5: Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate	<ol style="list-style-type: none"> 13. Under-five mortality rate 14. Infant mortality rate 15. Proportion of 1 year-old children immunised against measles
GOAL 5: IMPROVE MATERNAL HEALTH	
Target 6: Reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio	<ol style="list-style-type: none"> 16. Maternal mortality ratio 17. Proportion of births attended by skilled health personnel
GOAL 6: COMBAT HIV/AIDS, MALARIA AND OTHER DISEASES	
Target 7: Have halted by 2015 and begun to reverse the spread of HIV/AIDS	<ol style="list-style-type: none"> 18. HIV prevalence among pregnant women aged 15-24 years 19. Condom use rate of the contraceptive prevalence rate <ol style="list-style-type: none"> 19a. Condom use at last high-risk sex 19b. Percentage of population aged 15-24 years with comprehensive correct knowledge of HIV/AIDS^d 19c. Contraceptive prevalence rate 20. Ratio of school attendance of orphans to school attendance of non-orphans aged 10-14 years.
Target 8: Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases	<ol style="list-style-type: none"> 21. Prevalence and death rates associated with malaria 22. Proportion of population in malaria risk areas using effective malaria prevention and treatment measures^e 23. Prevalence and death rates associated with tuberculosis 24. Proportion of tuberculosis cases detected and cured under directly observed treatment short course (DOTS – Internationally recommended TB control strategy)

Goals and Targets (from the Millennium Declaration)	Indicators for monitoring progress
GOAL 7: ENSURE ENVIRONMENTAL SUSTAINABILITY	
Target 9: Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources	<p>25. Proportion of land area covered by forest</p> <p>26. Ratio of area protected to maintain biological diversity to surface area</p> <p>27. Energy use (kg oil equivalent) per \$1 GDP (PPP)</p> <p>28. Carbon dioxide emissions (per capita) and consumption of ozone-depleting CFCs (ODP tons)</p> <p>29. Proportion of population using solid fuels</p>
Target 10: Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation	<p>30. Proportion of population with sustainable access to an improved water source, urban and rural</p> <p>31. Proportion of population with access to improved sanitation, urban and rural</p>
Target 11: By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers	32. Proportion of households with access to secure tenure
GOAL 8: DEVELOP A GLOBAL PARTNERSHIP FOR DEVELOPMENT	
<p>Target 12: Develop further an open, rule-based, predictable, non-discriminatory trading and financial system</p> <p>Includes a commitment to good governance, development, and poverty reduction – both nationally and internationally</p>	<p><i>Some of the indicators listed below are monitored separately for the least developed countries (LDCs), Africa, landlocked countries and small island developing States.</i></p> <p>Official development assistance</p>
<p>Target 13: Address the special needs of the least developed countries</p> <p>Includes: tariff and quota free access for least developed countries' exports; enhanced programme of debt relief for Heavily Indebted Poor Countries (HIPC) and cancellation of official bilateral debt; and more generous ODA for countries committed to poverty reduction</p>	<p>33. Net ODA, total and to LDCs, as percentage of OECD/DAC donors' gross national income</p> <p>34. Proportion of total bilateral, sector-allocable ODA of OECD/DAC donors to basic social services (basic education, primary health care, nutrition, safe water and sanitation)</p> <p>35. Proportion of bilateral ODA of OECD/DAC donors that is untied</p>
<p>Target 14: Address the special needs of landlocked developing countries and small island developing States (through the Programme of Action for the Sustainable Development of Small Island Developing States and the outcome of the twenty-second special session of the General Assembly)</p>	<p>36. ODA received in landlocked countries as proportion of their GNIs</p> <p>37. ODA received in small island developing States as proportion of their GNIs</p> <p>Market access</p>
<p>Target 15: Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term</p>	<p>38. Proportion of total developed country imports (by value and excluding arms) from developing countries and LDCs, admitted free of duty</p> <p>39. Average tariffs imposed by developed countries on agricultural products and textiles and clothing from developing countries</p> <p>40. Agricultural support estimate for OECD countries as percentage of their GDP</p> <p>41. Proportion of ODA provided to help build trade capacity</p> <p>Debt sustainability</p> <p>42. Total number of countries that have reached their HIPC decision points and number that have reached their HIPC completion points (cumulative)</p> <p>43. Debt relief committed under HIPC initiative, US\$</p> <p>44. Debt service as a percentage of exports of goods and services</p>
Target 16: In co-operation with developing countries, develop and implement strategies for decent and productive work for youth	45. Unemployment rate of 15-24 year-olds, each sex and total ^f
Target 17: In co-operation with pharmaceutical companies, provide access to affordable, essential drugs in developing countries	46. Proportion of population with access to affordable essential drugs on a sustainable basis
Target 18: In co-operation with the private sector, make available the benefits of new technologies, especially information and communications	<p>47. Telephone lines and cellular subscribers per 100 population</p> <p>48. Personal computers in use per 100 population and Internet users per 100 population</p>

The Millennium Development Goals and targets come from the Millennium Declaration signed by 189 countries, including 147 Heads of State, in September 2000 (www.un.org/documents/ga/res/55/a55r002.pdf – A/RES/55/2).

The goals and targets are inter-related and should be seen as a whole. They represent a partnership between the developed countries and the developing countries determined, as the Declaration states, "to create an environment – at the national and global levels alike – which is conducive to development and the elimination of poverty."

Note: Goals, targets and indicators effective 8 September 2003.

- a For monitoring country poverty trends, indicators based on national poverty lines should be used, where available.
- b An alternative indicator under development is "primary completion rate".
- c Amongst contraceptive methods, only condoms are effective in preventing HIV transmission. Since the condom use rate is only measured among women in union, it is supplemented by an indicator on condom use in high-risk situations (indicator 19a) and an indicator on HIV/AIDS knowledge (indicator 19b). Indicator 19c (contraceptive prevalence rate) is also useful in tracking progress in other health, gender and poverty goals.
- d This indicator is defined as the percentage of population aged 15-24 who correctly identify the two major ways of preventing the sexual transmission of HIV (using condoms and limiting sex to one faithful, uninfected partner), who reject the two most common local misconceptions about HIV transmission, and who know that a healthy-looking person can transmit HIV. However, since there are currently not a sufficient number of surveys to be able to calculate the indicator as defined above, UNICEF, in collaboration with UNAIDS and WHO, produced two proxy indicators that represent two components of the actual indicator. They are the following: a) percentage of women and men 15-24 who know that a person can protect herself/herself from HIV infection by "consistent use of condom"; b) percentage of women and men 15-24 who know a healthy-looking person can transmit HIV.
- e Prevention to be measured by the percentage of children under 5 sleeping under insecticide-treated bednets; treatment to be measured by percentage of children under 5 who are appropriately treated.
- f An improved measure of the target for future years is under development by the International Labour Organization.




Annex 3

Achievements against DFID's 2003–06 Public Service Agreement

1. DFID's Public Service Agreement (PSA) for the period 2003 to 2006 was agreed in the July 2002 Spending Review. The Technical Note to this PSA provides greater detail on individual targets and sets out how we will measure progress (www.dfid.gov.uk/pubs/files/technicalnote03-06.pdf). We report progress against the PSA every six months, in the Autumn Performance Report and in our Departmental Report, published every spring.
2. The Secretary of State for International Development is accountable for the delivery of this PSA. He is jointly accountable for a number of the targets: with the Foreign Secretary and Secretary of State for Defence for the sub-target on conflict prevention; with the Foreign Secretary and the Secretary of State for Trade and Industry for the target on trade; and with the Chancellor of the Exchequer for elements of Target 3.

<p>Aim: Eliminate poverty in poorer countries in particular through achievement by 2015 of the Millennium Development Goals:</p> <ol style="list-style-type: none"> Eradication of extreme poverty and hunger Achievement of universal primary education Promotion of gender equality and empowerment of women Reduced child mortality Improved maternal health Combating HIV/AIDS, malaria and other diseases Ensuring environmental sustainability A global partnership for development
<p>Objective I: Reduce poverty in Sub Saharan Africa</p> <p>Target 1: Progress towards the MDGs in 16 key countries demonstrated by:</p> <ul style="list-style-type: none"> a sustainable reduction in the proportion of people living in poverty from 48% across the entire region; an increase in primary school enrolment from 58% to 72% and an increase in the ratio of girls to boys enrolled in primary school from 89% to 96%; a reduction in under-5 mortality rates for girls and boys from 158 per 1000 live births to 139 per 1000; and an increase in the proportion of births assisted by skilled birth attendants from 49% to 67%; a reduction in the proportion of 15-24 year old pregnant women with HIV from 16%; improved effectiveness of the UK contribution to conflict prevention and management as demonstrated by a reduction in the number of people whose lives are affected by violent conflict and a reduction in potential sources of future conflict, where the UK can make a significant contribution (joint Target with FCO and MOD); and effective implementation of the G8 Action Plan for Africa in support of enhanced partnership at the regional and country level.
<p>Objective II: Reduce Poverty in Asia</p> <p>Target 2: Progress towards the MDGs in 4 key countries demonstrated by:</p> <ul style="list-style-type: none"> a sustainable reduction in the proportion of people living in poverty from 15% to 10% in East Asia and the Pacific and 40% to 32% in South Asia; an increase in gross primary school enrolment from 95% to 100% and an increase in the ratio of girls to boys enrolled in primary school from 87% to 94%; a reduction in under 5 mortality rates for girls and boys from 92 per 1000 live births to 68 per 1000; and an increase in proportion of births assisted by skilled birth attendants from 39% to 57%; and prevalence rates of HIV infection in vulnerable groups being below 5%; and a tuberculosis case detection rate above 70% and cure treatment rate greater than 85% are achieved.
<p>Objective III: Reduce poverty in Europe, Central Asia, Latin America, the Caribbean, the Middle East and North Africa.</p>
<p>Objective IV: Increase the impact of key multilateral agencies in reducing poverty and effective response to conflict and humanitarian crises.</p> <p>Target 3: Improved effectiveness of international system as demonstrated by:</p> <ul style="list-style-type: none"> a greater impact of EC external programmes on poverty reduction, including through working for agreement to increase the proportion of EC oda to low income countries from 38% to 70%; and ensuring that three-quarters of all eligible HIPC countries committed to poverty reduction receive irrevocable debt relief by 2006 and work with international partners to make progress towards the United Nations 2015 Millennium Development Goals by 2006 (joint target with HMT); <p>Target 4: Secure agreement by 2005 to a significant reduction in trade barriers leading to improved trading opportunities for developing countries (joint target with DTI & FCO)</p>
<p>Objective V: Develop evidence based, innovative approaches to international development.</p>
<p>Value for money</p> <p>Target 5: Increase the proportion of DFID's bilateral programme going to low income countries from 78% to 90% and a sustained increase in the index of DFID's bilateral projects evaluated as successful.</p>









Guide to 'traffic light' assessment in this report

-  **Green:** Means we judge the target/sub-target to be on course to be met by 2006.
-  **Amber:** Means we cannot make a judgement on progress against this target/sub-target. This may be because performance has not changed in either direction or because progress may have been made in some countries but not others.
-  **Red:** Means there has been slippage in progress against this target/sub-target.

Target 1

Progress towards the Millennium Development Goals in 16 key countries in Africa

We monitor progress in: Democratic Republic of Congo, Ethiopia, Ghana, Kenya, Lesotho, Malawi, Mozambique, Nigeria, Rwanda, Sierra Leone, Republic of South Africa, Sudan, Tanzania, Uganda, Zambia, Zimbabwe.

Indicator	Progress	Current Position	Anticipated Progress by 2006
<p>1: a sustainable reduction in the proportion of people living in poverty from 48% across the entire region.</p>	<p>Too early to say</p> <p>The latest figure for Sub-Saharan Africa is 46%. Recent slight improvements in African economic growth improve the prospects for reductions in poverty, but it is too early to say if it will fall below the 1990 figure by 2006.</p>		
<p>2: an increase in primary school enrolment from 58% to 72%. <i>Revised baseline is 68%.</i></p>	<p>On course</p> <p>Primary school enrolment has improved to 77%, meaning the target has been met and could be surpassed. Data cover 11 PSA countries. Data are unavailable for DRC, Malawi, Nigeria, Sierra Leone and Sudan, which could affect overall regional progress were data to become available before the final outturn for 2006 is assessed. Progress is being sustained in high performing countries (Uganda and Rwanda), with rapid improvements in enrolment also evident in Ethiopia and other countries that have announced free primary education (e.g. Tanzania, Kenya).</p>		
<p>3: an increase in the ratio of girls to boys enrolled in primary school from 89% to 96%. <i>Revised baseline is 90%.</i></p>	<p>Off-track</p> <p>Data are available for 14 PSA countries. The ratio remains at 91% and, based on the current trend, it is likely that the ratio will only reach 91.5% by 2006. Ethiopia and Sudan have the lowest ratios. Ethiopia (from a low baseline), Uganda and Mozambique have made the greatest progress.</p>		
<p>4: a reduction in under-5 mortality rates for girls and boys from 158 per 1000 live births to 139 per 1000. <i>Revised baseline is 165.</i></p>	<p>Off-track</p> <p>Data cover all 16 PSA countries and show a rate of 161, an improvement over last year's figure of 164. Based on the current trend, it is predicted that the rate will have decreased to only 156 by 2006. Sierra Leone has the highest under-5 mortality rate in the world. DFID actions to tackle child mortality include provision of insecticide-treated bednets to prevent malaria (e.g. in Tanzania and Mozambique).</p>		

Indicator	Progress	Current Position	Anticipated Progress by 2006
<p>5: an increase in the proportion of births assisted by skilled birth attendants from 49% to 67%. <i>Revised baseline is 44%.</i></p>	<p>Off-track</p> <p>The data cover 12 PSA countries. The target is seriously off track. The outturn remains at 44%. Based on the longer-term trend since 1995, a rate of only 48% might be anticipated by 2006. The drop in the baseline and current figures since the last APR is largely explained by data becoming available for 4 new countries, including Ethiopia only 6% are assisted – the lowest rate in the world. Large intra-country variations are also apparent, with the poorest 20% of women suffering the most.</p>		
<p>6: a reduction in the proportion of 15-24 year old pregnant women with HIV from 16%.</p>	<p>This target on course as a whole, but there is large variance between countries and continuing high rates of infections. Data cover 11 PSA countries and the figures are based on evidence from the capital city in each country. The average HIV prevalence amongst pregnant women of 15-24 years is 14%, but these prevalence rates range from 4% in Ghana to more than 28% in Lesotho. Malawi, Mozambique, South Africa and Zambia also have high rates of infected young pregnant women (15% or more). Although overall HIV prevalence seems to be stabilising in Africa, the large intra-regional variations and the continuing high rates of infection mean that it is too early to be confident that the target will be achieved by 2006, and that any progress will be sustained.</p>		
<p>7: Improved effectiveness of the UK contribution to conflict prevention and management as demonstrated by a reduction in the number of people whose lives are affected by violent conflict and a reduction in potential sources of future conflict where the UK can make a significant contribution. <i>[joint sub-target with MoD and FCO]</i></p>	<p>It is too early to say whether this target will be fully met. The effectiveness of HMG's conflict prevention work is measured through this shared DFID/FCO/MOD PSA target. The Pools have been responsible for a number of programmes that directly improved the effectiveness of the UK contribution to conflict prevention. But the situation remains tense in some areas and the possibility of conflict remains.</p> <p>Both qualitative and quantitative reporting has been used. Assessment is based on progress in fourteen priority countries and regions: Afghanistan, Nepal, Macedonia, Georgia, Israel/Occupied territories, Sri Lanka, Sierra Leone, DRC, Rwanda, Uganda, Burundi, Sudan, Angola and Nigeria.</p> <p>Statistical reporting from 2003 on deaths (SIPRI & IISS), refugees (UNHCR website) and internally displaced persons (IDPs – Norwegian Refugee Council) caused as a result of conflict suggests the following: The Africa Conflict Prevention Pool (ACPP) is on course to meet two of four statistical sub-targets, with some slip in IDP and refugee figures. The Global Conflict Prevention Pool (GCPP) is on course to meet three of its four sub-targets, and only marginally off on IDP figures. The statistics for 2003 are encouraging, but should be considered in the light of the narrative sections below.</p>		

Indicator	Progress	Current Position	Anticipated Progress by 2006
	<p>The ACPP: Trends in Africa show an overall reduction in violent conflict, but with ongoing instability (e.g. as in Cote d'Ivoire and Darfur); reductions in deaths have been sharp, but numbers of refugees and IDPs remain high.</p> <p>The ACPP continues to play a pivotal role in African and international conflict prevention efforts on a range of levels. The Pan African programme is increasingly important with strategic support to the AU peace and security agenda and extensive and rapid assistance to the AU mission in Darfur, Western Sudan. At the regional levels, the Pool has continued to support the conflict management capacity of institutions such as ECOWAS and regional training facilities for African Peacekeepers. Key country work includes: major support to maintaining peace in Sierra Leone; engagement in efforts to improve DDR processes in the DRC; support to peace processes and early technical support to DDR in Sudan; a range of peacebuilding programmes in countries like Burundi, Angola and Nigeria; and extensive Peace Support Operations training with a range of African countries.</p> <p>The political will to support AU and other regional peace and security processes is increasing amongst African member states and the ACPP provides the main mechanism for UK support. There are a number of more volatile situations (as in parts of DRC, Somalia and Northern Uganda) where the ACPP is engaged and ready to gear up programme work as the political and security situations improve.</p> <p>The GCPP: In Afghanistan, there has been significant progress towards long-term and sustainable security and, but this remains fragile. Insurgency activity and the risk of serious factional fighting have decreased. The Afghanistan Strategy continued to play a key-enabling role: the very first Presidential election in October 2004 was conducted peacefully and there is considerable momentum developing behind DDR, with police and military reform having been boosted.</p> <p>The security situation in Israel and the Occupied Territories remained difficult with IDF operations and Palestinian extremist attacks continuing. The new Palestinian Authority (PA) leadership and PM Sharon's disengagement plan may offer an opportunity for progress. The Middle East and North Africa Strategy's Israel/OTs strand continues to work with the PA to improve its operational capacity, thereby helping to provide better security for Palestinians and prevent attacks on Israel.</p>		


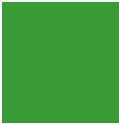



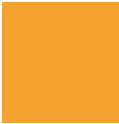



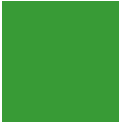
Indicator	Progress	Current Position	Anticipated Progress by 2006
	<p>Conflict and political instability continue to undermine development, democracy and human rights in Nepal. During the period ending 31 January 2005, the Pool continued to fund programmes in Nepal, including support for the National Human Rights Commission and the Peace Secretariat. However, all activities are now being reviewed following the King's dismissal of the government and assumption of power on 1 February 2005.</p>		
	<p>Relations between ethnic Albanian and ethnic Macedonian communities continue to be tense. The Balkans Strategy's Macedonia strand focused on supporting the implementation of the Ohrid framework agreement by matching municipalities in Macedonia with partner local authorities in the UK. Activities focused on cabinet decision-making structures, multi-ethnic employment policies and media strategies.</p>		
	<p>In Sri Lanka, the fundamental causes and consequences of the conflict are unchanged. There has been little progress towards a final peace settlement, but the 2002 cease-fire remains. The Sri Lanka Strategy has funded access to justice programmes, and a conflict prevention programme, which has expanded and formalised security and community-relations dialogue between the different ethnic groups.</p>		
	<p>There has been no significant improvement in the overall security situation in Georgia. The Russia-CIS Strategy's Georgia strand focuses on a programme to encourage civil society and political level dialogue in the South Caucasus. One aspect of the programme funded Conciliation Resources' Radio Diaries work in Georgia and Abkhazia that has helped reduce tensions between both sides.</p>		

Indicator	Progress	Current Position	Anticipated Progress by 2006
<p>8: Effective implementation of the G8 Action Plan for Africa in support of enhanced partnership at the regional and country level.</p>	<p>On course</p> <p>The G8 will report on progress on the Africa Action Plan under the UK Presidency this year (2005).</p> <p>The G8 Summit in Sea Island established a Global HIV Vaccine Enterprise to accelerate HIV vaccine development. The G8 reaffirmed their commitment to implement and finance the Heavily Indebted Poor Countries (HIPC) initiative fully. They agreed to work with all parties concerned to extend the initiative from the end of this year to the end of 2006. This agreement opens the door for another ten countries to benefit from some \$30 billion of debt relief. The UK Presidency of the G8 in 2005, together with the Prime Minister's close engagement with Africa, leaves DFID well placed to meet this target. Africa will be a priority under the UK presidency of the G8 in 2005. The Commission for Africa will release its report in March 2005, with proposals to include means of delivering better international support for Africa, NEPAD and the African Union.</p>		

Target 2

Progress towards the Millennium Development Goals in 4 key countries in Asia





We monitor progress in: Bangladesh, the People's Republic of China, India and Pakistan.







Indicator	Progress	Current Position	Anticipated Progress by 2006
<p>1: a sustainable reduction in the proportion of people living in poverty from 15% to 10% in East Asia and the Pacific (includes China and South East Asia).</p>	<p>On course</p> <p>The latest World Bank estimate for 2001 is 14.9%, and their forecast for 2015 is 0.9%. This is a 1% drop in poverty each year, which if correct would take the figure down to 9.9%, achieving the target.</p>		
<p>2: a sustainable reduction in the proportion of people living in poverty from 40% to 32% in South Asia.</p>	<p>Met</p> <p>The latest World Bank estimate for 2001 is 31.3% living below \$1 a day. This confirms earlier indications that the PSA poverty target had been met for South Asia.</p>		
<p>3: an increase in gross primary school enrolment from 95% to 100%. <i>Revised baseline is 98%</i></p>	<p>Too early to say</p> <p>The gross enrolment rate is currently estimated at 96%, a little lower than the revised baseline of 98%. Gross enrolment figures are used for this target because, at the time it was set, net figures were not available for all PSA countries. However, gross enrolment figures are volatile and subject to misleading distortions since they include over-age children and grade repeaters, making underlying trends hard to define. Net enrolment data, which are now available, show a positive trend in Asia. For this to continue there will need to be significant progress in India and Pakistan.</p>		
<p>4: an increase in the ratio of girls to boys enrolled in primary school from 87% to 94%. <i>Revised baseline is 89%</i></p>	<p>Too early to say</p> <p>The girl/boy ratio is at 90%, showing little improvement from the revised 1998 baseline of 89%. While gender equity has been achieved in Bangladesh and China (although national figures mask significant sub-national variations), there will need to be improvements in India – where the Sarva Shiksha Abhiyan programme includes specific emphasis on girls' education – and, particularly, Pakistan.</p>		
<p>5: a reduction in under-5 mortality rates for girls and boys from 92 per 1000 live births to 68 per 1000. <i>Revised baseline is 88</i></p>	<p>On course</p> <p>The under-five mortality rate has decreased to 76 deaths per 1000. All countries show a positive trend, although progress has been less rapid in Pakistan and India.</p>		


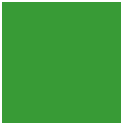


Indicator	Progress	Current Position	Anticipated Progress by 2006
<p>6: an increase in the proportion of births assisted by skilled birth attendants from 39% to 57%. <i>Revised baseline is 34%</i></p>	<p>Off-track</p> <p>The current outturn is that 35% of births are assisted, suggesting no real change since the start of the PSA period. Data continues to be patchy, with new data available only in Bangladesh. China has not produced updated data on births assisted since the baseline year; however, China is on-track to meet the related MDG. DFID has significant health sector programmes in the other PSA countries, and specific programmes focusing on maternal mortality are planned in Bangladesh, Pakistan and India. However, progress is very unlikely to be sufficient to meet this target.</p>		
<p>7: prevalence rates of HIV infection in vulnerable groups being below 5%.</p>	<p>Too early to say</p> <p>Data are very patchy for this target and figures vary enormously between different survey sites in the same country, reflecting localised growth of the epidemic. Available data suggest low rates in Bangladesh; yet, behavioural surveys indicate widespread high-risk behaviour and the potential for the epidemic to spread. Data from Pakistan is very limited. India and China have large concentrated epidemics, and evidence of prevalence rates above 5% in some vulnerable groups.</p>		
<p>8: a tuberculosis case detection rate above 70%.</p>	<p>Off-track</p> <p>Latest data from 2002 estimate the TB detection rate at 26%. This is a real increase from a revised baseline of 15% in 1998, and the 21% reported in 2001. Progress since the baseline year has been rapid, particularly in India, and should continue with the increasing rollout of Directly Observed Therapy Short-course (DOTS) systems, but the WHO target of 70% will not be met by 2006.</p>		
<p>9: a tuberculosis cure treatment rate greater than 85%.</p>	<p>On course</p> <p>TB cure rates have increased to 85% and the target has been met. The challenge will be to maintain this rate as more cases are detected, and to improve progress in Pakistan, which has a cure rate of 77%.</p>		

Target 3

Improved effectiveness of the international system

Indicator	Progress	Current Position	Anticipated Progress by 2006
<p>1: a greater impact of EC external programmes on poverty reduction, including through working for agreement to increase the proportion of EC ODA to low-income countries from 38% to 70%.</p>	<p>Too early to say</p> <p>The European Commission (EC) spend in low income countries in 2003 was 56%, compared to 51% in 2002, based on revised data published by the Development Assistance Committee (DAC). The data discrepancy between DAC data and EC Annual Report data has now been resolved.</p>		
<p>2: ensuring that three-quarters of all eligible HIPC countries committed to poverty reduction receive irrevocable debt relief by 2006.</p>	<p>On course</p> <p>Progress in countries reaching Completion Point (the point where countries receive full relief) has not been as rapid as previously projected. This is mostly due to policy slippages and delays in implementing key reforms, which have led some countries to go off-track with their IMF-supported programmes. However, 15 countries have now reached Completion Point (over 50% of all eligible HIPC countries), and a further 3 countries are expected to reach this point in early 2005. We therefore still expect the target to be achieved.</p>		
<p>3: work with international partners to make progress towards the United Nations 2015 Millennium Development Goals [joint target with HMT].</p>	<p><i>We are measuring improvements in the international system through a number of indicators. These include the way in which international agencies are supporting countries to implement their Poverty Reduction Strategies (PRSPs); through improvements in the internal effectiveness of agencies, with a focus on the EC; and through European donors' ODA/GNI ratios. These indicators (set out below) are given a 'traffic light' assessment individually, rather than an overall assessment.</i></p>		



Indicator	Progress	Current Position	Anticipated Progress by 2006
<p>Indicator: Poverty Reduction Strategies:</p> <p>(i) DFID and HMT will work internationally to ensure that countries accessing IDA resources and their key donors are committed to and supporting effective and sustainable poverty reduction strategies.</p>	<p>Too early to say</p> <p>The PRS approach is widely adopted in countries accessing IDA resources (56 full or interim PRSs out of 81 countries). Twenty-four PRS countries have produced at least one progress report. On average, countries with full PRSs have been implementing the strategy for two years. The bulk of low-income countries that have not produced a PRS are fragile states. World Bank and IMF evaluations of the PRS approach and recent PRS studies emphasised slow progress of donor harmonisation and alignment around country-led processes. The bilateral donors record is particularly weak. The DAC High Level Forum on Harmonisation in March provides an opportunity for the UK to push for greater progress in this area. We are also pressing for better PRS alignment and harmonisation of IDA lending operations in ongoing negotiations of the fourteenth replenishment of IDA. The 2005 World Bank PRS Progress Review provides a focal point to work internationally with other donors to consider progress on PRS implementation and to identify actions to strengthen the approach. The UK continues to provide support for PRS delivery in at least 30 countries.</p>		
<p>(ii) DFID will provide bilateral support to this end in at least 30 countries.</p>	<p>On course</p> <p>The UK continues to provide support for PRS delivery in at least 30 countries including through direct financial support and technical assistance to support PRS development, monitoring, donor co-ordination and capacity building.</p>		
<p>Indicator: DFID and the Treasury will seek to improve the effectiveness of EC development assistance.</p>	<p>On course</p> <p>Three years into its reform programme, EC aid is showing signs of improved effectiveness in terms of speedier delivery and improved portfolio performance overall. Increasingly, EC programmes are based on the priorities of recipient countries and efforts are being made to promote better donor coordination and harmonisation at European level. Results are, however, patchy, both within and across regions. There are also clear signs that the EC is improving its organisational effectiveness. But limited information about the long-term quality and impact of the EC's reform efforts and aid programmes suggest a need for continued assessment of the impact of reforms, including whether a second wave of reforms is required. The introduction of activity-based budgeting continues to be an important step towards focusing EC expenditure on impacts and outcomes, rather than expenditures.</p>		

Indicator	Progress	Current Position	Anticipated Progress by 2006
<p>Indicator: Work towards the achievement of the agreed target for EU average aid to reach 0.39% ODA/GNI by 2006 and promoting greater aid effectiveness among donors.</p>	<p>On course</p> <p>The DAC has reported an average figure for EU Member States of 0.35% for ODA/GNI for 2003, with a projection that this will exceed 0.39% in 2006. The impact of the Accession Countries on progress towards the target remains uncertain.</p>		
<p>Indicator: Improve the institutional effectiveness of 12 multilateral agencies.</p>	<p>On course</p> <p>Three indicators of effectiveness are being tracked for each of the 12 agencies, giving a total of 36 indicators. The majority of the agencies have made improved progress, as evidenced by 27 of the indicators being on course. This includes: strengthened corporate governance, increased clarification of an agency's role and priorities, and better strategic planning and co-ordination towards the achievement of the MDGs. Slippage in progress has been identified in 3 agencies – mainly in the area of decentralisation. However, the agencies' current plans suggest that future progress will be on course. In the case of the remaining indicator on the measurement of world hunger, DFID has taken action to ensure increased commitment and progress.</p> <p><i>The following 12 agencies are being monitored:</i></p> <p><i>European Bank for Reconstruction and Development (EBRD)</i></p> <p><i>World Bank</i></p> <p><i>Asian Development Bank</i></p> <p><i>African Development Bank</i></p> <p><i>International Committee of the Red Cross (ICRC)</i></p> <p><i>United Nations Development Programme (UNDP)</i></p> <p><i>United Nations Children's Fund (UNICEF)</i></p> <p><i>United Nations Population Fund (UNFPA)</i></p> <p><i>World Health Organization (WHO)</i></p> <p><i>Food and Agriculture Organisation of the United Nations (FAO)</i></p> <p><i>United Nations High Commission for Refugees (UNHCR)</i></p> <p><i>United Nations Educational, Scientific and Cultural Organisation (UNESCO)</i></p>		




Target 4

Secure agreement by 2005 to a significant reduction in trade barriers leading to improved trading opportunities for developing countries [joint target with DTI & FCO]

Progress	Current Position	Anticipated Progress by 2006
<p>Slippage</p> <p>After the failure of the Fifth World Trade Organisation (WTO) Ministerial meeting in Cancún in September 2003, there was no likelihood of the Doha Development Agenda (DDA) being completed by 1 January 2005, so the original target (always challenging) was missed. But, the conclusion of a framework agreement in Geneva in July 2004 increases the prospect of the DDA being successfully completed, albeit later than originally planned. This framework agreement marks a significant step forward. There now needs to be considerable technical work if the next Ministerial meeting (Hong Kong, December 2005) is to make further substantial progress towards a rapid and successful conclusion of the Doha Round.</p> <p>The UK cannot deliver this target alone. It has to make its contribution through effective influencing within the EU and WTO. As part of this process, the UK published a White Paper in July 2004, which sets out a vision of a world trading system which is fair as well as free, and lays down a series of challenges which the UK, the EU and the international community must rise to if that vision is to be translated into reality. The rejection of the mercantilist approach to trade negotiations, the recognition of the opportunities that trade represents, the need for properly sequenced reform and supply side capacity building in developing countries, as well as transitional assistance to support these countries are all elements of that challenge.</p> <p>The UK gave strong encouragement to the European Commission to show leadership after the failure of the Cancún Ministerial, and with some other WTO Members worked hard to reinvigorate the negotiating process. A joint letter from Commissioners Lamy and Fischler, spelling out in more detail how much further the EU was prepared to move on agriculture if others did, and what exceptions should be made for weak and vulnerable countries did much to improve the atmosphere.</p> <p>DFID funded meetings of the so-called G90 – the emerging group of Least Developed Countries, the African Union, and the African, Caribbean and Pacific grouping – to help them refine their negotiating position and explore their negotiating flexibilities. Intensive behind the scenes discussions prior to and during the General Council meeting in July, where DTI, DFID and DEFRA in particular worked hard to support the Commission and ensure some other member states did not row back on the Commission's proffered commitment, were a key factor in ensuring the framework agreement.</p> <p>Trade is a key DFID objective for 2005. DFID's International Trade Department has re-prioritised its activities to focus on the issues that could threaten a positive development to the WTO round. This includes a more proactive approach to disseminating quality research and analysis early enough for the UK to influence policy formulation in Brussels and more widely.</p>		

Target 5

Increase the proportion of DFID's bilateral programme going to low income countries from 78% to 90% and a sustained increase in the index of DFID's bilateral projects evaluated as successful

Indicator	Progress	Current Position	Anticipated Progress by 2006
<p>1: increase the proportion of DFID's bilateral programme going to low-income countries from 78% to 90%.</p>	<p>Too early to say</p> <p>It is estimated that 84% of country-specific bilateral expenditure (excluding humanitarian assistance) in 2004/05 went to low-income countries. As planned, expenditure in certain middle-income countries (including Iraq, Russia and China) has reduced. We have made provision to ensure that we reach the 90% target by 2006.</p>		
<p>2: increase in proportion of DFID's bilateral projects evaluated as successful.</p>	<p>This index assesses the performance of projects and programmes of £1million or more that have been in operation for at least 2 years. These projects/programmes are scored annually to assess the likelihood of their achieving their intended objectives, using a five-point scale. Projects/programmes score "1" or "2" where the purpose of the project is likely to be completely or largely achieved, and it is these projects that are counted as successful in monitoring this target. It is important to note that projects which are not scored a 1 or 2 are not unsuccessful. Projects scored 3 will have met many of their objectives and projects scored 4 and 5 may well still have had some benefits, especially as many of these are operating in extremely difficult political and institutional environments.</p> <p>In total, 382 DFID projects/programmes are currently scored; these have a commitment value of £2918 million. Of these, 237, or 62% by number and 61% by value, are scored as 'successful'.</p> <p>The PSA assessment is based on commitment value, not on the number of projects, and the scores attained by high value projects can have a substantial impact on the outturn. Some fluctuation in outturn over time is normal and expected simply due to turnover in the portfolio; as substantial commitments move in and out of the portfolio so we will see a rise or drop in the outturn. Larger and sustained changes are likely to reflect real improvement in portfolio performance.</p> <p>The recently-introduced portfolio quality strategy has identified measures to bring improvements across the portfolio. It also addresses the issues of data quality and volatility. The strategy aims to ensure that this target will be met in all three risk categories by the end of the PSA period.</p>		

Indicator	Progress	Current Position	Anticipated Progress by 2006
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(i.) increase in proportion of DFID's **high-risk** bilateral projects evaluated as successful.

On course

38 projects/programmes, with a commitment value of £334 million, are currently in the high-risk portfolio and have been scored 1–5. This represents 10% of the total number of projects scored, and 11% of total commitment value.

The latest outturn is **51%** (first quarter 2005 outturn, for projects scored over the preceding 12 months) (baseline 24%). The percentage of projects scored as successful can also be seen to have increased to 39% (baseline 25%).

The following table shows the improvement in the performance of the high-risk portfolio since the start of the PSA period.

Quarter	VfM outturn by commitment value	VfM outturn by percentage of high risk projects
Q1 2005	51%	39%
Q4 2004	46%	32%
Q3 2004	50%	38%
Q2 2004	39%	30%
Q1 2004	34%	30%
Q4 2003	35%	30%
Q3 2003	37%	31%
Q2 2003	20%	41%
Q1 2003 (baseline)	24%	25%



Indicator	Progress	Current Position	Anticipated Progress by 2006
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(ii.) increase in proportion of DFID's **medium-risk** bilateral projects evaluated as successful.

Too early to say

230 projects/programmes, with a commitment value of £1764 million, are currently in the medium-risk portfolio and have been scored. This represents 60% of the total number of projects scored, and 60% of total commitment value.

The latest outturn is **51%** (first quarter 2005 outturn, for projects scored over the preceding 12 months) (baseline 61%).

The percentage of medium risk projects by number that have been evaluated as successful (a more stable measure) has remained almost constant over the PSA period to date, and is currently 54% of the total.

The following table shows the performance of the medium-risk portfolio since the start of the PSA period.

Quarter	VfM outturn by commitment value	VfM outturn by percentage of medium risk projects
Q1 2005	51%	54%
Q4 2004	51%	55%
Q3 2004	50%	56%
Q2 2004	54%	57%
Q1 2004	54%	57%
Q4 2003	57%	56%
Q3 2003	56%	52%
Q2 2003	61%	59%
Q1 2003 (baseline)	61%	54%

Indicator	Progress	Current Position	Anticipated Progress by 2006
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(iii.) increase in proportion of DFID's **low-risk** bilateral projects evaluated as successful.

On course

114 projects/programmes, with a commitment value of £821 million, are currently in the low-risk portfolio and have been scored 1-5. This represents 30% of the total number of projects scored, and 28% of total commitment value.

The latest outturn is **88%** (first quarter 2005 outturn, for projects scored over the preceding 12 months) (baseline 75%). This improvement on the baseline does appear to reflect real sustained change and not just fluctuation in the portfolio composition.

The percentage of low risk projects by number that have been evaluated as successful has also increased since the start of this PSA period.

The following table shows the performance of the low-risk portfolio since the start of the PSA period.

Quarter	VfM outturn by commitment value	VfM outturn by percentage of low risk projects
Q1 2005	88%	86%
Q4 2004	90%	86%
Q3 2004	83%	80%
Q2 2004	80%	82%
Q1 2004	78%	80%
Q4 2003	75%	80%
Q3 2003	80%	78%
Q2 2003	79%	79%
Q1 2003 (baseline)	75%	76%



Annex 4

Links between DFID's 2003–06 PSA and the 2005–08 PSA

The new PSA for 2005 to 2008 in the main rolls forward the objectives, targets and sub-targets of the current 2003–06 PSA. Where appropriate, targets have been redrafted to reflect either the fact that the target in the current PSA has already been met, or changing circumstances. Changes are indicated in the following table. Most significant of these is the creation of a full target on conflict prevention within Objective IV. Also, consistent with the rest of Government, Value for Money targets are no longer framed as such, and a new objective – Improve the impact and effectiveness of DFID's bilateral programme – has been added to cover this area.

PSA 03-06	Key changes	PSA 05-08
OBJECTIVE I Reduce poverty in Sub-Saharan Africa	No change	OBJECTIVE I Reduce poverty in Sub-Saharan Africa
TARGET 1 Progress towards the MDGs in 16 key countries in Africa	No change	TARGET 1 Progress towards the MDGs in 16 key countries in Africa
A sustainable reduction in the proportion of people living in poverty from 48% across the entire region	Numerical target updated	A reduction of 4 percentage points in the proportion of people living in poverty across the entire region, against the 1999 baseline
An increase in primary school enrolment from 58% to 72% and an increase in the ratio of girls to boys enrolled in primary from 89% to 96%	Numerical targets updated	An increase in primary school enrolment by 18 percentage points and an increase in the ratio of girls to boys enrolled in primary school by 5 percentage points, both against their year 2000 baseline
A reduction in under-5 mortality rates for girls and boys from 158 per 1000 live births to 139 per 1000; and an increase in proportion of births assisted by skilled birth attendants from 49% to 67%	Numerical targets updated	A reduction in under-5 mortality rates for girls and boys by 8 per 1000 live births, against the year 2000 baseline; and an increase in proportion of births assisted by skilled birth attendants by 11 percentage points, against the year 2000 baseline
A reduction in the proportion of 15-24 year old pregnant women with HIV from 16%	Baseline removed from headline of target	A reduction in the proportion of 15-24 year old pregnant women with HIV

PSA 03-06	Key changes	PSA 05-08
Improved effectiveness of the UK contribution to conflict prevention and management as demonstrated by a reduction in the number of people whose lives are affected by violent conflict and a reduction in potential sources of future conflict where the UK can make a significant contribution. [Joint target with FCO and MoD]	Sub-target removed – New Target 5 created (see below)	
Effective implementation of the G8 Action Plan for Africa in support of enhanced partnership at the regional and country level	Updated	Enhanced partnership at the country and regional level, especially through the G8, to increase the effectiveness of aid and ensure that international policies support African development
OBJECTIVE II Reduce poverty in Asia	No change	OBJECTIVE II Reduce poverty in Asia
TARGET 2 Progress towards the MDGs in 4 key countries in Asia	Addition of 5 new countries	TARGET 2 Progress towards the MDGs in 9 key countries in Asia
A sustainable reduction in the proportion of people living in poverty from 15% to 10% in East Asia and the Pacific and from 40% to 32% in South Asia	Numerical targets updated	A reduction in the proportion of people living in poverty of 7 percentage points in East Asia and the Pacific, and of 8 percentage points in South Asia, both against their 1999 baselines
An increase in gross primary school enrolment from 95% to 100% and an increase in the ratio of girls to boys enrolled in primary school from 87% to 94%	Numerical targets updated	An increase in net primary school enrolment by 8 percentage points and an increase in the ratio of girls to boys by 5 percentage points, both against their year 2000 baseline
A reduction in under 5 mortality rates for girls and boys from 92 per 1000 live births to 68 per 1000; and an increase in proportion of births assisted by skilled birth attendants from 39% to 57%	Numerical targets updated	A reduction in under-5 mortality rates for girls and boys by 24 per 1000 live births and an increase of 15 percentage points in the proportion of births assisted by skilled birth attendants, both against their year 2000 baseline
Prevalence rates of HIV infection in vulnerable groups being below 5%; and a tuberculosis case detection rate above 70% and cure treatment rate greater than 85% are achieved	No change	Prevalence rates of HIV infection in vulnerable groups being below 5%; a tuberculosis case detection rate above 70%; and a tuberculosis cure treatment rate greater than 85%.

PSA 03-06	Key changes	PSA 05-08
OBJECTIVE III Reduce poverty in Europe, Central Asia, Latin America, the Caribbean, the Middle East and North Africa	No change	OBJECTIVE III Reduce poverty in Europe, Central Asia, Latin America, the Caribbean, the Middle East and North Africa
OBJECTIVE IV Increase the impact of the international system in reducing poverty and responding effectively to conflict and humanitarian crises	Minor change: insertion of reference to conflict prevention	OBJECTIVE IV Increase the impact of the international system in reducing poverty, preventing conflict and responding effectively to conflict and humanitarian crises
TARGET 3 Improved effectiveness of the international system	Replacement of "international" with "multilateral"	TARGET 3 Improved effectiveness of the multilateral system
A greater impact of EC external programmes on poverty reduction, including through working for agreement to increase the proportion of EC ODA to low-income countries from 38% to 70%	No material change	A greater impact of EC external programmes on poverty reduction and working for agreement to increase the proportion of EC ODA to Low Income Countries from its 2000 baseline figure of 38% to 70% by 2008
Ensuring that three-quarters of all eligible HIPC countries committed to poverty reduction receive irrevocable debt relief by 2006 [Joint with HMT]	Updated	Ensure that 90% of all eligible HIPC countries committed to poverty reduction that have reached Decision Point by end 2005, receive irrevocable debt relief by end 2008 [Joint with HMT]
Work with international partners to make progress towards the United Nations 2015 Millennium Development Goals [Joint with HMT]	Minor text changes	International partners are working effectively with poor countries to make progress towards the United Nations 2015 Millennium Development Goals [Joint with HMT]
TARGET 4 Secure agreement by 2005 to a significant reduction in trade barriers leading to improved trading opportunities for developing countries [Joint target with DTI & FCO]	Re-drafted	TARGET 4 Ensure that the EU secures significant reductions in EU and world trade barriers by 2008 leading to improved opportunities for developing countries and a more competitive Europe [Joint with DTI]

PSA 03-06	Key changes	PSA 05-08
	New target (formerly a sub-target under Target 1, Africa)	TARGET 5 Improved effectiveness of UK and international support for conflict prevention, through addressing long-term structural causes of conflict, managing regional and national tension and violence, and supporting post-conflict reconstruction, where the UK can make a significant contribution, in particular Africa, Asia, the Balkans and the Middle East. [Joint with FCO and MOD]
OBJECTIVE V Develop evidence-based, innovative approaches to international development	Re-drafted	OBJECTIVE V Develop, support and promote policy that assists poverty reduction and the achievement of the MDGs
VALUE FOR MONEY	Sub-heading converted to a new objective	OBJECTIVE VI Improve the impact and effectiveness of DFID's bilateral programme
TARGET 5 Increase the proportion of DFID's bilateral programme going to low-income countries from 78% to 90%, and a sustained increase in the index of DFID's bilateral projects evaluated as successful	Re-numbered and updated	TARGET 6 Ensure that the proportion of DFID's bilateral programme going to low-income countries is at least 90% and achieve a sustained increase in the index of DFID's bilateral projects evaluated as successful

Annex 5

Explanatory Note: Measuring progress towards the PSA Targets in Africa and Asia – Methodology and Data Quality

1. International data showing progress towards MDG indicators are available and are used in monitoring some of DFID's PSA targets. These data are obtained from the World Bank and agencies of the United Nations, who in turn have obtained data from the countries in question, evaluated its quality, and, in some cases, made adjustments to try and ensure international consistency.

Methodology for assessing progress over time

2. The baseline for the 2003–2006 PSA period was set as 1998 (or 1997 in some instances), since at the time the PSA was created this was the most recently available information for most indicators. It might be as late as 2010 before we are able to establish the full picture in 2006. Thus, although the PSA ostensibly covers a three-year period, for our purposes of measurement it actually covers a longer time frame, from 1998–2006.
3. Our PSA targets for Africa are based on progress in 16 countries and our targets for Asia are based on progress in 4 countries. The figures shown for the African and Asian PSA targets reflect a simple average of the data for each PSA country in the region. This does not take account of the different population sizes of countries, and means, for example, that a 5% change on an indicator in China has the same impact on the overall Asia figures as a 5% change on the indicator in Pakistan. We believe that this is appropriate for the PSA targets as DFID is working at country level, and because otherwise our figures would simply reflect change in the countries with the largest populations, like China. The one exception to this is the poverty indicator where we have not averaged across our selected countries, but rather taken an internationally-produced estimate of poverty in the region concerned. In this case, the estimate is weighted by population and so shows the proportion of people in the region experiencing change.
4. There are some limitations to the data available from the international sources and the methodologies employed to deal with these are summarised below.

Data gaps

- **Data are unavailable for some of our PSA countries for certain of the selected indicators.**

In such cases we have to base our regional estimates on only those countries for which data are available. Examples include net primary enrolment where 5 of our 16 PSA countries in Africa are excluded from the baseline and outturn figures.

- **Where data are available, new figures will generally not be produced each year.** To get around this problem, we can impute data for missing years. Where figures are missing at the start or end of the time series we assume that progress remained unchanged from the nearest known year and simply project the last known value forward or backwards (however we do not generally project data in this way for more than two years

from any data point). For data missing *within* a time period, we assume that progress between the years where we do have data followed a straight line and use this to derive estimates for missing years. If we have data gaps that cannot be filled in this way, a country will be excluded. This approach can mean that a country that was included in the assessment of progress against a sub-target in one APR/DR is excluded the following year. If new data become available for countries where there is no baseline then a baseline is imputed by assuming that progress has taken place at the same rate as in those countries where we do have a baseline. This can mean that a country that was excluded in the assessment of progress against a sub-target in one APR/DR is included the following year.

Assessing change over time

5. Each time we review progress towards the PSA targets, we often find that new data have become available, and this results in a revision of the figures for previous years. This means that many of the baselines set out at the time our PSA was originally drafted have now altered. This is particularly apparent in series which are modelled by the international agencies, such as the under five mortality rate. The altered baselines have been presented in this report along with the assessment of progress.
6. In assessing progress against the PSA targets we should not read too much into individual year-on-year changes as these could be the result of statistical variability. A more reliable indicator of real change are persistent shifts year after year.
7. In choosing the appropriate traffic light assessment, note is taken not only of the difference between the 1998 figure and the most recently available data, but also of trends over a longer time frame. Data from 1990 onwards are modelled to show the trend, and this allows us to project what the figure might be in 2006, based on progress to date. Staff working in DFID's Africa and Asia Divisions then make a judgement of progress based on the statistical trend and on their wider information on what is currently happening in the region that will not yet be reflected in the statistics

DFID's work on improving data quality

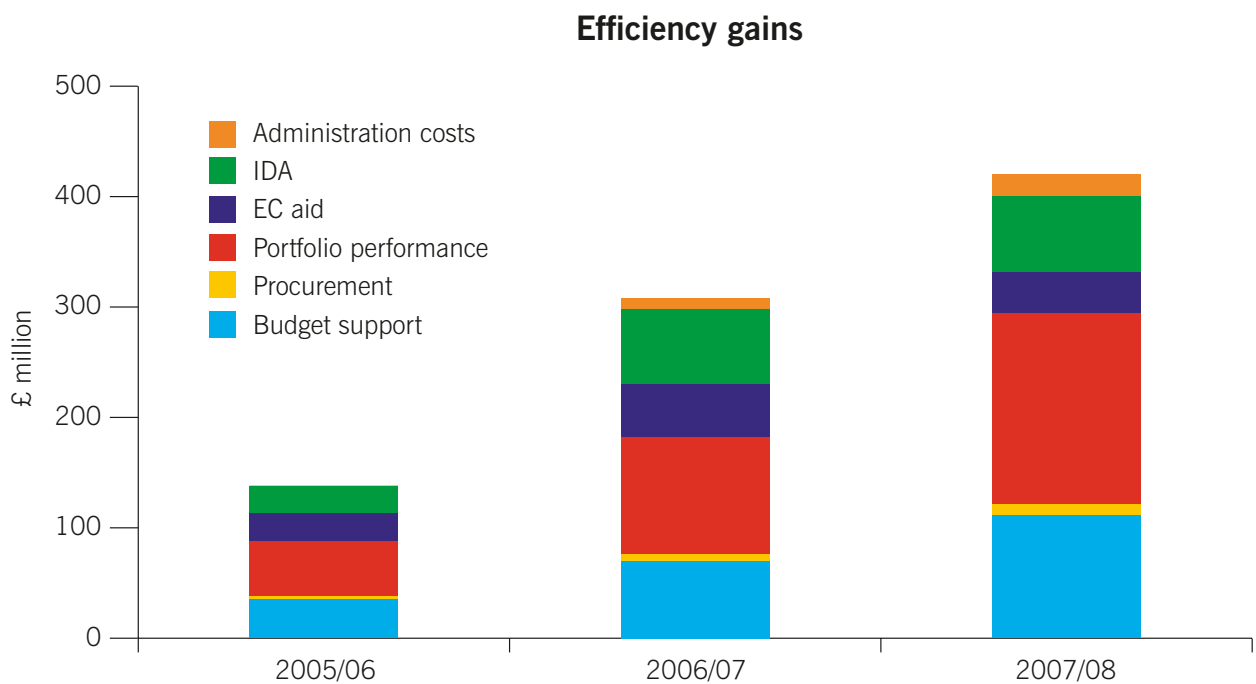
8. DFID is working in a number of ways to improve both the availability of data and the way that we deal with the available data. In the past year we have discussed data issues with the Methodological Committee of the Office for National Statistics, who have agreed that our methods were suitable given the limitations in our data. We are now following up some of their suggestions for improving data quality, including work to establish indicators of data quality, which would alert readers to the reliability of particular indicators. We are pursuing this in the international arena given the origins of the data we are using.
9. We are in regular contact with the international agencies that provide the statistics we use, and in compiling our estimates we always check the figures with DFID statisticians with detailed knowledge of particular countries. Sometimes they identify anomalies, which we can then pursue with the data providers. Statisticians working at country or regional level may also be aware of more up-to-date figures than those available through the international system, since there is an inevitable lag between data being collected and reported nationally, and it being checked and available through the international databases.

10. In our partner countries, we are increasing the resources we provide to help build policy-relevant statistical systems, with an emphasis on poverty monitoring. Internationally, we are working with the PARIS 21 (Partnerships in Statistics for Development for the 21st Century) consortium of donors, partner countries and multilateral agencies to raise awareness of the problems linked to inadequate statistics. We also provide targeted support to help countries assess their priority statistical requirements. We are working with the International Financial Institutions and United Nations system to increase the resources devoted to building statistical capacity in partner countries. Such activities do appear to be producing results – it is clear that more data are currently available on the PSA targets than at the start of the PSA period.
11. As examples, in **Uganda** DFID has helped the Government to monitor its Poverty Eradication Action Plan through supporting initiatives to collect and use timely and accurate social and economic information. In **Kenya**, DFID support has helped the planning for a National Statistical System and the preparation of a new Statistics Act. It is hoped that these will help to deliver the information needed to implement and monitor Kenya's Economic Recovery Strategy.
12. Working with multilateral partners is also crucial to helping countries to access the resources and technical expertise they need to improve the quality, availability and use of statistics for national policy-making. DFID has established a Trust Fund with the World Bank for supporting statistical work in developing countries, and helped to develop a global action plan to improve national and international statistical systems. DFID has also worked with the United Nations Development Programme to develop an international statistical literacy programme. This aims to educate government, civil society organisations, academia and the media in developing countries in using statistical information to highlight development needs and hold policymakers to account. It is expected that this will be rolled out internationally in 2005.

Annex 6

DFID's Efficiency Programme

DFID is committed to an Efficiency Programme that will deliver efficiencies of 2.7% a year, or £422 million in efficiencies by 2007–08. We have five Programme Efficiency targets, and one Administration Efficiency target.



Although the Efficiency Programme only came into effect formally on 1 April 2005, the table below gives an indication of actions that have already been taken to prepare for the programme, and those planned for the coming year.

PROGRAMME EFFICIENCY

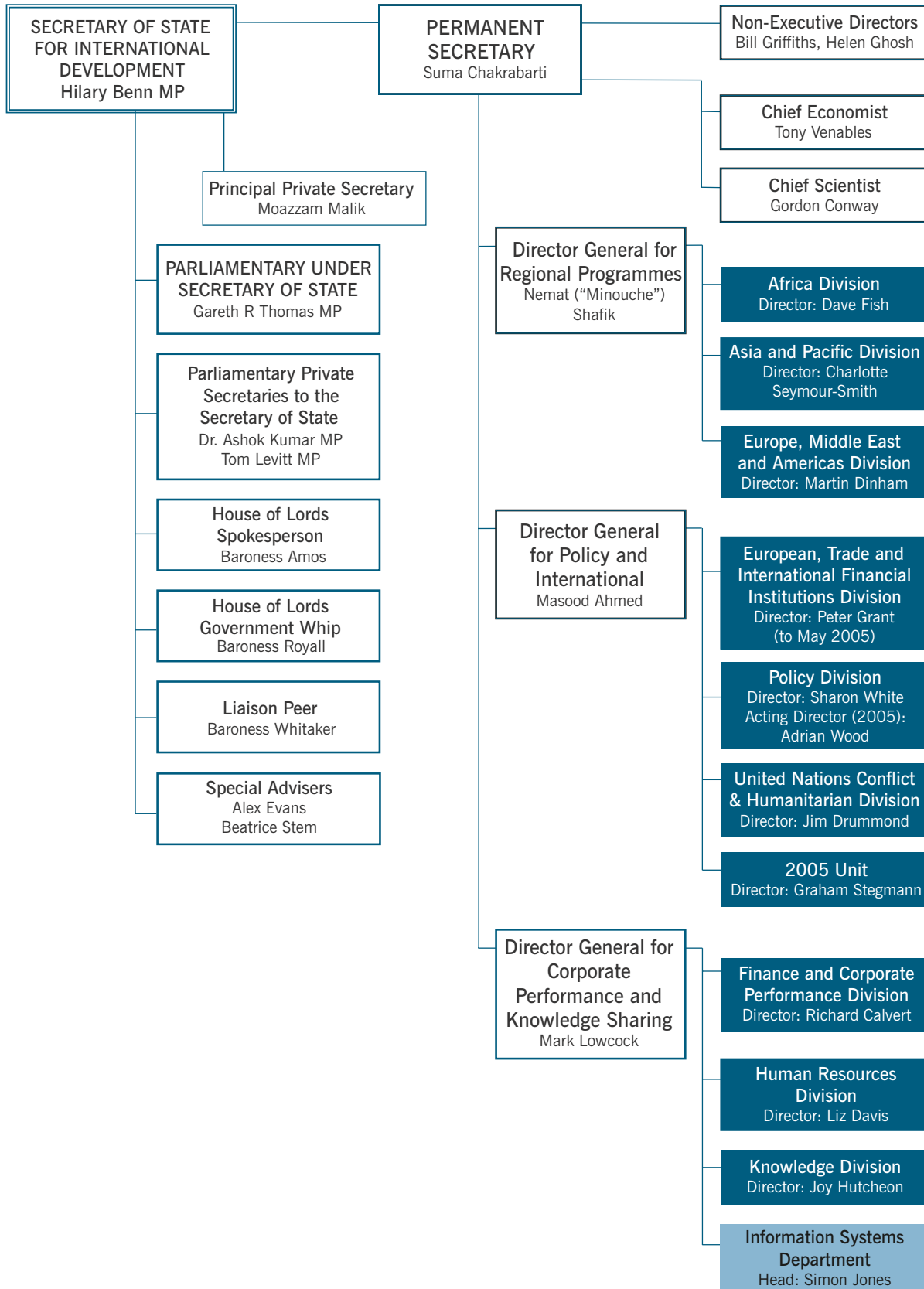
Target (by 2007/8 unless otherwise stated)	Actions taken and plans for the next year
1 Increase the percentage of our development programme spent on budget support	In 2004/05, we provided PRBS to 24 countries in Africa and Asia. Programmatic support, of which PRBS forms the majority, is set to rise over the next three years. DFID is also working with both developing countries and other donors to gather more evidence on the effectiveness of PRBS.
2 Increase the value for money from programme procurement	Among other actions already taken, staff have been made aware of Value for Money (VfM) figures to be collected and IT procurement has been consolidated with the central corporate contracting section. During 2005, purchasing cards for contracts will be rolled out, and the number of post holders with appropriate professional qualifications will rise to 9 out of 25.
3 Improve project performance	A portfolio quality strategy has recently been introduced to improve the effectiveness of our projects. As part of this, DFID's procedures for reviewing projects were revised in 2004, and guidance given to our programme managers was improved accordingly. (Please see PSA Target 5 (Annex 3) for more details.) The strategy also addresses data quality and volatility – with the relatively small number and high value of projects in the portfolio, trends are often difficult to identify accurately. So changes are being considered to the reporting system to achieve greater consistency.
4 Increase the percentage of EC development assistance going to low income countries	In 2003, the percentage of EC aid going to LICs reached 56%. Although administration reforms of EC aid continued throughout 2004, DFID remains committed to press for more improvement. With the new European Parliament elected in June 2004 and a new Commission established in November 2004, DFID has also stepped up its targeted engagement with all new partners in working towards making the EC a more effective development partner.
5 Increase support to the International Development Association (IDA)	The IDA is the arm of the World Bank that provides concessional loans and grants to the world's poorest countries. DFID has pledged £1.43 billion for IDA14 (the next 3 year agreement, for which negotiations concluded in February 2005), which is an increase of 59% over the previous agreement.

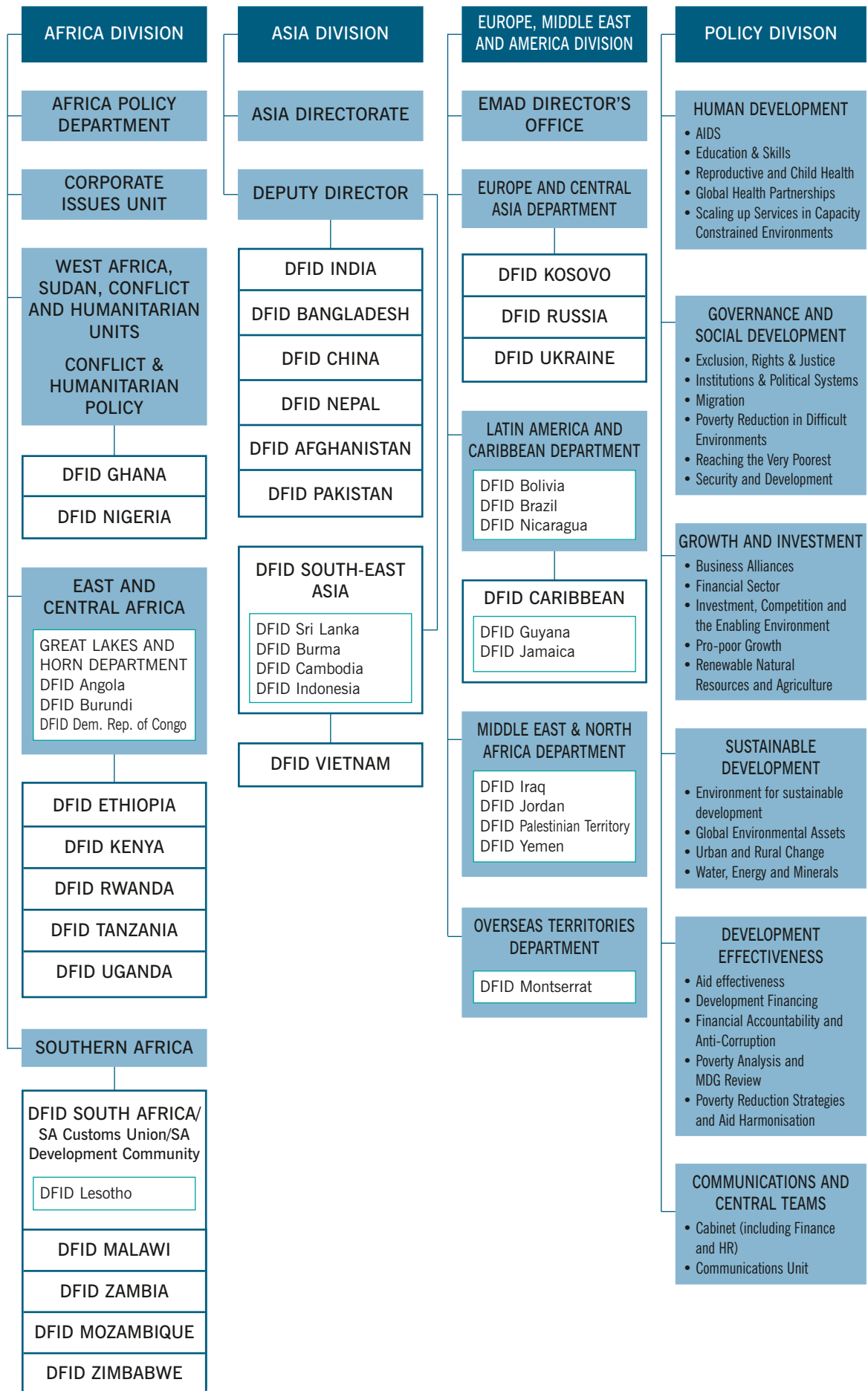
ADMINISTRATION EFFICIENCY

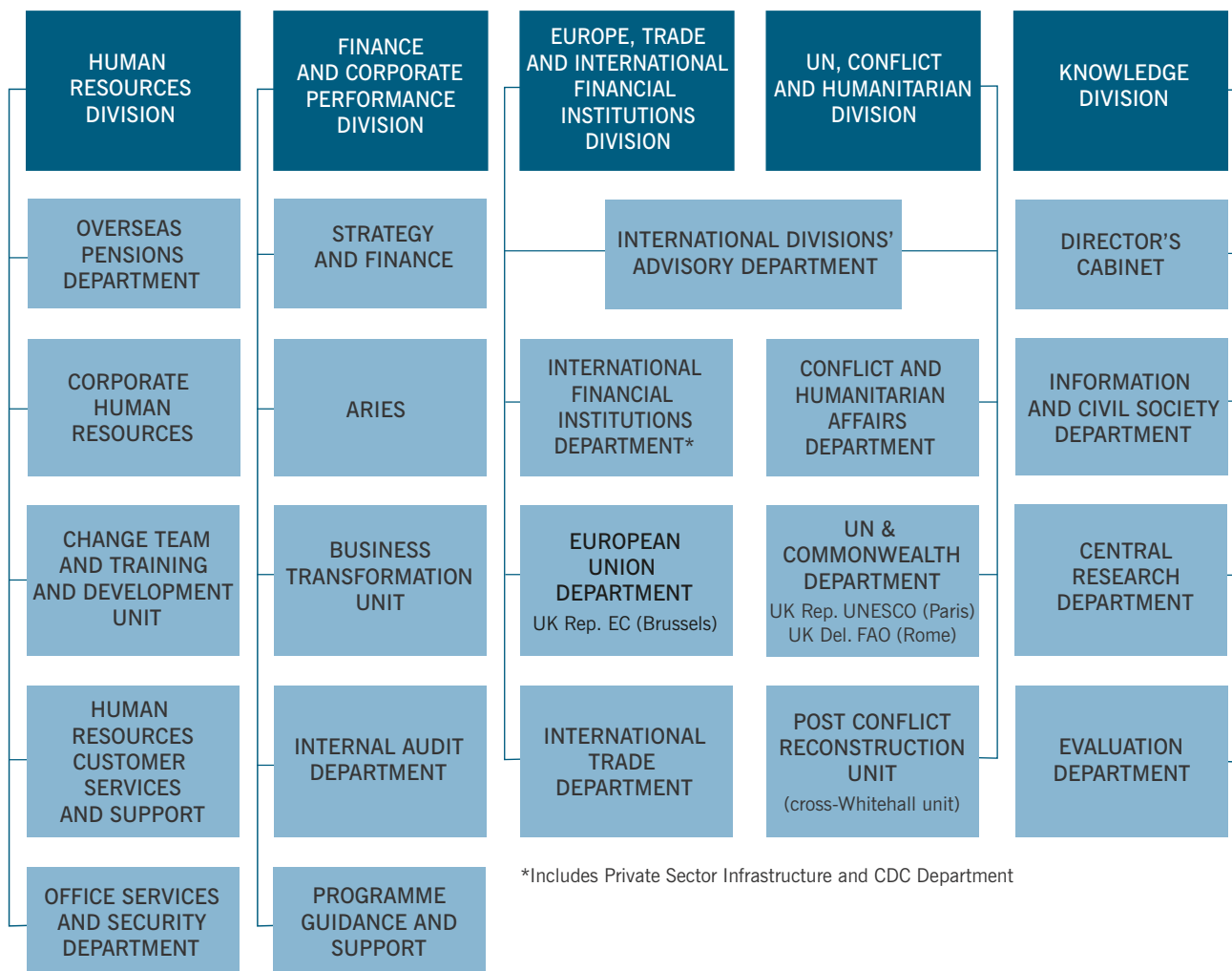
Target (by 2007/8 unless otherwise stated)	Actions taken and plans for the next year
6 Reduce administration costs by 3% a year	Divisional budgets have all been capped within the target administration cost limits, and will continue to be capped over the next few years. Costs will be reduced by addressing the three sub-targets below.
a. Reduce Support Service costs by 1% real in 2004/5, 4% in 2005/6 and 5% in 2006/7	Individual divisions' targets were set in late 2004, and major initiatives to make business processes more efficient are scheduled to roll out, such as new software systems in the second half of 2005.
b. Reduce staff numbers by 170 UK-based staff and 124 Staff-Appointed-in-Country (SAIC)	Divisional plans have already been prepared for the three financial years 2005/06 to 2007/08, which demonstrate the necessary staff number reductions by March 2008.
c. Relocate 85 posts from London to East Kilbride	To date DFID has relocated 62 posts from London to East Kilbride. Plans are in place to ensure that the remainder are relocated by the target deadline.

Annex 7

Organisational Chart







Annex 8

Publications

Annual reports

1. DFID Departmental Report 2004, ISBN 0-10-162142-6, £27.00, *April 2004*
2. Statistics on International Development 1999/2000 – 2003/2004, ISBN 1861926073, issn 0068-1210, *October 2004*
3. DFID's Autumn Performance Report, An outline of progress against the 2001-2006 Public Service Agreement and final outturn against the 2001-2004 Public Service Agreement, ISBN 0101640528, £13.50, *December 2004*
4. The UK's Contribution to Achieving the Millennium Development Goals, *January 2005*
5. The UK and the World Bank 2004 – Report on the UK's involvement with the World Bank July 2003 – June 2004, *March 2005*

Country and Regional Assistance Plans

6. Zambia Country Assistance Plan, *May 2004*
7. Kenya Country Assistance Plan, *May 2004*
8. Regional Assistance Plan for the Caribbean, *June 2004*
9. Central Asia, South Caucasus & Moldova Regional Assistance Plan, *June 2004*
10. Country Assistance Plan for the Palestinians, *July 2004*
11. Regional Assistance Plan for Latin America, *August 2004*
12. Regional Assistance Plan for Latin America (summary version), *September 2004*
13. Western Balkans Regional Assistance Plan, *September 2004*
14. Burma Country Assistance Plan, *October 2004*
15. Nigeria Country Assistance Plan, *December 2004*
16. Montserrat Country Policy Plan, *January 2005*
17. Pakistan Country Assistance Plan, *January 2005*

Institutional strategies

18. The Joint United Nations Programme on HIV/AIDS (UNAIDS), *September 2004*
19. The World Bank, *September 2004*

Background briefings

20. Debt Relief for Poverty Reduction (revised edition), *October 2004*

Secretary of State speech booklets

21. A role for Europe in fighting global poverty, *November 2004*

Policy Division papers

22. Poverty Reduction Budget Support: A DFID policy paper, *May 2004*
23. Labour standards and poverty reduction, *May 2004*
24. Increasing access to essential medicines in the developing world: UK Government policy and plans, *June 2004*
25. Taking Action: The UK's strategy for tackling HIV and AIDS in the developing world, *July 2004*
26. Taking Action: Summary of the UK's strategy for tackling HIV and AIDS in the developing world, *July 2004*
27. HIV and AIDS treatment and care policy, *July 2004*
28. Sexual and reproductive health and rights: A position paper, *July 2004*
29. Reducing maternal deaths: Evidence and action, *September 2004*
30. Talking about health, sex and pregnancy: DFID's approach to promoting sexual and reproductive health and rights in developing countries (summary booklet), *September 2004*
31. Girls' education: towards a better future for all, *January 2005*
32. Girls' education: towards a better future for all (summary version), *January 2005*
33. Why we need to work more effectively in fragile states, *January 2005*
34. Increasing people's access to essential medicines in developing countries: a framework for good practice in the pharmaceutical industry, *March 2005*
35. Partnerships for poverty reduction: rethinking conditionality – A UK policy paper, *March 2005*
36. Extractive Industries Transparency Initiative Source Book, *March 2005*
37. Fighting poverty to build a safer world: A strategy for Security and Development, *March 2005*

Other policy papers

38. Achieving the Millennium Development Goals: The Middle-Income Countries: A strategy for DFID: 2005–2008, *September 2004*
39. The African Conflict Prevention Pool: An Information Document – A Joint UK Government Approach to Preventing and Reducing Conflict in sub-Saharan Africa, *September 2004*
40. Disaster risk reduction: a development concern – A scoping study on links between disaster risk reduction, poverty and development, *January 2005*
41. Disaster risk reduction: a development concern – A policy briefing, *January 2005*

Central Research Department (CRD) papers

42. DFID Research Funding Framework 2005 – 2007, *September 2004*

Other DFID publications

43. Sierra Leone: A long-term partnership for development 2004, *April 2004*
44. Development Works: four films on development achievements (CD-ROM), *April 2004*
45. Information for Communication and Development: Radio Broadcasting for Health: A decision maker's guide, *July 2004*
46. Information for Communication and Development: Media Assistance Workshop (CD-ROM), *July 2004*
47. The Rough Guide to a Better World, *November 2004*
48. Alliances Against Poverty: DFID's Experience in Peru 2000–2005, *January 2005*
49. Developing the global dimension in the school curriculum (revised edition), *March 2005*
50. Developments Special Edition, published in association with the Co-operative Movement, *March 2005*
51. Poverty, Vulnerability and Social Exclusion in Post-Conflict Angola, published in association with Fundo de Apoio Social, Angola, *March 2005*

List of publications issued by Evaluation Department in 2004/05.

52. Evaluation of DFID Support to Poverty Reduction (India/Zambia/Mozambique/Uganda) 1990-2000, *January 2005*
53. General Budget Support – Evaluability Study Phase 1 Vols I-II, *August 2004*
54. Changes in Strategic Influence: DFID’s Contribution to Trade Policy, *April 2004*
55. Review of the Value for Money (VFM) Indicator, Public Service Agreement 2003-2006, *May 2004*
56. Utstein Peacebuilding Evaluation (Evsum Only), *August 2004*
57. Evaluation of the Conflict Prevention Pools : Synthesis Report, *September 2004*
58. Evaluation of ODA/DFID Support to the Police in Developing Countries: Synthesis Study, *September 2004*
59. Namibia Police Project 1990-95, *October 2004*
60. Review of DFID/ODA’s Programmes in Accession Countries, *July 2004*
61. Evaluation of the WHO/DFID Partnership, *September 2004*
62. Evaluation of DFID Country Programmes: Synthesis Report, *January 2005*
63. Evaluation of DFID Country Programmes: Brazil Country Study, *January 2005*
64. Evaluation of DFID Country Programmes: Cambodia Country Study, *January 2005*
65. Evaluation of DFID Country Programmes: Romania Country Study, *January 2005*
66. Evaluation of DFID Country Programmes: Bolivia Country Study, *January 2005*

Evaluation Working Papers

67. Evaluation of DFID assistance: Gender Equality & Women’s Empowerment, *November 2004*
68. Report on Gender and HIV/AIDS, *February 2005*
69. Report on Gender and Education, *February 2005*
70. Report on Gender and Maternal Mortality, *February 2005*
71. Report on Gender and the Enabling Agreement for Growth, *February 2005*
72. Report on Gender, Conflict and Post Conflict Reconstruction, *February 2005*
73. Report on Gender, Voice and Accountability, *February 2005*
74. Report on Gender and Migration, *February 2005*
75. Report on Gender Violence, *February 2005*
76. Quality Assurance: Lessons from other Organisations, *March 2005*

Annex 9

Glossary and Abbreviations

Accession Countries

Countries in the process of joining the European Union.

Administration Costs

DFID administration costs include the running costs of DFID Headquarters, overseas costs of staff in agreed diplomatic posts concerned with full time aid administration, including Staff Appointed in Country employed by DFID; expenditure in respect of residual rent liability on the Chatham Maritime site arising from the terms agreed for the privatisation of DFID's former next steps agency, the Natural Resources Institute; and those elements of Foreign and Commonwealth Office and CDC Capital Partners, formerly known as Commonwealth Development Corporation, administration costs which are related to aid delivery.

African Union (AU)

The African Union vision is to promote accelerated socio-economic integration of the continent, leading to greater unity and solidarity between African countries and peoples. As continental organisation it focuses on the promotion of peace, security and stability on the continent as a prerequisite for the implementation of the development and integration agenda of the Union. DFID/FCO agreed a joint policy note on the AU in January 2004.

Aid Untying

The ending of the practice of most donors to insist that aid is spent on goods and services from the donor country in favour of giving unrestricted access to those who can compete best on price, quality and service.

Bilateral Aid

Bilateral aid is provided to developing countries and countries on a country to country basis, and to institutions, normally in the UK, working in fields related to these countries.

Budget Assistance or Budget Support

See Poverty Reduction Budget Support.

Civil Society Organisations

All civic organisations, associations and networks, which occupy the "social space" between the family and the State who come together to advocate their common interests through collective action. It includes volunteer and charity groups, parents and teachers associations, senior citizens groups, sports clubs, arts and culture groups, faith-based groups, workers clubs and trade unions, non-profit think-tanks and "issue-based" activist groups.

Commission for Africa

The Commission for Africa is an initiative launched by Tony Blair on 26 February 2004 to provide a coherent set of policies to accelerate progress towards a strong and prosperous Africa. The Commission reported in March 2005 and made recommendations to the G8, EU and other wealthy countries, as well as African countries. The Secretariat to the Commission for Africa is independent from DFID and other British Government departments, but works closely with them, and with other stakeholders in the UK and elsewhere.

Conditionality

The obligations accepted in relation to developing countries' policies or institutions as part of an aid transaction.

Countries in transition

Former Soviet countries in Eastern Europe and the former Soviet Union, and China, Mongolia and Vietnam.

Country Assistance Plans/Regional Assistance Plans

DFID has produced or is producing Country Assistance Plans for all countries where we provide development assistance programmes. These papers, produced in consultation with governments, business, civil society, and others within the country concerned and within the UK, set out how we aim to contribute to achieving the international development targets in the country in question. Country Assistance Plans are normally intended to cover a 3–4 year period. For some groups of countries a Regional Assistance Plan is produced.

Debt relief

Debt relief may take the form of cancellation, rescheduling, refinancing or re-organisation. Interest and principal foregone from debt cancellation forms part of DFID programme expenditure, whilst other debt relief is funded from other official sources.

- a. Debt cancellation (or Retrospective Terms Adjustment) is relief from the burden of repaying both the principal and interest on past loans.
- b. Debt rescheduling is a form of relief by which the dates on which principal or interest payments are due are delayed or rearranged.
- c. Official bilateral debts are re-organised in the Paris Club of official bilateral creditors, in which the UK plays its full part. The Paris Club has devised increasing generous arrangements for reducing and rescheduling the debt of the poorest countries, most recently agreeing new terms for the enhanced Heavily Indebted Poor Countries Initiative.

Developing Countries

See Development Assistance Committee: List of Aid Recipients

Development Assistance Committee (DAC)

The Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD) is a forum for consultation among 22 donor countries and the European Commission, on how to increase the level and effectiveness of aid flows to all aid recipient countries. The member countries are Australia, Austria, Belgium, Canada, Denmark, European Commission, Finland, France, Germany, Greece, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, UK and United States.

Development Assistance Committee: List of Aid Recipients

This list is in two parts. Part I shows developing countries and territories eligible to receive official development assistance. Part II shows countries and territories eligible to receive official aid. The list is designed for statistical purposes and not as guidance for aid or other preferential treatment.

Part I: Developing Countries and Territories

The list comprises all countries and territories: in Africa; in America except the United States, Canada, Bahamas, Bermuda, Cayman Islands and Falkland Islands; in Asia except Japan, Brunei, Hong Kong, Israel, Kuwait, Qatar, Singapore, Taiwan and United Arab Emirates; in the Pacific except Australia and New Zealand; plus Albania, Armenia, Azerbaijan, Georgia, Gibraltar, Malta, Moldova, Turkey and the states of former Yugoslavia in Europe.

Part II: Countries and Territories in Transition

The list comprises Belarus, Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Russia, Slovakia and Ukraine, plus the more advanced developing countries which have moved from Part I of the List, namely Bahamas, Bermuda, Brunei, Cayman Islands, Cyprus, Falkland Islands, Hong Kong, Israel, Kuwait, Qatar, Singapore, Taiwan and United Arab Emirates. Note that Moldova moved to Part I of the List on 1 January 1997.

Directors' Delivery Plans (DDPs)

Directors' Delivery Plans provide details of how Directors intend to use their resources in order to deliver on the PSA Objectives and Targets. In the case of service divisions, their Directors also produce DDPs, covering delivery on corporate targets and the contribution they make in supporting delivery of the PSA. Each Director is directly accountable for performance and is required to give annual updates to DFID's Management Board.

Economic Partnership Agreements (EPAs)

Economic Partnership Agreements are free trade agreements between the EU and African, Caribbean and Pacific (ACP) countries. Their aim is to promote economic, political and cultural development, and they define the relationship between the EU and the ACP. The EPAs are negotiated in regional groupings with the EU. There are six regional groupings in Africa, one in the Caribbean, and one in the Pacific. Due to Article XXIV of the General Agreement on Tariffs and Trade, they have to be reciprocal. This means that the ACP have to open their markets to Europe, and Europe has to open its markets to the ACP. The EPA agreements also provide for trade-related assistance to enable the ACP countries to fully integrate into the world economy. The first stage of this process involves the regional integration of the different ACP regional groupings.

European Community (EC)

The 25 member states and the common institutions, notably the European Commission, co-operating on a range of economic and other issues in supra-national integration.

European Development Fund (EDF)

The European Development Fund is the main route through which funds committed under the EC's Cotonou Convention are channelled.

European Union (EU)

Created by the Treaty of Maastricht 1992, which enhanced the integration of the European Community but also enabled the member states to co-operate together in an inter-governmental, not supra-national, way in the areas of Common Foreign and Security Policy Justice and Home Affairs.

Fragile States

Fragile states are those which are failing to provide basic services to poor people because they are unwilling or unable to do so. Tackling poverty in these countries is vital to making the lives of millions of people better.

Global Fund/Partnership

A Global Fund or Partnership is an initiative which transcends national boundaries and involves a group of public and private participants, working on a common set of activities, to improve progress towards the achievement of a specific global development goal (e.g. in the fields of health, education, water, agriculture and environment). Examples include the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) and the Global Environment Facility (GEF).

Globalisation

The growing independence and interconnectedness of the modern world through increased flows of goods, services, capital, people and information. The process is driven by technological advances and reductions in the costs of integrated transactions, which spread technology and ideas, raise the share of trade in world production and increase the mobility of capital.

Gross Domestic Product (GDP)

The total value of goods and services produced within a country.

Gross National Income (GNI)

Previously known as Gross National Product, Gross National Income comprises the total value of goods and services produced within a country (i.e. its Gross Domestic Product), together with its income received from other countries (notably interest and dividends), less similar payments made to other countries.

G7/G8 Group

The G7 Group of major industrialised democracies comprises Canada, France, Germany, Italy, Japan, the UK and the United States. The Group of Eight (G8) includes Russia. Their Heads of Government meet annually at the G7/G8 Summit to discuss areas of global concern.

Harmonisation

The agenda for improving development effectiveness involves progress on a number of issues termed ‘harmonisation’. These include:

- better coordination amongst donors so that dialogue with government on policy is more joined up and sharply focused on key poverty issues;
- alignment of donor activities behind country-led strategies to enhance developing country leadership and use of aid instruments which deliver more predictable funding with fewer conditions attached;
- various forms of joint working in which donors pool their money and share staff;
- broader efforts to ensure a more rational division of labour among the donor community, so that donors concentrate their activities more clearly on their own areas of expertise, and work in ways which complement each other.

Heavily Indebted Poor Countries Initiative (HIPC)

An initiative launched by the International Monetary Fund and the World Bank in 1996 to provide debt relief to the poorest countries. Revised in 1999 to deliver twice as much debt relief as the original initiative.

Humanitarian assistance

Humanitarian assistance comprises disaster relief, food aid, refugee relief and disaster preparedness. It generally involves the provision of material aid (including food, medical care and personnel) and finance and advice to save and preserve lives during emergency situations and in the immediate post-emergency rehabilitation phase; and to cope with short and longer term population displacements arising out of emergencies.

Income Groups

The classification of aid recipient countries by income groups is based on Gross National Product per capita figures in 1998 according to the thresholds set out below.

Low-income group: countries with a Gross National Product per capita in 1998 of below US\$746;

Lower middle-income group: countries with a Gross National Product per capita in 1998 of US\$746 – US\$2975;

Upper middle-income group: countries with a Gross National Product per capita in 1998 of US\$2976 – US\$9205;

High-income group: countries with a Gross National Product per capita in 1998 of US\$9206 or above.

Institutional Strategy Papers (ISPs)

Institutional Strategy Papers are designed to set our partnerships with multilateral development institutions in a strategic framework. The papers are prepared in consultation with that institution and other interested parties and set out the objectives for our partnership with that institution. Institutional Strategy Papers have been or are being prepared for our main partner institutions and will normally be produced every three to four years.

International Development Association (IDA)

Part of the World Bank Group that makes loans to countries at concessional rates (i.e. below market rates) of interest.

Least Developed Countries (LDCs)

Least Developed Countries are those assessed as having particularly severe long-term constraints to development. Inclusion on the list of Least Developed Countries is now assessed on two main criteria: economic diversity and quality of life.

Low-Income Countries (LICs)

Countries in the Low Income Group (*see* Income Groups).

Middle-Income Countries (MICs)

Countries in the lower middle- and upper middle-income groups (*see* Income Groups).

Millennium Development Goals (MDGs)

A set of eight international development goals for 2015, adopted by the international community in the UN Millennium Declaration in September 2000, and endorsed by IMF, World Bank and OECD. These are set out in full in Annex 2.

Multilateral Aid

Aid channelled through international bodies for use in or on behalf of aid recipient countries. Aid channelled through multilateral agencies is regarded as bilateral where DFID specifies the use and destination of the funds.

Non-Governmental Organisations (NGOs)

They are private non-profit making bodies, which are active in development work. To qualify for official support UK non-governmental organisations must be registered charities.

Official Development Assistance (ODA)

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

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

Only aid to countries on Part I of the Development Assistance Committee List is eligible to be recorded as official development assistance.

Organisation for Economic Co-operation and Development (OECD)

A group of major industrial countries promoting growth and high employment among its members, fostering international trade and contributing to global economic development.

Paris Club

The Paris Club is an informal group of official creditors whose role is to find co-ordinated and sustainable solutions to the payment difficulties experienced by debtor nations. Paris Club creditors agree to rescheduling debts due to them. Rescheduling is a means of providing a country with debt relief through a postponement and, in the case of concessional rescheduling, a reduction in debt service obligations.

Poverty Reduction Budget Support (PRBS)

Direct Budget Support is a form of programmatic aid in which:

- a. Funds are provided in support of a government programme that focuses on growth and poverty reduction, and transforming institutions, especially budgetary.
- b. The funds are provided to a partner government to spend using its own financial management and accountability systems.

It can take the form of General Budget Support, which is a contribution to the overall budget, or Sector Budget Support, which is financial aid, earmarked to a discrete sector.

Poverty Reduction Strategies (PRSs)

Poverty Reduction Strategies are prepared by a country government in collaboration with the World Bank and International Monetary Fund as well as civil society and development partners. These documents describe the country's macroeconomic, structural and social policies and programmes to promote growth and reduce poverty, as well as associated external financing needs and major sources of financing.

Programme Aid

Programme aid is financial assistance specifically to fund (i) a range of general inputs, or (ii) an integrated programme of support for a particular sector, or (iii) discrete elements of a recipient's budgetary expenditure.

Public Private Partnership (PPP)

A Public-Private Partnership brings public and private sectors together in partnership for mutual benefit. The term Public-Private Partnership covers a wide range of different partnerships, including the introduction of private sector ownership into businesses that are currently state-owned, the Private Finance Initiative, and selling Government services into wider markets.

Public Service Agreement (PSA)

A set of measurable targets for the Department's work, as required by the White Paper *Public Services for the Future: Modernisation, Reform, Accountability* (CM4181). See Annex 3 for DFID's Public Service Agreement.

Regional development banks

International development banks which serve particular regions; for example the African Development Bank or the European Bank for Reconstruction and Development.

Sector wide approaches or sector investment programmes

A sector wide approach is a process that entails all significant donor funding for a sector supporting a single, comprehensive sector policy and expenditure programme, consistent with a sound macro-economic framework, under government leadership. Donor support for a sector wide approach can take any form – project aid, technical assistance or budget support – although there should be a commitment to progressive reliance on government procedures to disburse and account for all funds as these procedures are strengthened.

Security sector

The security sector is defined as those who are, or should be, responsible for protecting the state and communities within the state. This includes military, paramilitary, intelligence and police services as well as those civilian structures responsible for oversight and control of the security forces and for the administration of justice.

Spending Review

A fundamental re-evaluation of priorities, objectives and targets by the UK Government, which establishes a three-year planning cycle, including spending plans, for all departments. The 2000 Spending Review runs from 2003/04 – 2005/06.

Technical co-operation/technical assistance

Technical co-operation is the provision of advice and/or skills, in the form of specialist personnel, training and scholarship, grants for research and associated costs.

World Bank

The term World Bank is commonly used to refer to the International Bank for Reconstruction and Development and the International Development Association. Three other agencies are also part of the World Bank: the International Finance Corporation, the Multilateral Investment Guarantee Agency and the International Centre for Settlement of Investment Disputes. Together these organisations are referred to as the World Bank Group.

World Trade Organisation (WTO)

The World Trade Organisation exists to ensure that trade between nations flows as smoothly, predictably and freely as possible. To achieve this, the World Trade Organisation provides and regulates the legal framework that governs world trade. Decisions in the World Trade Organisation are typically taken by consensus among the 184 member countries and are ratified by members' parliaments.

Abbreviations

ACP	Africa, Carribean and Pacific region
AfDB	African Development Bank
AfDF	African Development Fund
AIDS	Acquired Immune Deficiency Syndrome
APRM	Africa Peer Review Mechanism
ARV	Antiretroviral treatment
AsDB	Asian Development Bank
AsDF	Asian Development Fund
AU	African Union
CAP	Country Assistance Plan
CASCM	Central Asia, South Caucasus and Moldova
CDB	Caribbean Development Bank
CIMMYT	International Maize and Wheat Improvement Centre
CLIFF	Community Led Infrastructure Financing Facility

CSO	Civil Society Organisation
DAC	Development Assistance Committee of the Organisation for Economic Co-operation and Development
DDP	Director's Delivery Plan
DDR	Disarmament, demobilisation and reintegration
DEFRA	Department for Environment, Food and Rural Affairs
DfES	Department for Education and Skills
DFID	Department for International Development
DOTS	Directly Observed Treatment Short Course (for Tuberculosis)
DRC	Democratic Republic of Congo
DTI	Department of Trade and Industry
EC	European Commission/Community
EDF	European Development Fund
EITI	Extractive Industries Transparency Initiative
EMAD	Europe, Middle East and Americas Division
EPA	Economic Partnership Agreement
EPWP	South Africa's Expanded Public Works Programme
ERS	Economic Recovery Strategy
ETC	Early Transition Countries
EU	European Union
FAO	Food and Agriculture Organisation of the United Nations
FCO	Foreign and Commonwealth Office
FTI	Fast Track Initiative
G8	Group of Eight leading industrialised countries
GDP	Gross Domestic Product
GER	Gross enrolment ratio
GFATM	Global Fund to Fight AIDS, Tuberculosis and Malaria
GFP	Global funds and partnerships
GHD	Good Humanitarian Donorship (Initiative)
GNI	Gross National Income
GoU	Government of Uganda
GPOBA	Global Partnership for Output Based Aid
HIPC	Heavily Indebted Poor Countries
HIV	Human Immune Deficiency Virus
HMG	Her Majesty's Government
HMT	Her Majesty's Treasury
ICPD	International Conference on Population and Development
ICRC	International Committee of the Red Cross
IDA	International Development Association (of the World Bank)
IDB	Inter-American Development Bank
IFF	International Finance Facility
IFFIm	International Finance Facility for Immunisation
IMF	International Monetary Fund
ISP	Institutional Strategy Paper
ISs	Institutional Strategies
ITC	International Trade Centre
JAM	Joint Assessment Missions
LDC	Least Developed Countries
LIC	Low-Income Country
MDG	Millennium Development Goal
MEFF	Multilateral Effectiveness Framework
MIC	Middle-Income Country
MIF	Multilateral Investment Fund

MoD	Ministry of Defence
MoU	Memorandum of Understanding
NEPAD	New Partnership for Africa’s Development
NGO	Non-Governmental Organisation
NSGRP	National Strategy for Growth and Reduction of Poverty
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
PA	Palestinian Authority
PCRU	Post Conflict Reconstruction Unit
PERI	Programme for the Enhancement of Research Information
PRBS	Poverty Reduction Budget Support
PRS	Poverty Reduction Strategy
PRSP	Poverty Reduction Strategy Paper
PSA	Public Service Agreement
RAP	Regional Assistance Plan
SAIC	Staff Appointed In Country
SHINE	Sexual Health in Entertainment
TB	Tuberculosis
TNG	Transitional National Government
TRCB	Trade-related capacity building
UK	United Kingdom
UN	United Nations
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNFPA	United Nations Population Fund
UN-HABITAT	United Nations Human Settlements Programme
UNHCR	United Nations High Commission for Refugees
UNICEF	United Nations Children’s Fund
UNIDO	United Nations Industrial Development Organisation
UNIFEM	United Nations Development Fund for Women
USAID	United States of America Agency for International Development
WDR	World Development Report
WFP	World Food Programme
WHO	World Health Organization
WTO	World Trade Organisation

Annex 10

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