

Department for International Development

Introduction

1. This Estimate covers expenditure by the Department for International Development (DFID) on: the United Kingdom's international development programme; global environment assistance; payments to certain beneficiaries of the Gibraltar Social Insurance Fund; charges relating to investments in public corporations and shareholdings in private sector companies; conflict prevention; post conflict reconstruction; related administrative work, including the administration of overseas pensions; and certain associated non-cash items.

2. Symbols are explained in the Introduction to this booklet.

Part I

	£
Request for Resources 1: Eliminating poverty in poorer countries	4,498,620,000
Request for Resources 2: Conflict prevention	39,130,000
Total net resource requirement	4,537,750,000
Net cash requirement	4,277,984,000

Amounts required in the year ending 31 March 2007 for expenditure by the Department for International Development on:

RfR 1: Eliminating poverty in poorer countries

International development under the International Development Act 2002, including financial and technical assistance to governments, institutions, voluntary agencies and individuals; capital and other subscriptions and contributions, including payments under guarantee to multilateral development banks and other international and regional bodies; emergency, refugee and other relief assistance; contributions to pension funds and grants in lieu of pensions in respect of overseas service; global environment assistance; payments to United Nations Educational Scientific and Cultural Organisation (UNESCO); current and capital costs relating to investments in public corporations and shareholdings in private sector companies; payments (under the authority of the European Communities Act 1972) to certain beneficiaries of the Gibraltar Social Insurance Fund; administration, related capital expenditure and other administrative costs; and associated non-cash items.

RfR 2: Conflict prevention

Conflict prevention, early warning, crisis management, conflict resolution/peacemaking and peacebuilding activity and on associated strengthening of international and regional systems and capacity; post-conflict reconstruction programmes, including administration and related capital expenditure ; and associated non-cash items.

The **Department for International Development** will account for this Estimate.

	Net total	Allocated in Vote on Account	Balance to complete
RfR 1	4,498,620,000	1,718,744,000	2,779,876,000
RfR 2	39,130,000	21,398,000	17,732,000
Total net resource requirement	4,537,750,000	1,740,142,000	2,797,608,000
Net cash requirement	4,277,984,000	1,708,790,000	2,569,194,000

Part II: Subhead detail

										£'000	
2006-07 Provision								2005-06 Provision	2004-05 Outturn		
Resources						Capital Non- operating A in A		Net Total Resources	Net Total Resources		
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non- operating A in A	Net Total Resources	Net Total Resources		
1	2	3	4	5	6	7	8	9	10		
RfR 1: Eliminating poverty in poorer countries											
234,500	845,289	3,423,064	4,502,853	4,233	4,498,620	46,565	26,565	3,890,600	3,215,689		
Spending in Departmental Expenditure Limits (DEL)											
<i>Central Government spending</i>											
A	Reducing Poverty in sub-Saharan Africa										
51,500	170,741	899,826	1,122,067	107	1,121,960	6,565	455	1,076,447	858,458		
B	Reducing Poverty in Asia										
32,700	97,752	657,372	787,824	107	787,717	1,200	755	772,427	688,040		
C	Reducing Poverty in the Rest of the World										
20,300	61,323	114,355	195,978	414	195,564	900	3,135	220,364	260,639		
D	Improve the Effectiveness of Multilateral Aid										
14,300	96,500	1,608,415	1,719,215	285	1,718,930	16,580	16,917	1,301,146	873,216		
E	Developing Innovative Approaches to Development										
20,100	10,498	38,591	69,189	-	69,189	10	-	153,878	190,811		
F	Programmes Contributing to Multiple Objectives										
10,300	129,885	98,205	238,390	820	237,570	-	5,000	213,934	217,046		
G	Central Departments										
85,300	-	-	85,300	2,500	82,800	21,310	23	76,581	65,573		
H	Certain beneficiaries of the Gibraltar Social Insurance Fund										
-	-	6,300	6,300	-	6,300	-	-	6,200	6,211		
I	Crown Agents loan repayments										
-	-	-	-	-	-	-	280	-	-		
Spending in Annually Managed Expenditure (AME)											
<i>Central Government spending</i>											
J	Programmes Contributing to Multiple Objectives										
-	77,970	-	77,970	-	77,970	-	-	69,622	55,695		
K	Grants to the International Finance Facility for Immunisation										
-	200,620	-	200,620	-	200,620	-	-	-	-		
Non-Budget											
<i>EU Research Grants (Net)</i>											

Part II: Subhead detail

										£'000	
2006-07 Provision										2005-06 Provision	2004-05 Outturn
Resources							Capital Non- operating A		Net Total Resources	Net Total Resources	
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	in A	9	10		
1	2	3	4	5	6	7	8	9	10		
-	-	-	-	-	-	-	-	1	-		
RfR 2: Conflict prevention											
3,000	8,130	28,000	39,130	-	39,130	-	-	48,050	43,939		
Spending in Departmental Expenditure Limits (DEL)											
<i>Central Government spending</i>											
A Africa Conflict Prevention											
-	3,540	18,000	21,540	-	21,540	-	-	22,500	19,990		
B Global Conflict Prevention											
-	2,590	10,000	12,590	-	12,590	-	-	17,550	22,355		
C Post Conflict Reconstruction											
3,000	2,000	-	5,000	-	5,000	-	-	8,000	1,594		
Total for Estimate:											
237,500	853,419	3,451,064	4,541,983	4,233	4,537,750	46,565	26,565	3,938,650	3,259,628		

Part II: Resource to cash reconciliation

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
Net Resource Requirement	4,537,750	3,938,650	3,259,628
Voted capital items			
Capital	46,565	66,992	65,890
Less Non-operating A-in-A	26,565	25,117	30,472
Total net voted capital	20,000	41,875	35,418
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-135,286	-123,461	-106,162
Depreciation	-22,010	-22,008	-24,928
New provisions and adjustments to previous provisions	-198,910	-2,000	-20,391
Profit/loss on sale of assets	-	-	-1,186
Prior period adjustments	-	-	-
Other non-cash items	-260	-750	-262
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-4,451	11,444	3,559
Increase (-) / Decrease (+) in creditors	56,477	10,000	84,769
Use of provisions	24,674	18,899	41,794
Total accruals to cash adjustments	-279,766	-107,876	-22,807
Excess cash to be CFERd	-	-	-
Net Cash Requirement	4,277,984	3,872,649	3,272,239

Part III: Extra receipts payable to the Consolidated Fund

In addition to appropriations in aid the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics):

	£'000					
	2006-07		2005-06		2004-05	
	Provision		Provision		Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as A in A	-	-	2,500	<i>2,500</i>	6,112	<i>6,420</i>
Non-operating income not classified as A in A	-	-	-	-	2,398	<i>2,398</i>
Other amounts collectable on behalf of the Consolidated Fund	500	<i>500</i>	6,500	<i>6,500</i>	1,138	<i>1,138</i>
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-
Total	500	<i>500</i>	9,000	<i>9,000</i>	9,648	<i>9,956</i>

Forecast Operating Cost Statement

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
Net Administration Costs			
RfR 1	232,000	235,981	215,337
RfR 2	3,000	3,000	379
Total Net Administration costs	235,000	238,981	215,716
Net Programme Costs			
RfR 1	4,266,620	3,652,119	2,994,240
RfR 2	36,130	45,050	43,560
Total Net Programme costs	4,302,750	3,697,169	3,037,800
Total Net Operating Cost	4,537,750	3,936,150	3,253,516
<i>of which:</i>			
Net Resource Requirement	4,537,750	3,938,650	3,259,628
Non-voted expenditure	-	-	-
Consolidated Fund Extra Receipts	-	-2,500	-6,112
Resource Budget	5,230,595	4,567,823	3,858,516

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
Net Resource Requirement (Estimates)	4,537,750	3,938,650	3,259,628
<i>Adjustments to remove:</i>			
Provision voted for earlier years	-	-	-
<i>Adjustments to additionally include:</i>			
Non-voted expenditure in the OCS	-	-	-
Consolidated Fund Extra Receipts in the OCS	-	-2,500	-6,112
Other adjustments	-	-	-
Net Operating Cost (Accounts)	4,537,750	3,936,150	3,253,516
<i>Adjustments to remove:</i>			
Capital grants	-	-	-
European Union income related to capital grants	-	-	-
Voted expenditure outside the budget	-	-1	-
<i>Adjustments to additionally include:</i>			
Other Consolidated Fund Extra Receipts	-	-6,500	4,974
Resource consumption of non departmental public bodies	-	-	-
Unallocated resource provision	27,845	4,674	-
Other adjustments	665,000	633,500	600,026
Resource Budget (Budget)	5,230,595	4,567,823	3,858,516
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	4,960,475	4,498,201	3,802,821
Annually Managed Expenditure (AME)	270,120	69,622	55,695

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
Net Voted Capital (Estimates)	20,000	41,875	35,418
<i>Adjustments to remove:</i>			
Gains / losses from sale of capital assets	-	-	-1,186
<i>Adjustments to additionally include:</i>			
Other Consolidated Fund Extra Receipts	-	-	-2,398
Capital spending by non-departmental public bodies	-	-	-
Capital grants	-	-	-
European Union income related to capital grants	-	-	-
Supported capital expenditure (revenue)	-	-	-
Capital spending by levy funded bodies	-	-	-
Unallocated capital provision	-	-	-
Other adjustments	-	-	-
Capital Budget (Budget)	20,000	41,875	31,834
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	20,000	41,875	31,834
Annually Managed Expenditure (AME)	-	-	-

Notes to the Main Estimate (*continued*)

Explanation of Accounting Officer responsibilities

In accordance with the Government Resources and Accounts Act 2000 the Treasury has made the following Accounting Officer appointments for the Requests for Resources within this Estimate.

Request for Resources 1: Sir Suma Chakrabati, Permanent Head of the Department

Request for Resources 2: Sir Suma Chakrabati, Permanent Head of the Department

Sir Suma Chakrabati as the Accounting Officer of the Department for International Development has personal responsibility for the proper presentation of the department's resource accounts as prescribed in legislation, or by the Treasury, and their transmission to the Comptroller and Auditor General. The AO as the permanent head, remains in general overall charge of the Department for International Development.

The responsibilities of an Accounting Officer are set out in Annex 4.1 of Government Accounting. In essence these responsibilities include a personal responsibility for the propriety and regularity of the public finances for which they are answerable; for keeping of proper accounts; for prudent and economical administration; for the avoidance of waste and extravagance; and for the efficient and effective use of all the available resources. In addition, the Accounting Officer must ensure that there is a sound system of internal control to support the achievement of the organisation's policies, aims and objectives and should regularly review the effectiveness of that system.

Notes to the Main Estimate (*continued*)

Analysis of operating appropriations in aid (A in A)

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
RfR 1: Eliminating poverty in poorer countries			
Administration	2,500	4,900	4,950
<i>of which:</i>			
Sale of goods and services	2,500	4,900	4,950
Programme	1,733	470	733
<i>of which:</i>			
Sale of goods and services	1,000	470	262
EU Income	-	-	1,334
Interest and dividends	733	2,500	5,249
CFERs	-	-2,500	-6,112
Total RfR 1	4,233†	5,370	5,683
† Amount that may be applied as operating appropriations in aid in addition to the net total arising from: receipts from overseas governments in respect of bilateral country and sector programmes; refunds of payments made under UK guarantees to the European Investment Bank; receipts of interest on bilateral and multilateral loans; administration receipts for: seconded officers, including recovery of the European Bank for Reconstruction and Development Executive Director's salary; recoveries from other government departments; rental income; recoveries from staff for use of official vehicles.			
Total Operating A in A	4,233	5,370	5,683

Analysis of non-operating appropriations in aid (A in A)

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
RfR 1: Eliminating poverty in poorer countries			
Administration	-	-	-2,500
<i>of which:</i>			
Sale of assets	-	-	-102
CFERs	-	-	-2,398
Programme	26,565	25,117	32,972
<i>of which:</i>			
Sale of assets	53	140	102
Loan, etc, repayments	26,512	24,977	32,870
Total RfR 1	26,565†	25,117	30,472
† Amount that may be applied as non-operating appropriations in aid in addition to the net total arising from: repayments of loans given to the Crown Agents; capital repayments of development assistance loans, income from debentures issued to DFID by CDC Group plc and income from the sale of land, buildings, surplus vehicles, and other fixed assets.			
Total Non-Operating A in A	26,565	25,117	30,472

Notes to the Main Estimate (*continued*)

Analysis of Consolidated Fund extra receipts

	£'000					
	2006-07		2005-06		2004-05	
	Provision		Provision		Outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Interest on Loans Φ	-	-	2,500	2,500	6,112	6,420
Loan Repayments Φ	-	-	-	-	2,398	2,398
Other amounts collectable on behalf of the Consolidated Fund ●	500	500	6,500	6,500	1,138	1,138
Total	500	500	9,000	9,000	9,648	9,956

Notes to the Main Estimate (*continued*)

Departmental Expenditure Limits and Administration budgets

	£'000		
	Voted	Non-voted	Total
Resource DEL	4,259,160	701,315	4,960,475
<i>of which:</i> *			
Administration budget	235,000	-	235,000
Near-cash in RDEL	4,197,488	701,315	4,898,803
Capital DEL**	20,000	-	20,000
Less Depreciation†	-22,010	-	-22,010
Total DEL	4,257,150	701,315	4,958,465

* The total of the 'Administration Budget' and 'Near-cash in Resource DEL' figures may well be greater than total resource DEL, due to the definitions overlapping.

** Capital DEL includes items treated as resource in Estimates and accounts but which are treated as Capital DEL in budgets.

† Depreciation, which forms part of resource DEL, is excluded from total DEL since capital DEL includes capital spending and to include depreciation of those assets would lead to double counting.

Comparison of provision sought with final provision for the previous year

The total net resource sought for 2006-07 of £4,537,750,000 is 15.2 per cent higher than the final net provision for 2005-06 of £3,938,650,000.

Cash which may be retained to offset expenditure

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
Cash which may be retained by the department to offset expenditure in the year due to its relationship with income (operating and non-operating) that has been, or will be, appropriated in aid.	30,798	30,487	36,155

Notes to the Main Estimate (*continued*)

Contingent liabilities

Nature of Liability	£'000
Contingent Liabilities exist as follows	
Statutory Liabilities Charged to Resource Estimates - Request for Resources 1	
African Development Bank callable capital	262,300
Asian Development Bank callable capital	550,200
Caribbean Development Bank callable capital	25,900
Inter-American Development callable capital	491,900
Multilateral Investment Guarantee Agency callable capital	39,700
European Bank for Reconstruction and Development callable capital	863,800
Maintenance of value of capital subscriptions of regional development banks and funds	Unquantifiable
Liabilities of the Crown Agents Holding and Realisation Board that could not be met from the assets of the Board	Unquantifiable
Guarantee of borrowing by CDC Group from European Investment Bank	13,400
International Bank for Reconstruction and Development callable capital	4,143,000
International Bank for Reconstruction and Development maintenance of liability	35,500
Non Statutory Liabilities Charged to Resource Estimates - Request for Resources 1	
UK share of European Union member states collective guarantee of European Investment Bank lending under the Lome Convention	334,400
UK national guarantee of European Investment Bank lending to UK dependant territories	1,400
Indemnities to University of Greenwich in respect of transfer of ownership of National Resources Institute	Unquantifiable
Tax indemnities to commercial banks under aid and trade provision financing arrangements	5,300
Guarantee to Government of Montserrat in respect of mortgage loans for private sector housing	200
Guarantee to National Westminster Bank in respect of loan to Day Chocolate Company	4,400

