

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; charges relating to investments in international financial institutions and public corporations; payments to former beneficiaries of the Gibraltar Social Insurance Fund; conflict prevention and post conflict reconstruction; related administrative work, including the administration of overseas pensions; and associated non-cash items.

2. Symbols are explained in the Introduction to this booklet

Department for International Development

Part I

	£
Request for Resources 1: Eliminating poverty in poorer countries	4,553,640,000
Request for Resources 2: Conflict prevention	38,098,000
Total net resource requirement	4,591,738,000
Net cash requirement	4,466,519,000

Amounts required in the year ending 31 March 2008 for expenditure by the Department for International Development on:

RfR 1: Eliminating poverty in poorer countries

Development and humanitarian assistance under the International Development Act 2002, including financial and technical assistance to governments, institutions, voluntary agencies and individuals; capital subscriptions and other contributions, including payments under guarantee to multilateral development banks, UN, Commonwealth and other international and regional bodies; emergency, refugee and other relief assistance; grants in lieu of pensions in respect of overseas service; global environment assistance; 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 and former 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	4,553,640,000	2,024,379,000	2,529,261,000
RfR 2	38,098,000	17,609,000	20,489,000
Total net resource requirement	4,591,738,000	2,041,988,000	2,549,750,000
Net cash requirement	4,466,519,000	1,925,093,000	2,541,426,000

Part II: Subhead detail**£'000**

2007-08 Provision						2006-07 Provision	2005-06 Outturn		
Resources						Capital		Net Total Resources	Net Total Resources
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non- operating A in A		
1	2	3	4	5	6	7	8	9	10
RfR 1: Eliminating poverty in poorer countries									
233,300	660,316	3,669,324	4,562,940	9,300	4,553,640	41,343	19,343	4,696,347	3,871,780
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A	Reducing Poverty in sub-Saharan Africa								
52,000	171,841	1,055,709	1,279,550	-	1,279,550	16,283	10	1,091,960	1,094,656
B	Reducing Poverty in Asia								
30,000	115,167	655,833	801,000	-	801,000	4,540	10	787,717	748,426
C	Reducing Poverty in the Rest of the World								
19,000	45,137	140,213	204,350	-	204,350	3,022	10	195,564	276,870
D	Improve the Effectiveness of Multilateral Aid								
13,000	96,500	1,607,802	1,717,302	-	1,717,302	-	-	1,811,364	1,245,307
E	Developing Innovative Approaches to Development								
19,000	74,800	100,478	194,278	-	194,278	-	-	69,189	130,840
F	Programmes Contributing to Multiple Objectives								
11,000	57,011	92,989	161,000	-	161,000	-	-	237,570	218,801
G	Central Departments								
89,300	12,600	-	101,900	9,300	92,600	17,498	19,033	112,812	79,983
H	Certain beneficiaries of the Gibraltar Social Insurance Fund								
-	-	16,300	16,300	-	16,300	-	-	6,300	5,462
I	Crown Agents loan repayments								
-	-	-	-	-	-	-	280	-	-
Spending in Annually Managed Expenditure (AME)									
<i>Central Government spending</i>									
J	Programmes Contributing to Multiple Objectives								
-	87,259	-	87,259	-	87,259	-	-	88,970	71,434
K	Grants to the International Finance Facility for Immunisation								
-	1	-	1	-	1	-	-	294,900	-
Non-Budget									
<i>EU Research Grants (Net)</i>									
-	-	-	-	-	-	-	-	1	1

Part II: Subhead detail

£'000

2007-08 Provision						2006-07 Provision	2005-06 Outturn		
Resources						Capital		Net Total Resources	Net Total Resources
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non- operating A in A		
1	2	3	4	5	6	7	8	9	10
RfR 2: Conflict prevention									
3,000	3,000	32,098	38,098	-	38,098	-	-	40,215	32,973
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A	Africa Conflict Prevention								
-	-	23,578	23,578	-	23,578	-	-	22,625	13,631
B	Global Conflict Prevention								
-	-	8,520	8,520	-	8,520	-	-	12,590	15,294
C	Post Conflict Reconstruction								
3,000	3,000	-	6,000	-	6,000	-	-	5,000	4,048
Total for Estimate:									
236,300	663,316	3,701,422	4,601,038	9,300	4,591,738	41,343	19,343	4,736,562	3,904,753

Part II: Resource to cash reconciliation

	£'000		
	2007-08 Provision	2006-07 Provision	2005-06 Outturn
Net Resource Requirement	4,591,738	4,736,562	3,904,753
Voted capital items			
Capital	41,343	46,565	55,427
Less Non-operating A-in-A	19,343	26,565	24,729
Total net voted capital	22,000	20,000	30,698
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-145,918	-141,186	-126,493
Depreciation	-21,010	-22,010	-22,085
New provisions and adjustments to previous provisions	-5,501	-328,290	-4,023
Profit/loss on sale of assets	-	-	-388
Prior period adjustments	-	-	-
Other non-cash items	-260	-260	2,912
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-	-4,451	-
Increase (-) / Decrease (+) in creditors	-	8,470	-
Use of provisions	25,470	16,204	14,908
Total accruals to cash adjustments	-147,219	-471,523	-135,169
Excess cash to be CFERd	-	-	-
Net Cash Requirement	4,466,519	4,285,039	3,800,282

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					
	2007-08		2006-07		2005-06	
	Provision		Provision		Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as A in A	-	-	-	-	2,626	2,626
Non-operating income not classified as A in A	-	-	-	-	7,155	7,665
Other amounts collectable on behalf of the Consolidated Fund	500	<i>500</i>	500	<i>500</i>	-	-
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-
Total	500	500	500	500	9,781	10,291

Forecast Operating Cost Statement

	£'000		
	2007-08 Provision	2006-07 Provision	2005-06 Outturn
Net Administration Costs			
RfR 1	229,000	262,012	219,525
RfR 2	3,000	3,000	2,693
Total Net Administration costs	232,000	265,012	222,218
Net Programme Costs			
RfR 1	4,324,640	4,434,335	3,649,629
RfR 2	35,098	37,215	30,280
Total Net Programme costs	4,359,738	4,471,550	3,679,909
Total Net Operating Cost	4,591,738	4,736,562	3,902,127
<i>of which:</i>			
Net Resource Requirement	4,591,738	4,736,562	3,904,753
Non-voted expenditure	-	-	-
Consolidated Fund Extra Receipts	-	-	-2,626
Resource Budget	4,714,952	4,736,160	4,184,934

Notes to the Main Estimate (*continued*)

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2007-08	2006-07	2005-06
	Provision	Provision	Outturn
Net Resource Requirement (Estimates)	4,591,738	4,736,562	3,904,753
<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	-	-	-2,626
Other adjustments	-	-	-
Net Operating Cost (Accounts)	4,591,738	4,736,562	3,902,127
<i>Adjustments to remove:</i>			
Gains / losses from sale of capital assets	-	-	-388
Capital grants	-621,250	-665,401	-373,804
European Union income related to capital grants	-	-	-
Voted expenditure outside the budget	-	-1	-1
<i>Adjustments to additionally include:</i>			
Other Consolidated Fund Extra Receipts	-	-	-
Resource consumption of non departmental public bodies	-	-	-
Unallocated resource provision	43,064	-	-
Other adjustments	701,400	665,000	657,000
Resource Budget (Budget)	4,714,952	4,736,160	4,184,934
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	4,637,112	4,352,290	4,113,500
Annually Managed Expenditure (AME)	77,840	383,870	71,434

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2007-08	2006-07	2005-06
	Provision	Provision	Outturn
Net Voted Capital (Estimates)	22,000	20,000	30,698
<i>Adjustments to additionally include:</i>			
Other Consolidated Fund Extra Receipts	-	-	-7,155
Capital spending by non-departmental public bodies	-	-	-
Capital grants	621,250	665,401	373,804
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)	643,250	685,401	397,347
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	643,250	685,401	397,347
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 Chakrabarti, Permanent Head of the Department

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

Sir Suma Chakrabarti 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		
	2007-08 Provision	2006-07 Provision	2005-06 Outturn
RfR 1: Eliminating poverty in poorer countries			
Administration	4,300	2,500	5,099
<i>of which:</i>			
Sale of goods and services	4,300	2,500	5,099
Programme	5,000	1,733	271
<i>of which:</i>			
Sale of goods and services	1,000	1,000	723
Interest and dividends	4,000	733	2,174
CFERs	-	-	-2,626
Total RfR 1	9,300†	4,233	5,370
<i>† 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.</i>			
Total Operating A in A	9,300	4,233	5,370

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

	£'000		
	2007-08 Provision	2006-07 Provision	2005-06 Outturn
RfR 1: Eliminating poverty in poorer countries			
Programme	19,343	26,565	24,729
<i>of which:</i>			
Sale of assets	53	53	7
Loan, etc, repayments	19,290	26,512	31,877
CFERs	-	-	-7,155
Total RfR 1	19,343†	26,565	24,729
<i>† Amount that may be applied as non-operating appropriations in aid, 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.</i>			
Total Non-Operating A in A	19,343	26,565	24,729

Notes to the Main Estimate (*continued*)

Analysis of Consolidated Fund extra receipts

	£'000					
	2007-08		2006-07		2005-06	
	Provision		Provision		Outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Interest on Loans Φ	-	-	-	-	2,626	2,626
Capital receipts Φ	-	-	-	-	7,155	7,665
Other amounts collectable on behalf of the Consolidated Fund \bullet	500	500	500	500		
Total	500	500	500	500	9,781	10,291

Notes to the Main Estimate (*continued*)

Departmental Expenditure Limits and Administration budgets

	£'000		
	Voted	Non-voted	Total
Resource DEL	3,883,228	753,884	4,637,112
<i>of which: †</i>			
Administration budget	232,000	-	232,000
Near-cash in RDEL	3,797,799	769,934	4,567,733
Capital DEL ††	643,250	-	643,250
Less Depreciation †††	-21,010	-	-21,010
Total DEL	4,505,468	753,884	5,259,352

† 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 and forecast outturn for the previous year

The total net resource sought for 2007-08 of £4,591,738,000 is 3.1 per cent lower than the final net provision for 2006-07 of £4,736,562,000 and 2.3 per cent lower than the forecast outturn for 2006-07 of £4,700,349,000.

Cash which may be retained to offset expenditure

	£'000		
	2007-08 Provision	2006-07 Provision	2005-06 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.	28,643	30,798	30,099

Notes to the Main Estimate (*continued*)

Contingent liabilities

Nature of Liability	£'000
Callable element of capital subscription: International Bank for Reconstruction and Development	4,551,000
Callable element of capital subscriptions: other International Financial Institutions	2,311,000
UK share of EU member states collective guarantee of lending by the European Investment Bank under the Lome Convention	353,659
Guarantee of borrowing by CDC Group from European Investment Bank	10,959
UK National Guarantee of EIB lending to UK overseas territories	1,107

