

Department for International Development

Introduction

1. This Supplementary Estimate is required for the following purposes:

| | | Amount (£) | |
|---|---|-------------------|-------------------|
| | | <u>Increases</u> | <u>Reductions</u> |
| <u>Changes in resources</u> | | | |
| RfR 1: Eliminating poverty in poorer countries | | | |
| <u>Section</u> | <u>Reason for change</u> | | |
| <u>Changes related to movements in budgets</u> | | | |
| <u>Take up of Departmental Unallocated Provision</u> | | | |
| D | Allocated to budgets voted in section D. | 31,860,000 | |
| G | Allocated to administration budgets voted in section G. | 10,000 | |
| <u>Transfers of budgetary cover to/from other government departments</u> | | | |
| B | Transfer of funds to the Foreign & Commonwealth Office Global Conflict Prevention Pool for projects in Sri Lanka. | | -1,500,000 |
| <u>Changes in Annually Managed Expenditure (AME)</u> | | | |
| J | Increased provision for cost of capital charges for Self Financed Public Corporations. | 14,035,000 | |
| K | Increased provision for possible new bond issues for the International Finance Facility for Immunisation. | 9,999,000 | |
| <u>Other changes</u> | | | |
| <u>Resource transfers to/from another Request for Resources</u> | | | |
| G | Transfer administration costs to RfR 2, section C, Post Conflict Reconstruction. | | -700,000 |
| <u>Changes in operating appropriations-in-aid (fully offset by changes in spending)</u> | | | |
| G | Increase in expected Administration income, fully offset by increase in spending in section G. | 761,000 | -761,000 |
| | | <u>Total</u> | |
| Total change in resources for RfR1 | | 56,665,000 | -2,961,000 |
| | | | 53,704,000 |

RfR 2: Conflict Prevention

| <u>Section</u> | <u>Reason for change</u> | <u>Increases</u> | <u>Reductions</u> |
|--|--|-------------------|-------------------|
| <u>Changes related to movements in budgets</u> | | | |
| <u>Take up of Departmental Unallocated Provision</u> | | | |
| A | Allocated to budgets voted in section A | 6,249,000 | |
| <u>Transfers of budgetary cover to/from other government departments</u> | | | |
| A | Transfer to the Foreign & Commonwealth Office in respect of Africa Conflict Prevention Pool | | -3,413,000 |
| A | Transfer to the Ministry of Defence in respect of Africa Conflict Prevention Pool | | -229,000 |
| B | Transfer from the Foreign & Commonwealth Office in respect of Global Conflict Prevention Pool | 9,660,000 | |
| <u>Other changes</u> | | | |
| <u>Resource transfers to/from another Request for Resources</u> | | | |
| C | Transfer of administration costs from RfR 1, section G, Central Departments | 700,000 | |
| <u>Resource transfers within the Request for Resources</u> | | | |
| A | Transfer of funds from Africa Conflict Pool to Post Conflict Reconstruction Unit relating to a project in Sudan. | | -1,577,000 |
| C | Transfer of funds from Africa Conflict Pool to Post Conflict Reconstruction Unit relating to a project in Sudan. | 1,577,000 | |
| | | <u>Total</u> | <u>-5,219,000</u> |
| Total change in resources for RfR2 | | 18,186,000 | 12,967,000 |
| Total change in resources for Estimate | | | 66,671,000 |

Changes in Capital**RfR 1: Eliminating poverty in poorer countries**

| <u>Section</u> | <u>Reason for change</u> | <u>Increases</u> | <u>Reductions</u> |
|---|---|------------------|-------------------|
| <u>Changes related to movements in budgets</u> | | | |
| <u>Take up of DEL End-Year Flexibility</u> | | | |
| A | Capital DEL EYF drawn down, allocated to budgets voted in section G | 15,000,000 | |
| <u>Other changes</u> | | | |
| <u>Transfers within the Estimate</u> | | | |

Department for International Development

Spring Supplementary Estimate, 2007-08

| | | | |
|---|--|-----------|------------|
| A | Reduction in allocation to section A in line with revised forecast outturn | | -5,000,000 |
| G | Increase in allocation to section G in line with revised forecast outturn | 5,000,000 | |

Changes in non-operating appropriations-in-aid (offset by changes in spending)

| | | | |
|---|---|------------|-------------|
| G | Increase in expected loan repayments, offset within budgets by an increase in capital spending within the same section. | 21,000,000 | -21,000,000 |
|---|---|------------|-------------|

| | | | |
|---|--------------|------------|-------------------|
| | <u>Total</u> | 41,000,000 | -26,000,000 |
| Total change in capital for Estimate | | | 15,000,000 |

2. As a result of the above and non-cash adjustments, there is an increase in the net cash requirement of £33,848,000.

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

Department for International Development

Part I

£

| | |
|---|-------------------|
| RfR 1: Eliminating poverty in poorer countries | 53,704,000 |
| RfR 2: Conflict Prevention | 12,967,000 |
| Total additional net resource requirement | 66,671,000 |
| Additional net cash requirement | 33,848,000 |

SUPPLEMENTARY amounts required in the year ending 31 March 2008 for expenditure by the Department of 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 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.

Part II: Changes proposed

| | | £'000 | | | | |
|--|---|--------------------------|------------------------------|---------------------|----------------------------|----------------------|
| Resources | | Present Net Provision | Change in Gross Provision | Change in A in A | Change in Net Provision | New Net Provision |
| RfR 1: Eliminating poverty in poorer countries | | | | | | |
| Spending in Departmental Expenditure Limits (DEL) | | | | | | |
| <i>Central Government spending</i> | | | | | | |
| RfR 1- B | Reducing Poverty in Asia | 801,000 | -1,500 | - | -1,500 | 799,500 |
| RfR 1- D | Improve the Effectiveness of Multilateral Aid | 1,717,302 | 31,860 | - | 31,860 | 1,749,162 |
| RfR 1- G | Central Departments | 92,600 | 71 | 761 | -690 | 91,910 |
| Spending in Annually Managed Expenditure | | | | | | |
| <i>Central Government spending</i> | | | | | | |
| RfR 1- J | Programmes Contributing to Multiple Objectives | 87,259 | 14,035 | - | 14,035 | 101,294 |
| RfR 1- K | Grants to the International Finance Facility for Immunisation | 1 | 9,999 | - | 9,999 | 10,000 |
| Total RfR 1 | | 54,465 | | 761 | 53,704 | |
| RfR 2: Conflict Prevention | | | | | | |
| Spending in Departmental Expenditure Limits (DEL) | | | | | | |
| RfR 2 - A | Africa Conflict Prevention | 23,578 | 1,030 | - | 1,030 | 24,608 |
| RfR 2 - B | Global Conflict Prevention | 8,520 | 9,660 | - | 9,660 | 18,180 |
| RfR 2 - C | Post Conflict Reconstruction | 6,000 | 2,277 | - | 2,277 | 8,277 |
| Total RfR 2 | | 12,967 | | - | 12,967 | |
| Total Changes to RfRs | | 67,432 | | 761 | 66,671 | |

| | Present Provision | Change in Provision | £000 New Provision |
|-----------------------------|----------------------|------------------------|-----------------------|
| Capital and Cash | | | |
| Total Capital Expenditure | 41,343 | 36,000 | 77,343 |
| Non-Operating A in A | 19,343 | 21,000 | 40,343 |
| Net cash requirement | 4,466,519 | 33,848 | 4,500,367 |

Part II: Revised subhead detail including additional provision

| Resources | | | | | | Capital | | £'000 |
|---|---------------|---------|-------------|-----------|-----------|-----------|----------------------|--------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | |
| Admin | Other current | Grants | Gross Total | A in A | Net Total | Capital | Non-operating A in A | |
| RfR 1: Eliminating poverty in poorer countries | | | | | | | | |
| | 233,371 | 667,350 | 3,716,684 | 4,617,405 | 10,061 | 4,607,344 | 77,343 | 40,343 |
| 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 | 11,283 | 10 |
| B Reducing Poverty in Asia | 30,000 | 98,167 | 671,333 | 799,500 | - | 799,500 | 4,540 | 10 |
| C Reducing Poverty in the Rest of the World | 19,000 | 45,137 | 140,213 | 204,350 | - | 204,350 | 3,022 | 10 |
| D Improve the Effectiveness of Multilateral Aid | 13,000 | 96,500 | 1,639,662 | 1,749,162 | - | 1,749,162 | - | - |
| E Developing Innovative Approaches to Development | 19,000 | 74,800 | 100,478 | 194,278 | - | 194,278 | - | - |
| F Programmes Contributing to Multiple Objectives | 11,000 | 57,011 | 92,989 | 161,000 | - | 161,000 | - | - |
| G Central Departments | 89,371 | 12,600 | - | 101,971 | 10,061 | 91,910 | 58,498 | 40,033 |
| H Certain beneficiaries of the Gibraltar Social Insurance Fund | - | - | 16,300 | 16,300 | - | 16,300 | - | - |
| I Crown Agents loan repayments | - | - | - | - | - | - | - | 280 |
| Spending in Annually Managed Expenditure | | | | | | | | |
| <i>Central Government spending</i> | | | | | | | | |
| J Programmes Contributing to Multiple Objectives | - | 101,294 | - | 101,294 | - | 101,294 | - | - |
| K Grants to the International Finance Facility for Immunisation | - | 10,000 | - | 10,000 | - | 10,000 | - | - |
| Non-budget | | | | | | | | |
| <i>EU Research Grants (Net)</i> | | | | | | | | |
| - | - | - | - | - | - | - | - | - |
| RfR 2: Conflict Prevention | | | | | | | | |
| | 3,700 | 4,577 | 42,788 | 51,065 | - | 51,065 | - | - |
| Spending in Departmental Expenditure Limits (DEL) | | | | | | | | |
| <i>Central Government spending</i> | | | | | | | | |
| A Africa Conflict Prevention | - | - | 24,608 | 24,608 | - | 24,608 | - | - |
| B Global Conflict Prevention | - | - | 18,180 | 18,180 | - | 18,180 | - | - |
| C Post Conflict Reconstruction | 3,700 | 4,577 | - | 8,277 | - | 8,277 | - | - |

Part II: Revised subhead detail including additional provision

| Resources | | | | | | Capital | | £'000 |
|----------------------------|---------------|-----------|-------------|--------|-----------|---------|----------------------|-------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | |
| Admin | Other current | Grants | Gross Total | A in A | Net Total | Capital | Non-operating A in A | |
| Total for Estimate: | | | | | | | | |
| 237,071 | 671,927 | 3,759,472 | 4,668,470 | 10,061 | 4,658,409 | 77,343 | 40,343 | |

Part II: Resource to cash reconciliation

| | <u>Present</u> | <u>Increase (+) Decrease (-)</u> | £'000 <u>Revised</u> |
|---|------------------|--------------------------------------|-------------------------|
| Net Resource Requirement | 4,591,738 | 66,671 | 4,658,409 |
| Voted capital items | | | |
| Capital | 41,343 | 36,000 | 77,343 |
| <i>Less:</i> Non-operating A in A | <u>19,343</u> | <u>21,000</u> | <u>40,343</u> |
| Total net voted capital | 22,000 | 15,000 | 37,000 |
| Accruals to cash adjustment | | | |
| Adjustments to remove non-cash items: | | | |
| Cost of Capital charges | -145,918 | -14,035 | -159,953 |
| Depreciation | -21,010 | 3,000 | -18,010 |
| New provisions and adjustments to previous provisions | -5,501 | 7,001 | 1,500 |
| Profit/loss on sale of assets | - | - | - |
| Prior period adjustments | - | - | - |
| Other non-cash items | -260 | - | -260 |
| Increase(+)/decrease (-) in stock | - | - | - |
| Increase(+)/decrease (-) in debtors | - | - | - |
| Increase(-)/decrease (+) in creditors | - | -43,789 | -43,789 |
| Use of provisions | <u>25,470</u> | <u>-</u> | <u>25,470</u> |
| Total accruals to cash adjustments | -147,219 | -47,823 | -195,042 |
| Excess cash to be CFERd | - | - | - |
| Net Cash Requirement | 4,466,519 | 33,848 | 4,500,367 |

Part III: Extra receipts payable to the Consolidated Fund

As in existing provision

Forecast Operating Cost Statement

| | £'000 |
|---------------------------------------|----------------------|
| | 2007-08 provision |
| Net Administration Costs | |
| RfR1 | 228,310 |
| RfR2 | 3,700 |
| Total Net Administration Costs | 232,010 |
| Net Programme Costs | |
| RfR1 | 4,379,034 |
| RfR2 | 47,365 |
| Non-voted | - |
| Total Net Programme costs | 4,426,399 |
| Total Net Operating Cost | 4,658,409 |
| <i>of which:</i> | |
| Net Resource Requirement | 4,658,409 |
| Non-voted expenditure | - |
| Consolidated Fund Extra Receipts | - |
| Resource Budget | 4,665,559 |

Notes to the Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

| | £'000 |
|--|----------------------|
| | 2007-08 Provision |
| Net Resource Requirement (Estimates) | 4,658,409 |
| <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 | - |
| Other adjustments | - |
| Net Operating Costs (Accounts) | 4,658,409 |
| <i>Adjustments to remove:</i> | |
| Gains/losses from sale of capital assets | - |
| Capital grants | -694,250 |
| European Union income related to capital grants | - |
| voted expenditure outside the budget | - |
| <i>Adjustments to additionally include:</i> | |
| other Consolidated Fund Extra Receipts | - |
| resource consumption of non departmental public bodies | - |
| unallocated resource provision | - |
| Other adjustments | 701,400 |
| Resource Budget (Budget) | 4,665,559 |
| <i>of which:</i> | |
| Departmental Expenditure Limit (DEL) | 4,563,685 |
| Annually Managed Expenditure (AME) | 101,874 |

Reconciliation of capital expenditure between Estimates and Budgets

| | £'000 |
|--|----------------------|
| | 2007-08 Provision |
| Net Voted Capital (Estimates) | 37,000 |
| <i>Adjustments to additionally include:</i> | |
| other Consolidated Fund Extra Receipts | - |
| capital spending by non departmental public bodies | - |
| capital grants | 694,250 |
| 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) | 731,250 |
| <i>of which:</i> | |
| Departmental Expenditure Limits (DEL) | 731,250 |
| Annually Managed Expenditure (AME) | - |

Notes to the 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 Sue Owen, Acting Permanent Head of the Department

Request for Resources 2 Sue Owen, Acting Permanent Head of the Department

Sue Owen 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 chapter 3 of Managing Public Money. 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 Estimate (*continued*)

Analysis of operating appropriations in aid (A in A)

£'000

2007-08

RfR 1: Eliminating poverty in poorer countries

| | |
|----------------------------|--------------|
| Administration | 5,061 |
| <i>of which:</i> | |
| Sale of goods and services | 5,061 |
| Programme | 5,000 |
| <i>of which:</i> | |
| Sale of goods and services | 1,000 |
| Interest and Dividends | 4,000 |

| | |
|-------------------|-----------------|
| Total RfR1 | 10,061 † |
|-------------------|-----------------|

† 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 the bilateral country and sector programmes; refunds 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 | 10,061 |
|-------------------------------|---------------|

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

RfR 1: Eliminating poverty in poorer countries

| | |
|------------------|---------------|
| Programme | 40,343 |
| <i>of which:</i> | |
| Sale of assets | 53 |
| Loan repayments | 40,290 |

| | |
|-------------------|-----------------|
| Total RfR1 | 40,343 † |
|-------------------|-----------------|

† Amount that may be applied as non-operating appropriations in aid arising from: repayment of loans given to 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 | 40,343 |
|-----------------------------------|---------------|

Notes to the Estimate (*continued*)

Departmental Expenditure Limits and Administration Budgets

| | Change | | New DEL | | £'000 |
|--------------------------------|--------|-----------|-----------|-----------|-----------|
| | Voted | Non-voted | Voted | Non-voted | Total |
| Resource DEL | 42,637 | -38,069 | 3,852,865 | 710,820 | 4,563,685 |
| <i>of which:</i> | | | | | |
| <i>Administration budget †</i> | 10 | - | 232,010 | - | 232,010 |
| <i>Near-cash in RDEL</i> | 62,637 | -38,069 | 3,787,436 | 726,870 | 4,514,306 |
| Capital DEL †† | 15,000 | - | 731,250 | - | 731,250 |
| Less Depreciation ††† | 3,000 | - | -18,010 | - | -18,010 |
| Total DEL | 60,637 | -38,069 | 4,566,105 | 710,820 | 5,276,925 |

† The total of '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.

Cash which may be retained to offset expenditure

| | £'000 |
|---|--------|
| 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 | 50,404 |

