

# Department for International Development

## Introduction

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

### **RfR 1: Eliminating poverty in poorer countries**

#### **Increases:**

#### Take up of End Year Flexibility

1. Capital £11,800,000

£4,400,000 to Section A, £1,500,000 to Section B, for construction of new offices and security enhancements to regional offices in sub-Saharan Africa and Asia

£900,000 to Section D for investments in regional development banks and other international development agencies

£5,000,000 to Section G for investment in improvements to management information and financial systems

#### Transfers from non-voted Spending

1. Take up of Departmental Unallocated Provision  
Programme Resource £9,865,000

£4,865,000 to Section A for development programmes in sub-Saharan Africa

£5,000,000 to Section E for programmes developing innovative approaches to development

#### Transfers from Other Government Departments

1. Department for Education and Skills, £19,000 Resources within Departmental Expenditure Limit  
£19,000 to Section D  
Charitable donations relating to UK Presidencies of the G8 and European Union

#### Other Increases

1. Programme Resource £2,000,000 Resources within Departmental Expenditure Limit  
£2,000,000 to Section B  
Additional resources relating to donation to Disasters Emergency Committee equivalent to VAT charged on Tsunami appeal events
2. Programme Resource £1,000  
£1,000 to Section K  
Token provision for research funds received from the European Union for disbursement to private sector organisations

#### **Neutral Changes:**

#### Transfers within the RfR

1. Transfer of £20,525,000 resource from Section F to Section D relating to capital charges on loans to and investments in international development banks and other international financial institutions
2. Transfers of £1,325,000 resource from Section H to Section E in respect of programmes relating to innovative approaches to development
3. Transfer of £2,000,000 capital from Section C to Section D in respect of investments in regional development banks

## Introduction (*continued*)

3. Transfer of £650,000 Non Operating Appropriations in Aid from Section A to Section C
4. Transfer of £350,000 Non Operating Appropriations in Aid from Section B to Section C
5. Transfer of £900,000 Non Operating Appropriations in Aid from Section B to Section F

### Decreases

#### Other Decreases

1. Programme Resource £2,838,000 within Departmental Expenditure Limit  
£2,838,000 reduction in Section A  
Adjustment relating to refund of VAT to BandAid Charitable Trust being lower than provision included in Main Estimates

### RfR 2: Conflict prevention

#### Increases:

#### Take up of End Year Flexibility

1. Capital £200,000  
£200,000 to Section C for investment in information systems for the Post Conflict Reconstruction Unit
2. As a result of these changes there is an increase in the net cash requirement of £21,452,000
3. Symbols are explained in the Introduction to this booklet.

**Part I**

£

<b>RfR 1: Eliminating poverty in poorer countries</b>	<b>9,047,000</b>
Total additional net resource requirement	9,047,000
<b>Additional net cash requirement</b>	<b>21,452,000</b>

SUPPLEMENTARY amounts required in the year ending 31 March 2006 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.

## 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
<b>RfR 1: Eliminating poverty in poorer countries</b>					
<b>Spending in Departmental Expenditure Limits (DEL)</b>					
RfR 1 - A Reducing Poverty in sub-Saharan Africa	1,074,420	2,027	-	2,027	1,076,447
RfR 1 - B Reducing Poverty in Asia	746,427	2,000	-	2,000	748,427
RfR 1 - C Reducing Poverty in the Rest of the World	195,364	-	-	-	195,364
RfR 1 - D Improve the Effectiveness of Multilateral Aid	1,304,602	20,544	-	20,544	1,325,146
RfR 1 - E Developing Innovative Approaches to Development	147,553	6,325	-	6,325	153,878
RfR 1 - F Programmes Contributing to Multiple Objectives	205,459	-20,525	-	-20,525	184,934
RfR 1 - G Central Departments	76,570	-	-	-	76,570
RfR 1 - H Certain Beneficiaries of the Gibraltar Social Insurance Fund	7,525	-1,325	-	-1,325	6,200
<b>Spending in Annually Managed Expenditure (AME)</b>					
RfR 1 - J Programmes Contributing to Multiple Objectives	61,512	-	-	-	61,512
<b>Non-budget</b>					
RfR 1 - K EU Research Grants (Net)	-	1	-	1	1
<b>Total RfR 1</b>		<b>9,047</b>	<b>-</b>	<b>9,047</b>	

	Present Provision	Change in Provision	£000 New Provision
<b>Capital and Cash</b>			
Total Capital Expenditure	55,000	12,000	67,000
Non-Operating A in A	25,000	-	25,000
<b>Net cash requirement</b>	<b>3,797,311</b>	<b>21,452</b>	<b>3,818,763</b>

**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	
<b>RfR 1: Eliminating poverty in poorer countries</b>								
240,570	210,613	3,382,629	3,833,812	5,333	3,828,479	66,800	25,000	
<b>Spending in Departmental Expenditure Limits (DEL)</b>								
<i>Central Government spending</i>								
A Reducing Poverty in sub-Saharan Africa								
56,000	150	1,020,515	1,076,665	218	1,076,447	8,210	850	
B Reducing Poverty in Asia								
32,400	385	715,857	748,642	215	748,427	1,700	250	
C Reducing Poverty in the Rest of the World								
23,900	836	170,828	195,564	200	195,364	14,190	4,697	
D Improve the Effectiveness of Multilateral Aid								
14,500	63,444	1,247,302	1,325,246	100	1,325,146	16,480	18,000	
E Developing Innovative Approaches to Development								
19,000	-151	135,029	153,878	-	153,878	-	-	
F Programmes Contributing to Multiple Objectives								
13,600	84,437	86,897	184,934	-	184,934	-	900	
G Central Departments								
81,170	-	-	81,170	4,600	76,570	26,220	23	
H Certain Beneficiaries of the Gibraltar Social Insurance Fund								
-	-	6,200	6,200	-	6,200	-	-	
I Crown Agents Loan Repayments								
-	-	-	-	-	-	-	280	
<i>Anti money laundering</i>								
-	-	-	-	-	-	-	-	
<b>Spending in Annually Managed Expenditure (AME)</b>								
<i>Central Government spending</i>								
J Programmes Contributing to Multiple Objectives								
-	61,512	-	61,512	-	61,512	-	-	
<b>Non-budget</b>								
K EU Research Grants (Net)								
-	-	1	1	-	1	-	-	
<b>RfR 2: Conflict prevention</b>								
3,000	4,500	40,050	47,550	-	47,550	200	-	
<b>Non-budget</b>								
A Africa Conflict Prevention								
-	-	20,000	20,000	-	20,000	-	-	
B Global Conflict Prevention								
-	-	15,550	15,550	-	15,550	-	-	
C Post Conflict Reconstruction								
3,000	4,500	4,500	12,000	-	12,000	200	-	
<b>Total for Estimate:</b>								
243,570	215,113	3,422,679	3,881,362	5,333	3,876,029	67,000	25,000	

## Part II: Resource to cash reconciliation

	<u>Present</u>	<u>Increase (+)/ Decrease (-)</u>	<u>£'000</u> <u>Revised</u>
<b>Net total Resources</b>	<b>3,866,982</b>	<b>9,047</b>	<b>3,876,029</b>
<b>Voted capital items</b>			
Capital expenditure	55,000	12,000	67,000
<i>Less: non-operating A in A</i>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
<b>Total net voted capital</b>	<b>30,000</b>	<b>12,000</b>	<b>42,000</b>
<b>Accruals to cash adjustment</b>			
Adjustments to remove non-cash items:			
Cost of Capital charges	-118,247	2,896	-115,351
Depreciation	-22,000	-8	-22,008
New provisions and adjustments to previous provisions	-2,000	-	-2,000
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-250	-	-250
Increase(+)/decrease (-) in stock	-	-	-
Increase(+)/decrease (-) in debtors	10,000	1,444	11,444
Increase(-)/decrease (+) in creditors	10,000	-	10,000
Use of provisions	<u>22,826</u>	<u>-3,927</u>	<u>18,899</u>
<b>Total accruals to cash adjustments</b>	<b>-99,671</b>	<b>405</b>	<b>-99,266</b>
<b>Excess cash to be CFERd</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash requirement</b>	<b>3,797,311</b>	<b>21,452</b>	<b>3,818,763</b>

## Part III: Extra receipts payable to the Consolidated Fund

In addition to Appropriations in aid, the following income and receipts relate to the department and is payable to the Consolidated Fund (cash receipts being shown in italics):

	<u>Present provision</u>		<u>New provision</u>	
	<u>Income</u>	<u>Receipts</u>	<u>Income</u>	<u>Receipts</u>
Operating income not classified as A in A	2,500	<i>3,000</i>	2,500	<i>3,000</i>
Non-operating income not classified as A in A	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	500	-	500	5,233
Excess receipts to be surrendered to the Consolidated Fund	-	-	-	-
<b>Total</b>	<b>3,000</b>	<b><i>3,000</i></b>	<b>3,000</b>	<b><i>8,233</i></b>

## Forecast Operating Cost Statement

		£'000
		2005-06 provision
<b>Net Administration Costs</b>		
RfR 1	235,970	
RfR 2	<u>3,000</u>	
<b>Total Net Administration Costs</b>		<b>238,970</b>
<b>Net Programme Costs</b>		
RfR 1	3,592,509	
RFR 2	44,550	
Non voted expenditure	<u>550</u>	
<b>Total Net Programme costs</b>		<b>3,637,609</b>
<b>Total Net Operating Cost</b>		<b>3,876,579</b>
<i>of which:</i>		
<b>Net Resource Outturn</b>		<b>3,876,029</b>
CFERs		-2,500
Non-voted expenditure		3,050
<b>Resource Budget Outturn</b>		<b>4,513,602</b>

## Notes to the Estimate

### Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2005-06 Provision
<b>Net Resource Outturn (Estimates)</b>	<b>3,876,029</b>
<i>Adjustments to remove:</i>	
provision voted for earlier years	-
<i>Adjustments to additionally include:</i>	
non-voted expenditure in the OCS	3,050
Consolidated Fund extra receipts (CFERS) in the OCS	-2,500
Other adjustments	-
<b>Net Operating Costs (Accounts)</b>	<b>3,876,579</b>
<i>Adjustments to remove:</i>	
capital grants to local authorities	-
capital grants financed from the Capital Modernisation Fund	-
European Union income and related adjustments	-1
voted expenditure outside the budget	-
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	2,500
resource consumption of non departmental public bodies	-
unallocated resource provision	7,524
Other adjustments	627,000
<b>Resource Budget Outturn (Budget)</b>	<b>4,513,602</b>
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	4,452,090
Annually Managed Expenditure (AME)	61,512

### Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2005-06 Provision
<b>Net Voted Capital Outturn (Estimates)</b>	<b>42,000</b>
<i>Adjustments to remove:</i>	
gains/losses from sale of capital assets	-
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	-
capital spending by non departmental public bodies	-
capital grants to local authorities	-
capital grants financed by the Capital Modernisation Fund	-
local authority credit approvals	-
capital spending by levy funded bodies	-
unallocated capital provision	-
Other adjustments	-
<b>Capital Budget Outturn (Budget)</b>	<b>42,000</b>
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	42,000
Annually Managed Expenditure (AME)	-

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## 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.

<b>Request for Resources 1</b>	Suma Chakrabati, Principal Accounting Officer and Permanent Head of the Department for International Development
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<b>Request for Resources 2</b>	Suma Chakrabati, Principal Accounting Officer and Permanent Head of the Department for International Development
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Suma Chakrabati as the Principal Accounting Officer (PAO) of the Department for International Development has personal responsibility for the proper presentation of the Department for International Development's resource accounts as prescribed in legislation, or by the Treasury, and their transmission to the Comptroller and Auditor General. The PAO as the permanent head, in addition to the responsibilities for the assigned RfR, 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 the 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 available resources. In addition, the Accounting Officer must ensure that there is a sound system of internal control to support the achievement of the Department for International Development's policies, aims, and objectives; and should regularly review the effectiveness of that system.

## Notes to the Estimate (*continued*)

### Analysis of appropriations in aid (A in A)

	£'000	
	2005-06 Provision	
	Operating A in A	Non operating A in A
<b>RfR 1: Eliminating poverty in poorer countries</b>		
Bilateral and multilateral loan repayments	-	6,697
Guarantee refunds from European Investment Bank	100	-
Rental income - Office accommodation	4,500	-
Recovery of EBRD Director's salary	100	-
Crown Agents Loan repayment	-	280
Receipts from overseas governments	633	-
Sales of Fixed Assets	-	23
Loan repayments - multilateral	-	18,000
<b>Total RfR1</b>	<b>5,333 *</b>	<b>25,000 **</b>
<i>of which: Administration Budgets</i>	4,600	-

\* Amount that may be applied as 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; administration receipts for: seconded officers, including recovery of the European Bank for Reconstruction and Development Executive Director's salary; recoveries from other government departments; recoveries from staff for use of official vehicles.

\*\* 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.

## Notes to the Estimate (*continued*)

### Analysis of Consolidated Fund extra receipts

	£'000	
	2005-06 provision	
	Income	Receipts
Interest on loans	2,500	3,000
Other amounts collectable on behalf of the Consolidated Fund	500	5,233
<b>Total</b>	<b>3,000</b>	<b>8,233</b>

### Departmental Expenditure Limits and Administration Budgets

As announced to the House of Commons, the Department for International Development Departmental Expenditure Limit will change as follows:

	New DEL			£'000
	Change	Voted	Non-voted	Total
Resource	-20,954	3,814,516	637,574	4,452,090
<i>of which : Administration Budget</i>	-	238,970	-	238,970
Capital	12,000	42,000	-	42,000
Depreciation*	-8	-22,008	-	-22,008
Total	-8,962	3,834,508	637,574	4,472,082

\*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

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	<b>£'000</b> <b>30,333</b>
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