

Department for International Development

Introduction

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

Amount £

Changes in resources

RfR 1: Eliminating poverty in poorer countries

Increases:

Spending within Departmental Expenditure Limits(DEL)

Take up of end-year flexibility

- | | | |
|----|---|------------|
| 1. | Near cash programme EYF drawn down, added to section D
Support for budgets for humanitarian assistance programmes and contributions to international aid organisations | 47,077,000 |
| 2. | Administration, non-cash EYF drawn down, added to section G
Increased provision for non cash costs on centrally managed budgets | 30,000,000 |

Transfers from non-voted -spending

- | | | |
|----|--|-----------|
| 1. | Take up of departmental unallocated provision
Allocated to budgets voted in section D for humanitarian assistance programmes and contributions to international aid organisations | 6,544,000 |
| 2. | Increase in programme resource in Section D , funded from in-year savings on non-voted payments to the International Finance Facility for Immunisation | 8,470,000 |

Other increases

- | | | |
|----|--|---------|
| 1. | Additional near cash resource from the central Reserve relating to donation to BandAid Charitable Trust equivalent to VAT paid on Band Aid events - added to section A | 343,000 |
| 2. | Increased provision in administration costs for purchase of legal services, funded in budgetary terms by a transfer of near cash administration costs from the Cabinet Office- section G | 12,000 |

Increases in Annually Managed Expenditure (AME)

- | | | |
|----|--|------------|
| 1. | Increased expense for provision against future payments to the International Finance Facility for Immunisation (section K) | 94,280,000 |
| 2. | Increased provision for cost of capital charges for Self Financed Public Corporations (Section J) | 11,000,000 |

Increases in non-budget spending

- | | | |
|----|---|-------|
| 1. | Token provision for receipt of EU research funding in new Section L | 1,000 |
|----|---|-------|

Neutral Changes:Transfers within the RfR

Switch of £30,343,000 from section A to section D - reallocation between programmes in line with forecast outturn for the year

Total change in resources for RfR1 197,727,000

RfR 2: Conflict prevention**Increases:**Transfer from non-voted spending

1	Take up of departmental unallocated provision Programme resource to Section A for Africa Conflict Prevention programmes	1,085,000
---	--	-----------

Total change in resources for RfR2 1,085,000

Total change in resources for Estimate 198,812,000

2. As a result of the above and associated non-cash adjustments, there is an increase in the net cash requirement of £7,055,000

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

Part I

£

RfR 1: Eliminating poverty in poorer countries	197,727,000
RfR 2: Conflict prevention	1,085,000
Total additional net resource requirement	198,812,000
Additional net cash requirement	7,055,000

SUPPLEMENTARY 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.

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)					
RfR 1 - A Reducing Poverty in sub-Saharan Africa	1,121,960	-30,000	-	-30,000	1,091,960
RfR 1 - D Improve the Effectiveness of Multilateral Aid	1,718,930	92,434	-	92,434	1,811,364
RfR1 - G Central Departments	82,800	30,012	-	30,012	112,812
Spending in Annually Managed Expenditure (AME)					
RfR1 - J Programmes Contributing to Multiple Objectives	77,970	11,000	-	11,000	88,970
RfR 1 - K Grants to International Finance Facility for Immunisation	200,620	94,280	-	94,280	294,900
Non - Budget					
RfR1- L EU research grants (net)	-	1	-	1	1
Total RfR 1		197,727	-	197,727	
RfR 2: Conflict prevention					
Spending in Departmental Expenditure Limits (DEL)					
RfR 2 - A Africa Conflict Prevention	21,540	1,085	-	1,085	22,625
Total RfR 2		1,085	-	1,085	
Total changes to RfRs		198,812	-	198,812	

£000

	Present Provision	Change in Provision	New Provision
Capital and Cash			
Total Capital Expenditure	46,565	-	46,565
Non-Operating A in A	26,565	-	26,565
Net cash requirement	4,277,984	7,055	4,285,039

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								
264,512	949,269	3,486,799	4,700,580	4,233	4,696,347	46,565	26,565	
Spending in Departmental Expenditure Limits (DEL)								
<i>Central Government spending</i>								
A Reducing Poverty in sub-Saharan Africa								
51,500	170,741	869,826	1,092,067	107	1,091,960	6,565	455	
B Reducing Poverty in Asia								
32,700	97,752	657,372	787,824	107	787,717	1,200	755	
C Reducing Poverty in the Rest of the World								
20,300	61,323	114,355	195,978	414	195,564	900	3,135	
D Improve the Effectiveness of Multilateral Aid								
14,300	95,200	1,702,149	1,811,649	285	1,811,364	16,580	16,917	
E Developing Innovative Approaches to Development								
20,100	10,498	38,591	69,189	-	69,189	10	-	
F Programmes Contributing to Multiple Objectives								
10,300	129,885	98,205	238,390	820	237,570	-	5,000	
G Central Departments								
115,312	-	-	115,312	2,500	112,812	21,310	23	
H Certain Beneficiaries of the Gibraltar Social Insurance Fund								
-	-	6,300	6,300	-	6,300	-	-	
I Crown Agents Loan Repayments								
-	-	-	-	-	-	-	280	
Spending in Annually Managed Expenditure (AME)								
<i>Central Government spending</i>								
J Programmes Contributing to Multiple Objectives								
-	88,970	-	88,970	-	88,970	-	-	
K Grants to International Finance Facility for Immunisation								
-	294,900	-	294,900	-	294,900	-	-	
Non-Budget								
L EU research grants (net)								
-	-	1	1	-	1	-	-	
RfR 2: Conflict prevention								
3,000	8,130	29,085	40,215	-	40,215	-	-	
Spending in Departmental Expenditure Limits (DEL)								
<i>Central Government spending</i>								
A Africa Conflict Prevention								
-	3,540	19,085	22,625	-	22,625	-	-	
B Global Conflict Prevention								
-	2,590	10,000	12,590	-	12,590	-	-	
C Post Conflict Reconstruction								
3,000	2,000	-	5,000	-	5,000	-	-	

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:								
267,512	957,399	3,515,884	4,740,795	4,233	4,736,562	46,565	26,565	

Part II: Resource to cash reconciliation

	<u>Present</u>	<u>Increase (+)/ Decrease (-)</u>	<u>£'000</u> <u>Revised</u>
Net total Resources	4,537,750	198,812	4,736,562
Voted capital items			
Capital expenditure	46,565	-	46,565
<i>Less: non-operating A in A</i>	<u>26,565</u>	<u>-</u>	<u>26,565</u>
Total net voted capital	20,000	-	20,000
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-135,286	-5,900	-141,186
Depreciation	-22,010	-	-22,010
New provisions and adjustments to previous provisions	-198,910	-129,380	-328,290
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-260	-	-260
Increase(+)/decrease (-) in stock	-	-	-
Increase(+)/decrease (-) in debtors	-4,451	-	-4,451
Increase(-)/decrease (+) in creditors	56,477	-48,007	8,470
Use of provisions	<u>24,674</u>	<u>-8,470</u>	<u>16,204</u>
Total accruals to cash adjustments	-279,766	-191,757	-471,523
Excess cash to be CFERd	-	-	-
Net cash requirement	4,277,984	7,055	4,285,039

Part III: Extra receipts payable to the Consolidated Fund

As in existing provision

Forecast Operating Cost Statement

	£'000
	2006-07 provision
Net Administration Costs	
RfR 1	262,012
RfR 2	3,000
Total Net Administration Costs	265,012
Net Programme Costs	
RfR 1	4,434,335
RFR 2	37,215
Total Net Programme costs	4,471,550
Total Net Operating Cost	4,736,562
<i>of which:</i>	
Net Resource Requirement	4,736,562
CFERs	-
Non-voted expenditure	-
Resource Budget Outturn	5,401,561

Notes to the Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2006-07 Provision
Net Resource Outturn (Estimates)	4,736,562
<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 (CFERS) in the OCS	-
Other adjustments	-
Net Operating Costs (Accounts)	4,736,562
<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	-
resource consumption of non-departmental public bodies	-
unallocated resource provision	-
Other adjustments	665,000
Resource Budget Outturn (Budget)	5,401,561
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	5,017,691
Annually Managed Expenditure (AME)	383,870

Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2006-07 Provision
Net Voted Capital Outturn (Estimates)	20,000
<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	-
European Union income related to capital grants	-
supported capital expenditure (revenue)	-
capital spending by levy funded bodies	-
unallocated capital provision	-
Other adjustments	-
Capital Budget Outturn (Budget)	20,000
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	20,000
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 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 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
	2006-07
	<u>Provision</u>
	<u>Operating</u>
	<u>A in A</u>
RfR 1: Eliminating poverty in poorer countries	
Administration	2,500
<i>of which:</i>	
Sales of goods and services	2,500
Programme	1,733
<i>of which:</i>	
Sales of good and services	1,000
EU income	-
Interest and dividend	733
CFERs	-
Total RfR1	4,233 †

† 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; 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

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

	£'000
	2006-07
	<u>Provision</u>
RfR 1: Eliminating poverty in poorer countries	
Programme	26,565
<i>of which:</i>	
Sales of assets	53
Loan, etc. repayments	26,512
Total RfR1	26,565 †
† 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.	
Total non-operating A in A	26,565

Departmental Expenditure Limits and Administration Budgets

	Change		New DEL		£'000
	Voted	Non-voted	Voted	Non-voted	Total
Resource DEL	93,531	-36,315	4,352,691	665,000	5,017,691
<i>of which:</i>					
<i>Administration budget*</i>	30,012	-	265,012	-	265,012
<i>Near-cash in RDEL</i>	63,531	-36,315	4,262,319	681,204	4,943,523
Capital**	-	-	20,000	-	20,000
Less Depreciation†	-	-	-22,010	-	-22,010
Total	93,531	-36,315	4,350,681	665,000	5,015,681

* 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

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

£'000
30,798