

2007 Pre-Budget Report and Comprehensive Spending Review

Department for International Development

Keeping promises to the world's poor

The Chancellor announced today that the Department for International Development's (DFID) budget will rise by an average of 11 per cent in real terms over the CSR period, to £7.9 billion a year by 2010-11. This demonstrates the UK's commitment to meeting the Government's promises to combat global poverty.

Alongside details of DFID's settlement, the Chancellor also announced today the projections for Official Development Assistance (ODA) to 2010/11. Total UK ODA will rise to over £9.1 billion by 2010/11, representing 0.56 per cent of Gross National Income (GNI), in line with the European Union's collective commitment, keeping us on track to reach our commitment of 0.7% GNI by 2013.

Aid is working. 26 million more children are now in school in Ethiopia and Bangladesh. Fresh water is available to nearly two and half million more people in India, Pakistan and Iraq. Free health care is being provided to five million more Zambians. The additional resources announced today will enable DFID to build on these successes, delivering on the Government's promises to:

- help accelerate progress towards the Millennium Development Goals by providing £8.5 billion for education to 2015 and £1 billion for the Global Fund for AIDS, tuberculosis and malaria;
- more than double total multilateral and bilateral aid to Africa between 2004 and 2010 as pledged at Gleneagles;
- help poor countries increase their rate of growth – by increasing support for aid for trade to £409 million a year in 2010;
- help poor countries tackle climate change - DFID and DEFRA will provide £800 million to the international element of the Environment Transformation Fund.

Today's settlement builds on annual real growth to DFID's budget of 9.2 per cent in Spending Review 2004 and 8.1 per cent in Spending Review 2002, which is enabling DFID to lift around three million people out of poverty every year, permanently. It represents the largest development budget in the UK's history.

Welcoming the settlement, the Secretary of State for International Development, Douglas Alexander, said:

"This is an excellent and unprecedented settlement that demonstrates the Government's serious commitment to delivering on its promises to tackle global poverty. There is still much more to do to fight poverty, tackle climate change and encourage economic growth in the world's poorest nations and today's settlement will help us accelerate progress that will help us reach our goals. This settlement also heralds a cohesive and cross-cutting government approach to development. The recently created £800 million Environmental Transformation Fund tackles head-on the challenge of climate change. So many of the world's poorest people live in fragile and insecure states and the Government is responding to these challenges with new ways of working including the Conflict Prevention Pool and the Stabilisation Aid Fund."

NOTES FOR EDITORS

Table

International Development baseline and additions				
	£ million			
	Baseline	Additions		
	2007-08	2008-09	2009-10	2010-11
Resource DEL ¹	4,662	259	840	1,724
<i>of which near-cash</i>	4,594	238	813	1,694
<i>of which administration</i>	168	-4	-8	-12
Capital DEL	716	175	650	840
Total DEL²	5,354	436	1,489	2,563
<i>Of which:</i>				
Environmental Transformation Fund	0	50	100	250
¹ Includes the Conflict Prevention Pool				
² Full resource budgeting basis, net of depreciation.				
Official Development Assistance				
	£ million			
	Estimate	Projections		
	2007-08	2008-09	2009-10	2010-11
Total UK Official Development Assistance (ODA)	5,291	6,392	7,477	9,140
ODA as a proportion of Gross National Income (per cent)	0.37%	0.43%	0.48%	0.56%
¹ ODA projections are underpinned by the increases in DfID's aid budget and include ODA spending by other government departments, CDC net investments, and debt relief provided by the UK Government. The Government is committed to reaching ODA of 0.7 per cent of GNI in 2013 and will keep the delivery of DfID's aid budget and its projections for non-DfID ODA under review.				

For further details on DFID's settlement and their Departmental Strategic Objectives over the CSR07 period, please see *The 2007 Pre-Budget Report and Comprehensive Spending Review: Meeting the aspirations of the British people* www.hm-treasury.gov.uk/pbr_csr/pbr_csr07_index.cfm

The Government today announced 30 cross-departmental Public Service Agreements, setting out the top priorities for the CSR07 period. For further details on these please see: www.hm-treasury.gov.uk/pbr_csr/pbr_csr07_index.cfm

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