
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; payments to certain beneficiaries of the Gibraltar Social Insurance Fund; charges relating to investments in public corporations and shareholdings in private sector companies; conflict prevention; post conflict reconstruction; related administrative work, including the administration of overseas pensions; and certain associated non-cash items.
2. The Forecast Operating Cost Statement also includes details of non-voted expenditure relating to the loss of interest to the Consolidated Fund as a result of Retrospective Terms Adjustment arrangements stemming from debt relief.
3. Symbols are explained in the Introduction to this booklet.

Part I

	£
Request for Resources 1: Eliminating poverty in poorer countries	3,819,432,000
Request for Resources 2: Conflict prevention	47,550,000
Total net resource requirement	3,866,982,000
Net cash requirement	3,797,311,000

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.

	Net total	Allocated in Vote on Account	Balance to complete
	£	£	£
RfR 1:	3,819,432,000	1,400,625,000	2,418,807,000
RfR 2:	47,550,000	17,186,000	30,364,000
Total net resource requirement	3,866,982,000	1,417,811,000	2,449,171,000
Net cash requirement	3,797,311,000	1,445,533,000	2,351,778,000

Part II: Subhead detail

£'000

2005-06						2004-05 Provision	2003-04 Outturn		
Resources						Capital		Net Total Resources	Net Total Resources
Admin 1	Other Current 2	Grants 3	Gross Total 4	A in A 5	Net Total 6	Capital 7	Non- operating A in A 8		
RfR 1: Eliminating poverty in poorer countries									
240,570	122,962	3,461,233	3,824,765	5,333	3,819,432	55,000	25,000	3,303,263	2,932,355
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Reducing Poverty in sub-Saharan Africa									
56,000	-	1,018,638	1,074,638	218	1,074,420	3,810	1,500	880,661	678,166
B Reducing Poverty in Asia									
32,400	-	714,242	746,642	215	746,427	200	1,500	684,333	624,005
C Reducing Poverty in the Rest of the World									
23,900	-	171,664	195,564	200	195,364	16,190	3,697	261,134	449,745
D Improve the Effectiveness of Multilateral Aid									
14,500	33,400	1,256,802	1,304,702	100	1,304,602	13,580	18,000	956,024	730,821
E Developing Innovative Approaches to Development									
19,000	-	128,553	147,553	-	147,553	-	-	184,410	249,966
F Programmes Contributing to Multiple Objectives									
13,600	20,525	171,334	205,459	-	205,459	-	-	200,229	91,131
G Central Departments									
81,170	-	-	81,170	4,600	76,570	21,220	23	74,164	50,086

Part II: Subhead detail

£'000

2005-06						2004-05 Provision	2003-04 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
H	Certain beneficiaries of the Gibraltar Social Insurance Fund								
-	7,525	-	7,525	-	7,525	-	-	7,000	6,995
I	Crown Agents loan repayments								
-	-	-	-	-	-	-	280	-	-
	<i>Anti money laundering</i>								
-	-	-	-	-	-	-	-	1	-
Spending in Annually Managed Expenditure (AME)									
<i>Central Government spending</i>									
J	Programmes Contributing to Multiple Objectives								
-	61,512	-	61,512	-	61,512	-	-	55,305	51,440
Non-budget									
	<i>EU Research Grants (Net)</i>								
-	-	-	-	-	-	-	-	2	-
RfR 2: Conflict prevention									
3,000	-	44,550	47,550	-	47,550	-	-	45,812	44,929
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									

Part II: Subhead detail

£'000

2005-06						2004-05 Provision	2003-04 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	
A	Africa Conflict Prevention									
-	-	20,000	20,000	-	20,000	-	-	22,152	19,312	
B	Global Conflict Prevention									
-	-	15,550	15,550	-	15,550	-	-	21,500	25,617	
C	Post Conflict Reconstruction									
3,000	-	9,000	12,000	-	12,000	-	-	2,160	-	
Total for Estimate:										
243,570	122,962	3,505,783	3,872,315	5,333	3,866,982	55,000	25,000	3,349,075	2,977,284	

Part II: Resource to cash reconciliation

	£'000		
	2005-06 Provision	2004-05 Provision	2003-04 Outturn
Net Total Resources	3,866,982	3,349,075	2,977,284
Voted capital items			
Capital	55,000	69,425	68,120
Less Non-operating A-in-A	25,000	30,574	27,883
Total net voted capital	30,000	38,851	40,237
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-118,247	-112,620	-96,941
Depreciation	-22,000	-24,730	-30,492
New provisions and adjustments to previous provisions	-2,000	-2,000	35,246
Profit (+) / loss (-) on sale of assets	-	-	-717
Prior period adjustments	-	-	-
Other non-cash items	-250	-250	767
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	10,000	1,000	-1,041
Increase (-) / Decrease (+) in creditors	10,000	78,224	-32,534
Use of provisions	22,826	22,826	20,713
Total accruals to cash adjustments	-99,671	-37,550	-104,999
Excess cash to be CFERd	-	-	-
Net Cash Requirement	3,797,311	3,350,376	2,912,522

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					
	2005-06 Provision		2004-05 Provision		2003-04 Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as AinA	2,500	<i>3,000</i>	2,500	<i>3,000</i>	2,521	<i>15,452</i>
Non-operating income not classified as AinA	-	-	-	-	12,177	-
Other amounts collectable on behalf of the Consolidated Fund	500	-	500	-	640	-
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-
Total	3,000	<i>3,000</i>	3,000	<i>3,000</i>	15,338	<i>15,452</i>

Forecast Operating Cost Statement

	2005-06 Provision	2004-05 Provision	2003-04 Outturn	£'000
Net Administration Costs				
RfR 1	238,970	232,024	197,422	
RfR 2	-	-	-	
Total Net Administration costs	238,970	232,024	197,422	
Net Programme Costs				
RfR 1	3,589,962	3,070,899	2,732,412	
RfR 2	35,550	43,652	44,929	
Non voted expenditure	3,050	2,500	2,292	
Total Net Programme costs	3,628,562	3,117,051	2,779,633	
Total Net Operating Cost	3,867,532	3,349,075	2,977,055	
<i>of which:</i>				
Net Resource Outturn	3,866,982	3,349,075	2,977,284	
CFERs	-2,500	-2,500	-2,521	
Non-voted expenditure	3,050	2,500	2,292	
Resource Budget Outturn	4,534,556	3,956,573	3,844,410	

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2005-06	2004-05	2003-04
	Provision	Provision	Outturn
Net Resource Outturn (Estimates)	3,866,982	3,349,075	2,977,284
<i>Adjustments to remove:</i>			
provision voted for earlier years	-	-	-
<i>Adjustments to additionally include:</i>			
non-voted expenditure in the OCS	3,050	2,500	2,292
Consolidated Fund Extra Receipts in the OCS	-2,500	-2,500	-2,521
Other adjustments	-	-	-
Net Operating Cost (Accounts)	3,867,532	3,349,075	2,977,055
<i>Adjustments to remove:</i>			
capital grants to local authorities	-	-	-
capital grants financed from the Capital Modernisation Fund	-	-	-
European Union income and related adjustments	-	-	-
voted expenditure outside the budget	-	-2	-
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	2,500	2,500	2,355
resource consumption of non departmental public bodies	-	-	-
unallocated resource provision	37,524	-	-
Other adjustments	627,000	605,000	865,000
Resource Budget Outturn (Budget)	4,534,556	3,956,573	3,844,410
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	4,473,044	3,901,268	3,792,970
Annually Managed Expenditure (AME)	61,512	55,305	51,440

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2005-06	2004-05	2003-04
	Provision	Provision	Outturn
Net Voted Capital Outturn (Estimates)	30,000	38,851	40,237
<i>Adjustments to remove:</i>			
gains / losses from sale of capital assets	-	-	-717
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	-	-	-12,177
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	-	-	-
Capital Budget Outturn (Budget)	30,000	38,851	27,343
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	30,000	40,528	27,343
Annually Managed Expenditure (AME)	-	-1,677	-

Notes to the Main Estimate *(continued)*

Explanation of Accounting Officer responsibilities

In accordance with Government Resources and Accounts Act 2000 the Treasury has made the following Accounting Officer appointment for the Request for Resources within this Estimate.

Request for Resources 1: Suma Chakrabati, Principal Accounting Officer and Permanent Head of the Department for International Development

Request for Resources 2: Suma Chakrabati, Principal Accounting Officer and Permanent Head of the Department for International Development

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 Main Estimate *(continued)*

Analysis of appropriations in aid (A in A)

£'000

	2005-06 provision		2004-05 provision		2003-04 outturn	
	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A
RfR 1: Eliminating poverty in poorer countries						
Bilateral and multilateral loan repayments	—	6,697	—	3,408	—	6,100
Guarantee refunds from European Investment Bank	100	—	100	—	100	—
Rental income – Office accommodation	4,500	—	4,500	—	4,500	—
Recovery of EBRD Director's salary	100	—	106	—	100	—
Crown Agents Loan repayment	—	280	—	280	—	280
Receipts from overseas governments	633	—	633	—	633	—
Income from CDC Group plc	—	—	—	1,677	—	2,000
Staff Secondments	—	—	344	—	—	—
Sales of Fixed Assets	—	23	—	23	—	23
Loan repayments – multilateral	—	18,000	—	23,386	—	20,197
Loan repayments – loans transferred from CDC Group plc	—	—	—	1,800	—	2,000
Total RfR 1	5,333*	25,000**	5,683	38,574	5,333	28,600
*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.						
Total A in A	5,333	25,000	5,683	30,574	5,333	28,600
<i>of which: Administration Budgets</i>	<i>4,600</i>	<i>—</i>	<i>4,950</i>	<i>—</i>	<i>4,600</i>	<i>—</i>

Notes to the Main Estimate *(continued)*

Analysis of Consolidated Fund Extra Receipts (CFERs)

	£'000					
	2005-06 provision		2004-05 provision		2003-04 outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Interest on loans ●	2,500	3,000	2,500	3,000	2,521	15,452
Loan repayments	—	—	—	—	12,177	—
Other amounts collectable on behalf of the Consolidated Fund	500	—	500	—	640	—
Total	3,000	3,000	3,000	3,000	15,338	15,452

Notes to the Main Estimate *(continued)*

Departmental Expenditure Limits and Administration Budgets £'000

Details of 2005-06 Departmental Expenditure Limits (DEL) and Administration budget limits

	Voted*	Non-voted	Total
Resource DEL	3,805,470	667,574	4,473,044
<i>of which: Administration Budgets</i>	<i>238,970</i>	<i>—</i>	<i>238,970</i>
Capital DEL**	30,000	—	30,000
Less depreciation†	–22,000	—	–22,000
Total DEL	3,813,470	667,574	4,481,044

* Excludes EU receipts included in Estimates, but excluded in Budgets.

** Capital DEL includes items treated as resource in Estimates and Accounts, but which are treated as part of Capital DEL, under stage 2 of Resource Accounting and Budgeting, as implemented in the 2002 Spending Review.

† 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.

Comparisons of provision sought with final provision and forecast outturn for the previous year

The total net resource sought for 2005-06 of £3,866,982,000 is 15.5 per cent higher than the final provision for 2004-05 of £3,349,075,000 and 16.6 per cent higher than the forecast outturn of £3,315,875,000.

Notes to the Main Estimate *(continued)*

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

	2005-06 provision	2004-05 provision	2003-04 outturn
	30,333	30,333	33,933

Contingent Liabilities

RfR 1

Statutory contingent liabilities exist to meet:

- i. an agreement to provide callable capital to the African Development Bank;
- ii. an agreement to provide callable capital to the Asian Development Bank;
- iii. an agreement to provide callable capital to the Caribbean Development Bank;
- iv. an agreement to provide callable capital to the Inter-American Development Bank;
- v. an agreement to provide callable capital to the Multilateral Investment Guarantee Agency;
- vi. an agreement to provide callable capital to the European Bank for Reconstruction;
- vii. the Department has given an undertaking to maintain the value of subscriptions paid to provide capital stock for regional development banks when the Board's operations ceased;
- viii. the Department took responsibility for settlement of any outstanding liabilities of the Crown Agents Holding and Realisation Board when the Board's operations ceased;
- ix. the Department has guaranteed borrowing by CDC group from the European Investment Bank.

Non-statutory contingent liabilities exist to meet:

- i. guarantees to the European Investment Bank in respect of their lending to UK Overseas Territories;
- ii. an indemnity given to the University of Greenwich in respect of the transfer of ownership of the National Resources Institute.

International Subscriptions

RfR 1 section D3 includes subscriptions and core grants:	£mn
International Development Agency	470
European Development Fund	256
African Development Fund	39
Asian Development Fund	29
United Nations Population Fund	20
UNICEF	19
World Health Organisation	17

