INTERNATIONAL DEVELOPMENT (OFFICIAL DEVELOPMENT ASSISTANCE TARGET) BILL

EXPLANATORY NOTES

INTRODUCTION

1. These Explanatory Notes relate to the International Development (Official Development Assistance Target) Bill. They are based on those prepared by the Department for International Development (DFID) in 2010.

2. The Notes need to be read in conjunction with the Bill. They are not, and are not meant to be, a comprehensive description of the Bill. So where a clause, or part of a clause, does not seem to require any explanation or comment, none is given.

SUMMARY AND BACKGROUND

3. In 1970, the United Nations (UN) General Assembly resolution 2626 committed all economically advanced countries to providing 0.7% of their gross national income (GNI) as official development assistance (ODA) (referred to below as "the 0.7% target") by 1975.

4. For these purposes, it is commonly accepted that ODA has the meaning given to that term by the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development. ODA is currently defined as resource flows to developing countries and multilateral institutions provided by official agencies or by their executive agencies, which meet the following tests:

- they are administered with the promotion of the economic development and welfare of developing countries as their main objective, and
- they are concessional in character and conveying a grant element of at least 25%.

5. From 2005, only aid to countries on the DAC List of Recipients of ODA is eligible to be recorded as ODA. ODA can be provided by a range of government departments, not only DFID.

6. For these purposes it is also commonly accepted that the UK's "Gross National Income" (GNI) contributes to national statistics prepared by the Office for National Statistics. GNI comprises the total value of goods and services produced within a country (i.e. its gross domestic product), together with its income received from other countries (notably interest and dividends), less similar payments made to other countries.

7. The UK has remained committed to meeting the 0.7% target, but has not yet done so. This Bill:

- imposes a duty on the Secretary of State to ensure that the 0.7% target is met by the UK in the year 2013 and in each subsequent calendar year;
- provides that whether or not the 0.7% target has been achieved will be determined by reference to the ODA and GNI figures reported to Parliament on an annual basis in accordance with the International Development (Reporting and Transparency) Act 2006 ("the 2006 Act");
- requires the Secretary of State to lay a statement before Parliament in the event that the UK fails to meet the 0.7% target in any calendar year from 2013;
- provides that the Secretary of State's accountability in relation to the duty to meet the 0.7% target is to Parliament alone, by way of the requirement to lay a statement before Parliament;
- provides that the lawfulness of anything done, or not done, is not to be affected by the fact that the duty to meet the 0.7% target has not been or may not be complied with;
- repeals section 3 of the 2006 Act.

TERRITORIAL EXTENT AND APPLICATION

8. The Bill extends to the whole of the United Kingdom.

COMMENTARY

Clause 1: Duty to meet United Nations 0.7% target from 2013

9. *Subsection (1)* places a duty on the Secretary of State to ensure that the target for ODA to amount to 0.7% of GNI is met by the UK in 2013 and subsequent years.

10. *Subsection (2)* provides that whether or not the 0.7% target has been met in any year will be determined by reference to amounts specified for each year in an annual report produced under section 1 of the 2006 Act. Under section 7(3) of the 2006 Act, each annual report must include an explanation or definition of the terms GNI and ODA. In practice, these explanations and definitions follow those provided by the Organisation for Economic Co-operation and Development and the Office for National Statistics.

Clause 2: Duty to lay statement before Parliament if 0.7% target not met

11. *Subsection (1)* provides that if the Secretary of State's annual report, laid before Parliament in 2014 or in any subsequent year, shows that the 0.7% target had not been reached by the UK in the year to which the report relates, then the Secretary of State for

International Development must lay a statement before Parliament as soon as reasonably practicable after laying the report.

12. *Subsection (2)* provides for the possibility that figures in an annual report may be revised. Section 1(4) of the 2006 Act provides that an annual report published under the 2006 Act may revise anything contained in a previous annual report. This subsection of the Bill provides that where a revision is made to the figures for any year in an annual report and that revision would mean that the 0.7% target was no longer met in respect of 2013 or any subsequent year, then the Secretary of State must lay a statement before Parliament as soon as reasonably practicable after making that revision.

13. *Subsection (3)* provides that the statement must explain why the 0.7% target has not been met, and where relevant, must refer to the effect of economic or fiscal circumstances or circumstances arising outside the UK (for example, failure of a foreign government to achieve targets necessary to trigger debt relief) on the failure to meet the target.

14. *Subsection (4)* provides that, where the Secretary of State is required to lay a statement before Parliament under subsection (1), that statement must describe any steps he has taken to ensure the 0.7% target will be met in the following calendar year.

Clause 3: Accountability to Parliament

15. *Subsection (1)* provides that accountability in relation to the duty to meet the target is solely by way of the requirement to lay a statement before Parliament.

16. *Subsection (2)* provides that the fact that the duty in clause 1 is not complied with does not affect the lawfulness of anything done, or omitted to be done, by any person.

Clause 4: Repeal of section 3 of 2006 Act

17. *Clause 4* provides for the repeal of the Secretary of State's duty, in section 3 of the 2006 Act, to forecast when the 0.7% target will be met. This repeal takes account of his new duty in clause 1 to ensure the UK meets the 0.7% target from 2013 onwards.

Clause 5: The Independent International Development Office

18. Clause 5 provides for the establishment of an independent body to be known as the Independent International Development Office (the IIDO). The remit of the IIDO is to carry out independent evaluation of the relevance, impact, value-for-money and sustainability of ODA and to develop systems to verify the extent to which ODA is spent efficiently and effectively.

Schedule

19. The Schedule makes provision about the IIDO.

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These notes refer to the International Development (Official Development Assistance Target) Bill as introduced in the House of Commons on 20 June 2012 [Bill 23]

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