

DEFENCE EXPENDITURE (NATO TARGET) BILL

EXPLANATORY NOTES

What these notes do

These Explanatory Notes relate to the Defence Expenditure (NATO Target) Bill as introduced in the House of Commons on 24 June 2015 (Bill 9).

- These Explanatory Notes have been produced by Sir Gerald Howarth in order to assist the reader of the Bill and to help inform debate on it. They do not form part of the Bill and have not been endorsed by Parliament.
- These Explanatory Notes explain what each part of the Bill will mean in practice; provide background information on the development of policy; and provide additional information on how the Bill will affect existing legislation in this area.
- These Explanatory Notes might best be read alongside the Bill. They are not, and are not intended to be, a comprehensive description of the Bill. So where a provision of the Bill does not seem to require any explanation or comment, the Notes simply say in relation to it that the provision is self-explanatory.

Overview of the Bill

- 1 This Bill seeks to establish a statutory obligation on the UK Government to meet its current political commitment to the NATO target for defence expenditure in each member state to amount to at least 2 per cent of that member state's gross domestic product. The Bill enshrines that commitment in law; requires the Government to report against performance against the target each year; and clarifies how that performance is to be calculated. The Bill adopts a similar format to the International Development (Official Development Assistance Target) Act 2015.

Policy and legal background

- 2 The most recent Government statement on the UK's commitment to the NATO defence expenditure target was by the Chancellor of the Exchequer in July of this year during his Statement on the Budget:

"I said that this was a Budget that delivered security to the people of Britain and I said we had to choose our priorities. Well, today, this Government makes this choice: committing to our armed forces who fight to keep us free; committing to the intelligence agencies who keep us safe; committing to the values we hold dear and defend around the world; and committing today to meet the NATO pledge to spend 2% of our national income on defence, not just this year but every year of this decade. We will ensure that this commitment is properly measured, because we know that while those commitments do not come cheap the alternatives are far more costly."

(Rt Hon George Osborne MP, Chancellor of the Exchequer, Official Report, Ways and Means (Financial Statement), 8 July 2015, col 337.)

- 3 The House of Commons Library has produced a full report on this topic (Defence Spending - NATO 2% Target, Commons Briefing paper [SN07134](#)).

Territorial extent and application

- 4 The Bill would extend to the whole United Kingdom.

Commentary on provisions of the Bill

Clause 1

- 5 Clause 1 establishes that meeting the NATO target -- that each member state's defence expenditure should amount to at least 2% of its GDP in cash terms -- as a duty of the Secretary of State; requires the Government to produce an annual report on the matter; and provides that NATO criteria must be used to define 'defence expenditure'.

Clause 2

- 6 Clause 2 requires that, for any year the NATO defence expenditure target is not met by the UK, the Government make a statement to Parliament explaining the situation and how it is to be remedied.

Clause 3

- 7 Clause 3 clarifies that the only means of securing accountability in relation to the new duty is

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by providing information to Parliament as required in the Bill and that a failure to meet the NATO defence expenditure target does not affect the lawfulness of anything done, or omitted to be done, by any person.

Clause 4

- 8 Clause 4 requires the Government to make and publish arrangements for the independent verification of the classifications and methodologies used to assess the UK's performance against the NATO defence expenditure target.

Clause 5

- 9 Clause 5 is a self-explanatory technical clause which sets out the title of any Act arising from the Bill, when it would come into force and its territorial applicability.

Commencement

- 10 Clause 5 states that the Bill will come into force on 1 June 2016.

Financial implications of the Bill

- 11 The Bill contains no provisions with direct financial effects.

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