



House of Commons

Tuesday 10 January 2017

CONSIDERATION OF BILL (REPORT STAGE)

New Amendments handed in are marked thus ★

☆ *Amendments which will comply with the required notice period at their next appearance*

COMMONWEALTH DEVELOPMENT CORPORATION BILL

NOTE

This document includes all amendments tabled to date and includes any withdrawn amendments at the end. The amendments have been arranged in the order in which they relate to the Bill.

NEW CLAUSES

Kate Osamor
Imran Hussain
Stephen Doughty
Patrick Grady

NC1

To move the following Clause—

“Condition for exercise of power to increase limit: analysis of use of separate financial centres

After section 15 of the Commonwealth Development Corporation Act 1999 (limit on government assistance), insert—

“15A Condition for exercise of power to increase limit: analysis of use of separate financial centres

- (1) The Secretary of State may only lay a draft of regulations under section 15(4) before the House of Commons if the Secretary of State has previously laid before Parliament an analysis on the use of separate financial centres.

Commonwealth Development Corporation Bill, *continued*

- (2) An analysis under subsection (1) shall consider and report upon—
- (a) the countries in which CDC invests which do not have a sufficiently robust regulatory environment for its financial institutions to be used;
 - (b) the prospects for countries identified in accordance with paragraph (a) to cease to be in that category;
 - (c) the separate financial centres used for investments intended for countries identified in paragraph (a);
 - (d) the criteria used for determining the use of the financial centres identified in paragraph (c), and
 - (e) the Secretary of State’s assessment of the extent to which the financial centres identified in paragraph (c) comply with the standards of transparency and accountability in tax matters with which the United Kingdom complies.””

Member’s explanatory statement

This new clause would require any proposal to increase the limit by secondary legislation to be accompanied by an analysis of the CDC’s use of separate financial centres where countries do not have sufficiently robust regulatory environments, the transparency and accountability of those financial centres and the progress made in precluding the need for the use of separate financial centres.

Kate Osamor
Imran Hussain
Stephen Doughty
Patrick Grady
Stephen Twigg

NC2

To move the following Clause—

“Condition for exercise of power to increase limit: report and business case

After section 15 of the Commonwealth Development Corporation Act 1999 (limit on government assistance), insert—

“15A Condition for exercise of power to increase limit: business case and strategic plan

- (1) The Secretary of State may only lay a draft of regulations under section 15(4) before the House of Commons if the Secretary of State has also laid before the House of Commons the documents specified in subsections (2) and (3).
- (2) The document specified in this subsection is a business case for the proposed use of the new investment enabled by the proposed increase in the limit in force which includes information on—
 - (a) the expected market demand,
 - (b) the proposed sectors,
 - (c) the proposed locations, and
 - (d) the prospective development returns.

Commonwealth Development Corporation Bill, *continued*

- (3) The document specified in this subsection is a strategic plan for the development of the activities of the CDC in consequence of the proposed increase in the limit in force.””

Member’s explanatory statement

This new clause would require any draft regulations to increase the limit on government assistance under section 15(4) to be preceded by the laying before the House of Commons of a detailed business case for the proposed additional investment and a strategic plan in relation to the additional investment.

Kate Osamor
Imran Hussain
Stephen Doughty
Patrick Grady
Stephen Twigg

NC3

To move the following Clause—

“Condition for exercise of power to increase limit: poverty reduction purposes for spending outside LDCs

After section 15 of the Commonwealth Development Corporation Act 1999 (limit on government assistance), insert—

“15A Condition for exercise of power to increase limit: poverty reduction purposes for spending outside LDCs

- (1) The Secretary of State may only lay a draft of regulations under section 15(4) before the House of Commons if the Secretary of State is satisfied that the condition in subsection (2) or the condition in subsection (3) is met.
- (2) The condition in this subsection is that any new investment enabled by the proposed increase in the limit in force is in a country which is classified as one of the least developed countries.
- (3) The condition in this subsection is that the Secretary of State is satisfied that any new investment enabled by the proposed increase in the limit in force will have a significant impact on the reduction in poverty (within the meaning given in section 1(1) of the International Development Act 2002) in the country or countries concerned.
- (4) In determining the classification of a country for the purposes of subsection (2), the Secretary of State shall use the latest analytical classification of the world’s economies prepared by the World Bank.””

Member’s explanatory statement

This new clause would require any draft regulations to increase the limit on government assistance under section 15(4) to be for additional investment which is either in least developed countries or which makes a significant impact on poverty reduction in another country.

Commonwealth Development Corporation Bill, *continued*

Kate Osamor
Imran Hussain
Stephen Doughty
Patrick Grady

NC4

To move the following Clause—

“Condition for exercise of power to increase limit: independent assessment of aid impact

After section 15 of the Commonwealth Development Corporation Act 1999 (limit on government assistance), insert—

“15A Condition for exercise of power to increase limit: independent assessment of aid impact

- (1) The Secretary of State may only lay a draft of regulations under section 15(4) before the House of Commons if the Secretary of State is satisfied that arrangements are in place for the independent assessment of the aid impact of new CDC investment which meet the conditions in this section.
- (2) The first condition is that a framework agreement has been reached between CDC and the Independent Commission for Aid Impact for the Commission to carry out such an assessment on an annual basis.
- (3) The second condition is that each annual assessment will be able to assess projects with a monetary value equivalent to at least 5 per cent of the total value of current investments in the year in question by the CDC.
- (4) The third condition is that the Secretary of State is satisfied that the Independent Commission for Aid Impact has the additional resources required to carry out such annual assessments without impairing its capacity to undertake its other work.””

Member’s explanatory statement

This new clause would require any proposal to increase the limit by secondary legislation to be contingent on an agreement being reached for an annual independent assessment of aid impact to be carried out by the Independent Commission for Aid Impact covering at least 5% of CDC’s investment portfolio at the time.

Commonwealth Development Corporation Bill, *continued*

Kate Osamor
Imran Hussain
Stephen Doughty
Patrick Grady

NC5

To move the following Clause—

“Authorisation for release of resources in exercise of power under section 15(1) of the Commonwealth Development Corporation Act 1999

After section 15 of the Commonwealth Development Corporation Act 1999 (limit on government assistance), insert—

“15A Authorisation for release of resources in exercise of power under section 15(1)

- (1) The Secretary of State may only exercise his powers under or by virtue of this Act to provide assistance to the Corporation above the initial limit and up to the new limit set under section 15(1) in accordance with the provisions of this section.
- (2) Assistance may only be provided where the amount to be released—
 - (a) has been requested by the Corporation, and
 - (b) that request is accompanied by a business case on the proposed use of the additional amounts to be provided.
- (3) Amounts may only be released where the amount to be so released is specified in regulations made by the Secretary of State.
- (4) Regulations made by the Secretary of State under this section are to be made by statutory instrument.
- (5) A statutory instrument containing regulations under this section may not be made unless a draft of the instrument has been laid before and approved by a resolution of the House of Commons.
- (6) In this section—

“the initial limit” means the limit set in section 15(1) as originally enacted;

“the new limit” means the limit set by means of the amendment to section 15(1) contained in section 1(2) of the Commonwealth Development Corporation Act 2017.”

Member’s explanatory statement

This new clause would require the release of resources up to the new limit set directly in primary legislation of £6 billion to be in response to a request by CDC and to be authorised by means of regulations subject to the affirmative procedure.

Commonwealth Development Corporation Bill, *continued*

Patrick Grady
Dr Lisa Cameron
Alan Brown
Peter Grant
Tommy Sheppard
Ms Tasmina Ahmed-Sheikh

NC6

To move the following Clause—

“Condition for exercise of power to increase limit: review of poverty reduction impact and contribution to Sustainable Development Goals

After section 15 of the Commonwealth Development Corporation Act 1999 (limit on government assistance), insert—

“15A Condition for exercise of power to increase limit: poverty reduction

- (1) The Secretary of State may only lay a draft of regulations under section 15(4) before the House of Commons if he has also laid before the House of Commons a review in accordance with subsection (2).
- (2) A review under this subsection must provide the Secretary of State’s assessment of the extent to which the increase in the limit on the Crown’s assistance to the Corporation is likely to contribute to—
 - (a) a reduction in poverty, and
 - (b) achievement of the Sustainable Development Goals.
- (3) In this section—

“reduction in poverty” shall have the same meaning as in section 1(1) of the International Development Act 2002; and

“the Sustainable Development Goals” means the Goals adopted at the United Nations on 25 September 2015.””

Member’s explanatory statement

This new clause would require any draft regulations to increase the limit on government assistance under section 15(4) to be preceded by a review, also to be laid before the House of Commons, of the extent to which the increase in the limit will contribute to a reduction in poverty, the aim of development assistance, and to the achievement of the Sustainable Development Goals.

Commonwealth Development Corporation Bill, *continued*

Stephen Doughty
 Kate Osamor
 Imran Hussain
 Alison McGovern
 Caroline Lucas
 Gareth Thomas

Dr Rosena Allin-Khan
 Stella Creasy
 Mike Kane

Tom Brake
 Mr Ivan Lewis
 Mrs Madeleine Moon

Patrick Grady
 Wes Streeting
 Mark Durkan

NC7

To move the following Clause—

“Condition for exercise of power to increase limit: prohibition on investment in certain sectors

After section 15 of the Commonwealth Development Corporation Act 1999 (limit on government assistance), insert—

“15A Condition for exercise of power to increase limit: prohibition on investment in certain sectors

- (1) The Secretary of State may only lay a draft of regulations under section 15(4) before the House of Commons if he is satisfied that the condition in subsection (2) is met.
- (2) That condition is that any new investment enabled by the proposed increase in the current limit at the time is not in any of the following sectors—
 - (a) education providers that charge the end user,
 - (b) healthcare providers that charge the end user,
 - (c) the real estate sector,
 - (d) mineral extraction,
 - (e) the palm oil sector,
 - (f) the fossil fuel sector.
- (3) In this section—

“the current limit at the time” means—

 - (a) prior to the making of any regulations under section 15(4), £6,000 million,
 - (b) thereafter, the limit set in regulations made under section 15(4) then in force.””

Member’s explanatory statement

This new clause would prohibit any new investment arising from any increase in the limit on government assistance under regulations under section 15(4) from being in the sectors specified in subsection (2).

Commonwealth Development Corporation Bill, *continued*

Stephen Doughty
 Kate Osamor
 Imran Hussain
 Alison McGovern
 Caroline Lucas
 Gareth Thomas

Dr Rosena Allin-Khan
 Stella Creasy
 Mike Kane

Tom Brake
 Mr Ivan Lewis
 Mrs Madeleine Moon

Patrick Grady
 Wes Streeting
 Mark Durkan

NC8

To move the following Clause—

“Condition for exercise of power to increase limit: prohibition on use of tax havens

After section 15 of the Commonwealth Development Corporation Act 1999 (limit on government assistance), insert—

“15A Condition for exercise of power to increase limit: prohibition on use of tax havens

- (1) The Secretary of State may only lay a draft of regulations under section 15(4) before the House of Commons if he is satisfied that the condition in subsection (2) is met.
- (2) That condition is that any new investment enabled by the proposed increase in the current limit at the time is not in either—
 - (a) an investment entity, or
 - (b) a company
 which uses, or seems to the Secretary of State likely to use, tax havens.
- (3) In determining whether the condition in subsection (2) is met, the Secretary of State shall consider—
 - (a) information provided by the OECD on countries or territories which are considered to be tax havens, and
 - (b) such information as is available to the Secretary of State, whether supplied by the CDC or others, about the current location of funds of the potentially relevant entities for the purposes of subsection (2).
- (4) In this section—

“the current limit at the time” means—

 - (a) prior to the making of any regulations under section 15(4), £6,000 million,
 - (b) thereafter, the limit set in regulations made under section 15(4) then in force.””

Member’s explanatory statement

This new clause would prohibit any new investment arising from any increase in the limit on government assistance under regulations under section 15(4) from going to an investment vehicle or company which uses or seems likely to use tax havens.

Commonwealth Development Corporation Bill, *continued*

Stephen Doughty
 Kate Osamor
 Imran Hussain
 Alison McGovern
 Caroline Lucas
 Gareth Thomas

Dr Rosena Allin-Khan
 Stella Creasy
 Mike Kane

Tom Brake
 Mr Ivan Lewis
 Mrs Madeleine Moon

Patrick Grady
 Wes Streeting
 Mark Durkan

NC9

To move the following Clause—

“Conditions for exercise of power to increase limit: countries, poverty reduction and SDGs

After section 15 of the Commonwealth Development Corporation Act 1999 (limit on government assistance), insert—

“15A Conditions for exercise of power to increase limit: countries, poverty reduction and SDGs

- (1) The Secretary of State may only lay a draft of regulations under section 15(4) before the House of Commons if he is satisfied that the conditions in subsection (2), (4) and (5) are met.
- (2) The condition in this subsection is that any new investment in a country enabled by the proposed increase in the current limit at the time is in a country which is classified as either—
 - (a) one of the least developed countries, or
 - (b) one of the other low income countries.
- (3) In determining the classification of a country for the purposes of subsection (2), the Secretary of State shall use the latest analytical classification of the world’s economies prepared by the World Bank.
- (4) The condition in this subsection is that the Secretary of State is satisfied that any new investment enabled by the proposed increase in the current limit at the time is likely to contribute to a reduction in poverty.
- (5) The condition in this subsection is that the Secretary of State is satisfied that any new investment enabled by the proposed increase in the current limit at the time is likely to contribute to achievement of the Sustainable Development Goals.
- (6) In this section—

“the current limit at the time” means—

 - (a) prior to the making of any regulations under section 15(4), £6,000 million,
 - (b) thereafter, the limit set in regulations made under section 15(4) then in force;

“reduction in poverty” shall have the same meaning as in section 1(1) of the International Development Act 2002; and

“the Sustainable Development Goals” means the Goals adopted at the United Nations on 25 September 2015.””

Commonwealth Development Corporation Bill, *continued*
Member's explanatory statement

This new clause would limit any new investment arising from any increase in the limit on government assistance under regulations under section 15(4) to the least developed countries and other low income countries and require the Secretary of State to be satisfied that such new investment contributed to the reduction of poverty and the achievement of the Sustainable Development Goals.

Stephen Doughty
Kate Osamor
Imran Hussain
Alison McGovern
Caroline Lucas
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Dr Rosena Allin-Khan
Stella Creasy
Mike Kane

Tom Brake
Mr Ivan Lewis
Mrs Madeleine Moon

Patrick Grady
Wes Streeting
Mark Durkan

NC10

To move the following Clause—

“Condition for exercise of power to increase limit: proportion of annual official development assistance

After section 15 of the Commonwealth Development Corporation Act 1999 (limit on government assistance), insert—

“15A Condition for exercise of power to increase limit: proportion of annual official development assistance

- (1) The Secretary of State may only lay a draft of regulations under section 15(4) before the House of Commons if he is satisfied that the conditions in subsection (2) is met.
- (2) The condition in this subsection is that the total value of any re-capitalisation of CDC enabled by the proposed increase in the current limit at the time will not, in any one calendar year, constitute more than 5% of total official development assistance.
- (3) In this section—
 - “official development assistance” has the same meaning as in the most recent annual report laid before each House of Parliament in accordance with the provisions of section 1 of the International Development (Reporting and Transparency) Act 2006;
 - “the current limit at the time” means —
 - (a) prior to the making of any regulations under section 15(4), £6,000 million,
 - (b) thereafter, the limit set in regulations made under section 15(4) then in force.””

Commonwealth Development Corporation Bill, *continued*

Member's explanatory statement

This new clause would limit any new investment arising from any increase in the limit on government assistance under regulations under section 15(4) to 5% of official development assistance in any one calendar year.

Patrick Grady
Dr Lisa Cameron
Alan Brown
Peter Grant
Tommy Sheppard
Ms Tasmina Ahmed-Sheikh

Clause 1, page 1, line 4, leave out “£6,000 million” and insert “the amount specified in subsection (1A)”

Member's explanatory statement

This amendment paves the way for amendment 3.

Stephen Doughty
Kate Osamor
Imran Hussain
Alison McGovern
Caroline Lucas
Gareth Thomas

Dr Rosena Allin-Khan
Stella Creasy
Mike Kane

Tom Brake
Mr Ivan Lewis
Mrs Madeleine Moon

Patrick Grady
Wes Streeting
Mark Durkan

Clause 1, page 1, line 4, leave out “£6,000” and insert “£4,000”

Patrick Grady
Dr Lisa Cameron
Alan Brown
Peter Grant
Tommy Sheppard
Ms Tasmina Ahmed-Sheikh

Clause 1, page 1, line 4, at end, insert—

“(1A) After subsection (1), insert—

“(1A) The amount specified in this subsection is whichever is the lesser of the following amounts—

(a) £6,000 million,

(b) £1,500 million plus the amount determined in accordance with subsection (1B).

(1B) The Secretary of State shall determine the amount for the purposes of this subsection by estimating the amount which will constitute 4% of official development assistance in the relevant period determined in accordance with subsection (1C).

(1C) That period begins with the financial year in which the Secretary of State considers that the Crown's assistance to the Corporation (determined in

2

5

3

Commonwealth Development Corporation Bill, *continued*

accordance with subsection (2)) will exceed £1,500 and ends at the end of the fourth subsequent financial year.

- (1D) For the purposes of this section, “official development assistance” has the same meaning as in the most recent annual report laid before each House of Parliament in accordance with the provisions of section 1 of the International Development (Reporting and Transparency) Act 2006.”

Member’s explanatory statement

This amendment would replace the proposed limit on government assistance under section 15 with a new amount, expressed as either £6 billion or the existing investment of £1.5 billion plus a sum not more than 4% of forecast official development assistance over a five year period, whichever is the lesser amount.

Stephen Doughty
Kate Osamor
Imran Hussain
Alison McGovern
Caroline Lucas
Gareth Thomas

Dr Rosena Allin-Khan
Stella Creasy
Mike Kane

Tom Brake
Mr Ivan Lewis
Mrs Madeleine Moon

Patrick Grady
Wes Streeting
Mark Durkan

6

Clause 1, page 1, line 5, leave out subsection (3)

Member’s explanatory statement

This amendment removes the power of the Secretary of State to set a limit on government assistance above £6 billion up to £12 billion by means of secondary legislation.

Patrick Grady
Dr Lisa Cameron
Alan Brown
Peter Grant
Tommy Sheppard
Ms Tasmina Ahmed-Sheikh

4

Clause 1, page 1, line 7, leave out “£12,000 million” and insert “the amount specified in subsection (4A).

“(4A) The amount specified in this subsection is whichever is the lesser of the following amounts—

- (a) £12,000 million,
- (b) the current limit at the time plus the amount determined in accordance with subsection (4B).

(4B) The Secretary of State shall determine the amount for the purposes of this subsection by estimating the amount which will constitute 4% of official development assistance in the relevant period determined in accordance with subsection (4C).

(4C) That period begins with the financial year in which the Secretary of State considers that the Crown’s assistance to the Corporation (determined in accordance with subsection (2)) will exceed the current limit at the time and ends at the end of the fourth subsequent financial year.

(4D) For the purposes of this section—

“the current limit at the time” means—

- (a) prior to the making of any regulations under subsection (4), £6,000 million,

Commonwealth Development Corporation Bill, *continued*

(b) thereafter, the limit set in regulations made under subsection (4) then in force;

“official development assistance” has the same meaning as in the most recent annual report laid before each House of Parliament in accordance with the provisions of section 1 of the International Development (Reporting and Transparency) Act 2006.”

Member’s explanatory statement

The amendment would set a new limit on the power to make regulations to increase the limit on government assistance under section 15, expressed as either £12 billion or the current limit at the time plus 4% of official development assistance over a five year period, whichever is the lesser amount.

Kate Osamor
Imran Hussain
Stephen Doughty
Patrick Grady

1

Clause 1, page 1, line 8, at end insert—

“(4A) The Secretary of State may not exercise the power under subsection (4) to increase the limit by more than the amount that the Secretary of State estimates is required to meet the plans for investment by CDC in the ensuing three years.”

Member’s explanatory statement

This amendment has the effect of restricting each increase in the limit by secondary legislation to an amount necessary to support additional investment by CDC over a three year period.

ORDER OF THE HOUSE [29 NOVEMBER 2016]

That the following provisions shall apply to the Commonwealth Development Corporation Bill:

Committal

1. The Bill shall be committed to a Public Bill Committee.

Proceedings in Public Bill Committee

2. Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Thursday 8 December 2016.
3. The Public Bill Committee shall have leave to sit twice on the first day on which it meets.

Proceedings on Consideration and up to and including Third Reading

4. Proceedings on Consideration shall (so far as not previously concluded) be brought to a conclusion three hours after the commencement of proceedings on Consideration.
5. Any proceedings in legislative grand committee and proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion four hours after the commencement of proceedings on Consideration.
6. Standing Order No. 83B (Programming committees) shall not apply to proceedings on Consideration and up to and including Third Reading.

Commonwealth Development Corporation Bill, *continued**Other proceedings*

7. Any other proceedings on the Bill (including any proceedings on consideration of Lords Amendments or on any further messages from the Lords) may be programmed.
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