

INTERNATIONAL DEVELOPMENT (OFFICIAL DEVELOPMENT ASSISTANCE TARGET) BILL

EXPLANATORY NOTES

INTRODUCTION

1. These explanatory notes relate to the International Development (Official Development Assistance Target) Bill as brought from the House of Commons on 8th December 2014. They have been prepared with the consent of Lord Purvis of Tweed, the Peer in charge of the Bill, 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.

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. Internationally, 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 by the DAC as the 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 convey 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 is provided by a wide range of government departments, including, but not limited to, the Department for International Development (DFID), the Foreign and Commonwealth Office, the Ministry of Defence, the Department for Energy

and Climate Change, the Department for Environment, Food and Rural Affairs and the Department of Health. The UK's ODA is a national statistic produced by DFID, operating within the UK Statistics Authority's Code of Practice.

6. The UK's GNI is a national statistic 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 is committed to meeting the 0.7% target, and achieved it in 2013 for the first time. In so doing, it was also the first member of the Group of 8 Nations (G8) to meet the target.

8. This Bill:

- imposes a duty on the Secretary of State to ensure that the 0.7% target continues to be met by the UK in the year 2015 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 2015;
- 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;
- imposes a duty on the Secretary of State to ensure that UK ODA is subject to independent evaluation and to report annually (in the annual report) how he or she has complied with the duty.

TERRITORIAL EXTENT AND APPLICATION

9. The Bill extends to the whole of the United Kingdom. International development assistance is not a matter falling within the legislative competence of the Scottish Parliament, the National Assembly for Wales or the Northern Ireland Assembly.

COMMENTARY ON CLAUSES

Clause 1: Duty to meet United Nations 0.7% target from 2015

10. *Subsection (1)* places a duty to the Secretary of State to ensure that the target for ODA to amount to 0.7% of GNI is met by the UK in 2015 and subsequent years.

11. *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 explanations and definitions of the terms GNI and ODA. In practice, they follow those provided by the DAC and ONS.

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

12. *Subsection (1)* provides that if the Secretary of State's annual report, laid before Parliament in 2015 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.

13. *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 2014 or any subsequent year, then the Secretary of State must lay a statement before Parliament as soon as reasonably practicable after making that revision.

14. *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.

15. *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 or she has taken to ensure the 0.7% target will be met in the following calendar year.

Clause 3: Accountability to Parliament

16. *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.

17. *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

18. *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 the new duty in clause 1 to ensure the UK meets the 0.7% target from 2015 onwards.

Clause 5: Independent evaluation of official development assistance

19. *Clause 5* requires the Secretary of State to ensure that the value for money of UK expenditure on ODA is subject to independent review. It also requires the Secretary of State to include in each annual report (as defined in clause 1) a statement about how he or she has complied with this duty.

Clause 6: Short title, commencement and extent

20. *Subsection (2)* provides for the Bill to come into force on 1st June 2015. *Subsection (3)* provides for the Bill to extend to the whole of the United Kingdom.

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[HL Bill 67]*

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