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Amend section 7 of the International Development Act 2002 to require the imposition of conditions relating to internationally supervised audit on assistance.

WHEREAS the Government of the United Kingdom has, in conjunction with other persons, organisations and governments, already made significant progress in promoting development in other countries and alleviating poverty, it is desirable and expedient to require the Secretary of State to promote practical measures to improve the audit of public expenditure in developing countries and thereby to reduce corruption:—

BE IT THEREFORE ENACTED by the Queen’s most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1 Amendment of the International Development Act 2002

- (1) The International Development Act 2002 (c. 1) is amended as follows.
- (2) In section 7 (terms on which assistance is provided)—
- (a) in subsection (1), after the first word “may”, insert the words “, subject to subsection (1A),”;
- (b) after subsection (1) insert—
- “(1A) The Secretary of State shall, for the purposes set out in subsection (1B), take such steps as he thinks fit to—
- (a) impose conditions on assistance provided under this Act to secure that assistance to a particular country complies with the requirements set out in subsection (1C), and
- (b) encourage other countries and relevant international financial institutions to do likewise.
- (1B) The purposes set out in this subsection are—

- (a) to promote the economy, efficiency and effectiveness of expenditure within countries arising from assistance under this Act, and
- (b) to reduce corruption in those countries.
- (1C) The requirements set out in this subsection are that— 5
- (a) audit of any public expenditure within the country arising from assistance under this Act is carried out by or under the supervision of suitably qualified persons authorised by relevant international financial institutions, undertaken, so far as the Secretary of State deems practicable, in conjunction with those appointed for the purpose of such audit within that country; and 10
- (b) reports arising from such audit are available to— 15
- (i) the government of, and parliamentary bodies within, the country,
- (ii) the Secretary of State, and
- (iii) relevant international financial institutions.”; and
- (c) after subsection (4), insert—
- “(5) In this section ‘relevant international financial institutions’ means those international financial institutions which— 20
- (a) have as one their objects economic development, either generally or in any region of the world, and
- (b) are certified for the purposes of this section by the Secretary of State. 25
- (6) The Secretary of State shall from time to time lay before each House of Parliament a list of—
- (a) international financial institutions certified for the purposes of this section, and
- (b) countries in respect of which assistance complies with the requirements set out in subsection (1C).” 30

2 Short title and commencement

- (1) This Act may be cited as the International Development (Anti-corruption Audit) Act 2005.
- (2) This Act shall come into force at the end of a period of two months beginning with the day on which it is passed. 35

International Development (Anti-corruption Audit) Bill

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*Presented by Mr William Cash
supported by
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Sir George Young, Mr Lindsay Hoyle,
Mr Laurence Robertson,
Mr Jeffrey M. Donaldson, Nick Harvey
and Mr Shailesh Vara.*

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