

# IDC Inquiry into Draft International Development (Official Development Assistance Target) Bill

Submission by the UK Aid Network (UKAN)

5<sup>th</sup> February 2009

*About the UK Aid Network (UKAN) – UKAN is the main network of UK development NGOs who work together on aid quantity and quality issues.*

*UKAN's work is guided by a Steering Group, which currently includes the following organisations – **Actionaid UK, Bond, CAFOD Care International UK, ONE, One World Action, Oxfam GB, Publish What You Fund, Wateraid and World Vision UK**, who have all endorsed this submission.*

*In addition, the following UKAN members have also endorsed this submission: **Christian Aid, Save the Children and Tearfund.***



## 1. Introduction

1.1 UKAN members warmly welcome this Draft Bill, as it represents the start of a process which aims to make legally binding one of the UK's longest standing unmet international commitments – to deliver 0.7% of national income as Official Development Assistance (ODA). We have been campaigning for such legislation to be passed for some time now, and made this one of our key recommendations in a joint BOND submission to the government's White Paper consultation in 2009. <sup>1</sup>

1.2 We believe that there is no more important time to make the UK's ODA commitment legally binding. With enormous challenges facing the poorest countries in meeting the MDGs and facing ongoing financial, food and climatic crises, it will help to deliver vital support to tackle poverty in these countries. In addition, with many developed countries currently falling behind on their ODA commitments, it shows them what types of steps are required to meet these commitments and may inspire renewed commitment from

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<sup>1</sup> [http://www.bond.org.uk/data/files/bond\\_submission\\_for\\_2009\\_dfid\\_white\\_paper\\_27\\_05\\_2009.pdf](http://www.bond.org.uk/data/files/bond_submission_for_2009_dfid_white_paper_27_05_2009.pdf)

these countries. If the Bill could be passed before the UN MDG Summit in September 2010 it will provide such impetus to this critical gathering.

1.3 We also want to note our previously communicated (in writing to the Government) position, that given the relative simplicity of this Bill and cross-party support for reaching 0.7% by 2013, it should have avoided a Draft stage and instead been introduced as a Full Bill in January 2010.

## 2. Is legislation necessary?

2.1 UKAN members feel that legislation is absolutely necessary, as 2010 marks 40 years since the 0.7% commitment was first made by developed countries, and it may well be that it is only with the help of such legislation that the UK's ODA commitment will finally be met.

2.2 We also believe that the UK's ODA commitment should be treated like many international standards that are adopted, and be enshrined in the UK's legal system in order to ensure it becomes a fundamental part of our national policy.

## 3. The aims and scope of the Bill

3.1 The main objective of this Draft Bill is to make the 0.7% ODA commitment legally binding for the UK government to meet from 2013. Although the major political parties have promised to meet 0.7% by 2013, this Bill will strengthen this commitment and therefore be a major milestone in the UK's development ambitions.

3.2 UKAN members believe that the general scope of this Draft Bill is adequate to achieve this hugely important objective, as it states unambiguously that the UK will meet 0.7% from 2013 whilst relying on previous legislation (the 2002 and 2006 International Development Acts) to deal with issues such as the purpose of the UK's aid, detailed reporting to parliament and other key issues.

3.3 However, we do feel that the accountability measures in this Bill could be stronger and we make recommendations for this in section 4 below.

## 4. Are the Bill's accountability measures sufficient?

4.1 UKAN members believe that the measures in this Bill do provide some oversight of UK government performance on the 0.7% ODA target and a degree of accountability in actually delivering on this commitment. However, we do feel that the accountability measures could be stronger in a number of respects.

4.2 Firstly, because clause 2.3 specifically states that in the case of non-compliance the Secretary of State can refer to economic, fiscal and external factors to explain this outcome, UKAN members believe it will make it harder for those trying to hold the government accountable to argue that any such circumstances referred to are not sufficient justification for non-compliance. Additionally, given that the ODA commitment in this Bill is based on a share of GNI it inherently builds in recognition that as economic circumstances change the absolute levels of aid required to meet this target changes. We

*therefore recommend that reference to these factors be removed from the Bill, so that it simply states the SoS must “explain why the 0.7% target has not been met in the report year”. This is consistent with the approach taken in the Child Poverty Bill, for example (see Clause 13.5 of the Child Poverty Bill, quoted in Annex 1 to this submission).*

4.3 Secondly, clause 2.4 does not require the SoS to outline measures to achieve 0.7% in the following year in the case of non-compliance, but simply to outline “any” measures to be taken to achieve the 0.7% target in the following year. *We therefore recommend that this Bill state that the SoS must outline the measures required to be taken to ensure the 0.7% target is met in the following year. This is consistent with the approach taken in the Child Poverty Bill, for example (see Schedule 2.3.b of the Child Poverty Bill, quoted in Annex 1 to this submission).*

4.4 Thirdly, we believe that given its responsibility for scrutinising the work of the Department for International Development and overall ODA spending for parliament, accountability around the 0.7% commitment would be strengthened if the International Development Committee (IDC) had a role in scrutinising UK performance in meeting it. This is especially important given the need for compliance with previous International Development Acts that are relevant to such assessments (e.g. around objectives of aid) and are deferred to in this Bill. *We therefore recommend that the IDC be given a role in formal scrutiny of performance in meeting 0.7% in a manner laid out by previous legislation. This is consistent with the approach taken in the Climate Change Act, which requires a Committee on Climate Change – admittedly not a parliamentary committee but a body supporting parliamentary oversight in this case - to report to parliament on progress in meeting the commitments in this Bill (see Annex 2 to this submission for quotes from relevant parts of the Climate Change Bill).*

4.6 Fourthly, we believe that it is important that there is increased transparency around the contribution of different parts of government to ODA, as such data is crucial to judgements about the 0.7% commitment being met within the parameters of all existing legislation. *We therefore recommend that as part of reporting requirements the Bill require the SoS to report annually on the contribution of different government ministries to ODA levels. This is not currently a specific requirement in the 2006 International Development (Reporting and Transparency) Act.*

## 5. Potential impact of this Bill on the predictability of the UK's aid

5.1 At present the UK government struggles to provide aid recipients with firm funding commitments outside of the years covered by a Comprehensive Spending Review, due to the uncertainty around the level of the aid budget for those years.<sup>2</sup> Given that it has been estimated that unpredictable aid can

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<sup>2</sup> As an illustration of this, total budget support commitments for 2011-12 are only 2/3 of those for 2009-10, probably in part because commitments outside of the Comprehensive Spending Review have to be discounted because of uncertainty around the aid budget. See DFID's 2009 Annual Report, p199, table F5 for supporting data

reduce its real value by up to 20%<sup>3</sup> such a situation is also reducing the effectiveness of the UK's aid.

5.2 Given this, UKAN members believe that a Bill making the 0.7% commitment legally binding from 2013 will provide the UK government with the financial security to make more substantive long term commitments to recipients from 2013, thereby improving the predictability of the UK's aid and its effectiveness.

*6. Is the Bill likely to affect the poverty reduction objectives of the UK's aid as set out in the 2002 International Development Act?*

6.1 By avoiding defining the objectives of the UK's aid, the Draft Bill therefore defers to the 2002 International Development Act's statement that the UK's aid is to be used for poverty reduction. It therefore does not challenge the 2002 Act on these matters.

6.2 In addition, this Bill helps to promote the poverty reduction objectives of the UK's aid by referring to it as Official Development Assistance, a term which is defined by international guidelines (set through the OECD) that define what types of support to developing countries can be counted as aid.

6.3 We would like to highlight that giving the IDC a role in assessing whether the 0.7% commitment has been met (see 4.4) would help to safeguard the poverty reduction objectives of the UK's ODA further.

*7. Is the Bill likely to impact on the contribution to ODA from other government departments?*

7.1 As the Draft Bill defers to the "poverty reduction" objective of the UK's aid set out in the 2002 International Development Act and indirectly endorses the OECD's aid definitions, it maintains the current standards set for aid from other UK government departments to count towards the UK's 0.7% commitment. It therefore is unlikely to have any impact on what levels of ODA are delivered by various government departments, but merely to hold them to account to previously agreed standards for what constitutes ODA.

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<sup>3</sup> See "Aid Effectiveness – Benefits of an EU Approach", EC, Oct 2009

**13 Reports by Secretary of State**

(5) If the UK strategy has not been implemented in full, the report must describe the respects in which it has not been implemented and the reasons for this. 5

**Schedule 2**

*Duty to maintain targets*

2 If the target statement relating to the target year or a renewed target year indicates that the targets have been met in relation to that financial year, the Secretary of State must ensure that they are also met in relation to the financial year following that in which that target statement is laid before Parliament. 20

*Duty to make regulations requiring targets to be met in specified financial year*

3 If the target statement relating to the target year or a renewed target year indicates that any of the targets has not been met in relation to that financial year, the Secretary of State must make regulations under this paragraph— 25

- (a) requiring the Secretary of State to ensure that the targets are met in relation to a later financial year specified in the regulations,
- (b) requiring the Secretary of State, the Scottish Ministers and the relevant Northern Ireland department to publish 30

- strategies,
- (c) requiring consultation by the Secretary of State, in relation to any strategy prepared by the Secretary of State, with the persons mentioned in section [9](#)(4)(a) to (c) and consultation by the Scottish Ministers and the relevant Northern Ireland department, in relation to strategies prepared by them, with the persons whom they are required to consult under section [12](#)(3)(a) to (c), and
  - (d) requiring the Secretary of State to publish annual reports on the implementation of any strategy prepared by the Secretary of State.
- 4 Regulations under paragraph 3 must be made as soon as reasonably practicable after the time when the target statement referred to in that paragraph is laid before Parliament. 40

## *ANNEX 2 – Extracts from Climate Change Act 2008*

### **PART 2** THE COMMITTEE ON CLIMATE CHANGE *The Committee*

#### **36 Reports on progress**

(1) It is the duty of the Committee to lay before Parliament and each of the devolved legislatures each year, beginning with the year 2009, a report setting out the Committee's views on—

- (a) the progress that has been made towards meeting the carbon budgets that have been set under Part 1 and the target in section 1 (the target for 2050),
- (b) the further progress that is needed to meet those budgets and that target, and
- (c) whether those budgets and that target are likely to be met.

#### **37 Response to Committee's reports on progress**

(1) The Secretary of State must lay before Parliament a response to the points raised by each report of the Committee under section 36 (reports on progress).