Draft International Development (Official Development Assistance Target) Bill

January 2010

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for International Development
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INTRODUCTION AND BACKGROUND

The international target for aid donor countries to spend 0.7% of their gross national income (GNI) on official development assistance (ODA) was first established in 1970 at the United Nations.[1] The 0.7% target has been reaffirmed in many international agreements over the years, including the March 2002 International Conference on Financing for Development in Monterrey, Mexico, and at the World Summit on Sustainable Development held in Johannesburg later that year. The UK has not yet met the target, but in 2004 the Government indicated its intention to achieve the target by 2013. The Government has re-stated this commitment on many occasions since, most recently through the Queen's Speech of 18 November 2009.

What is ODA?

Broadly, ODA constitutes those flows of resources to developing countries and multilateral institutions provided by government agencies or by their executive agencies, which have the promotion of the economic development and the welfare of developing countries as their main objective, and which are concessional in character. ODA is an official term used by the Organization for Economic Cooperation and Development's Development Assistance Committee (DAC), a forum for consultation among 22 donor countries and the European Commission. Since 2005, only aid to countries on the DAC List of Recipients of ODA is eligible to be recorded as ODA. The DAC definition of ODA is used in DFID's annual report when the Secretary of State reports under the International Development (Reporting and Transparency) Act 2006 (see below).

Why is it important that ODA levels increase?

In September 2000, world leaders adopted the UN Millennium Declaration, which committed their governments to a new global partnership to reduce extreme poverty, and set out a series of eight targets with a deadline of 2015, known as the Millennium Development Goals (MDGs).[2] The goals range from halving the proportion of people in extreme poverty and providing universal primary education, to halting and reversing the spread of HIV and AIDS. They form a blueprint agreed by all the countries in the world as well as the leading development institutions. They have galvanized unprecedented efforts to meet the needs of the world's poorest people.

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[1] *"Gross national income"* comprises the total value of goods and services produced within a country, together with its income received from other countries (notably interest and dividends), less similar payments made to other countries. Estimates of UK GNI are produced by the Office for National Statistics as part of the UK National Accounts. These are produced as National Statistics in line with the Code of Practice for Official Statistics.

[2] The text of the MDGs can be found in the Annex to United Nations General Assembly document A/56/326 dated 6th September 2001, entitled "Road map towards the implementation of the United Nations Millennium Declaration: Report of the Secretary General".

Increasing global aid levels is a vital part of achieving the MDGs by 2015. The UN's 0.7% target is the only input target around which international consensus has been reached. Five countries have so far achieved the target (Denmark, Sweden, Norway, Netherlands and Luxembourg). Many others have made commitments to increase their aid. The current ratio across the 22 DAC donors was 0.31% of GNI in 2008. It is widely accepted that in the longer term, development assistance will need to be maintained at higher levels than those presently provided internationally if we are to tackle extreme poverty in a lasting way.

Since the UN Millennium Declaration set out a new consensus around reducing global poverty and the eight MDGs, powerful practical steps have been taken to address the problems of the poorest people and countries. The 2002 Monterrey Conference struck a new bargain: developing countries would make faster progress on improving government, while donors committed themselves to extra funding. In 2005, against the background of the Make Poverty History campaign, the G8 countries, chaired by the UK in Gleneagles, agreed to increase aid – doubling it for Africa – and provide additional debt relief.

The amount of aid has grown and is now better directed to what works. More than $110 billion of debt has been cancelled, releasing money to be used for clinics, schools, clean water and essential infrastructure. The UK has been at the forefront of these improvements. Britain's aid budget has more than tripled since 1997 and our ODA/GNI ratio has risen from 0.26% in 1997 to 0.43% in 2008. Britain now helps lift 3 million people out of poverty each year.

The UK has led the way not only in increasing investment, but in changing the way development is done. Internationally, the UK has played a role in raising the profile of poverty reduction and accelerating improvements in the way that developing countries are supported. The UK has actively promoted the MDGs as the guiding framework for development partnerships.

In 2004, the UK became the first G8 country to announce when it would meet the 0.7% target. This commitment was seen as key to galvanising international commitment to increase development assistance prior to the 2005 Gleneagles summit, and also in securing EU commitment to average expenditure of 0.7% ODA/GNI by 2015. The UK used its Presidencies of the G8 and the European Union to press for the Gleneagles commitments on aid, trade and debt. In 2008, the UK worked closely with the UN Secretary-General to deliver the Call to Action campaign, championing the EU Agenda for Action and renewed commitment by the G8 to the MDGs.

Why this draft Bill?

If the UK is to maintain its leading role on this issue on a global stage it is vital that the UK continues to demonstrate its commitment to invest in international development, despite difficult economic circumstances. Putting the 0.7% target into law will underline the importance attached by this Government and by Parliament to the achievement of this goal. The draft Bill places a duty on the Secretary of State to ensure that the target for ODA to amount to 0.7% of GNI is met by the UK in 2013 and subsequent years. It will put beyond doubt the UK's determination to deliver on our long held international development commitments. This in turn will help the UK to influence other major donors to increase their aid levels and achieve the 0.7% target.

In past economic downturns, international donors have reduced the amount of aid they provide, and thus exacerbated the impact on global poverty. Making a statutory commitment to achieving the UN's 0.7% target from 2013 will enable the UK to reassure developing country partners that the UK will continue to fund the development programmes vital to their economic growth, to combating poverty, and to supporting global economic recovery. In turn, this will give developing countries the confidence to make the long term investment commitments necessary for the achievement of the MDGs.

For many, the moral imperative to end poverty is reason enough to act. As the world becomes richer and more sophisticated, we increasingly have the means to end poverty, and our excuses for failing to do so are becoming progressively more threadbare. But in the 21st Century, development is not merely a moral cause; it is also a common cause. The success and security of other countries profoundly affect our own success and security. Justice, security and prosperity are indivisible: none of us can fully enjoy them unless we all do. Building Britain's future and building our common future go hand in hand.

Legislative Context

The International Development Act 2002 ("the 2002 Act")

The principal UK statute concerning ODA is the 2002 Act. It sets out the Secretary of State's powers to provide development assistance. It enables the Secretary of State to provide assistance to countries, territories and organisations if he is satisfied that such assistance is likely to contribute to a reduction in poverty. The Secretary of State may also provide assistance in other specified circumstances. The terms of this draft Bill do not make any amendment to the 2002 Act.

The International Development (Reporting and Transparency) Act 2006 ("the 2006 Act")

The purpose of the 2006 Act was to strengthen Parliamentary scrutiny of the government's pledges to help the world's poor countries and people. It provides a clear, comparable framework against which the Secretary of State must report on the amount of international aid provided by the UK.

Section 1 requires the Secretary of State to report annually to each House of Parliament on the total UK expenditure on international aid and on the breakdown of such aid by reference to a set of requirements set out in the Schedule to the Act. Critically, paragraphs (1) (e), (f) and (h) of the Schedule require that these reports set out the amount of official development assistance provided by the UK, and that the total amount of ODA be set out as a percentage of the UK's GNI. The definitions of ODA and GNI are each set out in the report made under the 2006 Act in each year; they are drawn from the accepted national and international definitions noted above.

The 2006 Act also requires the Secretary of State to provide his opinion on a number of specific issues related to international development. Of particular relevance to this draft Bill is the obligation in section 3 of the 2006 Act for the Secretary of State to include in each annual report his assessment of the year in which he expects that the 0.7% target will be met by the UK.

The 2006 Act ensures that there is already transparent recording of the UK's progress against the 0.7% target. However, it does not make any provision requiring the Secretary of State to work towards the achievement of the target by a specific year, as does the draft Bill. The draft Bill draws on the reporting and transparency requirements under the 2006 Act as a basis for monitoring the performance of the Secretary of State in achieving his new duty to ensure the UK meets the 0.7% target in 2013 and subsequent years.

Conclusion

The draft Bill and supporting documents in this Command Paper will be subject to pre-legislative scrutiny, which will be conducted by the International Development Committee of the House of Commons (the departmental select committee).

International Development (Official Development Assistance Target) Bill

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Make provision about the meeting by the United Kingdom of the target for official development assistance to constitute 0.7 per cent of gross national income.

BE IT 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 Duty to meet United Nations 0.7% target from 2013

(1) It is the duty of the Secretary of State to ensure that the target for official development assistance to amount to 0.7% of gross national income (in this Act referred to as "the 0.7% target") is met by the United Kingdom in the year 2013 and each subsequent calendar year.

(2) Whether the 0.7% target has been met by the United Kingdom in any year is to be determined for the purposes of this Act by reference to the amounts specified for that year in an annual report (in particular, the percentage specified in accordance with paragraph 1(h) of the Schedule to the 2006 Act).

(3) In this Act—

"the 2006 Act" means the International Development (Reporting and Transparency) Act 2006;

"annual report" means an annual report under section 1 of the 2006 Act.

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

(1) If an annual report laid before Parliament in the year 2014 or any subsequent calendar year shows that the 0.7% target has not been met in the report year, the Secretary of State must, as soon as reasonably practicable after laying the report, lay before Parliament a statement complying with subsections (3) and (4).

(2) If an annual report laid before Parliament in the year 2014 or any subsequent calendar year shows that the 0.7% target has been met in the report year but—

(a) the report is revised under section 1(4) of the 2006 Act by a subsequent annual report, and

(b) the effect of the revision is to show that the 0.7% target was not met in the report year,

the Secretary of State must, as soon as reasonably practicable after laying the subsequent report, lay before Parliament a statement complying with subsection (3).

(3) A statement under subsection (1) or (2) must explain why the 0.7% target has not been met in the report year and, if relevant, refer to the effect of one or more of the following—

(a) economic circumstances and, in particular, any substantial change in gross national income;

(b) fiscal circumstances and, in particular, the likely impact of meeting the target on taxation, public spending and public borrowing;

(c) circumstances arising outside the United Kingdom.

(4) A statement under subsection (1) must also describe any steps that the Secretary of State has taken to ensure that the 0.7% target will be met by the United Kingdom in the calendar year following the report year.

(5) In this section "the report year", in relation to an annual report, means the period of 12 months which is the most recent relevant period, as defined by section 1(2) of the 2006 Act, to which the information included in accordance with paragraph 1(h) of the Schedule to that Act relates.

3 Accountability to Parliament

(1) The only means of securing accountability in relation to the duty in section 1 is that established by the provision in section 2 for the laying of a statement before Parliament.

(2) Accordingly, the fact that the duty in section 1 has not been, or will or may not be, complied with does not affect the lawfulness of anything done, or omitted to be done, by any person.

4 Repeal of section 3 of the 2006 Act

Section 3 of the 2006 Act (which requires each annual report to include an assessment of the year in which the 0.7% target is expected to be met) is repealed.

5 Short title

This Act may be cited as the International Development (Official Development Assistance Target) Act 2010.

DRAFT INTERNATIONAL DEVELOPMENT (OFFICIAL DEVELOPMENT ASSISTANCE TARGET) BILL

EXPLANATORY NOTES

INTRODUCTION

1. These Explanatory Notes relate to the draft International Development (Official Development Assistance Target) Bill as published on 15 January 2010. They have been prepared by the Department for International Development (DFID), 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 draft Bill. They are not, and are not meant to be, a comprehensive description of the draft 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. For these purposes, 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 as 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 conveying 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 can be provided by a range of government departments, not only DFID.

6. For these purposes it is also commonly accepted that the UK's "Gross National

Income" contributes to national statistics 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 has remained committed to meeting the 0.7% target, but has not yet done so. This draft Bill:

- imposes a duty for the Secretary of State to ensure that the 0.7% target is met by the UK in the year 2013 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 2013;
- 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 or will not be complied with;
- repeals section 3 of the 2006 Act.

TERRITORIAL EXTENT AND APPLICATION

8. The draft Bill extends to the whole of the United Kingdom.

COMMENTARY ON CLAUSES

Clause 1: Duty to meet United Nations 0.7% target from 2013

9. *Subsection (1)* places a duty on the Secretary of State to ensure that the target for ODA to amount to 0.7% of GNI is met by the UK in 2013 and subsequent years.

10. *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 an explanation or definition of the terms GNI and ODA. In practice, these explanations and definitions follow those provided by the Organisation for Economic Co-operation and Development and the Office for National Statistics.

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

11. *Subsection (1)* provides that if the Secretary of State's annual report, laid before Parliament in 2014 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.

12. *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 draft 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 2013 or any subsequent year, then the Secretary of State must lay a statement before Parliament as soon as reasonably practicable after making that revision.

13. *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.

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

Clause 3: Accountability to Parliament

15. *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.

16. *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

17. *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 his new duty in clause 1 to ensure the UK meets the 0.7% target from 2013 onwards.

FINANCIAL EFFECTS

18. As far as it is possible to quantify in a draft Bill such as this, the additional

administrative costs have been considered in the Impact Assessment for this Bill. A full assessment of financial effects will be made ahead of introduction.

PUBLIC SECTOR MANPOWER

19. The effects on public sector manpower, as far as it is possible to quantify in a draft Bill such as this have been considered in the Impact Assessment for this Bill.

SUMMARY OF THE IMPACT ASSESSMENT

20. A brief Impact Assessment has been produced which sets out the rationale for the draft Bill. It makes it clear that there will be no Regulatory or Equality Impact in the UK and that the impact of additional administrative costs will be negligible. A copy may be obtained from a link on the Department for International Development website, www.dfid.gov.uk.

COMPATIBILITY WITH THE EUROPEAN CONVENTION ON HUMAN RIGHTS

21. The draft Bill raises no issues in relation to the European Convention on Human Rights.

COMMENCEMENT DATE

22. The draft Bill would come into force on Royal Assent.

Summary: Intervention & Options

Department /Agency:	Title:	
DFID	Impact Assessment of the Draft International Development (Official Development Assistance Target) Bill	
Stage: Final proposal stage	Version: 1	Date: 6 January 2010

Related Publications: International Development Act 2002, International Development (Reporting and Transparency) Act 2006, Department for International Development Annual Reports

Available to view or download at:

http://www.parliament.uk

Contact for enquiries: Debbie Palmer, d-palmer@dfid.gov.uk **Telephone:** 020 7023 0769

What is the problem under consideration? Why is government intervention necessary?

The internationally-agreed UN Millennium Development Goals (MDGs) are designed to reduce poverty and hunger in the developing world significantly. Some of the MDGs are currently off track. Greater levels of development assistance from all economically advanced countries, with the UK playing a proportionate role, are essential if they are to be met. In the longer term, it is accepted that development assistance will need to be maintained at higher levels than those presently provided.

What are the policy objectives and the intended effects?

The UK has committed to reaching the UN target of providing 0.7% Gross National Income for official development assistance by 2013. Legislation will enshrine that commitment in law, effective on an ongoing basis from 2013. It will oblige the government to report to Parliament on its implementation. It will help to ensure the predictability of aid flows to developing countries (essential for them to be able to draw up long-term expenditure commitments) and, by setting an example, galvanise other donor countries into meeting the 0.7% target themselves.

What policy options have been considered? Please justify any preferred option.

Introducing new legislation, amending the International Developent (Reporting and Transparency Act) 2006, or taking no action. Enshrining the 0.7% target in law will indefinitely protect the 0.7% target, which would otherwise remain vulnerable. While the 2006 Act requires the Secretary of State to assess when he thinks the UK will reach the 0.7% target, its focus is on reporting progress rather than setting out a specific intent to reach the target by 2013; amending the 2006 Act would substantially change its overall focus and purpose. A new bill is therefore the best course of action.

When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects? Periodically, at the Secretary of State's discretion.

<u>**Ministerial Sign-off**</u> For SELECT STAGE Impact Assessments:

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister:

....Date:

Summary: Analysis & Evidence

Policy Option:	Description:

COSTS

ANNUAL COSTS		Description and scale of **key monetised costs** by 'main affected groups'
One-off (Transition)	**Yrs**	N/A
£ 0		
Average Annual Cost (excluding one-off)		
£ 0		**Total Cost** (PV) £

Other **key non-monetised costs** by 'main affected groups' N/A

BENEFITS

ANNUAL BENEFITS		Description and scale of **key monetised benefits** by 'main affected groups'
One-off	**Yrs**	N/A
£ 0		
Average Annual Benefit (excluding one-off)		
£ 0		**Total Benefit** (PV) £

Other **key non-monetised benefits** by 'main affected groups' Enshrining in law the commitment to achieve 0.7% in 2013 and thereafter; greater predictability of aid flows for recipient countries, which will enable longer-term planning; galvanising effect on other donors.

Key Assumptions/Sensitivities/Risks That economic, fiscal and international circumstances will allow for the 0.7% target to be met, and that without legislation governments might feel less committed to meeting the target.

Price Base Year	Time Period Years	**Net Benefit Range** (NPV) £	**NET BENEFIT** (NPV Best estimate) £

What is the geographic coverage of the policy/option?			UK	
On what date will the policy be implemented?			2013	
Which organisation(s) will enforce the policy?			DFID	
What is the total annual cost of enforcement for these organisations?			£ 0	
Does enforcement comply with Hampton principles?			Yes	
Will implementation go beyond minimum EU requirements?			N/A	
What is the value of the proposed offsetting measure per year?			£ 0 - N/A	
What is the value of changes in greenhouse gas emissions?			£ 0 - N/A	
Will the proposal have a significant impact on competition?			No	
Annual cost (£-£) per organisation (excluding one-off)	Micro **N/A**	Small **N/A**	Medium **N/A**	Large **N/A**
Are any of these organisations exempt?	Yes/No	Yes/No	N/A	N/A

Impact on Admin Burdens Baseline (2005 Prices) (Increase - Decrease)

Increase of £ N/A Decrease of £ N/A **Net Impact** £ N/A

Key: **Annual costs and benefits: Constant Prices** **(Net) Present Value**

Evidence Base (for summary sheets)

[Use this space (with a recommended maximum of 30 pages) to set out the evidence, analysis and detailed narrative from which you have generated your policy options or proposal. Ensure that the information is organised in such a way as to explain clearly the summary information on the preceding pages of this form.]

1. The international target for all donor countries to spend 0.7% of national income on development assistance was first established in 1970 in the United Nations, and has been reconfirmed regularly since that date. Five countries have so far achieved the target (Denmark, Sweden, Norway, Netherlands and Luxembourg). In 2004 the UK announced its own intention to reach the target by 2013.

2. Increasing global aid levels is vital to achieving the Millennium Development Goals (MDGs) by 2015. There have been successive efforts at costing the achievement of the MDGs, which were estimated at $120 billion in 2001, and $150 billion in 2005, and though there has been some disagreement about the additional financing required, it is agreed that significant additional official development assistance (ODA) is needed. The only input target around which international consensus has been reached is the 0.7% target agreed in 1970. Enshrining this target in legislation should influence other major donors to increase their aid levels to achieve the target too; the UK announcement that it intended to achieve the target by 2013 helped to galvanise international commitment to increase development assistance in advance of the 2005 G8 summit in Gleneagles, and also secure EU commitment to average expenditure of 0.7% ODA/GNI by 2015. Unless and until it is revised, the 0.7% target is permanent (ie it extends beyond achieving the MDGs by 2015).

3. Predictability of aid levels is important in order to give developing countries the confidence to make the long-term expenditure commitments that are vital to achievement of the MDGs. Legislating for 0.7% ODA/GNI will help provide this assurance, which is particularly important in the current global economic downturn.

4. The following options have been considered:

   a) *Introducing new legislation*

   The benefits of introducing new legislation are that it will set a framework for meeting the 0.7% target, by placing a duty on the International Development Secretary of State to ensure that UK expenditure on ODA amounts to 0.7% of GNI from 2013 and to lay a statement before Parliament if the target is not reached. It will increase the predictability of aid (see para 3 above) and, by setting an example, will enable the UK to influence other major donors to increase their own aid levels.

   The draft Bill makes clear provision for how achievement of the 0.7% target will be assessed. This will be by reference to the figures for ODA and GNI published in DFID's annual report. The ODA figure in that report is already subject to independent verification by the Development Assistance Committee of the Organisation for Economic Cooperation and Development (OECD DAC). The GNI figure contributes to national statistics produced by the Office for National Statistics on an annual basis. The risk of not meeting the target in time of recession is mitigated by the fact that the target is in the form of a ratio rather than a specific figure. If GNI were to decline, the amount of ODA required to meet the 0.7% figure would decline commensurately.

   b) *Amending previous legislation*

   There are two existing Acts that relate to international development.

The principle UK statute with regard to ODA is the 2002 International Development Act, the purpose of which is to set out the Secretary of State's powers with regard to the provision of development assistance. The 2002 Act explicitly states that poverty reduction must be the over-arching aim of all development assistance. The 2002 Act provides the Secretary of State with sufficient powers to provide assistance which will fall within the OECD DAC definition of ODA. As a result it is not expected that the terms of the current draft Bill should necessitate any amendment to the 2002 Act.

The 2006 International Development (Reporting and Transparency) Act strengthens parliamentary scrutiny of the UK's development assistance by requiring the Secretary of State to report annually to Parliament on the total UK expenditure on international development, and on various aspects of that development, including its effectiveness and transparency. Section 3 of the Act also requires the Secretary of State to include in each annual report his assessment of the year in which he expects the 0.7% target to be met by the UK.

Consideration has been given to whether the aims of the new Bill could be achieved by amending the 2006 Act. However, the 2006 Act does not make any provision requiring the Secretary of State to work towards specific targets. To seek to amend it with such targets would substantially change its overall focus and purpose. The new Bill will complement, and be entirely consistent with, both the 2002 and 2006 Acts. Section 3 of the 2006 Act (see above paragraph) will be repealed.

c) No new legislation

DFID is already obliged, through the 2006 Act, to report annually to Parliament, and the UK is on track to meet the 0.7% target by 2013. However, for as long as the 0.7% commitment has no legal basis, it remains vulnerable; in past economic downturns, international donors have reduced their expenditure on aid. The benefit of not legislating, would be the lower cost, in terms of parliamentary and civil service money and time. However, the intention is to create a simple, relatively short, bill which should not have a significant impact in that regard.

5. Development is a long-term process. Much of our aid is channelled through multilateral systems or directly to governments, and into processes of change such as governance reform and more effective donor partnerships. The UK has developed a set of standard indicators to measure and aggregate results across countries. These standard indicators are being used by the bilateral programmes in key sectors such as health, education and infrastructure, and provide clear examples of what the UK is delivering. Key achievements of UK ODA in Public Service Agreement countries in 2007/08, as reported in DFID's 2009 Annual Report, include, for that year alone:

- Over 100,000 teachers trained
- 7 miillion anti-malaria bednets delivered
- 12,000 classrooms built or reconstructed
- Over 60,000 health professionals trained
- Over 3 million children vaccinated against measles
- Almost 100,000 HIV-positive people provided with anti-retroviral drugs
- Half a billion condoms distributed
- 12.5 million people provided with better sanitation
- Almost 1 million people provided with clean water
- 4,500 km of road built or upgraded, with a further 6,500 km maintained
- Almost 200,000 people provided with electricity

- Over 12 million people assisted through food security programmes

6. In terms of immediate cost, there will be a short-term impact on DFID, with a team of three people taking the bill through the internal government and parliamentary process. The added cost of amending the annual report will be negligible.

Specific Impact Tests, including Equality Impact Assessment

7. Some of the items on the Checklist below do not apply to this legislation (eg competition assessment, small firms impact, legal aid, rural proofing). In the case of those that do apply (including race, gender and disability, which all come under “equality”), the new legislation will have no added domestic impact. This is because it is not a change of policy, but rather a means of enshrining existing policy in law, and extending its effect in perpetuity.

Specific Impact Tests: Checklist

Use the table below to demonstrate how broadly you have considered the potential impacts of your policy options.

Ensure that the results of any tests that impact on the cost-benefit analysis are contained within the main evidence base; other results may be annexed.

Type of testing undertaken	***Results in Evidence Base?***	***Results annexed?***
Competition Assessment	No	No
Small Firms Impact Test	No	No
Legal Aid	No	No
Sustainable Development	No	No
Carbon Assessment	No	No
Other Environment	No	No
Health Impact Assessment	No	No
Race Equality	No	No
Disability Equality	No	No
Gender Equality	No	No
Human Rights	No	No
Rural Proofing	No	No

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