



## ***International Development (Official Development Assistance Target) Bill 2014-15: progress of the bill***

Standard Note: SN/EP/07034

Last updated: 14 January 2015

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Section: Economic Policy and Statistics

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The [International Development \(Official Development Assistance Target\) Bill 2014-15](#) (Bill 14 of 2014-15) was introduced on 2 July 2014 by Michael Moore MP.

This note focusses on developments since the bill's introduction – more information on the bill can be found in the Library briefing prepared ahead of the bill's second reading: Research Paper 14/48 [International Development \(Official Development Assistance Target\) Bill](#).

The bill would enshrine the 0.7% aid target – of spending at least 0.7% of national income on aid – in legislation.

The bill also contains provisions for the scrutiny of aid spending. These were changed in committee by an amendment from Michael Moore and the Government. The bill now requires that the Secretary of State make arrangements for the independent evaluation of aid. The previous version of the bill would instead have created a specific new body to carry out independent evaluation of aid spending, but it was argued that this function is currently carried out by Parliament, including the International Development Committee, and by the Independent Commission for Aid Impact.

The report stage debate and third reading took place on 5 December and the bill was passed by 146 votes to five. It had its first reading in the House of Lords on 8 December.

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## Introduction

The [International Development \(Official Development Assistance Target\) Bill 2014-15](#) (Bill 14 of 2014-15) was introduced on 2 July 2014 by Michael Moore MP, who came second in the Private Members' bill ballot for the 2014-15 session.

This note focusses on developments since the bill's introduction – more background on the bill can be found in the Library Research Paper 14/48 [International Development \(Official Development Assistance Target\) Bill](#). The [bill page](#) links to more information about the progress of the bill, including the debates at each stage and proposed amendments.

The bill had its second reading on 12 September, at which it was supported by 164 MPs and opposed by six. There was a debate on a money resolution on 3 November, which was supported by 295 Members and opposed by seven.

The bill's committee stages were on 4 and 11 November. In committee, amendments were made to the scrutiny arrangements for UK aid set out in the bill. There were also minor amendments made to set a commencement date for the act and on its geographical extent. All of these amendments were proposed by the Government and by Michael Moore MP.

The report stage debate and third reading took place on 5 December and the bill was passed by the House of Commons at third reading by 146 votes to five.

The 0.7% aid target is a target for donor countries to contribute 0.7% of their Gross National Income (GNI) as aid (Overseas Development Assistance or ODA).

The Office for National Statistics have recently changed the methods used to define GNI, and this has an impact on the aid target. The latest figures, from DFID's [Statistics on International Development 2014](#) (October 2014), are that aid was £11.46billion in 2013 (up from £8.80billion in 2012). Aid was 0.71% of GNI in 2013 based on the GNI methodology used to plan spending but 0.67% of the current headline measure of GNI.

## Second reading

The bill had its second reading on 12 September. The majority of Members spoke in favour of the bill.

Michael Moore, the sponsor of the bill, argued that there is great need in parts of the world; that development assistance can be effective in relieving poverty; that helping others is in the UK's interest; that legislating for the 0.7% aid target had been in the manifestos of the Conservative, Labour, Liberal Democrat and Scottish National parties; that legislation would show the UK's leadership; that predictability of aid spending allows partners in the developing world to plan and that effective scrutiny of aid spending is vital. He concluded:

The plight of the world's poorest people remains a scar on all our consciences and it is something we think deeply about. The injustice suffered by millions is not something we can turn our backs on. We have unfinished business. The United Kingdom has, over decades, demonstrated leadership, providing support for those most in need. Today, with this Bill, I hope we can continue to show it.<sup>1</sup>

The Minister, Desmond Swayne, said that aid spending was in the national interest:

I have no doubt that this is money well spent and in the taxpayer's interests. We live in a dangerous and disordered world. We are beset: one need only look at the port of Calais to see how many people come from all sorts of desperate circumstances in desperate countries all over the world, where poverty and injustice and misgovernance have reigned for generations. If we wish to see those movements of population reduced, it is in our interests to invest in good governance and in economic growth in some of those countries.<sup>2</sup>

He also explained that the 0.7% target was the Government's policy, and said that being a leader in terms of the target "gives our country enormous authority when we speak on these matters".

The Shadow Secretary of State, Jim Murphy, made the arguments that aid is needed, that aid, if properly targeted, is effective; that the UK should lead to encourage others to increase their aid spending to 0.7%; and that aid spending must come with safeguards to prevent money being wasted. He concluded:

We should be proud of what we are seeking to achieve today. A very small Bill, on just a few sheets of paper, will save many hundreds of thousands of lives of people we will never meet and whose names we will never know. I congratulate the right hon. Gentleman on his Bill, and we will, in years to come, look back with a real sense of pride on what we are, together, achieving today.<sup>3</sup>

Sir Malcolm Bruce, chair of the International Development Committee, said that there was a rising need for development assistance, that meeting the 0.7% target enables the UK to deliver real leadership in the world, and that there was a good case for putting the independence of the Independent Commission for Aid Impact (which reports to the International Development Committee) into law. He finished by saying:

One privilege of being the Chair of a Committee such as mine is that I have had many opportunities to visit other countries. I think I have made more than 30 such visits to

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<sup>1</sup> [HC Deb 12 September 2014 c1174](#)

<sup>2</sup> [HC Deb 12 September 2014 c1181](#)

<sup>3</sup> [HC Deb 12 September 2014 c1187](#)

sub-Saharan Africa, south Asia and other parts of the world to see the work we do, on our own and in partnership with other international organisations, bilateral donors and NGOs. It is transformational and world-class work and something of which this country can be proud. We lead the world in what we do and the effectiveness with which we do it, and that is understood and appreciated wherever we go. We have fantastic, dedicated staff working in those places, sometimes in extremely difficult and challenging conditions. As a country, we have every reason to be proud of what they do. This Bill stands up, as people have said, as a great British totem of a country that has engaged in what poverty reduction really means, is committed to it and is absolutely clear that we will go on delivering on our obligations in future, regardless of what anybody else does, but also as a beacon to others, so that they are a little ashamed of what they have done and perhaps respond to our challenge.<sup>4</sup>

Gordon Brown described several case studies to demonstrate the need for development aid and global leadership, for example:

I went to a small village hut school just outside Juba that was serving that village. There were 20 young children in that very small, one-hut school. What I remember seeing was 100 children outside the school looking in through a portal—one small window in this hut of a school—at something that they could not have because there were only 20 places for a village of hundreds of people.

The plan was drawn up for \$200 million to be spent on educating the children of South Sudan. Only a third of children are at school and there are only about 60 girls in the final year of secondary education. The plan cost \$4 a week—\$200 a year—for these children to get education. The problem was not the willingness of the Government to do it or that there were no plans to do it; the problem was that nobody in the international community was able to come up with the extra \$100 million—for a cost-effective project that, at \$4 a week, nobody could doubt would be worth the money—despite efforts by this Government and others. Nobody in the international community was able to bring together the \$200 million that might have brought children to school.

...

Let our debate today be a message that there can be hope for the future, enshrined in law. Let us ensure that we can say that to millions of people who thought things were hopeless that we not only kept our promises, but we kept hope alive.<sup>5</sup>

Philip Davies set out a wide-ranging case against the bill:

The Bill raises a number of questions. Does aid actually work? That is a legitimate area for debate. Should we spend 0.7% of gross national income on aid? That is another area of debate. Finally, should that spending be put into law? This Bill is gesture politics of the worst kind. ... We are spending 0.7% of GNI on overseas aid. In fact, we are spending 0.72% of GNI on it. We therefore do not need to put it into law. ...

At a time of national austerity, it seems to me sensible that we would want to reduce the aid spending given to other countries. It would not have been a bad thing even to have frozen aid spending to other countries, but to increase it massively, as we have done, at the same time as we are making the case that we have no money and have to cut spending everywhere and cut our cloth accordingly, is completely and utterly ridiculous. ... We are not even spending taxpayers' money. ... When will people understand that even now we are borrowing?

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<sup>4</sup> [HC Deb 12 September 2014 c1210](#)

<sup>5</sup> [HC Deb 12 September 2014 cc1176-1179](#)

We heard the idea that if we did this and set the lead, all other countries would follow. ... What has actually happened in practice? While we have been ramping up the proportion that we spend on overseas aid, similar countries in the developed world have been reducing the amount they spend as a percentage of their GNI. ...

[This bill] says that we are going to spend the same amount of money every single year in perpetuity. That is basically an acceptance that our assistance will fail, that it will not turn around a country's fortunes or deal with the causes of poverty, and that it will just be a hand-out to make a few middle-class, Guardian-reading, sandal-wearing, lentil-eating do-gooders with a misguided guilt complex feel better about themselves. It will do nothing to alleviate the real causes of poverty in those countries. ...

We know that the current system does not work. We have been pouring tens of billions of pounds a year into Africa, year in, year out. How much further forward is Africa today, compared with when we started pouring in those tens of billions of pounds? It is barely any further forward at all ...

I just want to remind Members that as Conservatives we should be judging ourselves not on how much we spend, but on how effectively we spend the money and, crucially, on whether or not we can afford to spend the money that we are handing over.<sup>6</sup>

Mr Davies also pointed to the interplay between the time given to this bill and the Conservative-party-backed European Union (Referendum) Bill 2014-15, which followed this bill in the Private Members' bill ballot.

At a division, the second reading of the bill was supported by 164 Members and opposed by six.<sup>7</sup>

## Money resolution

On 3 Nov 2014, there was a debate on a money resolution for the bill.<sup>8</sup> A money resolution authorises public money to be spent by the Government in relation to the bill – this was needed here because the original draft of the bill proposed setting up a new body.<sup>9</sup> Where required, money resolutions need to be passed before committee stage.

Much of the debate on the money resolution focussed on the possibility of aid money being wasted or being spent corruptly. Many of the issues that had been raised at second reading were also discussed.

The debate ended with a vote on the money resolution which 295 Members supported and seven opposed.

## Committee stage

The Committee met on 4 and 11 November.

### The duty to meet the target (Clauses 1-4)

Most of the debate concentrated on **Clause 1** of the bill. Michael Moore spoke again about the problems of poverty in developing countries, about the effectiveness of development assistance and about international development being in the UK national interest. He said

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<sup>6</sup> [HC Deb 12 September 2014 cc1224-1236](#)

<sup>7</sup> [HC Deb 12 September 2014 c1239](#) (vote on second reading follows vote on closure motion)

<sup>8</sup> [HC Deb 3 November 2014 c611](#)

<sup>9</sup> This part of the bill was then changed in committee.

that Clause 1 was the heart of the Bill, and explained that it puts a duty on the Secretary of State to aid (ODA) amounts to 0.7% of GNI in 2015 and each subsequent calendar year.<sup>10</sup>

The Minister, Desmond Swayne, said that the clause would fulfil the Government's pledge to legislate for the target:

By placing a duty on the Secretary of State to meet the target and to report how it has been met by quoting the figures for GNI and overseas development aid, the clause discharges the commitment of the coalition to legislate on the matter and the commitment that was made in a number of our manifestos. As such, I support the clause and the important duty that it places on the Secretary of State.<sup>11</sup>

Alison McGovern – Shadow Minister for International Development – said that it was right that Britain lead the way, setting an example by legislating for the 0.7% aid target. She suggested that “it is our duty to the world's poorest” and that it would help the UK keep its promise:

Development promises are not always kept; if we look through the history of international development we see how often great words are said at summits and promises made that are not kept. It is important that we use the Bill as a tool to help us to keep the promise that we made, which is doubly important because it is in the sphere of international development.<sup>12</sup>

Sir Gerald Howarth argued against enshrining in law the protection of any departmental budget. He also tabled an amendment that would have put the NATO guideline of spending 2% of GDP on defence expenditure into law, arguing that if there were to be ring-fences around certain budgets, then defence expenditure should first be put into law, on the grounds that the first duty of Government should be defence of the realm. Other Members argued that aid and defence spending should be considered separately. Sir Gerald did not press his amendment to a vote, but he said there was a possibility it might be debated further at a later stage. Finally, Sir Gerald argued that not all aid was spent well and that aid spending should be lower than 0.7% of GNI, given the need to reduce the budget deficit.<sup>13</sup>

Mike Weir, supporting the bill, pointed to the history of the target, reaching back to the 1970s. While questioning aspects of the international definition of aid (ODA), he said that overall “it is a good thing, it will do a great deal of good and we should be at the forefront of it and encourage as many others as possible to do so, including our European partners, who have not done so yet.”<sup>14</sup>

Tom Clarke said that having achieved the target, “we must make sure that we never go back on it, whatever the influences on us. Those influences may be great—the international economic crisis from which we are, I hope, recovering may not be the last—but whatever the circumstances we face, the poorest people in the poorest parts of the world are waiting for clean water, trying to deal with preventable diseases and trying to ensure that girls get an education when they have hitherto been denied one.”<sup>15</sup>

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<sup>10</sup> [PBC Deb 4 November 2014 c15](#)

<sup>11</sup> [PBC Deb 4 November 2014 c26](#)

<sup>12</sup> [PBC Deb 4 November 2014 c23](#)

<sup>13</sup> [PBC Deb 4 November 2014 c4-c12](#)

<sup>14</sup> [PBC Deb 4 November 2014 c17-c20](#)

<sup>15</sup> [PBC Deb 4 November 2014 c15](#)



Jeremy Lefroy, chair of the All Party Parliamentary Group on Malaria, pointed to the importance of aid spending in terms of developing global public goods, such as drugs and vaccines against malaria, TB and HIV/AIDS.<sup>16</sup>

Stephen O'Brien pointed to the value of 0.7% as an international target: "because it is an external measure, and because—for whatever reason—it is expressed as a percentage, it has helped motivate people at a global level, particularly in trying to achieve the millennium development goals, and, perhaps more importantly, the more economically focused goals that will come after them in 2015."<sup>17</sup>

Clause 1 was agreed without a vote.

There was only a brief debate on **Clauses 2 to 4**. They were also agreed without a vote.<sup>18</sup>

### **Scrutiny arrangements (Clause 5)**

As originally drafted, **Clause 5** and the **schedule** would have set up a new body, the Independent International Development Office (the IIDO), which would have been responsible for carrying out independent evaluation of aid spending.

This clause was replaced by a new clause following amendments from the Minister and Michael Moore, and the schedule was removed. The bill now instead requires that the Secretary of State make arrangements for the independent evaluation of aid.

In explaining these changes the Minister said that aid was currently being scrutinised by Parliament – including the International Development Committee – and by the Independent Commission for Aid Impact (ICAI). He suggested that the focus should be on strengthening those arrangements, rather than creating a new body. He also suggested that the revised approach would make it easier to pass the bill by limiting the scope of potential amendments at Report stage.<sup>19</sup>

Mr Moore explained that scrutiny was an important part of the bill:

In our constituencies up and down the country, regardless of party affiliation, we are all conscious of the need not only to make the argument for international development, but to reassure constituents that when we commit such a large amount of public money to ODA it is spent not only appropriately, but effectively and efficiently.<sup>20</sup>

He said that in drafting the original version of this bill he had drawn on previous draft bills, going as far back as the time of the previous Labour Government.<sup>21</sup> The Independent Commission for Aid Impact was however launched in 2011.<sup>22</sup> Mr Moore described the changes as altering the particular way in which we ensure that our aid is spent effectively and efficiently, while clearly maintaining the spirit and intent of the bill.<sup>23</sup>

Fiona Bruce, a member of the International Development Committee and its Sub-Committee on the Work of the Independent Commission for Aid Impact (to which ICAI reports), said that

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<sup>16</sup> [PBC Deb 4 November 2014 c20](#)

<sup>17</sup> [PBC Deb 4 November 2014 c24](#)

<sup>18</sup> [PBC Deb 4 November 2014 c28](#)

<sup>19</sup> [PBC Deb 11 November 2014 c33-34](#)

<sup>20</sup> [PBC Deb 11 November 2014 c34](#)

<sup>21</sup> [PBC Deb 11 November 2014 c34](#)

<sup>22</sup> Independent Commission for Aid Impact, [Background](#) [online, accessed 1 December 2014]

<sup>23</sup> [PBC Deb 11 November 2014 c35](#)

ICAI “really is proving itself independent and not flinching from making stark recommendations”.<sup>24</sup> Stephen O’Brien also praised ICAI’s track record, as well as noting that the new clause has the flexibility to survive “changes to future definitions of the administrative arrangements for such independent evaluation”.<sup>25</sup>

Gavin Shuker, the Shadow Minister for International Development, supported the broad approach proposed by the Government and Mr Moore. Mr Shuker said that his primary concern – which would be “vital in ensuring an easy passage for the Bill” – was with the term “value for money” in the new clause:

“Value for money” is obviously a moveable feast. The risk is that it will mean one thing to one person and something entirely different to another. I would like the Minister to place on record his view of what “value for money” means and, in particular, given the statutory duty being created, whether it is analogous to any other area of current statute.<sup>26</sup>

In response, the Minister said that the Independent Commission for Aid Impact defined value for money, paraphrasing it as “the best use of money to deliver the impact intended for the beneficiaries”.<sup>27</sup>

Mr Shuker also probed aspects of the scrutiny provisions, on which Alison McGovern had laid amendments. He said he reserved the right to return to these at report stage, if the Minister’s answers were not satisfactory.

Firstly Mr Shuker asked about the diversity of membership of any scrutiny body; “whether members would have true independence, rather than only apparent independence, based on a record of salaries, pensions and allowances” and potential conflicts of interest.<sup>28</sup> In response, the Minister pointed to government recruitment policy, noting that “for example, we have a Whitehall target of 50% for female appointments by the end of this Parliament”, and also to the ministerial code for public appointments.<sup>29</sup>

Secondly Mr Shuker asked whether the cost of the scrutiny system would count towards the 0.7% aid target.<sup>30</sup> The Minister said that the costs of audit *were* part of the 0.7% and made a case for the value of audit. The Minister committed to the costs of the audit being made public and available.<sup>31</sup>

No amendments other than those from the Minister and Mr Moore were agreed or pressed to a vote.

### **Commencement and extent (Clause 6)**

Amendments were also passed to set a commencement date for the act, which would now come into force on 1 June 2015, and to set out that the Act extends to the whole of the United Kingdom.

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<sup>24</sup> [PBC Debate 11 November 2014 c39-40](#)

<sup>25</sup> [PBC Debate 11 November 2014 c36](#)

<sup>26</sup> [PBC Debate 11 November 2014 c38](#)

<sup>27</sup> [PBC Debate 11 November 2014 c42](#)

<sup>28</sup> [PBC Debate 11 November 2014 c37-39](#)

<sup>29</sup> [PBC Debate 11 November 2014 c41-42](#)

<sup>30</sup> [PBC Debate 11 November 2014 c37-39](#)

<sup>31</sup> [PBC Debate 11 November 2014 c42](#)



## **Report stage**

The report stage of the bill took place on 5 December.<sup>32</sup> Several new clauses were proposed by David Nuttall, Philip Davies, Jacob Rees-Mogg and Christopher Chope, who also unsuccessfully requested the Bill be referred back to committee. Those members plus minister Desmond Swayne and shadow minister Gavin Shaker all spoke. Three clauses went to the vote, and were voted against. These rejected proposals included the creation of an independent body to evaluate implementation of the bill (a provision that had been taken out at the committee stage), changes to how financial calculations are made (including inclusion of EU finance as part of overseas aid), a reduction of Cabinet members' salaries should the 0.7% target not be met, a sunset clause, and that a referendum be held on the implementation of the bill.

## **Third reading**

Following on from the report stage the third reading of the bill was moved<sup>33</sup> by Michael Moore who observed that "there has been cross-party consensus on this issue since the publication of the first draft Bill back in 2010". The third reading of the bill was passed at division by 146 to five,<sup>34</sup> and had its first reading in the House of Lords on 8 December.

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<sup>32</sup> [HC Deb 5 December 2014 cc545-587](#)

<sup>33</sup> [HC Deb 5 December 2014 cc588-607](#)

<sup>34</sup> [HC Deb 5 December c606](#)

## **Appendix: Members of the Public Bill Committee**

**Chair:** Mr David Crausby

Bayley, Hugh (York Central) (Lab)

Bruce, Fiona (Congleton) (Con)

Burt, Alistair (North East Bedfordshire) (Con)

Clarke, Mr Tom (Coatbridge, Chryston and Bellshill) (Lab)

Heald, Sir Oliver (North East Hertfordshire) (Con)

Hendrick, Mark (Preston) (Lab/Co-op)

Howarth, Sir Gerald (Aldershot) (Con)

Jones, Graham (Hyndburn) (Lab)

Lefroy, Jeremy (Stafford) (Con)

Lopresti, Jack (Filton and Bradley Stoke) (Con)

McGovern, Alison (Wirral South) (Lab) (Shadow Minister for International Development – part of the committee for the first of the two sessions only)

McGuire, Mrs Anne (Stirling) (Lab)

Moore, Michael (Berwickshire, Roxburgh and Selkirk) (LD) (sponsor for the bill)

O'Brien, Mr Stephen (Eddisbury) (Con)

Shuker, Gavin (Luton South) (Lab/Co-op) (Shadow Minister for International Development – part of the committee for the second of the two sessions only)

Swayne, Mr Desmond (Minister of State, Department for International Development)

Weir, Mr Mike (Angus) (SNP)