

INTERNATIONAL DEVELOPMENT (OFFICIAL DEVELOPMENT ASSISTANCE TARGET) ACT 2015

EXPLANATORY NOTES

INTRODUCTION

1. These explanatory notes relate to the International Development (Official Development Assistance Target) Act 2015 which received Royal Assent on 26 March 2015. They have been prepared by the Department for International Development in order to assist the reader in understanding the Act. They do not form part of the Act and have not been endorsed by Parliament.
2. The notes need to be read in conjunction with the Act. They are not, and are not meant to be, a comprehensive description of the Act. So where a section or part of a section 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, 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 Act:
 - 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 Act 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 SECTIONS

Section 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.

Section 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 Act 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.

Section 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 section 1 is not complied with does not affect the lawfulness of anything done, or omitted to be done, by any person.

Section 4: Repeal of section 3 of 2006 Act

18. *Section 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 section 1 to ensure the UK meets the 0.7% target from 2015 onwards.

Section 5: Independent evaluation of official development assistance

19. *Section 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 section 1) a statement about how he or she has complied with this duty.

Section 6: Short title, commencement and extent

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

HANSARD REFERENCES

21. The following table sets out the dates and Hansard references for each stage of this Act’s passage through Parliament.

Stage	Date	Hansard Reference
House of Commons		
Introduction	2 July 2014	Vol. 583 Col. 895
Second Reading	12 September 2014	Vol. 585 Col. 1167-1188; 1199-1241
Money Resolution	3 November 2014	Vol. 587 Col. 611-626
Committee	4 November 2014 11 November 2014	Hansard Public Bill Committee: International Development (Official Development Assistance Target) Bill 2014-2015
Report and Third Reading	5 December 2014	Vol. 589 Col. 545-607
House of Lords		
Introduction	8 December 2014	Vol. 757 Col. 1601
Second Reading	23 January 2015	Vol. 758 Col. 1516-1575
Committee	6 February 2015	Vol. 759 Col. 893-941; 978-1012
Report	27 February 2015	Vol. 759 Col. 1837-1898
Third Reading	9 March 2015	Vol. 760 Col. 445
Royal Assent	26 March 2015	Lords: Vol. 760 Col. 1589
		Commons: Vol. 594 Col. 1682