



International Development (Reporting and Transparency) Act 2006

CHAPTER 31

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International Development (Reporting and Transparency) Act 2006

2006 CHAPTER 31

An Act to require the Secretary of State to report annually on total expenditure on international aid and on the breakdown of such aid, and in particular on progress towards the target for expenditure on official development assistance to constitute 0.7 per cent of gross national income; to require such reports to contain information about expenditure by country, about the proportion of expenditure in low income countries and about the effectiveness of aid expenditure and the transparency of international aid; and for connected purposes. [25th July 2006]

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:—

Annual reports

1 Annual reports: general

- (1) It shall be the duty of the Secretary of State to lay before each House of Parliament each year a report about international aid pursuant to the provisions of this Act (an “annual report”).
- (2) In this Act, “relevant period” means—
 - (a) a period of 12 months ending with 31st December, in the case of information which is normally produced by reference to calendar years,
 - (b) in any other case, a period of 12 months ending with 31st March.
- (3) An annual report shall, subject to subsection (5), be laid before each House of Parliament as soon as practicable after 31st March each year.

- (4) An annual report may revise anything contained in a previous annual report.
- (5) Nothing in this Act shall be read as preventing an annual report being combined with any other report which the Secretary of State lays before either House of Parliament.

2 Statistics to be reported

Each annual report must include the information set out in the Schedule to this Act.

3 Progress towards United Nations 0.7% expenditure target

The Secretary of State shall include in each annual report his assessment of the year in which he expects that the target for expenditure on official development assistance to amount to 0.7% of gross national income will be met by the United Kingdom.

4 Aid effectiveness and Millennium Development Goals 1 to 7

- (1) Each annual report must include the Secretary of State's assessment of the following matters—
 - (a) what progress has been made generally towards the achievement of Millennium Development Goals 1 to 7,
 - (b) the effectiveness in pursuing Millennium Development Goals 1 to 7 of multilateral aid generally to which the United Kingdom contributes,
 - (c) the effectiveness in pursuing Millennium Development Goals 1 to 7 of bilateral aid provided by the United Kingdom to not fewer than 20 countries specified in the report, selected according to criteria so specified,
 - (d) what progress has been made in promoting untied aid.
- (2) In this section—
 - (a) references to “Millennium Development Goals 1 to 7” are to Goals 1 to 7 set out 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”, as those goals may be amended or modified from time to time,
 - (b) “untied aid” means aid which falls within subsection (3).
- (3) Aid falls within this subsection if—
 - (a) it is either not subject to a condition restricting the states from which goods or services may be purchased using the aid, or (if it is subject to such a condition) the states from which goods or services may be purchased using the aid include all the member states of the Organisation for Economic Co-operation and Development and substantially all states which receive aid from any source, and
 - (b) the provider of the aid has, so far as reasonably practicable, secured that there will be no significant impediment in the purchasing process which would have the effect of a narrower restriction than that mentioned in paragraph (a) on the states from which goods or services will be purchased using the aid.

5 Policy coherence and Millennium Development Goal 8

- (1) The Secretary of State shall include in each annual report such general or specific observations as he thinks appropriate on the effects of policies and programmes pursued by Government departments on—
 - (a) the promotion of sustainable development in countries outside the United Kingdom,
 - (b) the reduction of poverty in such countries.
- (2) Such observations are to include observations on the pursuit of Millennium Development Goal 8, including in particular progress towards—
 - (a) the development of an open trading system that is rule-based and non-discriminatory and expands trading opportunities for low income countries,
 - (b) the development of an open financial system that is rule-based and non-discriminatory,
 - (c) the enhancement of debt relief for low income countries.
- (3) In this section, “Millennium Development Goal 8” means Goal 8 set out in the Annex to the document mentioned in section 4(2)(a), as that goal may be amended or modified from time to time.

6 Transparency

- (1) The Secretary of State shall include in each annual report such observations as he thinks appropriate about the contribution by Government departments to the promotion of transparency in—
 - (a) the provision of aid, and
 - (b) the use made of aid provided.
- (2) He shall include, in particular, observations about progress in relation to the following—
 - (a) specifying future allocations of aid,
 - (b) securing that aid supports clearly identified development objectives, agreed between those providing and those receiving the aid,
 - (c) promoting the better management of aid, including the prevention of corruption in relation to it,
 - (d) securing improvements in monitoring the use of aid.

Miscellaneous and final provisions

7 Interpretation, and meaning of terms used in annual report

- (1) In this Act, references (however expressed) to the provision of aid by the United Kingdom are to the provision of aid by Government departments.
- (2) If an annual report uses terms which have a special meaning, it must include an explanation or a definition of those terms.
- (3) In particular, each annual report must include an explanation or definition of the following terms—
 - “bilateral aid”,
 - “gross national income”,
 - “humanitarian assistance”,

“low income countries”,
“multilateral aid”,
“official development assistance”,
“sector”.

8 Expenses

There shall be paid out of money provided by Parliament—

- (a) any expenditure incurred by the Secretary of State in consequence of this Act, and
- (b) any increase attributable to this Act in the sums payable out of money so provided under any other Act.

9 Short title and commencement

- (1) This Act may be cited as the International Development (Reporting and Transparency) Act 2006.
- (2) Sections 1 to 6 shall come into force at the end of a period of three months beginning with the day on which this Act is passed.

SCHEDULE

Section 2

INFORMATION TO BE INCLUDED IN ANNUAL REPORT

- 1 An annual report must include the following information for the most recent relevant period, and for each of the four relevant periods immediately before the most recent one—
 - (a) the amount of bilateral aid provided by the United Kingdom,
 - (b) the amount of multilateral aid provided by the United Kingdom,
 - (c) the amount of debt relief included in each of the amounts mentioned in sub-paragraphs (a) and (b),
 - (d) the amount of cancelled export credits included in the amount mentioned in sub-paragraph (c),
 - (e) the amount of bilateral official development assistance provided by the United Kingdom,
 - (f) the amount of multilateral official development assistance provided by the United Kingdom,
 - (g) the amount of the United Kingdom's imputed share of the aggregate amount of multilateral official development assistance provided by the bodies to which the United Kingdom contributed such assistance,
 - (h) the total of the amounts mentioned in sub-paragraphs (e) and (f), and that total as a percentage of the gross national income of the United Kingdom,
 - (i) what percentage of the amount mentioned in sub-paragraph (a) was provided to low income countries, and how much that amounted to.
- 2 (1) The amount mentioned in paragraph 1(a) for each relevant period is also to be broken down—
 - (a) by region,
 - (b) by country, and
 - (c) by sector.

(2) An annual report must also state, in relation to the amount shown for each country pursuant to sub-paragraph (1)(b) of this paragraph, the amount of humanitarian assistance which is included in each full amount.
- 3 The amount mentioned in paragraph 1(b) for each relevant period is also to be broken down at least by reference to aid provided through the following (but may be further broken down)—
 - (a) the European Community,
 - (b) the World Bank Group,
 - (c) the United Nations and its agencies,
 - (d) other multilateral organisations.
- 4 (1) The amount mentioned in paragraph 1(e) for each relevant period is also to be broken down by country.

- (2) An annual report must also state what percentage of the amount mentioned in paragraph 1(e) for each relevant period was provided to low income countries, and how much that amounted to.
- 5 (1) To the extent that it is practicable to do so, the amount mentioned in paragraph 1(g) for each relevant period is also to be broken down by country.
- (2) An annual report must also state what percentage of the amount mentioned in paragraph 1(g) for each relevant period was provided to low income countries, and how much that amounted to.
- 6 The amounts included in the annual report for each country pursuant to paragraphs 2(1)(b) and 4(1) are also to be expressed as a percentage of the whole amount mentioned in sub-paragraphs (a) and (e) respectively of paragraph 1.
- 7 Nothing in this Act requires information to be included for any relevant period if the figures for that period are not (or not yet) available when the report is prepared; but if they become available later they must be included in the first annual report which is prepared after they become available.
- 8 Where an annual report includes a figure for the United Kingdom's imputed share of any amount, the annual report must include an explanation of how that imputed share was determined.
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