



House of Commons  
International Development  
Committee

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**Work of the  
Committee in 2005–06**

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**Third Report of Session 2006–07**

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## International Development Committee

The International Development Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Department for International Development and its associated public bodies.

### Current membership

Malcolm Bruce MP (*Liberal Democrat, Gordon*) (Chairman)  
John Barrett MP (*Liberal Democrat, Edinburgh West*)  
John Battle MP (*Labour, Leeds West*)  
Hugh Bayley MP (*Labour, City of York*)  
John Bercow MP (*Conservative, Buckingham*)  
Richard Burden MP (*Labour, Birmingham Northfield*)  
Mr Quentin Davies MP (*Conservative, Grantham and Stamford*)  
James Duddridge MP (*Conservative, Rochford and Southend East*)  
Ann McKechin MP (*Labour, Glasgow North*)  
Joan Ruddock MP (*Labour, Lewisham Deptford*)  
Mr Marsha Singh MP (*Labour, Bradford West*)

Mr Jeremy Hunt MP (*Conservative, South West Surrey*) was also a member of the Committee during some of the period covered by this report.

### Powers

The Committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No 152. These are available on the Internet via [www.parliament.uk](http://www.parliament.uk).

### Publications

The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the Internet at [www.parliament.uk/indcom](http://www.parliament.uk/indcom)

### Committee staff

The staff of the Committee are Carol Oxborough (Clerk), Matthew Hedges (Second Clerk), Anna Dickson (Committee Specialist), Chlöe Challender (Committee Specialist), Katie Phelan (Committee Assistant), Jennifer Steele (Secretary) and Alex Paterson (Media Officer).

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# 1 Introduction

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1. The Liaison Committee has established common objectives for select committees in line with the resolution of the House of 14 May 2002. The Liaison Committee has further asked that the objectives should be reflected in the format of each Committee's annual report. This report reviews the International Development Committee's work over the previous two years (2005 and 2006) in relation to these objectives and core tasks. The format of the report is designed to show examples of the work which the Committee has done in relation to the following core tasks.

- Inquiries carried out into:
  - Government policy proposals
  - areas seen by the Committee as requiring examination because of deficiencies
  - departmental actions
  - associated public bodies
  - major appointments
  - implementation of legislation
  - major policy initiatives
- Examination of any draft legislation
- Examination of expenditure
- Examination of Public Service Agreements.

2. The core tasks do not apply in equal measure to all committees. The nature of our Committee is slightly different from others. Much of the policy we examine is implemented on a multilateral basis and often in conjunction with non-governmental organisations (NGOs), which are both national and international. We therefore seek to influence policy nationally and internationally, in addition to ensuring the accountability of the UK Government. The Department for International Development (DFID), the Department whose area of work we monitor, generates little by way of legislation (although we welcomed the passage of the International Development (Reporting and Transparency) Act 2006 which was introduced as a Private Member's Bill); it has no associated public bodies;<sup>1</sup> and the Secretary of State is rarely responsible for major public appointments. We have therefore to adapt the core tasks to these particular circumstances. DFID attaches considerable importance to working with and influencing key multilateral development agencies (in particular the UN system, the EU, and the International Financial Institutions (IFIs)). The comments contained in this report reflect, where appropriate, the extent to which DFID works through these multilateral bodies.

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<sup>1</sup> It does, however, have two associated non-departmental public bodies, see paragraph 61.

## Work of the International Development Committee in 2005 and 2006: Highlights

3. The period covered by this report — 2005–06 — was a significant and high-profile one for DFID. The UK held the presidencies of both the G8 and the European Union. Africa and climate change were the focus of the G8 Presidency (January to December 2005). The independent Commission for Africa reported in March 2005. Reducing poverty in Africa was also a key issue for the presidency of the European Union (July to December 2005). The 25 Member States agreed to double their aid to reach over £45 billion in 2010. In September 2005, the United Nations held its World Summit to examine progress towards development goals, and the World Trade Organisation (WTO) held its Sixth Ministerial Meeting in Hong Kong in December 2005, as part of the Doha Development Round.

4. The ‘Year of Development’ also saw the mobilisation of the Make Poverty History coalition, part of the Global Call for Action Against Poverty; and the LIVE8 concert in July 2005 helped to keep international development issues near the top of the news agenda.

5. This report covers the period from the 2005 General Election to the end of 2006. Our inquiries included key cross-cutting issues: private sector development, conflict and responses to natural disasters were the focus of our work in 2006. Passing reference is made to work done by the previous committee, where this was not covered in our predecessors’ earlier report.<sup>2</sup> Between January and April 2005 our predecessor Committee published the following reports:

- Work of the Committee 2004;
- DFID’s bilateral programme of assistance to India;
- Darfur, Sudan: the responsibility to protect;
- Fair trade? The EU’s trade agreements with ACP countries;
- Development assistance in Iraq (an Interim Report); and
- Strategic Export Controls: HMG’s Annual Report for 2003, Licensing Policy and Parliamentary Scrutiny.

## 2 Inquiries into Government Policy Proposals

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6. DFID's primary objective is to meet the Millennium Development Goals (MDGs), foremost of which is the aim of halving the proportion of people living in extreme poverty between 1990 and 2015. The MDGs drive DFID's policies, programmes and spending decisions and form the main aim of DFID's Public Service Agreements (PSAs). As in previous years, our activities over the past year have sought to follow the objectives contained in DFID's PSAs.

### Trade

7. The Committee follows closely international trade negotiations in the World Trade Organisation (WTO) and their impact on development, especially since the launch of the Doha Development Agenda in 2001. The International Development Committee has published periodic reports on this subject. After reporting on developments before and after the collapsed Fifth WTO Ministerial Conference—hosted in Cancún—the Committee was keen to hold a further inquiry looking at the results of the Sixth WTO Ministerial Conference, held in Hong Kong in December 2005.<sup>3</sup> The Chairman of our Committee, Rt Hon Malcolm Bruce MP, attended the Conference as part of the UK delegation.<sup>4</sup> In the course of our inquiry, **The WTO Hong Kong Ministerial and the Doha Development Agenda**, the Committee travelled to Brussels to hear evidence from European Commission officials. During this visit, Mariann Fischer Boel, Commissioner for Agriculture and Rural Development, hosted a lunch for us which allowed further useful discussions on the prospects for success in the WTO Hong Kong Ministerial.

8. We also took evidence by video-conference link from Pascal Lamy, the Director General of the World Trade Organisation. We are one of very few select committees to have used this creative means of hearing evidence from witnesses overseas. In addition, we held a number of evidence sessions in Westminster. We were disappointed that the European Commissioner for Trade, Peter Mandelson, was unable to provide oral evidence as part of this important inquiry.

9. Our original intention was to publish a report after the Hong Kong Ministerial. However, because of the limited outcomes of the Hong Kong meeting, we decided not to report until the April deadline for new offers to be tabled. As this deadline approached it became clear that it would not be met. Our report urged the UK Government to do more to ensure that the EU's negotiating position did not cause the failure of fragile Doha trade talks.<sup>5</sup> British Ministers had promised that 2005 would focus on Africa as a priority, but

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3 International Development Committee, Seventh Report of Session 2002-03, *Trade and development at the WTO: Issues for Cancún*, HC 400; First Report of Session 2003-04, *Trade and development at the WTO: Learning the Lessons of Cancún to revive a genuine development round*, HC 92

4 Two other members of the Committee also attended the conference in their capacity as Inter-Parliamentary Union representatives

5 International Development Committee, Third Report of Session 2005-06, *The WTO Hong Kong Ministerial and the Doha Development Agenda*, HC 730-1

this did not translate into significant results in Hong Kong. We felt that the UK had overplayed its hand in terms of what it could achieve during its Presidency of the European Union in the WTO negotiations. We called on the UK Government to distance itself from aspects of the EU negotiation mandate which were contrary to the Government's commitment not to force developing countries to liberalise. We believe that the EU needs to reconsider its position on agriculture.

10. The talks were suspended in July, and have reopened at a low-key level subsequently. As yet there is no agreement and our recommendations remain valid. The report received a significant amount of positive media interest and was subsequently debated in Westminster Hall on 12 October 2006.<sup>6</sup>

11. A report published by our predecessor Committee looked at the current Economic Partnership Agreements (EPAs) between the EU and African, Caribbean and Pacific (ACP) countries.<sup>7</sup> As part of this inquiry, our predecessors heard evidence from two European Commissioners—Louis Michel, Commissioner for Development and Humanitarian Aid (who spoke on broader issues beyond trade, also looking at the future of EU development policy), and Peter Mandelson, Commissioner for Trade. We maintained our focus on this area by informally meeting several ACP Ambassadors whilst in Brussels in December 2005, which provided an invaluable opportunity to consider their concerns relating to the EPA negotiations.

12. Our report argued that EPA negotiations had not received sufficient public scrutiny, despite the fact that one of the world's largest economic actors, the EU, was negotiating with many of the world's poorest and weakest economies, the ACP countries. We were particularly concerned that the EU approach seemed to focus on trade while the ACP states were concerned that the developmental implications of these trade agreements were not being taken into account. The report was tagged to a Westminster Hall debate on Economic Partnership Agreements.<sup>8</sup> During the debate the report was discussed favourably.

## International Financial Institutions

13. Each autumn, the Boards of Governors of the World Bank Group and the International Monetary Fund (IMF) hold their Annual Meetings to discuss a range of issues related to poverty reduction, international economic development and finance. The Committee, in turn, holds an annual evidence session to scrutinise the outcomes of these meetings, which provides an opportunity to explore the UK's relationships with the International Financial Institutions (IFIs). The UK Government works very closely with the IFIs, particularly the World Bank, spending a large proportion of UK aid through them. This annual evidence session is one way in which the Committee seeks to address the need for parliamentary scrutiny of these relationships, in both developed and developing countries.

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6 HC Deb, 12 October 2006, cols 145–82WH

7 International Development Committee, Sixth Report of Session 2004-05, *Fair Trade? The European Union's trade agreements with African, Caribbean and Pacific Countries*, HC 68

8 HC Deb, 8 June 2006, cols 147–168WH

14. As in 2004, the sessions in 2005 and 2006 continued to include evidence from NGOs as well as from the Secretary of State for International Development and DFID and Treasury officials. In addition, in our 2005 session, we asked the Secretary of State for International Development about the outcomes of the United Nations World Summit of September 2005. The main purpose of the Summit was to review progress since the Millennium Summit 2000, and in particular towards reaching the MDGs, setting any necessary mid-course corrections. The Summit was felt by many commentators and NGOs to be a disappointment, particularly as, in the event, there was no meaningful review of progress toward the MDGs.

15. During the 2005 evidence session we explored a range of issues including; debt relief, following on from the announcements at the G8 Gleneagles Summit; conditionality and accountability, after the March 2005 publication of DFID's new conditionality paper; the politics of development, and results, effectiveness and accountability following controversial speeches from World Bank President Wolfowitz; IFI governance and parliamentary scrutiny in the UK and developing countries; equality, equity and development; trade policy and aid-for-trade; climate change; extractive industries; and security and development.<sup>9</sup>

16. Our evidence session in 2006 concentrated on issues which included: the division of responsibility between the IMF and the World Bank; governance of the IMF—how best to increase the voice of developing countries; World Bank and IMF conditionality; the Bank's anti-corruption framework; debt cancellation for 'illegitimate and odious' debt; the Bank's Clean Energy Investment Framework; and the Bank's approach to infrastructure.<sup>10</sup> We also discussed at length the decision by the Government to withhold some funds from the World Bank pending a more detailed analysis of the progress it has made on reviewing its conditionality policies. The Bank subsequently provided a more detailed report, and indicated that it had reduced the number of conditions it applies to loans and that it would seek to assure developing countries that benchmarks were not the same as conditions. It was our view that there should have been a debate on the floor of the House on the relationship between the UK and the World Bank.

## DFID White Paper

17. In July 2006, DFID launched its White Paper, *Eliminating world poverty: making governance work for the poor*, which sets out what the UK Government aims to do to reduce world poverty over the next five years.<sup>11</sup> Without pre-empting the Private Sector Development (PSD) report, published in July 2006, our response to the Paper's Consultation Document outlined some preliminary observations on its PSD-related content.<sup>12</sup> We highlighted the need for the White Paper to put forward a coherent PSD

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9 *The Autumn Meetings of the IMF and the World Bank; and the UN 2005 World Summit*, Oral and Written Evidence, 18 October 2005, HC 569

10 *The Autumn Meetings of the IMF and the World Bank*, Oral and Written Evidence, 19 October 2006, HC 1622-i

11 *Eliminating world poverty: making governance work for the poor—A White Paper on International Development*, DFID, Cm 6876, July 2006

12 Letter from the Chairman of the Committee to the Secretary of State for International Development, 28 March 2006 [not published]; and Department for International Development, *Eliminating World Poverty: a consultation document*, January 2006

policy, and, on its publication, we were pleased to see that DFID had taken this into account and had devoted a full chapter to PSD.

18. However, as we made clear in our PSD Report, we were disappointed that the White Paper stopped a considerable way short of setting out a clear and coherent PSD strategy, and expressed our concern that “the impressive array of policies and financing mechanisms set out in the White Paper remain just that—a collection of initiatives that are not necessarily adequately linked by a clear PSD strategy.”<sup>13</sup> Our later report on the humanitarian response to natural disasters welcomed the focus on climate change in the White Paper, but called on DFID to set out specific actions and measurable targets to enable us to hold the Department to account in the future on this area of its work.<sup>14</sup>

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13 International Development Committee, Fourth Report of Session 2005-6, *Private Sector Development*, HC 921-1, para 213.

14 International Development Committee, Seventh Report of Session 2005-06, *Humanitarian response to natural disasters*, HC 1188-I, paras 183-184

## 3 Inquiries into areas seen by the Committee as requiring examination because of deficiencies

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### Private Sector Development

19. **Private Sector Development (PSD)** was the subject of a major inquiry by the Committee between March and July 2006. The Committee examined the coherence of DFID's private sector development policy with its work in other sectors. The inquiry assessed DFID's broad range of policy approaches to driving growth and making markets work for poor people.

20. Our objectives in this inquiry were five-fold: to distinguish between different kinds of growth and identify the factors supporting pro-poor growth; to explore the constraints acting on the private sector in developing countries; to analyse the effectiveness of different donor interventions in improving the business climate in developing countries; to assess the role of the private sector itself in engaging in development; and to look at aid instruments which can be used by donors to encourage PSD.

21. We visited Botswana, Malawi and Mozambique in February and March 2006, in part to look at private sector development. In particular, we discussed a private sector 'mega-project' in Mozambique—the Mozal aluminium smelter—and heard from those directly involved of their experience of issues around employment and 'value chains' connected with the large-scale private sector.

22. We received a large volume of written memoranda from more than 50 individuals and organisations. We held eight evidence sessions at Westminster between February and May 2006. The broad range of oral witnesses included multinational companies such as Unilever and Syngenta; international banks including Citigroup and Standard Chartered; African-based companies including the Debswana Diamond Company; consultancies such as Pricewaterhouse Coopers (PwC) and Emerging Market Economics; ethical trade experts; non-governmental organisations; DFID officials and the Secretary of State.

23. Our report concluded that DFID may be trying to "run before it can walk" in its approach towards the private sector, and argued that PSD should be integrated across DFID's policies and also into wider Government policy through more efficient co-ordination with other UK departments.<sup>15</sup> We were concerned that DFID's organisational structure has not caught up with its growing prioritisation of PSD, and that a cultural divide seems to exist between DFID and the private sector, which could compromise the capacity of companies to contribute to PSD.

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15 International Development Committee, Fourth Report of Session 2005-06, *Private Sector Development*, HC 921-I

24. We were pleased to note that the Government's Response to the PSD Report agreed with many of our recommendations.<sup>16</sup> Since the Report's publication, we have noted several developments which meet our recommendations, including wider international support for the International Climate Facility and the UK's hosting of the second International Conference on Migrants' Remittances in November 2006.

25. Positive feedback about the Report was received from several of our key interlocutors. The Report was covered by *Observer Business* on the day it was published.

## Conflict and Development

26. Following on from an initial one-off evidence session in March 2005, one of our major inquiries of 2006 was **Conflict and Development: Peacebuilding and Post-Conflict Reconstruction**.<sup>17</sup> The main purpose of the inquiry was to examine the effectiveness and external coherence of the UK's peacebuilding and post-conflict reconstruction policies, with a particular focus on conflict in Africa.

27. Using insights gleaned from our visits to the Democratic Republic of Congo, Rwanda, Sierra Leone and Uganda, the report highlighted that the cost of a single conflict in the world almost equals the value of annual development aid worldwide and that all the new aid commitments made in 2005 could be cancelled out by increased conflict and insecurity in developing countries. We were also concerned that trade in conflict resources can intensify and prolong conflicts. We endorsed calls for an international agreement on the definition of 'conflict resources' in the UN, and found the current approach to be piecemeal and inconsistent.

28. The Government response to our report agreed with most of our conclusions.<sup>18</sup> It did not agree with our analysis of the deficiencies of the UK response to the naming of British companies in a UN Report on the illegal exploitation of natural resources in the DRC. However, the Government has recently instituted a series of changes to the way in which the UK's National Contact Point operates. We may decide to pursue this issue at a later date.

29. DFID's work in conflict-affected and conflict-prone countries has increased in recent years, which poses new challenges for the way in which it delivers development assistance in difficult environments. We applaud DFID's intention to develop a conflict policy to guide its efforts to address conflict and achieve a more coherent approach and welcome the fact that DFID waited for publication of our report so that it could take our findings into account in constructing the policy.

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16 International Development Committee, Fourth Special Report of Session 2005-06, *Private Sector Development: Government Response to the Committee's Fourth Report of Session 2005-06*, HC 1629

17 *Conflict and Development*, Oral and Written Evidence, HC 464-i, Session 2004-05; and International Development Committee, Sixth Report of Session 2005-06, *Conflict and Development: Peacebuilding and Post-conflict Reconstruction*, HC 923-I

18 International Development Committee, First Special Report of Session 2006-07, *Conflict and Development: Peacebuilding and Post-Conflict Reconstruction: Government Response to the Committee's Sixth Report of Session 2005-06*, HC 172

## Humanitarian Response to Natural Disasters

30. As well as being known as the ‘Year of Development’, 2005 was also characterised as a ‘Year of Disasters’.<sup>19</sup> The year opened with the aftermath of the Indian Ocean tsunami, followed by Hurricane Katrina which devastated parts of the US in August 2005 and closed with the South Asian earthquake in October. 2005 also witnessed the less well-reported Hurricane Stan in Central America, typhoons in East Asia and food shortages in west and southern Africa.

31. Our predecessor Committee took evidence in February and March 2005 on **Responses to the Asian tsunami disaster**.<sup>20</sup> Witnesses included Jan Egeland, the Under Secretary-General for Humanitarian Affairs and Emergency Relief Coordinator, the UN Office for Co-ordination of Humanitarian Affairs, and the Secretary of State for International Development.

32. Prompted by the increasing frequency and intensity of natural disasters (which are made more severe by the impact of climate change), we launched a major inquiry in 2006 focusing on the **Humanitarian response to natural disasters**. Our inquiry looked at a wide range of issues associated with natural disasters, both slow and rapid onset, including: initial disaster response and the international humanitarian system; vulnerability and disaster preparedness; and development and humanitarian assistance.

33. In the first evidence session, out of a series of eight, we departed from the tradition of hearing first from Government officials, and instead heard from journalists from *The Guardian* and BBC World television and World Service radio. This was valuable as we were able to begin our inquiry with first-hand accounts of the events and the aftermath. We explored the thought process behind the media coverage of natural disasters, why coverage of some disasters is more intense than others, and why it varies so much.

34. We welcomed the opportunity to hear further evidence from Jan Egeland, and a range of other witnesses including NGOs, the Disasters Emergency Committee, the European Commission and the World Food Programme. The inquiry also included a visit to Pakistan to see areas affected by the earthquake in late 2005, and to scrutinise the humanitarian work and reconstruction.

35. We concluded that there is a lack of worldwide political will to prepare for natural disasters, including those intensified by climate change, and we called on the Government to commit more funds for disaster preparedness, and for DFID to ensure that the multilateral organisations which it funds give sufficient priority to reducing the risk of disasters.

36. The National Audit Office was interested in our report, and we have now asked the Comptroller and Auditor General to review the performance of DFID and others in response to the Pakistan earthquake.

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19 Oxfam International, *2005: Year of Disasters*

20 *Responses to the Asian tsunami disaster*, Oral and Written Evidence, HC 328, Session 2004-05

## Water and Sanitation

37. Towards the end of 2006, we began a major inquiry into **Water and Sanitation**. Evidence of a global water crisis is widespread, with the scarcity of water increasing. Sanitation is in an ever greater state of crisis. The main purpose of our inquiry will be to examine how donors can support progress towards Millennium Development Goals on access to safe drinking water and adequate sanitation. Issues to be scrutinised will include water and sanitation service delivery; financing and aid instruments for water and sanitation; and the implications of climate change. The announcement of the inquiry has stimulated great interest, with a higher than usual number of written submissions. Six evidence sessions are planned for the inquiry. A visit to Ethiopia is scheduled to take place in the first week of February 2007.

38. We started the inquiry with a joint evidence session with the Communities and Local Government (CLG) Committee on UN-Habitat's World Urban Forum III.<sup>21</sup> The session was mutually beneficial, offering the CLG Committee the opportunity to inquire into the extent of UK policy influence on urbanisation debates at the World Urban Forum and to scrutinise DCLG's decision to send its Parliamentary Under-Secretary of State to the Forum. There is concern that urbanisation is increasing the number of poor people living in 'mega cities' and, from our perspective, the joint session allowed us to explore the role of UN-Habitat and the World Urban Forum in addressing challenges in urbanisation and development worldwide, in addition to informing our Water and Sanitation inquiry. The Committees found it constructive to examine the shared agendas between the developed and developing worlds.

## HIV/AIDS

39. We published our report **Delivering the goods: HIV/AIDS and the provision of anti-retrovirals** on World AIDS Day 2005 (1 December).<sup>22</sup> The G8 summit of 2005 set an ambitious target to secure universal access to treatment for HIV/AIDS sufferers by 2010, but we were concerned that there was no system in place to track and monitor progress towards this target. We want to hold the UK Government to account for the commitment that it made during 2005 to support international efforts, led by UNAIDS, to achieve the goal of universal access to HIV/AIDS prevention, treatment, care and support for all those who need it by 2010. The UK is the second largest donor for HIV/AIDS, and has pledged £1.5 billion between 2005 and 2008 for HIV/AIDS funding. In our report, we urged the Government to encourage donors to work together to ensure predictable funding, and to strive to ensure that its progressive policies are implemented on the ground. We recommended that interim targets be established to enable progress towards the 2010 target to be monitored. The UK Government took up this suggestion and a proposal to this effect was considered at the UNGASS meeting in New York at the end of May. Our report and the Government's response were debated in Westminster Hall.<sup>23</sup>

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21 *The World Urban Forum III*, Oral and Written Evidence, 21 November 2006, HC 48

22 International Development Committee, First Report of Session 2005-06, *Delivering the goods: HIV/AIDS and the provision of anti-retrovirals*, HC 708

23 UN General Assembly Special Session on HIV/AIDS; and HC Deb, 11 May 2006, cols 149-196WH

40. In order to maintain effective oversight, we decided to review progress on international HIV/AIDS targets each year, and on World AIDS Day 2006 (1 December), the Committee published its report on **HIV/AIDS: Marginalised groups and emerging epidemics**.<sup>24</sup> The Report underlines our concern that the international targets on HIV/AIDS are already failing to be met. It focused particular attention on two distinct but interconnected issues: the provision of prevention, treatment, care and support to populations which are marginalised in society, such as intravenous drug-users, commercial sex-workers and men who have sex with men; and the extent to which HIV/AIDS policy and programming is effectively addressing emerging epidemics, including those in Eastern Europe and Asia.

41. Our Report made clear that questions of morality are not the issue: what is important is finding the most effective way to halt the spread of HIV/AIDS. Emerging epidemics generally start with concentrated epidemics among marginalised groups and can then spread exponentially among the wider population. We stressed that, to combat epidemics effectively, the rights and needs of those most at risk must be as central to strategies as are treatment and general prevention. We were supportive of DFID's overall policy of channelling money to countries' national AIDS programmes but recommended that DFID work with governments to ensure that these programmes are properly focused and that the rights and needs of marginalised groups are not overlooked.

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<sup>24</sup> International Development Committee, Second Report of Session 2006-07, *HIV/AIDS: Marginalised groups and emerging epidemics*, HC 46-1

## 4 Inquiries into Departmental actions

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42. Witnesses were questioned on specific actions by DFID throughout the course of the year. In addition to questions during evidence sessions, we have maintained a flow of correspondence with DFID about issues of concern as they have arisen. We see our scrutiny role extending beyond DFID to the multilateral bodies through which DFID spends so much of its budget. In both correspondence and in informal private meetings, we have questioned actions taken by the World Bank, the European Commission, and UN agencies. We seek to divide our work between themed inquiries which address areas of development policy and inquiries into specific situations. Country specific inquiries have included:

### Iraq

43. Following on from regular reports and one-off evidence sessions looking at the situation in Iraq, our predecessor Committee began an inquiry into **Development Assistance in Iraq** towards the end of 2004, which had an emphasis on the role for DFID and its development partners in reconstruction and meeting humanitarian needs. The inquiry included a visit to the region in February 2005. Unfortunately, the timing of the General Election meant that the report was not finalised.<sup>25</sup>

### Afghanistan

44. Our predecessors produced two reports on Afghanistan, and, in December 2005, we returned to the subject with an evidence session looking at progress made on reconstruction.<sup>26</sup>

45. We are committed to keeping the situation in both Iraq and Afghanistan under review, by holding periodic oral evidence sessions.

### Darfur, Sudan

46. Our predecessors produced a report on the situation in Darfur, Sudan in March 2005, which followed a three-month inquiry and a visit to the region.<sup>27</sup> The inquiry focused on the role played by the UK Government in response to the unfolding crisis. Although the violence and atrocities could be largely blamed on the Government of Sudan (GoS), our predecessors believed that the international community, including the UK Government, had failed to protect the people of Darfur. Early warnings about the emerging crisis were ignored; humanitarian agencies were slow to respond; responsibilities for helping displaced people and managing camps were unclear; and the UN suffered from an avoidable leadership vacuum in Sudan at a critical time. The Report urged the UK Government, as a

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25 International Development Committee, Seventh Report of Session 2004-05, *Development assistance in Iraq: Interim Report*, HC 244

26 *Reconstructing Afghanistan*, Oral and Written Evidence, 13 December 2005, HC 772-i

27 International Development Committee, Fifth Report of Session 2004-05, *Darfur, Sudan: The responsibility to protect*, HC 67-I

lead player, to do more to ensure that the emerging international norm of the “responsibility to protect” means something to the people of Darfur who have been abandoned and turned on by their own government.

47. When we were appointed we decided not to let the issue of Darfur rest there. In September 2005 we sent a list of tracking questions to the Department for International Development and launched a further inquiry into **Darfur** resulting in our report.<sup>28</sup> We found that, although the GoS had given commitments over the preceding months to end the violence, this was not backed up by actions. The GoS had failed to reign in or disarm the Janjaweed—the militia responsible for the ethnic cleansing—yet the UN Security Council seemed reluctant to apply credible sanctions. Whilst welcoming its involvement, we were concerned by the pressure and constraints on the African Union Mission and the uncertainty over its future role.

48. Both reports on Darfur, and the Government Responses, were tagged to a debate on the Darfur Crisis which took place in Westminster Hall in May 2006.<sup>29</sup>

## Occupied Palestinian Territories

49. The International Development Committee last reported on development in the Occupied Territories in its report **Development Assistance and the Occupied Palestinian Territories**, published in 2004.<sup>30</sup> Following on from the inquiry and our predecessors’ visit in 2004, we have now returned to the subject. We visited Israel and the Occupied Palestinian Territories in early November 2006. The political and development context has changed significantly since the Hamas election victory in January 2006 and the key questions we are now focusing on are: the impact of the Hamas election victory on poverty and the humanitarian situation; how development can best be achieved in this context; and how effectively the UK, World Bank and EC have responded to the changed situation.

50. Our Report will be published early in 2007. Based on the evidence we have heard to date and our visit of November 2006, we believe that the situation in the OPTs is severe and deteriorating. As the inquiry is ongoing it is not possible to prejudge our specific recommendations but we are concerned that, in the three years since the Committee’s last inquiry, things have got much worse. There has been significant media interest in our inquiry and our evidence sessions.

## The Promises of Gleneagles

51. The G8 Summit was held in Gleneagles from 6–8 July 2005. Many promises and commitments were made, including: cancellation of 100% of debt of eligible countries; an increase in aid to Africa of US\$25 billion per year by 2010, and to all developing countries of around US\$50 billion per year by 2010; and universal access to HIV/AIDS treatment for all those who need it by 2010. The Summit also made commitments on trade, conflict,

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28 International Development Committee, Second Report of Session 2005-06, *Darfur: The killing continues*, HC 657

29 HC Deb, 18 May 2006, cols 339-380WH

30 International Development Committee, Second Report of Session 2003-04, *Development Assistance and the Occupied Palestinian Territories*, HC 230

governance and climate change. Our first evidence session was held in July 2005, shortly after the G8 Summit, when we examined the Secretary of State for International Development. In October 2005, we followed up this session by hearing evidence from members of the Make Poverty History movement.<sup>31</sup>

52. We will continue to scrutinise the Government's commitment to following through its Gleneagles pledges by probing progress on these promises as part of our evidence sessions in other relevant inquiries.

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31 *Making poverty history? The promises of Gleneagles*, Oral and Written Evidence, 19 July 2005 and 25 October 2005, HC 418

## 5 Examination of expenditure

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53. Due to the General Election, our predecessors did not publish a report on *DFID's Departmental Report 2005*. However, the Committee did send a series of questions to the Department on issues which included: the poverty-reduction focus of European Community development programmes; the World Bank International Development Association fourteenth replenishment; debt relief; allocation of funding for humanitarian emergencies; the financing needs for HIV/AIDS; expenditure on Iraq; and governance. The replies from the Government were published on our website.<sup>32</sup>

54. *DFID's Departmental Report 2006* formed the basis for an evidence session on 11 July 2006 with the Permanent Secretary and the Directors-General.<sup>33</sup> That session focused on the more visible areas of DFID activity. In addition we pursued in writing questions which arose from the Department's resource accounts and Winter and Spring Supplementary Estimates.

55. The focus of our report **Department for International Development Departmental Report 2006** was an examination of how DFID manages and spends the increasing UK aid budget, and we recommended ways to make its contribution more effective in meeting the MDGs. DFID budgets have risen significantly over recent spending reviews, yet this expanding budget coincides with a drive to reduce staff numbers. Our report also looked at key issues currently facing DFID, including trade and Economic Partnership Agreements (EPAs), and China's engagement in sub-Saharan Africa.

56. Our recommendations for DFID to consider before the publication of its next annual departmental report included: making information available in the Comprehensive Spending Review 2007 on specialisation, off-shoring and out-sourcing; making information available on exactly how it intends to balance good performers and fragile states in its overall aid programme; clarification of how it allocates funding across multilateral institutions; examination of the long-term viability of budget support before it is introduced in a particular country; and the inclusion of specific examples in future Departmental Reports of how DFID seeks to achieve PSA targets.

57. The 2006 Departmental Report shows that DFID has acted upon many of the Committee's previous recommendations such as including a brief overview of the Department's risk management processes in the Report, and providing information on the poverty focus of multilateral donors.<sup>34</sup>

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32 Government response to the International Development Committee's questions on *DFID's Departmental Report 2005*, HC 998. Published on website only.

33 International Development Committee, First Report of Session 2006-07, *Department for International Development Departmental Report 2006*, HC 71

34 International Development Committee, Eighth Report of Session 2002-03, *Department for International Development Departmental Report 2003*, HC 825, para 16; and International Development Committee, Eighth Report of Session 2003-04, *Department for International Development Departmental Report 2004*, HC 749, para 18

## 6 Examination of Public Service Agreements

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58. DFID's Departmental Report is structured around its Public Service Agreement (PSA) targets, many of which are based on the Millennium Development Goals (MDGs). The purpose of the PSAs is to hold DFID accountable to its stakeholders and to provide a mechanism for monitoring its performance.

59. In their Report on the 2003 DFID Departmental Report, our predecessors recommended that the Department aim to include more information within future annual reports about the steps it is taking towards achieving its objectives and in particular the steps it takes to remedy under-performance against its PSAs. The Government Response went some way towards agreeing to supply this information.<sup>35</sup> However, we remained dissatisfied with the clarity of the information in the *Departmental Report 2006* on achieving PSA targets. We therefore recommended that future Departmental Reports give specific examples of how DFID seeks to achieve PSA targets and that it provides evidence of corrective or remedial action it is taking in instances where PSA targets are not going to be met. We were pleased to note that DFID's 2006 *Autumn Performance Report*, published in December, includes information on steps being taken to tackle under-performance against the PSAs.<sup>36</sup>

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35 International Development Committee, First Special Report of Session 2003-04, *Government Response to the Committee's Eighth Report of Session 2002-03: DFID Departmental Report 2003*, Conclusion 21

36 DFID 2006 *Autumn Performance Report: DFID PSA and Efficiency Programme*, Cm 6978

## 7 Other areas of activity

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### Major appointments

60. We have not had the occasion to interview any new appointees to major posts in the last year. As DFID has a very small number of associated bodies, the Secretary of State makes very few major appointments.

### Associated public bodies

61. DFID has two associated Non-Departmental Public Bodies: the Commonwealth Scholarship Commission in the UK and the Crown Agents Holdings Realisation Board. We have not undertaken inquiries into these bodies during the period covered by this Report. CDC Group plc is a UK government-owned body. In March 2006, we heard evidence from its Chief Executive Officer, as part of the inquiry into *Private Sector Development*.

### Examination of draft legislation

62. The Department has not produced draft legislation.

### Quadripartite Committee

63. We continued our contribution to the 'Quadripartite' Committee, together with members of the Defence, Foreign Affairs and Trade and Industry Committees. This Committee carries out detailed scrutiny of the Government's controls on exports of equipment and technology with a military application. In March 2005 the Committee published a report on the Government's Strategic Export Controls Annual Report for 2003 (which was debated in March 2006) and in August 2006 it produced a report on the Government's Strategic Export Controls Annual Report for 2004 and Quarterly Reports for 2005.<sup>37</sup> In 2006 the Committee took evidence for the first time from HM Revenue and Customs and the Revenue and Customs Prosecution Office on the enforcement of export controls.

64. The Reports continued the Committee's interest in a range of issues, including: the effects of the emergence of China as an arms exporter to developing countries; support for an international Arms Trade Treaty; and the need to tighten controls on those selling and brokering arms. In 2006 the Committee highlighted the increasing use of the Internet to promote and facilitate arms sales and it found that the Government's response to the challenge of the Internet was too passive.

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37 Quadripartite Committee, First Joint Report of Session 2004-05, *Strategic Export Controls: HMG's Annual Report for 2003, Licensing Policy and Parliamentary Scrutiny*, HC 145; and Quadripartite Committee, First Joint Report of Session 2005-06, *Strategic Export Controls: Annual Report for 2004, Quarterly Reports for 2005, Licensing Policy and Parliamentary Scrutiny*, HC 873

## Conference of Development and Cooperation Committee Chairmen

65. The United Kingdom held the Presidency of the Council of the European Union from 1 July 2005 until 31 December 2005. As is traditional for the country holding the presidency, the Chairman of our Committee, and Lord Bowness, Chairman of the House of Lords EU Sub-Committee on Foreign Affairs, Defence and Development Policy, hosted a Conference of Development and Cooperation Committee Chairmen in London, in November 2005. The Conference was very well attended; 30 parliamentarians from EU member states and accession countries participated in a series of lively and informative meetings. Speakers included Rt Hon Hilary Benn MP, Secretary of State for International Development; Mr Louis Michel, European Commissioner for Development and Humanitarian Aid; Myles Wickstead, formerly Head of the Secretariat to the Commission for Africa; and Mr L Alan Winters, Director, Development Research Group, World Bank.

66. Whilst participating in our conference, the Chair of the Austrian Sub-Committee on Development announced that, under the Austrian Presidency, the conference would be held in Africa rather than following the tradition of using the capital of the host EU country as the venue. Our Chairman attended this in May 2006, as well as attending the Finnish Conference in Helsinki in September 2006. These conferences offer a valuable opportunity to discuss our work with our European counterparts.

## Visit to Washington DC and New York

67. In November 2005, we visited Washington DC and New York and met representatives from the UN, the World Bank and the IMF, the US Administration, USAID, the Millennium Challenge Account, and members of both Houses of Congress. Extensive discussions were held on reform of the UN, the establishment of the Peacebuilding Commission in the UN, trade negotiations, and on the UK's position on the conditionality policy of the IMF and the World Bank.

68. There are a number of channels through which we can share information and raise concerns with parliamentarians in Europe including the Conferences of Committee Chairmen and regular visits to European institutions. But the US is a different case. There is a challenge to be met in persuading the United States that aid works and that it should be focused on poverty reduction. The US visit enabled us to encourage our counterparts in the US in this direction.

## Informal meetings

69. Our newly appointed Committee held an innovative 'away day' in October 2005 at the Royal Horticultural Hall, which gave us a chance to decide our future programme away from the everyday business of Westminster. We invited DFID officials, including the Permanent Secretary and the Directors General, and also heard presentations from NGOs and other experts.

70. We were pleased to meet key figures and organisations informally throughout 2005-06. Such meetings provided a valuable opportunity for discussion of areas of mutual interest, whilst they also expanded our knowledge and allowed important relationship-building. These meetings included: several representatives of the World Bank, including the

President, Paul Wolfowitz; government ministers from Afghanistan; Hernando de Soto, an influential Peruvian economist and Director of Peru's Institute for Liberty and Democracy; Sir Edward Clay, former British High Commissioner to Kenya; Desmond de Silva QC, former Chief Prosecutor of the Special Court for Sierra Leone; Sir Emyr Jones Parry, UK Permanent Representative to the United Nations; and a visiting group of Canadian parliamentarians from our equivalent committee.

71. The Development Assistance Committee (DAC) of the OECD carry out peer reviews of donor countries every 4–5 years, and 2006 was the turn of the UK. Two other donor countries carry out the review of their peer, and the Examiners of the UK were the USA and Italy, with the remit to review all aspects of the UK's development system. The review team met the Committee in January 2006, to receive input from parliamentarians.<sup>38</sup>

72. The Committee has developed a practice of holding informal seminars as an integral part of medium- and large-scale inquiries. These 'teach-ins', held before evidence sessions are commenced, provide an opportunity for experts to outline important areas we could consider in our examination of witnesses. We also hold briefings in advance of visits to hear views from country experts, DFID officials and Ambassadors and High Commissioners. We are fortunate, in addition to formal evidence sessions, to have at least two informal meetings a year with the Secretary of State for International Development, which enable us to discuss a wide range of general development issues in a relaxed atmosphere.

## ANNEX

**Table 1: Subjects covered by the International Development Committee in 2005 and 2006**

Subject	Evidence sessions in 2005–06	Outcome
Delivering the goods: HIV/AIDS and the provision of anti-retrovirals	1	Report, December 2005
Darfur: The killing continues	1	Report, January 2006
The WTO Hong Kong Ministerial and the Doha Development Agenda	5	Report, April 2006
Private Sector Development	8	Report, July 2006
Strategic Export Controls: Annual Report for 2004, Quarterly Reports for 2005, Licensing Policy and Parliamentary Scrutiny [Quadripartite Committee]	5	Report, August 2006
Conflict and Development: Peacebuilding and post-conflict reconstruction	7	Report, October 2006
Humanitarian response to natural disasters	8	Report, November 2006
Department for International Development Departmental Report 2006	1	Report, November 2006
Development Assistance and the Occupied Palestinian Territories	4	Report to be published
HIV/AIDS: marginalised groups and emerging epidemics	1	Report, December 2006
Water and Sanitation	3	Report to be published
Making Poverty History? The promises of Gleneagles	2	Evidence taken in July and October 2005
The Autumn Meetings of the IMF and the World Bank; and the UN 2005 World Summit	1	Evidence taken in October 2005,
EU Development Co-operation and External Relations Policy	2	Evidence taken in December 2005
Reconstructing Afghanistan	1	Evidence taken in December 2005
The Autumn Meetings of the IMF and the World Bank 2006	1	Evidence taken in October 2006

The World Urban Forum III	1	Evidence taken in November 2006
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**Table 2: Visits by the International Development Committee in 2005 and 2006**

Location	Purpose of visit
Brussels, Belgium	Inquiry into the WTO Hong Kong Ministerial and evidence session on EU Development Co-operation and External Relations Policy
Democratic Republic of Congo, and Rwanda	Inquiry into Conflict and Development
Israel and the Occupied Palestinian Territories	Inquiry into Development Assistance and the Occupied Palestinian Territories
Malawi, Botswana and Mozambique	Inquiry into Private Sector Development
Sierra Leone	Inquiry into Conflict and Development
Pakistan	Inquiry into Humanitarian Response to Natural Disasters
Uganda	Inquiry into Conflict and Development
Washington and New York, United States	Inquiries into the outcomes of the G8 summit and the WTO Ministerial Summit in Hong Kong
<b>Visits in a representative capacity:</b>	
Brussels, Belgium	Briefing session on the future of European Development Policy (delegation — 1 Member)
Brussels, Belgium	Joint committee meeting on European Development Policies, European Parliament (delegation — 2 Members)
Cape Town, South Africa	Seminar on The New European Union and the New EU Strategy for Africa (delegation — 1 Member)
Helsinki, Finland	Annual meeting of the Parliamentary Network on the World Bank (delegation — 2 Members)
Helsinki, Finland	Conference of EU Foreign Affairs and Development Committee Chairs (delegation — 1 Member)
Hong Kong	WTO Ministerial Summit (delegation — 1 Member)

**Table 3: Liaison Committee criteria relevant to 2005 and 2006 inquiries**

	Government and European Commission policy proposals	Examination of deficiencies	Departmental actions	Associated public bodies	Implementation of legislation	Expenditure	Evidence from Minister	Public Service Agreements
Delivering the goods: HIV/AIDS and the provision of anti-retrovirals		√	√			√		√
Darfur: The killing continues		√	√				√	
The WTO Hong Kong Ministerial and the Doha Development Agenda	√	√	√				√	
Private Sector Development	√	√	√			√	√	√
Strategic Export Controls: Annual Report for 2004, Quarterly Reports for 2005, Licensing Policy and Parliamentary Scrutiny		√	√		√		√	
Conflict and Development: Peacebuilding and Post-conflict reconstruction	√	√				√	√	
Humanitarian response to natural disasters		√	√		√	√		
DFID Departmental Report 2006		√	√			√	√	√
Development Assistance and the Occupied Palestinian Territories		√	√			√	√	
HIV/AIDS: marginalised groups and emerging epidemics		√	√			√	√	
Water and Sanitation		√				√	√	√

**Table 3: Liaison Committee criteria relevant to 2005 and 2006 inquiries (continued)**

Evidence-only Sessions								
	Government and European Commission policy proposals	Examination of deficiencies	Departmental actions	Associated public bodies	Implementation of legislation	Expenditure	Evidence from Minister	Public Service Agreements
Making Poverty History? The promises of Gleneagles			√				√	
Autumn Meetings of the IMF and the World Bank; and the UN 2005 World Summit	√	√		√			√	
EU Development Co-operation and External Relations Policy	√				√			
Reconstructing Afghanistan			√		√	√		
Autumn Meetings of the IMF and the World Bank 2006	√	√	√	√			√	
The World Urban Forum III		√				√	√	

# Reports from the International Development Committee since July 2005

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The Government Responses to International Development Committee reports are listed here in brackets by the HC (or Cm) No. after the report they relate to.

## Session 2006-07

First Report	DFID Departmental Report 2006	HC 71
Second Report	HIV/AIDS: Marginalised groups and emerging epidemics	HC 46-I & II

## Session 2005-06

First Report	Delivering the Goods: HIV/AIDS and the Provision of Anti-Retrovirals	HC 708-I&II (HC 922)
Second Report	Darfur: The killing continues	HC 657 (HC 1017)
Third Report	The WTO Hong Kong Ministerial and the Doha Development Agenda	HC 730-I&II (HC 1425)
Fourth Report	Private Sector Development	HC 921-I&II (HC 1629)
Fifth Report	Strategic Export Controls: Annual Report for 2004, Quarterly Reports for 2005, Licensing Policy and Parliamentary Scrutiny	HC 873 (CM 6954)
Sixth Report	Conflict and Development: Peacebuilding and post-conflict reconstruction	HC 923 (HC 172)
Seventh Report	Humanitarian response to natural disasters	HC 1188 (HC 229)

# Formal minutes

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**Tuesday 16 January 2007**

Members present:

Malcolm Bruce in the Chair

John Barrett	James Duddridge
John Battle	Ann McKechin
John Bercow	Joan Ruddock
Richard Burden	Mr Marsha Singh

The Committee deliberated.

Draft Report (Work of the Committee in 2005-06), proposed by the Chairman, brought up and read.

*Ordered*, That the Chairman's draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 72 read and agreed to.

Annex agreed to.

Resolved, That the Report be the Third Report of the Committee to the House.

*Ordered*, That the Chairman make the Report to the House.

[Adjourned till Tuesday 23 January at 9.45am]