



## Parliamentary Oversight of UK Development Cooperation:

The Experience of DFID

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3rd Floor Robert Sobukwe Building  
263 Nana Sita Street  
Pretoria South Africa

PO Box 14349  
The Tramshed,  
0126  
Pretoria South Africa

+27123376082  
+27862129442  
[info@igd.org.za](mailto:info@igd.org.za)  
[www.igd.org.za](http://www.igd.org.za)

## ■ LIST OF ABBREVIATIONS AND ACRONYMS

DAC	Development Assistance Committee
DFID	Department for International Development
FCO	Foreign and Commonwealth Office
G7	Group of Seven
GNI	Gross National Income
ICAI	Independent Commission for Aid Impact
MDG	Millennium Development Goals
MFA	Ministry of Foreign Affairs
MP	Member of Parliament
NGO	Non-Governmental Organisation
ODA	Overseas Development Administration
UK	United Kingdom



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## ■ Introduction

The Department for International Development, the UK government body responsible for foreign assistance and international development cooperation, has garnered global respect for its work in the developing world since its inception in 1997. By focusing on its core mandate of eliminating global poverty, in 2014 it helped the UK achieve the status of the first G7 country to spend 0.7% of its Gross National Income (GNI) on aid and development in accordance with the Millennium Development Goals (MDGs).

This briefing paper examines DFID's legislative and operational environments, and explains the critical role played by Parliament in its monitoring and oversight of the department and its spending. The paper will consider how Parliament attempts to influence policy-making within DFID, primarily through the International Development Committee and the Independent Commission for Aid Impact. Based on the experiences of DFID, recommendations will be provided for Parliamentary monitoring and oversight of the South African Development Partnership Agency.

### **DFID – the driver of UK development cooperation**

The earliest incarnation of the Department for International Development (DFID) was the Ministry of Overseas Development, created by the Labour government of 1964-70. It was folded into the Foreign and Commonwealth Office (FCO) by the incoming Conservative government in 1970, becoming the Overseas Development Administration (ODA).

The Labour government of 1997 created DFID, a separate department from the FCO, headed by a member of the Cabinet, with responsibility for aid and development. The new department had responsibility for bilateral aid and the funding of multilateral development institutions, but it was also given responsibility for ensuring a joined-up development policy across the Government as a whole (Barder, 2005: 13-14).

Within the UK system of government, all policy decisions must be made by consensus of the Cabinet, which in theory gives each Cabinet Minister – and therefore the department they lead – a potential veto over government policy. Under the ODA system, FCO Ministers would be responsible for representing the case for international development in UK policy making, alongside their much wider mandate to promote UK interests abroad (Clarke, Gavas & Welham, 2014: 1).



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DFID, as a separate department with a separate Minister, had equal standing to promote, argue for and ultimately reject government policies that it determined were not meeting UK international development objectives. DFID is now present in numerous Cabinet Committees that decide policy, allowing for international development issues to be more clearly represented in a number of areas such as foreign, defence, trade, banking, security and migration policy (Clarke, Gavas & Welham, 2014: 5).

Generally speaking, organisational models for development agencies around the world take one of four forms. Development agencies in the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) may be categorised as such:

- a. Development cooperation is integrated in the Ministry of Foreign Affairs (MFA) that takes the lead and is responsible for policy and implementation, e.g. Denmark
- b. Development cooperation is managed by a department or an agency within the MFA which leads and is responsible for policy and implementation, e.g. Ireland
- c. A ministry has overall responsibility for policy and a separate executing agency is responsible for its implementation, e.g. Sweden
- d. A ministry or agency (other than the MFA) is responsible for both policy and implementation, e.g. the UK (Clarke, Gavas & Welham, 2014: 1).

DFID's mandate was set out in the White Paper *Eliminating World Poverty*, a challenge for the 21st century (1997). Its chief stated aim was poverty reduction on a global scale. Broadly defined, it was identified as the overarching objective of aid and development policy. The first iteration of the Millennium Development Goals, the International Development Targets, provided quantifiable and measurable global targets with which to track progress towards reducing global poverty (Barder, 2005: 13-14).

DFID's conception introduced the notion of development policy coherence, which acknowledged that managing aid spending was only one (and arguably not the most important) part of development policy, and that the new department had a legitimate voice in the formulation of government policy in other areas (e.g. trade, conflict and foreign relations) for which other government departments had primary responsibility (Barder 2005: 13-14).



## Parliament's Oversight Role

Since 1997, two acts have been passed that have had a significant impact on the way Parliament oversees DFID. The International Development Act 2002 succeeded the Overseas Development and Co-operation Act 1980. The Act enables DFID to provide development assistance to any country outside the United Kingdom, subject only to the requirement that it is likely to contribute to a reduction in poverty. The Act allows for assistance to alleviate the effects of a disaster or other emergencies impacting the population of any country outside the United Kingdom. It enables the use of a wider range of financial instruments in the provision of development assistance than was available under the 1980 Act. Only minimal parliamentary involvement in the exercise of these powers is provided for by the Act (Burall, White & Blick, 2009: 16-17).

The International Development (Reporting and Transparency) Act 2006 (International Development Act, 2006) requires DFID to report annually to Parliament on total expenditure on international aid and on the breakdown of this aid. The Act requires these reports to contain information about expenditure by country, the proportion of expenditure in low-income countries, the effectiveness of aid expenditure and the transparency of international aid. The report is included as part of the DFID Annual Report (Clarke, Gavas & Welham, 2014: 5).

The foremost ways in which Parliament and the DFID interact are:

- by asking Parliamentary Questions of the DFID, including Urgent Questions
- by conducting debates about the business of the DFID, usually answered by a minister or ministers of the department
- by the department making Written Statements to Parliament
- through the International Development Committee (IDC), the departmental select committee.

### Parliament and decision-making

Parliament is not involved in day-to-day decision making in the DFID any more than it is with other government departments. Members of the ministerial team take responsibility for their particular policy areas and respond to Parliament's concerns about them, although some of the policy formulation is undertaken by senior civil servants in the department. In liaising with Parliament, ministers are helped by their Parliamentary Private Secretaries, the MPs who are intended to act as the 'eyes and ears' of ministers in Parliament.

Public consultation is an important part of policy-making, as it is with other departments. This is based on the guidance provided by the Civil Service Reform principles of open policy-making.



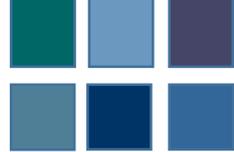
## Parliamentary Monitoring and Oversight

In laying out the objective of DFID as the provision of development assistance that contributes to poverty reduction, the International Development Act of 2002 frames Parliamentary oversight of DFID (Burall, White & Blick, 2009: 18). The primary mechanisms for the oversight of DFID's activities are the International Development Committee and the Independent Commission for Aid Impact (ICAI).

The work of the IDC constitutes Parliament's most effective oversight of the DFID. Its membership is able to specialise and investigate policy areas in detail, and it has the power to obtain evidence from experts and from government ministers. The IDC works in a way that is slightly different to the majority of other select committees. This is because DFID generates little legislation, has no associated public bodies, and the Secretary of State is rarely responsible for major public appointments. In addition, DFID does not implement policy alone. Instead it works with and through developing countries, multilateral bodies and NGOs. The Committee, therefore, sees its role as relatively broad, to influence policy nationally and internationally as well as holding DFID itself accountable (Burall, White & Blick, 2009: 18-19).

The Select Committee monitors the policy, administration and spending of the DFID and its associated public bodies and takes an interest in the policies and procedures of the multilateral agencies and NGOs to which DFID contributes. The Committee is an investigative committee rather than a legislative one: it sets its own programme and chooses subjects for inquiries. For each inquiry, a press notice is issued listing the terms of reference and inviting interested parties to send written submissions. For most inquiries, the Committee will also hold question and answer 'oral evidence' sessions with witnesses. These are held in public, usually in Westminster. The government is required to respond to recommendations in the Committee's reports, which are published as Parliamentary Papers (UK Parliament, 2015).

The Committee reviews DFID's annual reports every year. It uses these reports, published in part in accordance with the International Development (Reporting and Transparency) Act, as a basis for an overview of DFID's work and its effectiveness. The IDC also publishes reports which focus on specific elements of DFID's work. The committee often focuses explicitly on specific policies or topics rather than on whole programmes. By delving into policy issues, it expects to influence the way DFID works. Reports are chosen on the basis of topicality, their importance to the members of the committee, or where members think that the IDC view differs from that of DFID (Burall, White & Blick: 2009: 19).



Parliament intensified its scrutiny of DFID with the launch of the Independent Commission for Aid Impact (ICAI) in 2011, to help provide more objective and specialist assessments of the impact of UK aid, including DFID overseas development assistance and contributions spent by other departments. ICAI focuses on maximising the impact and effectiveness of the UK aid budget for intended beneficiaries and the delivery of value for money for the UK taxpayer. ICAI reports to the House of Commons through the IDC, by means of an annual report and thematic reports. The House inspects ICAI's forward programme and reports, holding evidence sessions to assess DFID's responses to ICAI's reports, and holds meetings with ICAI on scoping rationales and final reports for each inquiry.

ICAI itself is scrutinised and monitored by the recently launched IDC Sub-Committee on the Independent Commission for Aid Impact. As of July 2015, the Sub-Committee will scrutinise ICAI's forward plans and take evidence from ICAI staff. The Sub-Committee will work alongside, and report to, the IDC.

The evidence sessions and reports of the Select Committee and ICAI are the strongest mechanisms for scrutinising and influencing the work of DFID. This is because the committees have the power to call people and documents for evidentiary purposes. In addition, people are wary of not speaking the truth because they are speaking under oath. The government also has to respond to any recommendations that are made in reports. This brings an important feedback loop into the relationship with Parliament (Burall, White and Blick: 2009: 21).

A further strength of select committees is that they are able to cover broad areas of policy and programmes, yet they also have the time to drill down into detail. Within Parliament, visits to country programmes are valued as a way of understanding effectiveness of DFID policies and programmes. Select Committees are also generally seen as being less party-political than the floor of the House of Commons (Burall, White and Blick: 2009: 22).

It is in these ways that Parliament carries out its role of scrutiny of DFID policy-making and implementation, as it does with other government departments. Government ministers have day-to-day responsibility for the formulation and implementation of policy. However, as sovereignty resides with the Crown in Parliament, it could be argued that overriding, ultimate responsibility for all government actions is with Parliament – in practical terms, with the governing majority in the House of Commons.



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The legislative framework within which DFID operates has focused on Parliamentary scrutiny. This has resulted in significant benefits for the future of UK development cooperation. The International Development Act clearly specified DFID's objectives and concomitantly helped build near universal agreement within Parliament about the department's course of action. It has, therefore, helped to ensure that potentially competing objectives that may emerge from other foreign policy, trade, and national security priorities do not overwhelm development objectives (Burall, White and Blick: 2009: 21).

### **Recommendations for the Parliament of the RSA**

The Department for International Development is a unique model for development cooperation amongst the donors of the OECD's Development Assistance Committee. As an independent government department, it is given the space and scope to focus solely on its core mandate, without compromising its deliverables due to competing concerns. Nonetheless, a number of lessons can be drawn from Parliament's rigorous oversight of DFID for Parliamentary oversight of the proposed South African Development Partnership Agency:

- *Ensure the agency is an influential player in government*

Due to the nature of development cooperation (as opposed to the strict definition of development assistance) it is critical that the new agency is established solely to pursue the goals of development cooperation, and not to function as a proxy for achieving other national objectives. Its leadership should be included in the upper echelons of government to ensure appropriate responsibility and accountability, and it should be monitored by a Portfolio Committee or similar. The agency's mandate should be outlined in a white paper to ensure clarity of action. This should include a strong degree of budget autonomy.

- *Structure the agency with monitoring in mind*

It is critical that the new agency is scrutinised in both strategic and procedural terms just the same as other policy areas. Robust monitoring and evaluation of the agency's activities will lend it legitimacy and credibility as a new player in international development cooperation, and assist with securing support from the general public for its goals. Budget autonomy will require rigorous monitoring to ensure accountability for spending and results.



- *Establish clear channels of communication and collaboration with other entities*

The agency obviously cannot conduct its work within a vacuum, so it is essential to forge appropriate links with other government departments and actors in the development space, such as NGOs, civil society and academia. Clear programmes of collaborative action will provide a level of support and integration vital for early and ongoing success. Indeed, ensuring that the government has to respond to Committee reports or similar would introduce an important feedback loop into the relationship with Parliament.

- *Focus on establishing a niche*

The agency should seek to establish a reputation for excellence in a certain number of expert areas. It should avoid the trap of trying to spread itself too thinly in tackling development concerns, and should rather work to develop a solid foothold of one or two key areas in its first few years. Parliament should be cognisant of this in its oversight role, and seek to guide the new agency as it establishes itself in the realm of international development cooperation.



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