



LCID Submission to the Labour International Development Task Force

Labour has always fought for justice and equality for all both at home and abroad. That must continue. Whilst the world has changed and remains in constant flux, one thing remains constant: Labour values of cooperation and internationalism are the ones to guide us in a globalised world. This submission presents seven areas of priority for Labour's International Development team. We would be happy to discuss any aspect of our submission and answer any questions.

1. A whole Government approach

Britain's role in the world – and our ability to reduce inequality and help people, communities and countries lift themselves out of poverty and fulfil their rights – is about so much more than aid, and stretches beyond what Labour's flagship Department for International Development (DFID) is able to achieve on its own.

LCID believes in a pro-rights, pro-equality and multilateralist approach to development that not only lifts people out of poverty but fundamentally redistributes power and addresses structural injustices. Aid remains central – but we need to look beyond it. To do this, we need to mainstream global social justice across UK Government policy.

Policy coherence matters on two levels: within our aid policy and across all UK Government policies that have a global impact. Policy coherence has to begin with coherence of objective. If coherence of objective is achieved then, with the right mechanisms in place, coherence of delivery will follow. That is the only way to ensure that we do not entrench poverty with one hand whilst trying to relieve it with the other. An open, globally-minded Britain should aim to be a development superpower.

The Sustainable Development Goals (SDGs) can only be achieved with a cross-government approach and ensuring all goals are seen as cross-cutting and not in silos. In prioritising some SDGs over others, there is a risk that governments, private sector companies and other stakeholders adopt a 'pick and choose' approach. Further to a cross-departmental approach to the SDGs the UK must ensure it is delivering the SDGs for the many and not the few, ensuring that no-one is left behind.

At Labour Government must:

- ***Ensure that all policies – on trade, tax, immigration, defence, energy, climate change, foreign policy alliances and growth – are 'pro-development'.***

- ***Create a cross-departmental working group to monitor the implementation and success of delivery against the SDGs both at home and abroad, creating a national plan for the UK to deliver from at home.***

2. Quality of Aid Spending

Whilst aid is just one of the ways in which a Labour government can help people, communities and countries lift themselves out of poverty, it is imperative that Labour continues to make the case for aid. Since the 0.7% target was enshrined in law, it has come under constant attack and there have been numerous attempts to divert aid money for domestic purposes, and to spend aid money through departments other than DFID.

At Labour Government must:

- ***Ensure that we maintain our global leadership position on aid, spending 0.7% of GNI on eradicating extreme poverty and delivering our life-saving support through an independent Department for International Development.***
- ***Ensure DFID's poverty reduction mandate is protected with no resumption of tying aid to British commercial interests or diversion of funding to subsidise the Ministry of Defence.***

3. Ethical Foreign Policy

Labour is an internationalist party with a proud record of fighting injustices around the world, from supporting Indian independence, to the anti-apartheid struggle, to leading action to protect civilians in Sierra Leone and Kosovo. We must learn from the many successes and failures of our foreign policy decisions. Every situation is different, but we must always be guided by our internationalist principles and by our international obligations such as the Responsibility To Protect Civilians, which we signed up to with each and every government in the U.N. in 2005.

This principle acknowledges that when a government either wilfully fails to protect the security of its citizens, or is unable to do so, the international community has a clear obligation to intervene, choosing timely and decisive action from a wide range of approaches, including diplomatic means, sanctions and in the most extreme cases, military operations.

Through our development work and following any direct interventions we will always stand ready to support communities and countries to rebuild with a long term development plan to secure safety, stability and prosperity for their people. The merits of any actions we take or decline to take must always be carefully considered and scrutinised, recognising that both action and inaction are a choice and each has a consequence. The lessons of Iraq will be important in those considerations – so too must be the lessons of Bosnia, Kosovo, Rwanda, Sierra Leone and Syria. The next Labour Government must make the case for an ethical foreign policy and champion a progressive approach to humanitarian intervention.

At Labour Government must:

- ***Uphold the 2005 UN Responsibility to Protect Civilians agreement,¹ and the Arms Trade Treaty.²***

4. Trade Post-Brexit

Trade is one of the most effective way to lift millions of people out of poverty, and making trade fair should therefore be a key priority for any Labour Government. At a minimum, we must ensure our post-Brexit trade agreements with economically vulnerable countries build on the current trade agreements that exist between the EU and these countries.

At Labour Government must:

- ***Offer a non-reciprocal preference scheme for imports from economically vulnerable countries immediately upon Britain's exit of the EU.***

5. Tax

Tax dodging is a major global issue that hits poor countries harder than anywhere – caused primarily by the arrangements that multinationals have to shift profits away from the developing countries where the profit-making activities take place. Tax avoidance by multinational companies costs developing countries around \$200 billion every year according to an IMF paper, and tax havens cost developing countries at least \$100 billion a year according to UNCTAD.

A Labour Government must:

- ***Review all UK tax policies to ensure they do not undermine global agreements, are fair to poor countries, and consistent with the UK's development objectives. For example, George Osborne's changes to the Controlled Foreign Companies Rules in 2012 cost developing countries enormously. These changes should be reversed and all future UK tax policy changes should be reviewed in terms of their impact on developing countries.***
- ***Push for public country-by-country reporting of tax information by multinational companies within 2 years, either multilaterally, or if that fails, unilaterally.***
- ***Ensure that all UK Overseas Territories and Crown Dependencies finally adopt public registers of who owns which companies and trusts registered there within one year of entering government.***

¹ This stipulates that when a government either wilfully fails to protect the security of its citizens, or is unable to do so, the international community has a clear obligation to intervene, choosing timely and decisive action from a wide range of approaches, including diplomatic means, sanctions and in the most extreme cases, military operations.

² Including suspending UK arm sales to Saudi Arabia for use in Yemen, where there is a clear risk that those arms are being used to violate international humanitarian law.

6. Brexit and Development Funding

EU funding for development and humanitarian crises has had a major impact on poverty reduction around the world. UK support to EU instruments, such as Europe's ECHO humanitarian fund and the European Development Fund (EDF), both of which received good scores in the Government's own Multilateral Development Review, enables it to reach and support vulnerable people who would not otherwise have access to vital assistance. UK based NGOs also received €356.9m of new commitments from EU funds in 2016.

Beyond a funding relationship the UK and aid sector has had a leading influence on the EU's approach to development. The effectiveness of UK Aid is in part a result of this close working and it has helped to drive up the effectiveness and transparency of EU aid and in pushing member states to meet the 0.7% of GNI to ODA commitment.

Participation of non-Member States in the EU's development and humanitarian funds does currently take place and therefore could be replicated for the UK after it leaves the European Union. In the case of Switzerland, Transfer agreement delegated cooperation rules and EU Trust Fund legal mechanisms permits them to channel their ODA via EU funds and programmes and to participate in policy discussions and decisions.

A Labour Government must:

- ***Continue a relationship with EU funding instruments and seek to adopt a Switzerland style agreement to ensure the UK can still work with EU institutions to guide programme and policy discussions and decisions.***