

International Development Committee

Oral evidence: UK's progress on the Sustainable Development Goals, HC 1732

Tuesday 14 May 2019

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Members present: Stephen Twigg (Chair); Richard Burden; Nigel Evans; Mrs Pauline Latham; Ivan Lewis; Mark Menzies; Lloyd Russell-Moyle; Virendra Sharma; Mr Henry Smith.

Questions 109 – 162

Witnesses

I: Claire Godfrey, Head of Policy and Campaigns, Bond; Danny Sriskandarajah, Chief Executive Officer, Oxfam GB; Ivan Campbell, Head of Research and Learning, Saferworld.

II: Steve Waygood, Chief Responsible Investment Officer, Aviva; Helen Dennis, Policy and Advocacy Manager, Fairtrade Foundation; Duncan Hames, Director of Policy, Transparency International UK.

Examination of witnesses

Witnesses: Claire Godfrey, Danny Sriskandarajah and Ivan Campbell.

Q109 Chair: Good morning and welcome to this oral evidence session as part of our inquiry on the sustainable development goals in the run-up to the UK's first voluntary national review at the UN in July. We have two panels. I welcome Claire, Ivan and Danny, who are our first panel. In the usual way, we go straight to questions but please, when you first answer a question, introduce yourself. I will start with a question for Claire from Bond. Claire, Bond will be publishing shortly its shadow report on the UK's contribution to the goals overseas. Can you tell us broadly whether the picture is one of success or failure, and can you highlight anything from the report where the Government are falling short?

Claire Godfrey: Thank you very much for taking this evidence. The shadow report is more of a parallel report because it does not have anything to shadow at the moment. It has been put together by 14 members of Bond's network and 14 networks. It has had huge, widespread and diverse input into it. The overall outcome—or the reflections and highlights—is that the Government are not doing enough on the SDGs. Initially, in the lead-up to 2015, as you will remember, the UK Government played a very leading role in promoting the SDGs, getting them on the agenda and highlighting in particular one of the most important aspects, which is "leave no one behind". Since then, energy levels, commitment and resourcing have dipped.

There has been focus, some of which has been in response to external pressure on the VNR, which the Government were initially reluctant to commit to. They are now doing that but a lot of resource has gone into the VNR, rather than looking at supporting the rollout of the SDGs and supporting programmes internationally. While capacity has increased around the SDGs and the VNR in particular at DfID, there has not been enough commitment. One thing that is lacking is an overall Government commitment so that there is leadership from the centre on the SDGs and an implementation plan that goes across Government, so that each Government Department has its own implementation plan where relevant, which will be most of them, but there is also a DfID implementation plan to identify the areas where DfID can do a lot more in programmes and identify gaps.

Q110 Chair: Are you able to give us any examples of where you are seeing a lack of policy coherence at the international level? We have had lots of examples when we have taken evidence on some of the domestic elements, but do you have examples from the international level?

Claire Godfrey: Yes. On policy coherence, there are lots of examples. One of the most well-known examples you will have all heard of is around the issue of supporting arms supplies to conflict parties. Those arms are then used in Yemen. We are a generous donor in Yemen. Where is the



coherence there? Another big area is climate change. It has come up a lot, but it is going to come up more and more.

Another example is the subsidisation of fossil fuels in the global south rather than investing in renewable and low carbon-type energy. You may already know that the EAC reported that UK Export Finance provided £4.8 billion to fossil fuel projects. Then there is the example of EPAs, economic partnership agreements, which I used to do a lot of work on. I was very mindful of the fact that certain areas within trade, investment and services agreements are not exempted. I could go on.

Chair: They are three very powerful examples. Thank you very much indeed, Claire. That is great.

Q111 **Mr Sharma:** Good morning, Danny. Oxfam's evidence focused on the importance of SDG 10 in tackling inequality. If we are to achieve the SDGs, why is this goal so important and what are the challenges in making progress on SDG 10 globally?

Danny Sriskandarajah: Good morning. My name is Danny Sriskandarajah. I am chief executive of Oxfam Great Britain. It is an honour to be here so early in my tenure in this role to give evidence, particularly on the SDGs and particularly on SDG 10. In my previous role at Civicus, when we and many others were involved in shaping the process that led to the SDGs, many of us were pleasantly surprised that SDG 10 was even included. It was an unexpected win from the process to have such a clear commitment to fighting inequalities between and within countries. Like most of the SDG agenda, the real challenge is about how we use this instrument to achieve real and meaningful impact in terms of a reduction in inequalities.

From an Oxfam point of view, inequality and SDG 10 in particular are important because of the impact of undermining advances in poverty reduction. When Oxfam publishes data, as we do regularly, on the number of billionaires who own the same amount of wealth as the poorest half of the world's population, we do not do it just because we want to name and shame those very rich individuals; we do it in the belief that the current economic system is delivering for relatively few. If we are serious about tackling poverty within our societies or globally, we have to make tweaks to the economic system so that there is a more equitable distribution in resources.

For example, if we were to have current growth but at double its level, so double the levels of growth we see today, by 2030 we will still have nearly 4% of the world's population living in abject poverty. We may have huge advances in the wealth and prosperity of large parts of the world's population but still make no serious dent in the remaining levels of absolute poverty. That is an example of how we need to start to think about making sure that growth itself is far more equitable.



What should the Government be doing more of? From an Oxfam point of view, there are broadly speaking three buckets of things we would like to see done. First, importantly and in a timely sense, given that just today the Institute for Fiscal Studies released a new report looking at not just inequality but the impacts of inequality, in this case on democracy in the United Kingdom, we would be very keen to see the UK lead by example when it comes to its domestic agenda. After all, the beauty of the SDGs is their universality and, in some ways, the simplest and the best thing the UK could do is to lead by example when it comes to addressing growing domestic inequality.

A second aspect is, as Claire started to talk about, policy coherence. We know there are several things that the UK can do and the UK Government have said they will do to help in terms of redistributing resources to the global south. The obvious example or set of examples relates to tax and finance. There are measures, for example, in the 2016 Finance Bill when it comes to country-by-country reporting. Promises have been made about measures on beneficial ownership in UK overseas territories and Crown dependencies that, if followed up and fully implemented, we believe would have a significant impact on access to resources in bits of the global south.

Thirdly, when it comes to UK development policy, the Government and DfID could be doing more when it comes to promoting, in particular, domestic resource mobilisation in the global south. Our thinking there is quite clear that, in almost every society, including this one, the greatest advances in reducing inequality were often driven by the provision of universal, free and accessible public services. Our belief is that, in the global south, if we are going to achieve that, we need to have a healthy tax system and sufficient domestic resources so those countries can put in place universal public services that can then allow the poorest in those societies to access a reasonable quality of life. We found it disappointing, for example, that, despite the Government having committed to double DfID's allocation to direct support for tax systems around the world, we have only seen marginal increases in the investment that is going into tax systems or even something like direct budgetary support.

We have seen a diminishing level—a reduction from 40% or so to something like 10% today—of UK bilateral aid allocations from DfID's resources going in direct budgetary support to Governments to allow them, through country-led and country-owned processes, to set how those resources will be spent. There too, there are things the UK Government can do in terms of their development partnerships that will have a bigger impact on inequality.

- Q112 **Richard Burden:** My question is mainly to Ivan. Saferworld's evidence states that the UK's leadership on SDG 16 in relation to peace, justice and strong institutions has declined and that Britain has now been overtaken by other Governments. Why do you think that is and what do the Government need to do to address it?



Ivan Campbell: I am Ivan Campbell. I am the head of research and learning at the international peacebuilding NGO, Saferworld. UK Government leadership was crucial in securing some of the more progressive elements of the 2030 agenda, including the commitment to peaceful, just and inclusive societies, enshrined in goal 16. We saw it, for instance, in the personal engagement of David Cameron. He was on the high-level panel of eminent persons that produced a watershed report in 2013. We were very much involved as part of the NGO community at the time in pushing for the inclusion of peace. There was a sense that we were very much working alongside the British Government and other allies around the world on this shared agenda.

Yes, our impression is that that has waned since 2015, and that particularly goal 16 has slipped down the political agenda. We see this in part in our interactions with DfID officials and embassy diplomats around the world. Saferworld is working in 20 or more conflict-affected states. In those conversations, there is relatively little reference to the SDGs and goal 16 in particular, which is surprising given the contexts. There is that anecdotal impression that it is not really high up on the radar. Also, as part of the evidence we submitted back in January to the inquiry, we conducted a review of the publicly available evidence, such as DfID country profiles, CSSF programme summaries, the building stability framework—a range of documents, all of which deal with issues of peace, justice and inclusion. There were very few references to the SDGs in general, and certainly to SDG 16, across those documents.

Overall, our sense is that the SDGs, and SDG 16 in particular, are used as an occasional reference point and benchmark for the UK Government, rather than as an organising framework for their development strategy or guiding principles. I would like to add, though, that just over recent months we have seen some signs of renewed DfID commitment on SDG 16. Particularly recently, it has got more involved in some of the global platforms that are trying to raise the profile of goal 16 internationally to get the support of member states. In particular, the UNDP has a global alliance for reporting. From our perspective, while we welcome this sort of investment, it needs to be matched by investment in national action on the ground, not just the international process, and ideally by that high-level political commitment that we saw in the run-up to 2015.

Q113 **Richard Burden:** You say the UK is being overtaken in terms of leadership on SDG 16. Who would you say is overtaking the UK, and are there examples of good practice there?

Ivan Campbell: Yes. It is a hard goal and arguably the hardest goal to address by its very nature. There are no standout champions yet on goal 16 specifically, certainly not among western countries. You see some very impressive and proactive engagement by countries like Sierra Leone and Colombia. Among European countries, Germany is probably leading the pack. In 2016, they radically revised their international development strategy to align it with the 17 SDGs. Under goal 16 specifically in this



HOUSE OF COMMONS

strategy, they commit to protect human rights, build transparency, strengthen arms export controls and promote civil society. At a strategic level, the Germans are relatively ahead of the game.

In terms of engagement in the international process, I have already mentioned that DfID is getting more involved, but the Swiss, the Swedes and South Korea are all throwing their weight behind some of these international coalitions. In terms of programming and where we bump up against this most directly, in terms of Saferworld's funded programmes, we note, for instance, that the Swedish, Dutch and Irish Governments have all required us in some of their proposals for reporting formats to say how our work is contributing to SDG 16. That is not the case in what we have come across from DfID or, indeed, in FCO or CSSF-funded programmes.

Q114 Richard Burden: Your evidence says that the UK Government across the piece need to do a fairly fundamental review of their programming to make sure that it is better at meeting SDG 16. What specific changes would you like as far as the UK Government are concerned? To take it on to the international side of things as well, you said there is now a greater level of engagement with some international initiatives on SDG 16. What do you think the UK should be doing at the high-level political forum, given the fact that SDG 16 is one of the priorities for that forum?

Ivan Campbell: First, in terms of practically what the UK Government should be doing, Danny and Claire have already touched on policy inconsistencies. A review of the inconsistencies specifically in relation to goal 16 would be important. As well as some of the examples already cited, there have been instances where specific goal 16 targets—I am thinking particularly of target 16.a, which is about strengthening capacities to reinforce security—have been cited to justify train-and-equip programmes to some fairly undemocratic and repressive Governments. Clearly, this is at odds with the overall goal of peaceful, just and inclusive societies. There should be a review of those sorts of inconsistencies but, more positively, a proactive review, looking at the levels of strategy and programming, of how goal 16 can be incorporated in a more strategic way, rather than feeling like an add-on here and there. It is not just about the risk. There is a real opportunity here.

There is no doubt that DfID, and the UK Government more broadly, totally gets the connection between peace and development. DfID has been a leader on this stuff for the past 15 years, and 50% of DfID's budget is spent in conflict-affected and fragile states. You have bodies like the CSSF that reflect that joined-up approach. While you may have some of the resources and structures in place, it feels like it still lacks an overall strategy. While the SDGs, and goal 16 in itself, may not provide all of that, they offer a framework that could help to align UK policy and programming around conflict, security and development.

Coming to your final question about the HLPF, this is an opportunity for the UK Government to set a positive example. Over the past few years at



HOUSE OF COMMONS

HLPFs, quite a few of the presentations of VNRs have been more presentations of an aspirational vision rather than of the lived experience that would be recognised by that country's citizens. Indeed, many countries have not even focused on goal 16 because they think, "It does not apply to us," or it is too politically sensitive.

By the UK Government adopting a balanced and objective approach, being open about policy gaps and implementation challenges, we can set a positive example. That applies particularly on goal 16. This, as I said, is often considered one of the hardest ones, so countries may shy away from it. If we can demonstrate a commitment to that and maybe set some targets of what we, the UK, will achieve within the next four years, that will send a really good message to other countries.

The last point, and I am sure my colleagues would support this as well, when it comes to the VNR presentation, is embodying inclusivity in that process. One of the goal 16 targets, 16.7, is about inclusive participatory representative decision-making. That needs to be reflected in whichever group presents the UK VNR at the HLPF.

Q115 Lloyd Russell-Moyle: Thank you very much and happy birthday for Thursday, Ivan. To the whole panel, how well has DfID incorporated the SDGs into its working practices from Whitehall to its country offices? One of the key things, as you mentioned, is meant to be the universality of the goals. We have received evidence that this maybe is not quite the case. Is that a view that you share?

Chair: We are keen to hear from all of you on this, but with really nice, short answers because I know Lloyd has a number of other questions.

Claire Godfrey: At the narrative level, we have heard from Penny Mordaunt previously about commitment to the SDGs, but as far as we can see it is not translating on the ground. A lot of this, even without the evidence, is about the level of ambition and the structure in which headquarters links and works with country programmes in terms of policy and programming. This came out very strongly in our report. First, on "leave no one behind", there is no real understanding or set methodological approach to "leave no one behind". That is not to say that it should be either given lip service or ignored completely. It is one of the most important cross-cutting issues, if not the most important, for the SDGs: reaching the furthest behind first. We are only going to meet the targets if we get that right. That is something DfID is well placed to work on and develop its programmes around.

The other area is about privatisation, national interest and UK development political priorities not being at odds with the SDGs. There is no evidence, or insufficient evidence, about the privatisation agenda. Privatisation and private finance can play an important role in the SDGs. We do not know enough about how it can do that. We do not have the systems to know how. It is important that we start getting private investment working properly for it. On national interest priorities, there



HOUSE OF COMMONS

are imposed supply side approaches around short-term political objectives, at odds with what is going on on the ground. That is another area that needs to be looked at.

Q116 Lloyd Russell-Moyle: We are going to come on to leveraging, financing and the supply side. I will come back to you, Claire, with a later question, but I am particularly keen to hear from other panel members on the effectiveness of DfID implementing the SDGs in a universal way across Whitehall Departments and then down into its country offices. Do you have views on the horizontal and vertical integration of the SDGs, Danny?

Danny Sriskandarajah: Yes. First of all, as you and several other people have said, the beauty of the SDGs is their universality. Importantly, they are not the DSGs; they are not the development sector goals. Yet, the public policy approach to the SDGs in this country has started with the development sector and tried to domesticate them in some ways. If we are to elevate the approach and put it at the heart of a universal agenda and a holistic Government commitment to sustainable development, the SDGs would benefit from a home somewhere else in Government, perhaps in the Cabinet Office, as many people have suggested. That is the sort of approach or step change we need.

If you take an agenda like “leave no one behind”, many of us were hugely optimistic in 2015 and 2016 when the British Government came out very strongly behind that notion. In fact, David Cameron hosted a summit on “leave no one behind” on the day that the SDGs were agreed in New York. We had a disability summit. Some of that momentum seems to have slipped, yet this is such a fundamental part of the SDG agenda.

Thirdly, in terms of how the approach might change, one observation I would make is that many attempts, not just in the UK but elsewhere, involve a focus on making the SDGs famous rather than useful. The top-down approach that generally involves side events at high-level events in New York or elsewhere is important to get policy buy-in and insider buy-in. But from my experience, particularly after six years working at Civicus and talking to civil society activists around the world, many at the forefront of goal 16 activism, they do not know yet why this is a useful agenda for the sorts of issues they care about and the struggles they are involved in. Until we can close that loop and have a bottom-up approach to how and why the SDGs are important, we will not get true buy-in. That needs a change in approach.

Q117 Lloyd Russell-Moyle: Would I be right in saying, from what you are suggesting there, that we have not yet managed to integrate this on the ground in country offices but also in our day-to-day programming work, in terms of the hearts and minds of people who are involved in it?

Danny Sriskandarajah: That hearts and minds issue is the most important. If you take a poll of activists who work on aspects of the SDGs all around the world, my guess is that relatively few of them would know



or care yet about the SDGs. Until we get to that point, this is not going to be as transformative an agenda as it can be.

Q118 Lloyd Russell-Moyle: Ivan, could DfID do more in particular areas to align its work to the SDGs?

Ivan Campbell: Yes. We have touched on the welcome renewed support for the international process. There are a number of these platforms: CIC's pathfinders initiative, UNDP's global alliance for reporting. They play a valuable role, but our experience is that, ultimately, the changes sought in the 2030 agenda will only come about from within the societies and countries concerned. It needs to be driven by local actors, be that Governments or civil society actors.

Our approach over the past three to four years has very much shifted from the agreement to trying to see what we can do in our small way to support the implementation of goal 16 in conflict-affected states. This depends upon an approach of localising SDG 16 because, as Danny has already alluded to, this framework is a hard sell in some respects. We find that within our own organisation. Colleagues of ours working on the frontline in countries like Somalia and Sudan can be quite resistant to what may seem like yet another international framework, another box to tick, another jargon to master.

The approach we have tried to take is not to start by imposing the SDGs, in our case SDG 16, as a blueprint, but to start by working with local partners and local communities to identify what for them are their primary concerns relating to peace, justice and inclusion, and to understand what they are already doing to address these. There are myriad initiatives already under way, again by Government and civil society. Then and only then do we bring the SDGs into the picture and say, "Here is this international agreement, signed up to by your Government," be that Sudan, Myanmar or wherever. It can help to legitimise and reinforce what they are doing. This approach of localisation is something that we are still learning. It is something we have tried to pioneer. We would certainly encourage more support for this sort of work focused at the national level.

Q119 Lloyd Russell-Moyle: Claire, In Bond's evidence, it argues that DfID needs an implementation plan for the SDGs. The Government have so far resisted creating such a plan. Why do you think they are wrong in resisting?

Claire Godfrey: They are wrong because we need something by which to hold them to account. We need to know what they are doing, why they are doing it and whether we think their approach is going to deliver the targets. We have references in some papers to SDGs and goals, but not targets. There needs to be some kind of intention as to why a certain activity or a programme is doing something and is designed the way that it is. If we have the kind of plan that identifies areas where the UK Government have a long tradition, are particularly strong and can take



HOUSE OF COMMONS

leadership, and that identifies where there are gaps and whether the UK is going to try to close those gaps or say, "No, we cannot; it is not our area," we will have a better understanding, as civil society organisations in the UK broadly, and particularly in the countries where DfID or the Government operate—and other Departments as well—in order to monitor progress but also input.

Q120 Lloyd Russell-Moyle: We should have a global plan but it should go down to the local level.

Claire Godfrey: Yes. This is one of the important things. We really should have a bottom-up approach to designing programmes anyway. That bottom-up approach needs to be in line with aid effectiveness principles and have a democratic and inclusive approach. It needs to be supporting national plans—national SDG plans or national development strategies. All stakeholders—trade unions, the private sector, whoever is contributing to those plans—need to buy into this. There needs to be alignment.

Q121 Lloyd Russell-Moyle: It is a bit like when we had the local agenda 21s and every local authority area had to develop these things not only in the global south but in the global north. That is all work that we have forgotten.

Claire Godfrey: Exactly, yes.

Q122 Henry Smith: Continuing on that theme, in your experience to what extent does DfID demand that partner organisations align their work with the SDGs? For example, does it ask organisations to align funding bids with the SDGs?

Claire Godfrey: Something that is mentioned in our evidence, and that Bond members have raised before, is the supplier code of conduct that has come out since 2017. We are quite surprised and shocked. You made reference to other donors being quite specific about demonstrating how this programme or application will deliver on the SDGs. The supplier code of conduct does not have that. In all partnerships, DfID should be demanding this kind of demonstration of how you are going deliver on the SDGs and targets specifically.

Q123 Henry Smith: Congratulations, you have anticipated and answered my next question. Could I get the perspective from Danny and Ivan on that issue of DfID seeking alignment or not?

Danny Sriskandarajah: One of the challenges of the SDGs, being so broad, is that almost anything under the sun could be associated with some aspect of the SDGs. In some ways, saying that we want our policy, programmes and grant schemes in DfID to be associated with an SDG is perhaps setting the bar too low. Coming back to Mr Burden's question earlier about what the landmark approaches have been, what comes to mind for me is, for example, the Dutch Ministry of Foreign Affairs a couple of years ago, despite being under considerable budgetary processes, so its development budget had been slashed, committed to



goal 16 through recalibrating almost its entire discretionary bilateral spend towards what it calls “dialogue and dissent”. It was a commitment to goal 16, because it was about partnerships to build democratic institutions to support dialogue and dissent in support of goal 16. I thought that was rather brave and showed deep commitment not just to the SDGs but to goal 16 in particular and this notion of a vibrant, independent civil society. Perhaps there is room for DfID to show that sort of leadership when it comes to the SDGs.

Ivan Campbell: I touched upon it earlier. In terms of Saferworld programmes, funded not just by DfID but alternatively by the FCO or CSSF, they do not stipulate any reference to the SDGs or to SDG 16. In terms of the proposal requirements when putting it together or then in terms of reporting, we found one instance where one of our UK-funded programmes required contextual information about the level of SDG implementation, but, yes, that was the exception to the rule.

Q124 **Henry Smith:** Within your own organisations, how have you aligned your structures and changed them to co-ordinate with the SDGs?

Claire Godfrey: We have to hold our hands up and say we are not doing enough. I can only speak for Bond. We are aware that we need to do a lot more to frame our work around the SDGs, particularly the cross-cutting areas. We are starting to do that and to look at the way in which SDGs are less of a process and more of something that we need to integrate into our work. Given that we generally work in partnership and collaborate, we also need those that we work with, because of the alignment factor, to do the same. The other aspect is that we focus very much on the policy and programming side but we are not feeling that our members are necessarily structuring their work. There are pockets and there are good areas. Women For Women has very good models around “leave no one behind”. Some organisations are doing innovative or useful pieces that we should build on. I would not say it is entrenched in the sector yet—let us say that.

Danny Sriskandarajah: At Oxfam, we are doing several things. As it happens, a survey was sent out to 50 or so staff across our confederation to check how seriously they are taking the SDGs. There were some promising results there, in that these staff, who were randomly selected, on the whole think that the SDGs are important to their work and increasingly important particularly on something like leaving no one behind. That is a good sign of that buy-in within the Oxfam confederation. That is a great start. It is not sufficient in terms of the point I was trying to make earlier about broader buy-in.

We are also focusing on key interventions that are likely to leverage much bigger impacts. One obvious area is around data and indicators. We know, particularly on goals like 10, the data points are woefully inadequate. Still two-thirds of African income surveys predate the advent of the SDGs. We do not even have an adequate baseline to look at SDG 1, 10 or a whole number of other goals. There is a role perhaps for civil



society to go out there and take some of the leadership on the generation or curation of data, so we can help with the accountability tasks at hand.

Finally, as Claire said, we also need to, and are starting to, look at our own impact in the world. Not only is the role of civil society or organisations like Oxfam to help deliver on SDGs, particularly in the global south, and not only is it to hold others to account, but we also need to look at our impact. Oxfam is a confederation of 10,000 people working in 90 countries. We are increasingly conscious of making sure that we walk the talk when it comes to sustainable development.

Ivan Campbell: As I mentioned earlier, it is not easy even within our own organisations to spread the gospel. If that is the attitude you take, you are up against it. It is more about trying to focus on understanding the relevance of the SDGs for these individual countries in their particular contexts. I perhaps should remind the Committee that peace is not just under goal 16 but is one of five cross-cutting pillars throughout the 2030 agenda. I mention that because SDG 16 is increasingly referred to as SDG 16-plus because it links to goal 10 on inequality and goal 5 on gender equality. We have found that, by framing initiatives around SDG 16-plus, you bring together all sorts of diverse groups in a united front. In Somaliland, it has given a real push to the campaign to eradicate FGM because a whole host of civil society organisations—access to justice, anti-corruption, human rights—have all joined together with the women’s network. The interconnectedness of SDG 16-plus adds real value.

We have been very encouraged to see, over the years we have been engaging with this, some really passionate Somali and Sudanese champions of goal 16. Most frustratingly, just yesterday, one of those champions, the chair of the Human Rights Centre in Somaliland, was denied access to speak at a peace forum in Stockholm despite having a Schengen visa. The practical challenges continue. There are a growing number of champions of this agenda coming from the conflict-affected countries.

Q125 **Mrs Latham:** This is a general question. To what extent is DfID working alongside developing countries to support their own strategies to achieve the SDGs?

Chair: Who would like to kick off on that one of DfID working alongside less-developed countries?

Danny Sriskandarajah: The commitment at the political level and certainly at the senior official level seems to be there. We should recognise that DfID has played a really important leadership role on this agenda, but I have several concerns about the current approach when it comes to country ownership. If you look at the channels by which ODA is disbursed, there has been a shift, as I was saying earlier, away from much more direct budgetary support to national Governments that allows them to set their agenda using national priorities, to other mechanisms that do not involve them and are much more top-down, outside-in. That



HOUSE OF COMMONS

lends itself, therefore, to being less country-led. If you also look at the sorts of timelines that are being used for much of development programming, the trend has been to look for immediate results. Often, it is called the science of delivery, not the art of transformation. If we are in it for a long-term, country-led approach, surely we need to come up with ways of development programming that take an adequate lens when it comes to the temporal impacts of being there in long-term accompaniment of national actors.

The third aspect of my concern is something that your Committee raised and talked eloquently about in your 2016 review of resource allocation to civil society. A critical element, Oxfam believes, in a country-led approach is to support domestic civil society in order to do all those jobs we have been talking about, to implement bits of the SDGs, to hold Governments to account, to build people's power. Again, the trend in development finance has been away from supporting local civil society and supporting an independent and resilient civil society. If you take those together, we are heading in the wrong direction when it comes to country-led programming.

Claire Godfrey: I echo all of that. To focus a little more on the areas where DfID is putting extra emphasis and really pushing, that is around areas like private finance blending and trying to leverage private finance for more private sector-led initiatives. In that whole approach, because it is too fast and too supply driven, DfID needs to work a lot harder to ensure that whole piece supports the SDGs. That is something that really sticks out. DfID needs to give more attention to domestic resource mobilisation and trying to leverage public finance as opposed to private finance. It is going too quickly on one and too slowly on the other, and has better systems for one and not such good systems for the other.

Ivan Campbell: I have nothing to add.

Q126 **Mrs Latham:** What more could DfID be doing to support developing countries to actually implement their own goals? Does anybody have a view on that?

Claire Godfrey: I am going to echo what Danny just said. A lot more effort needs to go into building local civil society and getting stakeholders to engage. This involves awareness of SDGs but also engaging on the design and development of programmes and participation in the implementation around the results of those programmes, so that they are shared results. I was going to say something else but it has gone out of my mind; sorry.

Q127 **Chair:** I want a one-minute answer from each of you on the next one because we need to move on. We have the VNR, as has already been mentioned. Is there one overarching message for the Government in terms of what we could expect from the VNR as a positive contribution to taking this global agenda forward?



HOUSE OF COMMONS

Danny Sriskandarajah: In the spirit of universality, it would be great for the UK Government to not just demonstrate what they are doing abroad but also lead by example.

Claire Godfrey: They need far greater ambition and to think about coherence. We are a global village. Think about that.

Ivan Campbell: Set a positive example by focusing on SDG 16, both domestically and internationally.

Chair: Thank you very much indeed. Danny, as we have you with us for the first time, we would now like to explore with you the latest developments in Oxfam following events last year on sexual exploitation and abuse. I am going to ask Pauline to lead.

Q128 **Mrs Latham:** You did not think you could come and get away without answering some questions, did you? You are relatively new in the job. What are you doing to repair the British version of Oxfam's relationships with DfID since agreeing to withdraw from bidding for new funding?

Danny Sriskandarajah: Thank you for giving me this opportunity. It feels like completing a circle in a couple of ways because it was a very important moment in Oxfam's journey when my predecessor, Mark Goldring, and our chair, Caroline Thomson, appeared before your Committee in February last year. For me personally, it feels like completing the circle because the day you published your report on this matter, 31 July, was the day I had my final round interview for this job at Oxfam. I was reading your report as I took the coach up to Oxford that morning. I should say what they said at this place, which is that what happened in Haiti was shameful. It was not just a failure of safeguarding; it was an abuse of power that let ourselves down and our supporters down and, of course, most importantly perhaps, the people of Haiti who we were there to serve.

My job, as I see it, which has been made very clear to me by the chair and the board of Oxfam Great Britain, is to make sure we put our house in order. The good news for me is that a lot of that work, as you know and referenced in your own report in July, had started very soon after February of last year. As you may have read in our latest update on our so-called 10 point plan that was published yesterday, we have now tripled our resourcing of safeguarding inside Oxfam. We have trained hundreds of staff on how to respond and identify safeguarding issues. We now have at least one safeguarding lead in every country that we operate in. We have a whole set of policies and approaches. We have our own independent commission that is looking at not just sexual misconduct but aspects of accountability and culture.

Since I have begun, we have made, I hope, further progress. One of the first things I did was to appoint a director of safeguarding, someone who has qualifications and experience in safeguarding, who reports directly to me and sits in our leadership team. That is hugely important in making



HOUSE OF COMMONS

sure that I and the chair of the board have direct oversight on this incredibly important matter. Our trustees are also taking this very seriously. We have a trustee safeguarding group that meets, at the moment, monthly to make sure we are doing what we need to do.

My approach to this question is, broadly speaking, to see it as a technical challenge about making sure that we have the systems, structures, capacity and policies in place to deal effectively with safeguarding and protection issues, but also, importantly, as a cultural issue. This is about making sure organisations like ours are not tolerating abuses of power. The fact that we are saving lives cannot be an excuse for damaging some lives in the process. That is my twin-pronged strategy, I hope, during my tenure as chief executive of this organisation.

Q129 Mrs Latham: Oxfam GB lost a lot of public trust and your donations dipped dramatically. What are you doing to rebuild that trust? Do you think your efforts, the efforts you are going to tell us about, are having any impact at all?

Danny Sriskandarajah: We are having some impact. Mark Goldring will have told this Committee last year about the immediate impacts that were felt on our donor base, but I am happy to report that some 90% of our individual donors have stayed with us. Many have written to Oxfam to say how supportive they are of the efforts we are making to put our house in order. That is incredibly important, but the real test is going to be how significant a set of changes we can make.

For me, I am in it for the long term in terms of reimagining an Oxfam that lives up to its values. We are about to begin a process of strategic planning. Unlike perhaps in the past, this will not be a strategic plan written by a few technocrats or bureaucrats behind closed doors. We are going to engage with our supporters, partners and the communities we work with. We are calling it Open Oxfam and the idea is to humbly go back to our supporters and the people we work with, to ask, "How can Oxfam add value in this world?" and, importantly, "How do we need to be different in order to make the most impact to live up to our values?" That comes back to this dual focus on getting the "what" right but, importantly, getting the "how" right.

I am confident that, if we can do that, not only will we retain those supporters who have stayed loyal to us, but we will help re-energise the development sector and create the buzz and energy that was so fundamental to the British development sector. It is not surprising that we have such a healthy development sector in this country because of organisations like mine, which was founded by eight ordinary people who wanted not just to save lives in Greece but to change policy. It is that spirit that we need to go back to, and those values of solidarity and mutual accountability that we need to stay true to.

Q130 Mrs Latham: We saw the new Secretary of State last week and we know that what is known of the sexual exploitation and abuse within the sector



HOUSE OF COMMONS

is just the tip of the iceberg, because people do not report. He was saying last week, as a result of questioning, that he might fund a study to see how deeply entrenched this is. I do not think the Government should fund it solely. Do you think the charities should help fund that, to make sure they know exactly the extent of the sexual exploitation and abuse, so that you can deal with it even more strongly when you know the truth? We do not know. It is the tip of the iceberg. There is a big bulge underneath the water. We have no idea how many people are involved.

Danny Sriskandarajah: I certainly welcome this Secretary of State's interest in this area and his ideas. We should also acknowledge Penny Mordaunt's leadership role on this agenda. My response is two-fold. I have been lucky enough to be the chief executive of an NGO now for about 10 years. From my personal experience, the easiest thing to do is to not create the safe spaces for people to come forward, to ignore the abuses of power that go on or turn a blind eye, and to generate reports that say, "Actually, there is nothing to see here. There is no problem." The more difficult, challenging but essential thing to do is to actively set about creating the safe spaces so people can come forward.

The second part of the approach is that, for Oxfam, given what we have been through and how important this is to our own rebuilding of trust but also our own mission, we have no choice but to put our own house in order. You will see, if you read the latest 10 point plan update, that, as you have suggested, not surprisingly we have had more people come forward in the last 12 months to report cases of misconduct, both among staff and among the communities we work with. That is worrying in one sense because it means there are people out there who have been adversely affected by the workings of our organisation but, to your point, it is also reassuring that we are now starting to create the systems in which people can come forward.

That is one of the lessons from the approach to safeguarding taken in other sectors where this has been an issue: to create several means by which people can come forward. We have in Oxfam, for example, a whistleblowing line across our entire confederation that people can come forward to. But experience suggests that not everyone is comfortable coming forward.

Q131 **Mrs Latham:** They will not because they usually end up without a job.

Danny Sriskandarajah: Exactly. We have to create focal points or leads in the national context. We have to create staff capacity. We have to have other independent sources, perhaps sector-wide mechanisms, in order to do this. It is everyone's responsibility to take action. I hope we at Oxfam are doing our bit. We would be very happy to work with the Secretary of State or others on whatever else we can do as a sector or working with donors on this front.

Q132 **Mrs Latham:** Do you provide any mental health support for those people who do come forward?



Danny Sriskandarajah: We do. In fact, a key part of our strategy when it comes to, for example, whistleblowing is not just to create an effective response mechanism, but we hope we are taking more of a survivor-centred approach. As you know very well, that means putting the survivor first and making sure their interests are served, but also that their health and well-being are looked after adequately. One of the very first things I did was to go to a workshop on a survivor-centred approach to safeguarding. It was a moving and transformative experience because, even though I have worked in this sector for so long, I do not think I have ever had that as my starting point. It is such an essential lesson for us to learn: we have to put survivors first when it comes to these approaches.

Q133 **Chair:** In the report that was published yesterday, we were told that 200 cases were investigated, with 79 of them resulting in dismissal¹. Can I ask a specific question about the 10 cases that resulted in resignation, because this is an issue that featured in our inquiry last year? Are you able to tell us whether the investigation was still completed in those cases and what, if anything, was done in terms of future employers that those 10 people might seek to go and work for? It will be great if you can answer now, but you can write to us with the full details if you are not able to give a full answer now.

Danny Sriskandarajah: I am afraid I am not able to give you the specifics on that, partly because this is a confederation-wide document that involved pulling in data from across the world, literally in this case. I will write.

Q134 **Chair:** You understand the significance of the question. That was one of the concerns that arose in the inquiry last year.

Danny Sriskandarajah: Yes, absolutely. There was a clear recommendation from your report about making sure the sector gets much better at these sorts of mechanisms. I can report that we, working with others for example in the SCHR, the Steering Committee for Humanitarian Response, have introduced a new mechanism to report misconduct, to make sure we are doing as much as we can to prevent abuse of power or misconduct from happening, but where and when it happens to make sure we have records in place and a system for sharing information within the remit of what is possible in the law. Unless we have that, I do not think we can reassure ourselves that we are taking this seriously enough.

Q135 **Mr Evans:** I wish you well in what you are attempting to do with Oxfam. Are you able to put a cost on what the impact was on Oxfam?

Danny Sriskandarajah: A financial cost?

Mr Evans: Yes.

¹ Correction and update by Oxfam GB, 79 of the cases resulted in disciplinary action including 43 dismissals.



HOUSE OF COMMONS

Danny Sriskandarajah: Financially, colleagues expect that, for the last financial year, we probably have seen a 10% decrease in income levels.

Q136 **Mr Evans:** Which is roughly what?

Danny Sriskandarajah: About £30 million or £40 million. We will find out when the data is processed and the accounts are done for the fiscal year finishing March 2019. Look, as a newcomer, in some ways, the cost and the benefit equation that I am most interested in is not a financial one. What happened at Oxfam and in other parts of the sector has gone to the heart of this project and the heart of the confidence of organisations like this. Most of us who work in this sector are here because we are so passionate about doing good, and what has been made clear is that this was not just a case of a few bad apples. That is important, but it is about a sector and an organisation like ours that needs to focus again on the "how".

The cost has been the confidence that we have all had in the project that we are in, but the benefit, on the other hand, is that, if we get that right, that is so critical to our ability to go and do the job that we need to do. One of my first trips in this job was to go to eastern DRC, where what I saw was so complex, so urgent, and Oxfam is one of the few organisations that are there and have been there for decades, providing not just the emergency relief to save lives but the transformative interventions that will challenge power and make civil society resilient. For me, it would be a tragedy if we did not have organisations like this doing jobs like that, but it would equally be a tragedy if we do not learn the lessons of the past year and continue a business-as-usual approach.

Q137 **Mr Evans:** Finally, what is morale like now in Oxfam?

Danny Sriskandarajah: It is on the mend. As you know, a statutory inquiry from the Charity Commission in this country is near completion and the report of the independent commission that Oxfam itself convened is due to report in the next few months as well. Those will be two important steps in this journey, because both of those reports I am looking forward to, which will tell us much more about what good or good enough looks like in terms of putting our safeguarding house in order, as well as the cultural changes. I suspect they will both make difficult reading, but the colleagues I have met, so far, in Oxfam are ready for that journey. If we can get it right in Oxfam and if we can work with others in the sectors to get it right, we can go back to doing the job that we need to be doing.

Q138 **Richard Burden:** When we were doing our inquiry, we heard from a number of former safeguarding leads at Oxfam GB, who said that the problem was they just did not feel that their concerns were being listened to seriously by senior management and, even when senior management said they were listening, there was no resource going behind doing anything about it. You have been very clear that you want to see a culture change and you want to focus on not just the intention to make



HOUSE OF COMMONS

things better but, as you put it, the “how”. How, therefore, are you ensuring that, if staff still have concerns about whether there are enough resources going into this, or if the systems are not adequate, they are empowered to speak up and their concerns will be heard and acted upon?

Danny Sriskandarajah: On the first part of your question, the wake-up call was in part about the resourcing issue: that organisations like Oxfam had not devoted adequate resources to something like safeguarding or to making sure that we are doing safe quality programming. There is a longer conversation to be had, perhaps in this Committee or elsewhere, about how we resource the cost of the “how”. Good quality safe programming, as you will all know well, comes at a price. It means making sure that organisations have adequate capacity so that they are not feeling completely resource-constrained, they are not going hand to mouth to make sure they can just get things out of the door, but instead focusing on making sure that we have the systems in place. In an organisation like Oxfam, it is our responsibility to put the house in order, but it is also a conversation that we need to have with others, including our supporters, whether that is institutional donors or individuals, to make sure that we make the case for why getting the “how” right is important. We need to resource that.

On the second part of your point, making sure that we have the safe spaces for people to come forward when people do see misconduct happening is incredibly important. It is also difficult. As I said, we are 10,000 strong in the Oxfam confederation, we work in 90 countries and we work in the most diverse of contexts. An operational challenge that we are not shying away from is how we make sure that, at every level and every bit of the confederation, we have safe spaces for people to come forward. There is no option for us but to continue on this journey, to make sure that we have created those mechanisms whereby people can come forward knowing that they will be taken seriously and that something will be done about whatever they raise.

Q139 **Richard Burden:** That is helpful. What evidence do you have at the moment that the changes that have been brought in so far are having an impact? Does that come down to the report of the independent commission and the number of complaints that are brought forward, or is there other evidence you can point to, to say, “We have done this and this is the impact it is having”?

Danny Sriskandarajah: As Mrs Latham has pointed out, relying entirely on reporting statistics is not an adequate way of measuring success. There are two things I have seen in four months in this job that suggest things have changed. At the very top, the amount of time and energy being devoted by leadership at Oxfam on these issues is a sign of success. In my own leadership team at Oxfam Great Britain, we have spent several days in the last few months, as a team, talking about issues of power, of culture. We had a fascinating and important session just the other day on race equality and how we make sure that, within Oxfam, we do more to promote race equality. When I went to meet other



leaders in the confederation, we had a several-day meeting where we were looking at the future of Oxfam. We spent a considerable amount of that time thinking about issues of culture and power, including engaging with the independent commission in a conversation about what more we need to be doing.

In the day-to-day life of the organisation, as an outsider, I have been reassured by the fact that people do feel, it seems, at least some of them, safe to come forward. I have taken, I hope, a very direct approach to engagement with colleagues. I have a direct channel on our internal platform, where people can come to me. Already, in the last few months I have had several people come to me to report issues that they have come across. I have had reports from colleagues who have come forward to say that the most profound impact of last year, internally, is an explicit focus on the need for us to change culture, to create the conducive spaces, to be explicit about power and how it works when we touch the world, but also about how power works within our own organisation. The point has been made very clearly that if we are, for example, simply replicating hierarchical structures, patriarchal structures, in the way that we work internally, we are lost. A good metric or sign is that the confidence I see, at least among some colleagues who I have seen, is a promising indicator.

Chair: Thank you, and can I thank all three of you for your evidence this morning? Please feel free, if you have time, to stay to watch the second panel. I invite the second panel to join us.

Examination of witnesses

Witnesses: Steve Waygood, Helen Dennis and Duncan Hames.

Q140 **Chair:** Hello. Welcome, Steve, Helen and Duncan. We have six questions, some aimed at each of you individually and some more open questions. I will kick off with Steve. We generally ask you, when you first answer a question, to please introduce yourself. You have spoken in your evidence about the World Benchmarking Alliance and DfID's support for it. Can you just tell us briefly a little bit about that, particularly about the support that DfID has given? Have you received similar backing for it from other parts of Her Majesty's Government?

Steve Waygood: Thank you very much indeed for the invitation to come again and provide evidence. Thank you also very much for the recommendation that you made in 2006 that DfID should help fund the World Benchmarking Alliance, which has happened, so I am very grateful for your help in making that happen, just as everybody at DfID has been wonderfully helpful.

What is the World Benchmarking Alliance? That was the question you asked me. Imagine being able to see, for free, how the investments you made were shaping the world that you are in. What we are producing



with the World Benchmarking Alliance is free, public league tables ranking companies on how they impact the sustainable development goals. The idea is that we will generate a race for the top by turning what is currently transparency, corporate reporting on sustainability, into an accountability mechanism and connect the people whose money it is—the pensions, savings and investments—with how those companies are impacting the world. It is nothing short of a revolution in accounting for corporate impact on sustainability.

To answer the question about who else is funding it, Aviva is almost, effectively, completely matching the contribution from the Department for International Development. We have very similar contributions from the Danish and Dutch Governments and we are in very advanced conversations with three other Governments. When I say “we”, the World Benchmarking Alliance has been created as an independent institution; our company secretary is part of the governance, but it is independent now from Aviva. We believe it needs to be a free public good available for all. Thank you very much indeed to the Committee for your help and support in building it.

Q141 Chair: It is very encouraging to hear about the engagement of other Governments. What about other parts of the British Government? Is there engagement across the board or is it very DfID-focused?

Steve Waygood: It is very DfID-focused. Many years ago, we discussed with BEIS an earlier incarnation, something called the Corporate Human Rights Benchmark, which to this day still exists and BEIS put some funding into that, at that time. One of the opportunities I see is with the Department for Work and Pensions now looking at how the end beneficiaries hear more about how their own pensions are being used: what is their ESG policy, what values are being integrated? There is an opportunity over the coming 18 to 20 months to talk about synergies there.

Obviously, I think that accounting is crucial for the SDGs. Much bigger, though, is this question of where we are going to raise the \$50 trillion to \$70 trillion that the SDGs apparently require.

Q142 Chair: Is there potential to engage with the Treasury more on this agenda?

Steve Waygood: When you look at the SDGs, there are 16 market failures and then something else around partnerships. The markets are currently not structured in a way that is delivering these goals; otherwise they would not need to be set out as goals. Some of the SDGs are investable; some are not. The ones that are not will need Governments to fund and philanthropists. There is a whole raft of investable ones, for example on education, on climate change, on water sanitation and so on. If you recall the Marshall plan and the Apollo programme, if you combine those figures and multiply them by four, that is roughly what we need



HOUSE OF COMMONS

each year to finance the SDGs, according to the UN estimate. To give you a sense of the scale of capital, it is enormous.

The market, though, has the capital. We have \$300 trillion in the global capital markets, \$50 trillion to \$70 trillion of which is required to finance the SDGs, so there are two questions: how do you turn the capital away from the unsustainable investments and how do you turn it towards those that are more sustainable? Within the turning, if you were a finance director for a company, you would have a capital-raising plan that sets out how you are going to finance the growth of your company. It could be equities, retained profit, corporate bonds, other debt, but you would have a capital-raising plan for your company. Every finance director should have one.

What we miss at the moment is a finance director for the planet. We need a capital-raising plan that sets out how we are going to raise the \$50 trillion over the coming 15 or so years, or now less than. Which asset classes, which asset managers, what instruments are they investing in, how are we going to effect that transition of capital from A to B? Without that, as we are currently working, everywhere I look is bottom-up: how do we raise a bit here, a bit there? We need effectively a top-down Marshall plan for the planet.

Q143 Lloyd Russell-Moyle: I wonder, particularly Helen, if you could describe to me what the UK Government need to do to reshape their trade and finance policies in response to the sustainable development goals. Is there any evidence that they intend to do so?

Helen Dennis: Thank you so much to the Committee for inviting me along today. It is really good that you have chosen to look at trade as one of these topics, because we can all probably agree that trade should be a key driver of the sustainable development goals. Whether it is in practice is another question, but it is really important, from a policy coherence perspective, that this is on the agenda for the Government in thinking about their VNR and the sustainable development goals.

I work for the Fairtrade Foundation. We are part of a global system supporting 1.66 million farmers and producers globally in 73 countries. Our intention is to support those farmers and workers through certification, through programmes, campaigning and advocacy, and through looking at trade policy, which is the area that I lead on.

In thinking about what the Government need to do to reshape trade, and you said finance policies as well, this is in quite a strange space at the moment, so we need to think about both current policy, so existing policy through the European Union, and then the potential for independent trade policy going forward and what the Government might do differently under that scenario. Fundamentally, we would want to see trade policy being informed and developed in response to the sustainable development goals, including also key commitments like the Paris climate change commitments. Too often, trade sits over here and then we have



HOUSE OF COMMONS

all the other international agreements, but they do not necessarily speak to one another. We want to see much more integration of policy, direct mapping of some of the sustainable development goal targets into policy at the Department for International Trade and, ideally, legislation.

Let me speak about some of the positive evidence that we have seen, certainly from the development side. Most of my engagement with DIT is with the joint trade for development team, which is a team that reports in to both DfID and DIT, so it has joint lines of reporting. Our experience of that team has been very positive although the challenge, for them, is that they have been focused on very much the short-term needs in relation to Brexit and trade continuity. All the big picture questions about how we might want trade policy to align with the sustainable development goals going forward are not necessarily top of the agenda, because they have had so many short-term, immediate concerns, particularly around rollover of trade agreements, to deal with.

It is good that that team exists, and development concerns have had some cut through: there was a chapter in the trade White Paper on trade for development, and when the Secretary of State for International Trade has given evidence to the International Trade Committee, he has made reference to development concerns as well, so there are some positive things to take away.

From the more negative side, I would not say that I have heard senior Trade Ministers necessarily talking about the sustainable development goals. You could probably say that across most Government Departments, so it is not necessarily unique to trade. The single departmental plan that the Department for International Trade has—and the SDPs are meant to be the main vehicle for implementing the SDGs across Whitehall—is very thin on the SDGs. There are only two references in the SDP to the SDGs and they do not directly map to even the right goals; it is quite odd. There is one that is much more focused on UK exports and then there is another reference to development. That tracks across, in the SDP, to goal 16 when really most of the development-focused trade targets are under goal 17, so that is a bit of a confusing picture.

Let me give two examples of my experience of engaging with DIT. As I said, the trade for development team is doing great work. I am less convinced about whether sustainable development concerns are really at the heart of some of the discussions about future trade deals, for example. I went to a briefing about the working group with India, and I asked a question about poverty eradication and the extent to which that was being taken into account in the trade working group, and was met with rather confused looks. It seemed that question was not really on their agenda, but if we are talking about India in particular, which is a country where we have withdrawn quite a lot of our development assistance, trade is there to be the tool to deliver on poverty eradication



HOUSE OF COMMONS

for the millions of people who are still living in extreme poverty in that country.

As a final example, when the customs legislation was going through Parliament, which is the legislation that gives the Government the power to set tariffs and to establish a unilateral preference scheme, we argued that there should be reference to sustainable development, particularly in the criteria the Government need to have regard to when setting tariffs, and that would include in a no-deal scenario. That recommendation was not taken up, although there is a list of lots of other things that the Government have to have regard to. There is now no legal guarantee that development concerns have to be taken into account when setting tariffs, which is, from our point of view, very disappointing.

Q144 Lloyd Russell-Moyle: Two things come out of what you have just said there, Helen. First, the previous Secretary of State made a lot of play around moving from aid to trade, trying to bring private sector finance in to leverage up. You seem to be suggesting, to me, that she maybe was trying to lift a lot, but other Government Departments did not really get it. Is that a good summary of what happened, because she talked a lot about this?

Helen Dennis: Rhetorically, other Government Departments talk about it as well. It is more about the mechanisms for really embedding it in departmental priorities, so really mainstreaming development in work. It might be a bit unfair to say that other Government Departments did not get it, because, as I said, the Secretary of State for International Trade has talked about development concerns—

Q145 Lloyd Russell-Moyle: You said that they used the wrong goals though.

Helen Dennis: Yes. The SDP does not massively inspire confidence; that is fair.

Q146 Lloyd Russell-Moyle: If they cannot identify the right goals, it might be an indication that they do not quite get it.

You talked about the customs Bill. At the moment, the EU has a number of arrangements where it gives preferential treatment, under permitted rules, for developing countries. We visited Kenya. There is a no-tariffs agreement with Kenya, for example, on everything but arms. Are you saying to us that the arrangements that the Government are proposing to bring in post European Union membership would remove any of those preferential arrangements, which are put in place because of their developing status? I was not quite clear on what you were saying.

Helen Dennis: Sorry if there was some confusion over that. I would not want to imply that at all. The Government have committed to rolling over the existing EU preference scheme, so that would include everything but arms for the least developed countries and the generalised system of preferences. Also, the intention was to roll over the economic partnership agreements, which are the bilateral, development-focused agreements,



HOUSE OF COMMONS

contentious and to be discussed. Those are part of the whole package of all the rollover deals, some of which have been done and others not.

- Q147 **Lloyd Russell-Moyle:** So everything would have been rolled over, but you are saying, going forward, there would not be any more consideration of what had been frozen in time on leaving day.

Helen Dennis: At the moment, the focus is on the rollover and the short-term continuity concerns, so there has not been a real opportunity to talk about a future vision, how the UK might want to improve or which bits we might want to retain. That conversation has not happened yet, because everything has been quite short term.

- Q148 **Lloyd Russell-Moyle:** If the development hook is not there, it will make it harder to do that when we get to that stage.

Helen Dennis: As I said, there is the development narrative there, so there is the hook. The challenge is that there is this other agenda around the pursuit of other free trade deals, for example. Everything interacts with one another, so it is about priorities and what you are really trying to achieve. If you do deals with other countries, it can sometimes undermine the preferences that other countries have, so you need to have development front and centre of everything that the Department is doing.

- Q149 **Mark Menzies:** This is to Duncan. Is there a risk that corruption and illicit financial flows could derail the achievement of the SDGs?

Duncan Hames: Absolutely, and it is certainly one of the reasons why the situation globally at the moment is a long way short of achieving the sustainable development goals. If we take one example in healthcare, the World Health Organisation estimates that 7% of global healthcare expenditure is lost to corruption. My colleagues who work on this issue recently published "The Ignored Pandemic", corruption in healthcare being the ignored pandemic, which is not being addressed. To achieve universal healthcare the sums required, as estimated by the World Health Organisation, are less than the total amount that is lost to healthcare outcomes because of corruption and corruption-related problems in the health sector. Yes, absolutely, corruption is explicitly mentioned in one of the sustainable development goals, in 16.5, but as was indicated in your earlier panel, this is one of those goals that enable our ability to meet all the other sustainable development goals.

- Q150 **Mark Menzies:** How are the Government working to address this and what more should they be doing? How coherent is Government policy in this area?

Duncan Hames: The Government are only one aspect of Britain's global footprint impacting on the SDGs. While it is really encouraging to hear some of the accountability that is being offered by the kind of benchmarking that Steve spoke about earlier, and there will be countless instances of where not just civil society, not just Government but also



HOUSE OF COMMONS

business is having a positive impact on sustainable development globally, we would be foolish not to think that there were also many instances where, far from being benign, our global footprint is harmful to achieving sustainable development globally. Take the Rolls-Royce deferred prosecution agreement, the statement of facts of which related to the failure to prevent bribery and the conspiracy to corrupt. They were fined £671 million, reflecting the extent of what was bribery by an iconic British business name across 13 different countries in three different decades. One of the things that Government need to do if they want to make sure that our global footprint is positive towards achieving sustainable development is to properly enforce against foreign bribery by our own corporates.

There are other areas that are very promising. Take DfID's work with other Government Departments on the Business Integrity Initiative, or the very new work, only just started, on global financial centres, where the Government are bringing their own expertise and deploying it in key embassies across the world. There is a lot more that could be done there. We estimate that the contribution of Britain globally to people getting away with corruption that undermines development in different parts of the world is very great. The NCA estimates that it is a realistic possibility that the scale of money laundering impacting on the United Kingdom is of the order of hundreds of billions of pounds annually. Our own research identifies instances where British companies have been part of the corporate structures that have been used to extract assets from countries, often developing countries, that have effectively been denied the purpose of achieving development in those countries. Instead, we have the shame of those illicit assets here in our own economy.

It is definitely a mixed picture. There are some good efforts going on, but the responsibility that this country has in relation to these issues, I hope I have illustrated with those examples, is very grave.

Q151 Mark Menzies: How important is it that the overseas territories and Crown dependencies are included in the UK's voluntary national review and the UK's monitoring of the SDGs more generally, and do you expect that this will be the case?

Duncan Hames: In terms of what I have just been describing—illicit financial flows, the extraction of resources from developing countries as a result of crime and corruption, the use of secrecy jurisdictions, where beneficial ownership can easily be obscured as a means of people getting away with those crimes—is a really relevant point. In our own research, we looked at some major corruption and money laundering scandals that have previously been reported on of the order of over £250 billion worth of illicit assets. We found 1,200 companies registered in British overseas territories were part of those corporate networks that have enabled people to get away with those crimes.

If we are concerned about these phenomena that I am describing to you, it is very important that they are addressed not just in the UK but



globally, and that includes in Britain's overseas territories and, indeed, the Crown dependencies. I do not know what your processes are under this national review, but if there is no accountability for what is happening in those financial centres, through their own submissions in this process, it would be appropriate for that to be articulated by our own Government, given our special relationship with these places.

Q152 **Chair:** Steve, do you have a view on some of these issues that Duncan has been talking about?

Steve Waygood: Thank you very much, Chair. I was just thinking about how it might not be obvious to everyone on your panel how investment relates to the issues of Fairtrade or Transparency International. To make it explicit, we invest in companies across many different asset classes and it is not just companies; we will invest in Government debt around the world, in infrastructure and in real estate. When it comes to different asset classes, we are big investors in agriculture, food retailers and supermarkets. We can encourage those companies that we own to ensure they are paying or trying to work out what a living wage might look like in their supply chain. Many of them, for example, signed up to the Ethical Trading Initiative nearly two decades ago. Very few of them, even today, can still tell us what a living wage is, so there is an issue here.

Where we find a company that is listed and is found to have been corrupt, it is a very big issue, not just for the company in question and the economy that needs to grow but is suffering the ability to develop by this corruption, but also, as owners, we have some duties to ensure that that company does not do it again. If it is a listed business, we will own a share in the business and have a responsibility, as well as a right, to engage with the board at the AGM, to establish what systems and processes have been put in place to make sure that does not happen again. We are not there to regulate that, but we do have a responsibility to oversee.

There are a number of different relationships between finance flows and any number of sustainability issues, just to bring those alive.

Q153 **Richard Burden:** Helen, how far would you say DfID's own approach to economic development is compatible with the SDGs?

Helen Dennis: The economic development strategy, which DfID published a couple of years ago, was clearly designed, in its framing, to deliver on the sustainable development goals. There was a big picture framing around the SDGs, in terms of delivering on both goal 1, eradicating poverty, and goal 8, around economic growth and decent work. The challenge with that document is seeing how it is translated into programmes, funding and action country by country, because we do not really have that detailed breakdown and that has been quite a challenge with the economic development strategy. There are quite a lot of good things in there, I would say, but it is difficult to see it working in practice.



I know that the Committee looked at the strategy last year and ICAI has done some work around it as well. More specifically, how does the strategy relate to particular SDG targets? Within my sector, there is a particular concern that DFID's work on economic development is not completely aligned with the International Labour Organisation's priorities around decent work, so can there be greater alignment there? From our perspective at Fairtrade, and Steve just touched on this, we are very concerned about living incomes and wages as a component of decent work. We would really love to see DfID getting behind that some more. That is obviously one aspect of that.

In the round, there is apparently £1.8 billion dedicated to the economic development strategy—a huge amount of money—so there is lots of potential for transformative change there. But we do not necessarily have clarity about how that £1.8 billion is delivering on particular SDG targets or how much of that even is broken down by CDC capitalisation, investment through other organisations, social investors like AgDevCo, grants or programmes. We have had limited interaction with some programmes, which we have welcomed, like the RATE programme on responsible business, but that is quite a small component when you consider that there is £1.8 billion in the pot. There is some more information that we would like to see from DfID about how the economic development strategy and that £1.8 billion is really being maximised to deliver against the sustainable development goals.

Q154 Richard Burden: Do you think that should effectively be done as a regular reporting mechanism of how the programme delivers on the SDGs or is it more on a case-by-case basis?

Helen Dennis: I would love to see a clearer breakdown and a regular report. I suppose you could say that against every aspect of DfID's work, that we might want to see a more detailed breakdown but, particularly because the economic development strategy has so much money attached to it, it would be really helpful to see that, and some more regular dialogue. When the economic development strategy was being developed, there were some useful meetings with civil society organisations and opportunities to contribute, but there has not been any ongoing forum or mechanism.

Given the way in which the modalities work, so much of the economic development programming is being delivered through big service contracts, which are then led by big consortia. You will be conscious of how DfID's ways of working have changed, with some positives and some things that have become harder. It has become more difficult, if you are outside those consortia, to have that ongoing, positive engagement with DfID. From our experience, as I said, we work with 1.66 million farmers and producers. How can we bring that experience and learning if we are not necessarily delivering a service contract? I think there could be more space for stakeholder engagement on the economic development strategy as well.



HOUSE OF COMMONS

Q155 **Mr Evans:** Duncan, you mentioned corruption in the health sector and estimated it at about 7%.

Duncan Hames: Yes, we did not; the World Health Organisation did.

Q156 **Mr Evans:** Can you put a figure on that? It sounds colossal.

Duncan Hames: It is colossal. We are talking in excess of \$500 billion.

Mr Evans: Wow, that is amazing.

Duncan Hames: I think \$370 billion is the figure for achieving universal access.

Q157 **Mr Evans:** As I said, it is colossal. Is there one guilty country more than another or are they all equally susceptible?

Duncan Hames: No. When we have looked at anti-corruption initiatives in healthcare, it has been very difficult for them to prove success, because small initiatives can only really scratch the surface. We need to mainstream anti-corruption efforts into the way health systems are designed to prevent incentives for corruption. This is a really long slog of work. There is no silver bullet that can suddenly convert this, but the scale of it definitely warrants attention.

Q158 **Mr Evans:** Is it Governments, or is it drug companies or individuals within health service sectors?

Duncan Hames: Some of it will be the diversion of resources; some of it will be the wasted procurement through bribery in closed procurement processes; some of it, at the less corrupt end, arguably, is around absenteeism, but resources through dishonesty that are lost to achieving health outcomes.

Q159 **Mr Evans:** It sounds fascinating. Looking at the World Bank's 2015 report, it talked about the challenges with achieving the SDGs and said that it is going to take trillions, not billions. This is open to all of you. What steps towards turning the billions into trillions have been made since then?

Chair: Steve, do you want to kick that off?

Steve Waygood: I would be happy to. Thank you for the question. The World Bank, in its billions to trillions agenda, is referring to concessional development aid being blended with money in the private sector by putting the concessional aid at first loss. By that, they mean that if the underlying institution goes bust, in the bankruptcy, when they are distributing the assets, those that are at first loss literally lose their money first and it de-risks the investments. The blended finance strategy is a good one.

Q160 **Mr Evans:** Looking at the blending, which was going to be my supplementary, are we anywhere near trillions on that with the blended?



Steve Waygood: No. The figures around what is needed and what is flowing, at the moment, I do not think bear scrutiny. I referred earlier to the need for a capital-raising plan. The calibration that was done by the UN Conference on Trade and Development about what is needed needs to be built out. They focus entirely on foreign direct investment. FDI is companies, perhaps in the UK, investing directly overseas. Of course, we invest through overseas investments into other stock exchanges too, so portfolio flows are missed from this calculation. Companies also do not just invest overseas through FDI; there is the whole supply chain. How are they embedding, for example, core International Labour Organisation standards in the way that their supply chain is being sourced? I think all the financial figures around the SDGs do not bear scrutiny and that, partly, is why I was saying that we need a capital-raising plan.

The World Bank's work has been exceptional. It is unfortunate that Jim Kim has now left. He was the inspiration for the billions to trillions agenda. It remains to be seen whether that will follow through. As for the UK's influence in that, we cannot control it from here, but we should do everything we can to help. There is an institution called SYSTEMIQ, led by Jeremy Oppenheim, which has been very closely working with the World Bank and the IFC to help with the blended finance agenda. There are plenty of other pots of capital around, and not just development aid pots, that should be used. For example, if you look at just the Oyster card, there is approaching £300 million lying on those Oyster cards that we all have in our drawers that are not being used.

Chair: How much?

Steve Waygood: It is £300 million, believe it or not. There have been reviews elsewhere to look at banks, insurance companies and so on, and how much capital is lying dormant, but given the scale of the challenge we need a capital-raising plan that looks at how our banks, insurers, pension schemes and fund managers are all regulated, how the end consumers become better connected with their capital and how we mobilise the kind of capital that we are talking about at the scale that we are talking about. As I said earlier, it is way bigger than the Marshall plan and the Apollo programme combined each year, if you combine all the assets that they spent over the, roughly, decade or so that the Apollo programme was going for. We need a top-down vision of how we transfer this kind of capital and it is missing. The World Bank has done good work on blended finance, but it is only part of the overall challenge.

Helen Dennis: I have a couple of points. This one may not seem so directly related, but there is a point about policy coherence in domestic resource mobilisation when thinking about the billions to trillions. I did not talk much about policy coherence in the economic partnership agreements, but one of the issues raised with some of the bilateral deals that have been done with developing countries is the extent to which there may be revenue losses as a result of the requirement that they liberalise their own tariff lines. These things are all working in sync with



one another and need to be considered so that there are no inadvertent consequences of, perhaps, well-intentioned deals that might result in countries losing revenue.

On the bigger picture question around other financial flows, I would just reflect on our own experience at Fairtrade working with businesses. This is more anecdotal than data driven, I am afraid, but we have certainly seen businesses that we are working with where there are acute supply chain risks. That would be particularly around resource management issues or things like climate change adaptation, if you were thinking about cocoa or the coffee sector, for example. There is investment that is going to be going in there, because there is a strong business case for those companies to invest quite heavily for the security of their own supply chain.

Where it is more challenging is when it is harder to make that business case. For some of the labour rights issues—the points around living incomes and wages, paying a decent price, and purchasing practices—it may be harder to make that boardroom case. That is where there might be an argument for using some kind of finance to underwrite risk if companies want to go further than they are already going through, say, fair trade commitments. If they wanted to really pilot paying a living income, but that would be a huge cost and competitive disadvantage to them, is there a way in which finance could be used to enable that or perhaps effect a sector shift in that direction? These are only ideas that we are starting to explore at the moment, so we do not have all the answers.

Q161 Mr Evans: To pick up on the coffee bit, everybody here is paying £2.80 or £3.00 for a cup of coffee these days and a lot of it will be sourced from very poor countries. I know we are only picking on one sector, but do you think that these companies, from Starbucks through to Costa and all the others, have a moral responsibility to do a lot more themselves, talking about the leverage, the blended and all that sort of stuff? Do you think they ought to be doing a lot more or are they doing okay?

Helen Dennis: In a commodity like coffee, a lot of it is grown by smallholders and they do not have direct control over the wages that are being paid in that setting. A lot of it is being guided by a market price, which, quite frankly, does not factor in the externalities. Climate change is not factored into what it would cost to pay a living income for smallholders, so we would like to see much more collaboration to address these issues. There are other, more technical barriers there, particularly around competition policy, that might sometimes prevent companies coming together to have those discussions about sustainable pricing. There is a huge amount in this space that needs to be looked at. There are companies that have fair trade commitments, and they might have other sustainability commitments as well. That is a move in the right direction, but we are clearly not seeing it go far enough when we have



producers, who are already connected into global value chains, who are still living in extreme poverty.

Duncan Hames: We have heard about how we bring money into this bucket. We would suggest that, if you dealt with the holes in this bucket, that challenge would be somewhat less overwhelming, and this is not just a matter for aid spending. Take, for example, our trade. Britain, post Brexit, with an independent trade posture, has an opportunity, through the trade agreements it negotiates around the world, especially as British business becomes more exposed to markets where there is prevalence of corruption, to demand action on corruption in those markets as part of those trade agreements, potentially with measures equivalent to the OECD anti-bribery convention. This, as well as being beneficial to those societies in addressing corruption there, is also in the interests of law-abiding British business, because corruption closes markets to law-abiding British business. Trade in some of the markets that are being talked about post Brexit will not be a success for British businesses that are seeking to uphold our standards and laws—the Bribery Act, for example—if we do not take action to address corruption through any negotiating leverage we have in the course of agreeing those trade deals.

There are a number of ways in which the whole of UK Government, in their policy response, could address some of the holes in this bucket in a way to make the financing challenge less Herculean.

Q162 **Chair:** The focus for the inquiry is this voluntary national review that the UK will submit at the UN in July. Can I invite each of you to comment on that process so far? We have heard a lot of critical voices about the process of the UK's voluntary national review. What might you want from this in July and how do you see it contributing to the many great points that you have made today moving forward beyond July? I do not know who would like to kick off with that. Shall we start with Helen?

Helen Dennis: It is fair to say that we would have expected more from the process. The only formal opportunity we have had to feed into the Government has been in the call for case studies that they put out. There has not been the opportunity to express our view on how we think they are doing on a goal and target level, apart from via these Select Committees. There have been some stakeholder events, which obviously are welcome, and I attended one on international development. The whole international development sector, essentially, was in a room for a couple of hours, so you are not going to be able to get down to the granular level of detail there. There was hope that they were going to convene a special meeting on trade and policy coherence, which was positive, but then it was cancelled and never happened. That is another small example, unfortunately, of how it has not been as ideal as we would have liked.

Going forward, we recognise it is a huge challenge. The SDGs are all-encompassing and we are talking about domestic and international. It is a massive exercise to do it well. Our hope is that maybe with this



HOUSE OF COMMONS

voluntary national review we will learn lessons from this process and that, going forward, perhaps it can give some impetus to future stakeholder engagement.

Duncan Hames: A number of the indicators being suggested globally for SDG 16.5 are Transparency International research outputs, which are not all as well known as the Corruption Perceptions Index but which cover almost every country. We recognise that measuring corruption is incredibly difficult, so some commitment to the kind of research necessary to really get a handle on this problem is important. DfID fund some global accountability work already, since the London anti-corruption summit. We produce, for them, a global anti-corruption pledge tracker with assessments sourced from our chapter organisations in many countries around the world, so at least part of Government understands the importance of accountability at global fora.

So many promises are made, so many commitments are offered and the SDGs risk this very same problem. There needs to be proper accountability for the action that follows. We have trailed some of the techniques that could be used for this and it would be helpful, therefore, if the British Government were to put a little bit of heat under the collar of all countries to really provide some serious accountability for the action that they are taking. We have seen, in past years, where there is a willingness to put political capital behind initiatives such as this, it makes a difference.

This will not be the only opportunity. The UK will be chairing the G7 in 2021. There are other opportunities in international fora for the UK to continue to keep the pressure up for addressing particularly those more uncomfortable SDGs, such as 16, where others would happily not be held accountable.

Steve Waygood: I have mentioned before how much we welcome the voluntary national review and that we would love to see it include a capital-raising plan. The UK can obviously lead; no country yet does that, so that is one thing I would like to see. It is a huge challenge to do it between now and June or July. That is impossible, but what is not impossible would be to set out the various other work from the capital market that relates here: the stewardship code is being revisited; there is the corporate governance code; there is the green finance strategy; there is the review by the DWP of fiduciary duty in relation to trustees. Those initiatives and others all have a role to play in weaving a capital market that is longer term and takes into consideration sustainability issues and the views of stakeholders more. The UK has led the way on the governance code, on the stewardship code and on the green finance strategy. We would be missing a trick to not include that in the VNR.

Chair: Can I thank all three of you for coming today? It was fantastic evidence and really helpful for our inquiry. Thank you.