



House of Commons
International Development
Committee

**The UK's approach
to tackling modern
slavery through the aid
programme: report from
the Sub-Committee on the
Work of ICAI: Government
response to the
Committee's Third Report**

**Fifth Special Report of Session
2021–22**

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The International Development Committee

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

On 1 September 2020, DFID and the Foreign and Commonwealth Office were merged to form the Foreign, Commonwealth and Development Office (FCDO). The Committee remains responsible for scrutiny of those parts of FCDO expenditure, administration and policy that were formerly the responsibility of DFID.

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Fifth Special Report

The International Development Committee published its Third Report of Session 2021–22, [The UK's approach to tackling modern slavery through the aid programme: report from the Sub-Committee on the Work of ICAI](#) (HC 104) on 4 November 2021. The Government response was received on 5 January 2022 and is appended below.

Appendix: Government Response

The Government welcomes the report on the [UK's approach to tackling modern slavery through the aid programme: report from the International Development Sub-Committee on the Work of the Independent Commission for Aid Impact \(ICAI\)](#). Robust scrutiny by Parliament is vital to ensuring our policies and programmes prioritise ways to make UK aid more effective in the fight against modern slavery. We remain focused on delivering maximum value, sustained impact and value for money to achieve this and our wider human rights goals.

As both the Sub-Committee and the Independent Commission for Aid Impact acknowledge, there have been notable successes as a result of the UK's leadership and sustained international campaign to combat modern slavery across the world – most recently through the UK's G7 Presidency and the commitment to coordinated international action to protect individuals from forced labour and to ensure that global supply chains are free from the use of forced labour. We acknowledge that we can do more which is why we are reviewing the Government's Modern Slavery Strategy (2014). We will publish the results of this review in Spring 2022.

We note the conclusions of the Sub-Committee and accept the recommendations that it makes.

Recommendation: Filling knowledge and evidence gaps –

'We recommend that the Government applies a disaggregated approach to data collection on modern slavery in order to better understand the differing needs of survivors of modern slavery of different genders. The Government should report its progress in applying this approach to us one year after the publication of this report.'

Accept

UK Aid is governed by The International Development Act 2002 which provides the main legal basis for the provision of development assistance – assistance for the purpose of sustainable development or welfare, and likely to contribute to poverty reduction – and humanitarian assistance; and the International Development (Gender Equality) Act 2014, which places a duty on the Government to promote gender equality through development and humanitarian funding in the countries receiving aid. We are legally bound to consider gender equality in all of our programming. As stated in our response to the ICAI Review in November 2020, we agree that the risks and nature of exploitation through modern slavery are not the same for all genders and we will continue to ensure gender outcomes are embedded into our modern slavery policy and programming, we will continue to look for opportunities in line with available resources to build on the

requirements already stipulated in the International Development Act. The Government, and the FCDO in particular, are determined to mobilise behind women and girls as a priority. We will work to further embed modern slavery across wider FCDO's initiatives – including, for example, through the continued implementation of the Strategic Vision for Gender Equality and the Disability Inclusion Strategy.

We are proud that our programmes have generated research that will contribute to the global evidence base. We are committed to strengthening our approach even further, particularly as it relates to the most vulnerable.

We therefore reiterate the Government's commitment to exploring the best way to develop a more systematic approach to filling knowledge and evidence gaps, including the consistent use of disaggregated data to better inform our choice of interventions.

We will report on progress.

Recommendation: Including survivor voices in policy and programme design –

'We recommend that the Government consult with other governments who have already developed similar initiatives, to learn from and build on their experiences.'

Accept

We are already consulting with other governments on the nature and effectiveness of their survivor engagement initiatives – for example with the US (who have a mechanism for engagement that promotes survivor leadership and incorporates policy and operational advice from survivors). We are keen to learn from their (and others) experience to expand and strengthen our own approach.

While we do actively engage survivors in our programmes, we acknowledge the testimony of those who gave evidence before the Sub-Committee, the findings of ICAI and the Sub-Committee's own findings that we need to improve the integration of survivor voices into the design, implementation and review of modern slavery programmes across HMG. We remain committed to this goal and are actively considering the best way to ensure survivors are empowered to participate in a manner that does not cause further distress or trauma – including through the commissioning of research.

We also remain committed to embedding and empowering the survivors' voice in future policy. We recognise the vital role survivors have in improving our understanding of and response to modern slavery. Involving survivors in policy making will help to ensure we have robust and effective policies that allow us to react to new forms of exploitation as they arise. As part of the review of the 2014 Modern Slavery Strategy, we are working to determine an approach which incorporates survivors' views in a sensitive and appropriate way. This has included seeking views from NGOs, survivor leaders and other experts on survivor-led approaches. The work undertaken through the review will also help to inform future approaches to survivor engagement. Home Office and FCDO are working together to share best practice on survivor engagement.

We accept the recommendation of the Sub-Committee. We will continue to consult other governments who have developed effective survivor engagement and empowerment initiatives to both learn from, and build on, their experiences.

Recommendation: Objectives and approach to using UK aid to tackle modern slavery internationally –

‘We recommend that, in response to this Report, the Government set out specifically when and how it will publish a clear statement of its overall objectives and approach to using UK aid to tackle modern slavery internationally, as recommended by ICAI. That response should also explain what broad areas that statement will cover.’

Accept

The Home Secretary announced a review of the 2014 strategy in March 2021, with a planned publication date of Spring 2022. The new strategy provides an opportunity to build on the progress we have made to date and adapt our approach to the evolving nature of these terrible crimes. This strategy will set out our international objectives and approach.

It has been, and will continue to be, important to engage across Government and civil society, both nationally and internationally, to collect the necessary evidence to agree an ambitious set of objectives.

We remain committed to this inclusive approach.

Recommendation: Mainstreaming modern slavery into other development programmes

‘We recommend that the Government takes further steps to mainstream tackling modern slavery across the UK aid portfolio, including setting out the steps by which it will do this as part of the forthcoming Development Strategy. In particular, the FCDO must ensure that staff working on ODA programmes embed an approach that actively works to address the causes of modern slavery through UK ODA programmes.’

Accept

As stated in our response to ICAI’s recommendation on mainstreaming. Many of our modern slavery projects form part of larger development programmes in sectors such as migration, education, economic empowerment, human rights, and decent work/employment, and are therefore already integrated with other workstreams. However, we accept that there is more we can do to embed modern slavery where appropriate across the aid portfolio.

The new International Development Strategy (IDS), articulating the UK’s vision for development is being developed in response to a drastically changed world since the last UK Aid Strategy was published.

The Integrated Review set a clear agenda for the UK’s priorities and asserting our place in a more uncertain, volatile and competitive world. The new IDS will help to translate the development themes of the Integrated Review into tangible outcomes.

We will consider the best way to mainstream modern slavery in the FCDO and across Government, when implementing the new International Development Strategy. The review of the Government’s Modern Slavery Strategy (2014) will provide a comprehensive framework for taking forward the UK’s modern slavery objectives.

Recommendation: Partnerships with the private sector and working with partner governments

'We recommend that the Government strengthen its partnerships with the private sector on modern slavery, building on experience in the Home Office and other departments. In particular it should take action to enable engaged private sector organisations to more easily engage with overseas embassies, and take steps to align overseas aid with private sector efforts to tackle modern slavery.'

Accept

Engaging the private sector remains a key component of the Government's work to combat modern slavery – in partner countries, at bilateral and multilateral levels and with British businesses. While many of our programmes have had a positive impact with regard to enhancing dialogue with businesses, we acknowledge that we can do more to systematically learn from, and build on, the experience of the Home Office to realise the full benefits of increased engagement with UK businesses on modern slavery right across HMG.

In 2021 the Government continued to play a leading role in engaging other governments to improve transparency in supply chains internationally – securing agreement in the Leaders' Communique and a strong Trade Ministers' Statement on Forced Labour, agreed under the UK's G7 Presidency. We also successfully convened technical discussions to share data and evidence and develop recommendations based on best practice. Continued intergovernmental coordination will be a key part of our efforts to follow-up the G7 Trade Ministers' Statement on Forced Labour and translate our commitments into tangible action.

We are engaging with businesses as part of the Modern Slavery Strategy Review stakeholder engagement process. Following launch of the modern slavery statement registry in March 2021, the Home Office wrote directly to 16,000 organisations considered to be in scope of section 54 to invite them to submit their statements. Uptake has been exceptional, with over 6,250 statements covering over 21,000 organisations submitted to the registry on a voluntary basis so far, demonstrating organisations' commitment to transparency. The Home Office is continuing its direct engagement with businesses to encourage uptake and to collect user feedback, which will be used to iterate and improve the service ahead of its use becoming mandatory.

In response to the ICAI review and recommendations, we committed to strengthening our engagement with the Business Against Slavery (BAS) Forum, a partnership between Government and 13 multinational businesses that are leading the way in their response to modern slavery. The most recent meeting between the Home Secretary, the then Minister for Safeguarding and BAS Forum CEOs was 16 June 2021. Ministers and business leaders discussed key issues facing businesses and potential opportunities for Government and business to work in partnership to accelerate progress in the fight against modern slavery. The Government will continue to engage with the Forum and the wider business community as part of the ongoing review of the Government's modern slavery strategy.

We are determined to build a stronger Foreign Commonwealth and Development Office (FCDO) – including increasing our reach and strengthening our network, using

our formidable diplomatic machine ‘to empower our embassies and high commissions’¹ – in order to capitalise on opportunities to build new economic partnerships, and a new approach to investment, trade, and development. Modern slavery, as part of our commitment to strengthening human rights will be part of delivering on that vision to grow, diversify and strengthen such partnerships.

We remain committed to examining what scope there is to do more with the private sector.

‘We recommend that, in response to this Report, the Government sets out what recent action it has taken to consider how modern slavery can be tackled through financial instruments and how the UK’s strong position in this area can be leveraged.’

Accept

The financial sector around the world is worth the equivalent of around 20% of global GDP. The City of London is the world’s largest centre of cross-border banking and a leader in global financial markets.

In 2018, the Financial Action Task Force (FATF) assessed our Anti-Money Laundering/Combating the Financing of Terrorism practices and concluded that the UK has one of the strongest anti-money laundering regimes of over 80 jurisdictions assessed to date around the world, including many other G7 and G20 countries, and international financial centres. Since then, external reviews have also recognised the UK’s continued strong global leadership of international action on anti-corruption and illicit finance. The review of the UK by the OECD’s Development Assistance Committee, published in November 2020, says ‘the United Kingdom has developed a whole-of-government approach to fighting illicit financial flows and corruption, mobilising its international co-operation, aligning its domestic policies and building multilateral consensus.’

However, we recognise that more can be done. As more emerging economies are accessing global financial markets, there are benefits but also risks arising from this interconnectivity – including the risk of human rights abuses like modern slavery, human-trafficking, forced labour, and child labour. This will increase pressure for stronger global standards and leadership. This is why the UK will continue to focus efforts supporting our domestic institutions to protect our financial integrity. This work will also deliver for developing countries as well as for UK interests.

Private finance has an important role to play in helping to tackle modern slavery and human-trafficking. Last year, the Government and private sector jointly published a landmark Economic Crime Plan - a collective articulation of 52 actions being taken by both the public and private sectors over the next three years to help protect the UK from economic crime.

We continue to explore opportunities to expand and deepen our engagement with partners that are championing the role of the financial sector on this issue, including the Finance Against Slavery and Trafficking (FAST) initiative. However, they are not the only actors with significant contributions to make - development banks and development financial institutions also need to support this work. That is why our principal efforts

1 See Building the Network of Liberty: Foreign Secretary’s speech, Wednesday 8 December 2021, [Building the Network of Liberty: Foreign Secretary’s speech - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/speeches/building-the-network-of-liberty)

remain focussed on getting development institutions to do more to tackle modern slavery directly. We believe that these institutions need to stop seeing modern slavery as a risk to be managed as part of safeguarding work but as a broader, more fundamental issue that needs to be addressed as part of policy and programme lending.

We will continue to drive such institutions to do more on modern slavery, as part of an approach informed by, and leveraging key findings from the UK funded report, *'Developing Freedom: The Sustainable Development Case for Ending Modern Slavery, Forced Labour and Human Trafficking'*.²

'We recommend that as part of the forthcoming Development Strategy, the Government should set out how it will use its platforms overseas to maintain international pressure on tackling modern slavery.'

Accept

The new International Development Strategy (IDS) – a cross HMG strategy - will be published in 2022. In an ever more uncertain, volatile and competitive world, the new IDS will help to translate the development themes and priorities into tangible outcomes – focusing on where we can achieve lasting development outcomes and where we have a compelling UK offer and provide the high-level framework through which we realise our ambition for closer integration of all our development activity. However, this strategy is not just about ODA but about how we use all our levers across HMG.

Closer integration and coherence of our development activity across our platforms will help us to prioritise and intensify our efforts to maintain international pressure on tackling human rights abuses including modern slavery.

Recommendation: Future of modern slavery aid programmes –

'We recommend that, in response to this Report, the Government sets out what its expenditure on ODA projects tackling modern slavery will be in 2021–22, and how changes to allocations have been conveyed to those delivering programmes.'

Accept

The final audited spend for 2020/21 was published in the Annual Report and Accounts³ and in the Statistics on International Development.⁴ These reports contained detailed breakdowns of the UK's ODA spend for 2020. Throughout 2021 we have continued to use ODA to support projects tackling modern slavery and expenditure for this financial year (FY21–22) will be published in due course.

The impact of the global pandemic forced us to take the tough but necessary decision to reduce our spending on ODA. Following a thorough review, the FCDO's aid budget was allocated in accordance with UK strategic priorities against a challenging financial climate due to COVID.

The Government will still spend £10bn on ODA in 2021 and will be the third largest ODA donor in the G7 as a percentage of GNI, based on OECD 2020 data.

2 [The Report – Developing Freedom, 2020](#)

3 [FCDO annual report and accounts 2020 to 2021 - GOV.UK \(www.gov.uk\)](#), September 2021.

4 [Statistics on International Development: final UK aid spend 2020 - GOV.UK \(www.gov.uk\)](#), September 2021.

We focused HMG's investment and expertise on issues where the UK can make the most difference and achieve maximum strategic coherence, impact, and value for money which included work to tackle modern slavery.

Prioritisation decisions were taken by Ministers in line with the objectives set out in the Integrated Review and published in the Written Ministerial Statement.

Existing modern slavery programmes have been allocated budgets for this financial year in accordance with the move from 0.7% to 0.5%. All organisations undertaking modern slavery projects were made fully aware of how much had been allocated to support their work as soon as possible after the then Foreign secretary's announcement.

We greatly value our relationships with our partners and appreciate that the decisions we made due to financial pressures have been challenging for them. In reducing and reprioritising our spending on ODA we worked hard to inform partners of the implications for individual programmes and continued to work closely with them in subsequent weeks and months to agree next steps.

However, ODA spending is not the only way to deliver impact on our priorities on modern slavery. We are also leveraging the opportunities of the FCDO merger by bringing together our development and diplomacy expertise and capabilities to make strong progress on our modern slavery priorities.

We will continue to drive even more benefit from our wider partnerships, working closely with our traditional partners such as the US and G7, as well as leveraging alliances across civil society, the Commonwealth and the G20, and the private sector.