



From the Secretary of State

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I last wrote to you in April thanking you for letting me see an advance copy of your report "The UK and Africa in 2005: How Joined up is Whitehall?". I attach great importance to the work of the Africa APPG, and the report is an excellent piece of work and very much confirms my own view that we need to ensure HMG is working collectively to deliver our policies in Africa.

. . . I attach a consolidated HMG reply to the recommendations made in the report, which I hope you will agree shows that there is already very good coordination across Whitehall Departments. We will continue to promote more discussion on African development at Ministerial and official level.

I greatly look forward to working with you and the rest of the Group as together we tackle the challenges facing Africa in the future.

I am copying this letter to Jack Straw, Margaret Beckett, Patricia Hewitt, Tessa Jowell, Charles Clarke, Alan Johnson, Ruth Kelly, Des Browne, Adam Ingram and David Triesman.

Best wishes,

HILARY BENN

Consolidated HMG response to key recommendations in the Africa All Party Parliamentary Group's report: The UK Government and Africa in 2005: How Joined Up is Whitehall?

Recommendation 1 The UK Government must take the lead in comprehensively implementing the package of recommendations made by the Commission for Africa.

The UK Government strongly welcomes the report and agrees the recommendations should be implemented. We endorse the comprehensive approach and departments are reviewing current policy against the recommendations. At the same time, this is a report for all donors as well as for African governments, and the Government will work with its partners to take the recommendations forward. The UK Government is committed to using our Presidency of the G8 and the EU to achieve tangible commitments to a comprehensive programme of action in Africa.

Recommendation 2 The UK Government should ensure policy coherence by convening Ministerial and official level committees to monitor progress in implementing the comprehensive package of recommendations made by the Commission for Africa through 2005 and beyond.

We agree on the importance of policy coherence and coordination. Ministers met to discuss implementation of the CfA recommendations on 8 June and agreed to meet again in October.

Recommendation 3 The UK must significantly step up the fight against corruption and bribery by UK nationals and against money laundering in the UK

The Treasury and Home Office will continue to work hard to combat economic crime, including corruption. On the international legal framework, the UK signed the UN Convention against Corruption in December 2003 and hopes to be in a

position to ratify it before the end of the year. The new measures will help further investigations into money laundering allegations launched by other states and the more effective handling of looted assets. The UK is also encouraging G8 partners to ratify the Convention at an early opportunity. With regard to the actions of UK nationals and companies, we take every opportunity to raise awareness of the UK legislation that makes bribery - including bribery that takes place wholly overseas - a criminal offence. Part of the follow-up to the OECD's recommendations on our implementation of the OECD Bribery Convention relates to our arrangements for the prevention and detection, reporting, investigation and prosecution of alleged perpetrators. We are considering how best to respond to the OECD's recommendations before we report back to the OECD on progress in December this year.

Recommendation 4 The Home Office should bring a new comprehensive anti-corruption bill to Parliament to be debated and passed in 2005.

The Home Office published a draft Corruption Bill for pre-legislative scrutiny in 2003 that further clarifies and strengthens UK legislation in that area. It remains our intention to introduce a Bill that deals with the law on anti-corruption (in the sense of bribery) when Parliamentary time permits.

The Home Office has offered two points of clarification: firstly, that under existing law there is no exemption for 'trade facilitation costs': the issue is whether an advantage is corruptly given, and that depends on the facts of each case. Secondly, that any company incorporated in the UK (whether or not it is a subsidiary) is liable to prosecution here for acts of bribery committed anywhere in the world. A foreign-registered company, whether or not a subsidiary, is not liable under our law for acts committed outside our territory, but that is entirely in line with international practice. We need to be realistic about what our law enforcers can achieve overseas.

Recommendation 5 The Home Office should allocate sufficient resources to investigate and prosecute bribery of foreign public officials and money laundering cases.

The current lack of prosecutions under the provisions of Part 12 of the Anti-terrorism, Crime and Security (ATCS) Act 2001 since it came into force in February 2002 is not unexpected. Corruption cases are by their nature complex, and can take time to surface, and prosecutions overseas are always likely to be rare. However, the provisions of Part 12 of the ATCS Act have been highlighted in the National Policing Plan, which asks forces to support the Serious Fraud Office (SFO) investigations involving these new powers and to take on those investigations not falling within the SFO's remit. Each police authority will take the National Policing Plan into account when drawing up its local policing plans. We have also put significant new resources into policing over the last few years. However, it is for individual forces to decide how best to allocate their resources between competing priorities.

A multi agency group, on which a number of government departments, enforcement agencies and the police are represented, has agreed arrangements for dealing with allegations of overseas corruption. The agreed arrangements are set out in a Memorandum of Understanding (MOU) and the group continues to meet periodically to review the MOU and assess progress in implementing part 12 of the ATCS Act.

Recommendation 6 The Treasury must work with the Home Office on bribery, corruption and money laundering by supporting a Home Office led anti-corruption bill that will close loopholes including those relating to money laundering, and by ensuring adequate resources are available to investigate and prosecute.

We believe that the UK has an effective system to tackle money laundering and bribery by UK officials. In March 2003 the International Monetary Fund (IMF)

published a report entitled “the United Kingdom: Financial Stability Assessment” which concluded that “the UK has a comprehensive legal, institutional and supervisory regime for anti- money laundering.”

The Proceeds of Crime Act (POCA) 2002 significantly strengthened the UK’s anti-money laundering defences, making it much harder for criminals to launder their proceeds. As a result, financial institutions will need to be more vigilant about their clients’ transactions and will generally have to work harder on the prevention and detection of money laundering. These provisions were further strengthened on 1st March 2004 when the Money Laundering Regulations came into force. The regulations completed implementation of the 2nd EU Money Laundering Directive in the UK. Among other things these regulations require firms carrying out relevant business to establish systems to forestall and prevent money laundering.

This system will be further strengthened through the third EC Money Laundering Directive which is currently being negotiated. This Directive consolidates the previous two money laundering directives, taking account of new risks, and updated European legislation in light of the updating of agreed international standards (the Financial Action Task Force recommendations).

However, we recognise that more can be done to facilitate the repatriation of stolen assets and improve our record in this area. That is why the Home Office intends to introduce secondary legislation under Part 11 of POCA in October this year. Amendments to this part of POCA were also included in the Serious and Organised Crime and Police Act 2005. The general benefit of this POCA secondary legislation will be to allow the freezing of assets at a much earlier stage i.e. at the beginning of an investigation rather than at the point of charge. This avoids the potential dissipation of assets which has been a problem in the past.

It is important to note that there is currently no bar to the UK government repatriating assets. No formal agreements are necessary and it is open to any country to make an application should they wish to do so. This can be done on an administrative basis with each case considered on its merits.

Recommendation 7 The Treasury must act quickly to expedite the repatriation proceeds of corruption.

The Treasury and other Government Departments, including DFID and the Home Office, are responding actively to the needs of developing countries seeking to identify and return possible proceeds of corruption. While much has already been done, there are still some important steps to be taken so that the UK can be a more effective partner in the fight against corruption.

Planned improvements to the UK's legal framework will mean that the UK is better able to help developing countries recover the proceeds of corruption. These will include new measures to allow suspicious funds to be frozen at an earlier stage in international investigations, and for the more comprehensive implementation of confiscation orders issued by other countries.

These reforms, aimed at removing legal obstacles to the repatriation of looted funds, will be supported by parallel efforts to create a hostile environment for corruption through enhanced money laundering provisions, both at home and abroad.

On the issue of repatriation of proceeds, the Government agrees absolutely that this needs to happen, we also believe it is important that developing countries have adequate legal frameworks to prepare confiscation orders and are able to make competent mutual legal assistance requests. More needs to be done to achieve this and DFID is supporting efforts to develop this capacity.

Recommendation 8 The DTI must ensure that the ECGD's guidelines on bribery and corruption are at least as high as those in the OECD's recent best practice document. Companies convicted of bribery of foreign public officials in the past should be blacklisted from ECGD support for 5 years.

ECGD's anti-bribery and Corruption procedures are among the most robust in use by any of the world's leading Export Credit Agencies. On 18 March 2005, ECGD launched a consultation on whether the changes to its anti-bribery and corruption procedures introduced in December 2004 strike the right balance between rigour and practicality. This was concluded on 18 June. The Government response to the consultation, containing a summary of views expressed and the decisions finally taken, will be issued within three months of its close.

If ECGD were to blacklist companies that have previously engaged in corrupt practices it could be subject to a legal challenge, as ECGD is obliged to consider each application for support on its merits. However, an admission or a conviction for bribery and corruption is a *prima facie* reason for ECGD refusing cover for new business. Where companies engage in corrupt activity in relation to a contract insured by ECGD, ECGD has the right to void the insurance for that contract and to seek repayment of any claims it may have paid out under that insurance.

Recommendation 9 The UK should provide assistance to Ministries of Education and Health in African countries with human resource shortages; particularly in terms of expertise and sharing of experience and best practice in recruitment, training and retention of staff and management of human resources.

DFES and DFID would be happy to explore ways in which to contribute jointly to the improvement of the management and retention of teachers in countries with

shortages of human resources, working through existing country programmes. We also recognise that that the migration of health and education professionals is a south/south issue as well as a north/south issue. There is agreement that vacancy rates in the healthcare systems of some developing countries, especially in Africa, are reaching levels which pose a real risk towards progress in meeting the Millennium Development Goals in health. We are already providing significant support to health services in Africa, including for country-led strategies to address shortages of human resources for health. One example is work in Malawi where the UK is supporting the Government with £100million to strengthen health services including implementing an emergency human resource programme. This programme aims to almost double the number of doctors, nurses and other key health cadres in Malawi over the next six years including through measures to improve retention, training capacity, planning and management.

HMG believes that it is through supporting comprehensive country-led efforts that sustainable improvements can be made. Whilst sharing UK experience may be useful in some contexts, specific technical assistance and expertise should always respond to particular country demands and context.

Recommendation 10 The UK should examine the impact in terms of manpower and costs, of recruitment of African educational professionals for each country and analyse how British assistance can be targeted to mitigate these impacts. This should be a joint project between DfES and DFID.

There are two aspects of this recommendation with which it would be difficult to comply. Firstly, the implication of this recommendation is that British development assistance should be used to compensate countries of origin for teacher migration to UK. This would be contrary to HMG's current aid policy and practice, which seeks to support long term education sector development.

Secondly, the recommendation suggests that DFID should undertake an analysis of the situation in each country on a scale that would have major resource and cost implications.

However, the UK is already seeking to reduce the scale and impact of the recruitment of African teachers on their home education systems in a number of different ways. After signing the Protocol for the Recruitment of Commonwealth Teachers last September, DfES sought to restrict the recruitment activities of agencies by using the leverage of its 'Quality Mark' – an award which recognises the provision of an efficient and ethical service. This now specifies the need to respect the requirements of the Protocol, and there is every indication that the agencies have accepted this extra obligation. Failure to continue to do so could mean loss of the award, which could adversely affect the agency's business in UK.

The effect of the Protocol is that any agency (or other UK-based recruiter) wishing to run a recruitment campaign has to inform the government of the country involved in advance of its plans. That government can, if it wishes, refuse permission, subject to any bilateral discussions that are held between the UK and them. This is a significant improvement on the previous situation where countries were often unaware of targeted recruitment campaigns until they had actually taken place.

DfES will continue to monitor the working of the Protocol and the contribution this makes to reducing the recruitment of teachers from African countries that need to keep them. Part of this monitoring will be an annual analysis of the numbers of teachers from African countries, based on both work permit data and country-by-country details, that recruiting agencies are now required to provide. DfES will also work with African countries to solve any problems which may arise following our signing of the Protocol; indeed the next meeting of Commonwealth Education Ministers in late 2006 will provide a good opportunity

to review how the new arrangements are working, particularly in Africa and the Caribbean.

Recommendation 11 The UK should assist those who wish to return to their countries of origin in order to work in the health sector through funding a ‘golden hello again’ scheme in partnership with Departments of Health in key countries.

As discussed in the response to Recommendation 9, DFID works to support many African countries to address the ‘push’ factors associated with migration of health workers including poor pay, incentives and working conditions. However, the practical difficulties of funding individuals to return to their country of origin, and ensuring they then work in priority programmes in the public health sector there, mean this type of scheme would be unlikely to impact on health care delivery.

Recommendation 12 Provide training to African staff while in the UK in skills needed in countries of origin, for example treatment of TB and malaria and diagnosing/counselling and prescribing for HIV/AIDS.

Whilst it does not specify the particular training that should be given, the Code of Practice on International Recruitment of Healthcare Professionals states that “International healthcare professionals will have equitable support and access to further education and training and continuing professional development as all other employees”.

The Department of Health is active in considering schemes which will work to the mutual advantage of the National Health Service and service providers overseas. The Memorandum of Understanding discussed in the Africa APPG report, which was agreed with South Africa in 2003, is one example. This focuses on creating opportunities for healthcare professionals from both countries to undertake time-limited placements that will give opportunities for

the exchange of knowledge and skills and also help develop collaborative approaches to health.

Recommendation 13 The UK lead the international community in closing the legal loopholes in the arms trade and ensuring the UK and legislate for and ratify an International Arms Trade Treaty by 2006.

DFID, the FCO and MoD are working closely together to build support for an international Arms Trade Treaty covering trade in all conventional weapons. The Government intends to raise this issue with G8 and EU partners during the UK Presidencies of these organisations. We fully support for the Commission for Africa's proposal to open negotiations on a treaty by 2006, and the UK is working with developing countries to ensure that their views are represented in current policy discussions. DFID and Whitehall colleagues are also working to develop transfer controls on small arms and light weapons as part of our wider efforts to reduce arms availability and armed violence in developing countries.

Recommendation 14 “The UK must ensure that the EU commits to start reducing the overall level of expenditure on the CAP now, instead of deferring this to 2013”.

The UK is a leading proponent of reform of the Common Agricultural Policy (CAP), and will continue to look for opportunities to reduce its budgetary and trade-distorting impacts. We managed to secure a step in the right direction in 2003 with a significant reform that broke the link for many products between subsidies and production levels (“decoupling”), making payments dependent on farmers keeping their land in good environmental and agricultural condition. This frees up farmers to provide what people want, rather than over-producing specific commodities in order to collect subsidies. But it is true that there remains much work to be done.

A series of ceilings on overall spending on Pillar One of the CAP, from which direct payments and expenditure on market price support are funded, were agreed by Heads of Government in October 2002. These actually represent a real term decline in the level of payments, once inflation is taken into account. The UK is arguing that expenditure in Bulgaria and Romania should be included in this allocation when they join the EU, which would mean an additional reduction in the level of payments to farmers. The introduction of the Financial Discipline Mechanism, which ensures that these ceilings are not breached and which we expect to take effect from 2007, means that the damaging effects of direct payments will be further reduced.

We will also keep pressing our European partners for further reform, in line with our ambitions for a successful pro-poor, liberalising agreement at the WTO Ministerial meeting in Hong Kong in December this year.

Recommendation 15 The UK must act swiftly to fulfil its obligations to investigate those already implicated by the UN Panel on Resource Exploitation in the DRC and ensure that UK companies are aware that they will be held accountable for their actions overseas.

The UN Panel referred four companies to the UK National Contact Point (NCP) for the OECD Guidelines for Multinational Enterprises. In April 2004 the NCP issued a statement on the activity of *De Beers*. The statement found the allegations to be unsubstantiated. A statement on the activities of *Avient Ltd* was issued in September 2004. It made recommendations on the future conduct of the company. The NCP issued a statement on *Oryx Natural Resources* in June 2005. This, too, stressed aspects of the future conduct of the company. The text of all three statements is available at <http://www.dti.gov.uk/ewt/statements.htm>. A statement on *DAS Air Cargo* remains outstanding.

The All Party Parliamentary Group on the Great Lakes Region published an assessment of the success of the application of the OECD Guidelines in the DRC in February 2005. The Government expects to publish a detailed response in the near future.

Recommendation 16 The UK Government must work with the authorities in both Houses of Parliament to ensure sufficient time given to debate Africa related issues and wider development issues.

Wherever possible and subject to the demands of business, the Government welcomes debates on Africa and wider international development issues in Westminster Hall, in the main chamber of the House of Commons and in the House of Lords. For example, at the Government's instigation the House of Commons debated "The UK and Africa" for three hours in Westminster Hall on 24 March. This was an event which the Government was glad to schedule, in part in response to requests from members of all parties. A debate on an adjournment motion on "Helping Africa to fight poverty" will take place in the main chamber of the House of Commons on 30 June.

Recommendation 17 The UK Government should provide support to allow developed country Parliaments to establish 'practical action-orientated partnerships' with African Parliaments.

HMG supports the idea of developed country parliaments having action-oriented partnerships with African counterparts. These activities must be 'demand' led. Parliaments in Africa (including local governments) must be able to define what they want out of such partnerships, how they can be managed and who they want them with, they should then actively seek relevant partners. DFID's country programmes are best positioned to judge how to support such programmes. Agreement with Recommendation 17 does not imply creation of a separate central facility to fund such activities.

African parliaments may select to work with the African All Party Parliamentary Group, the Commonwealth Parliamentary Association (CPA) and the Inter-Parliamentary Union (IPU). The African AAPG will be aware that UK branches of the CPA and IPU are working with the European Parliamentarians for Africa (AWEPA) in running a seminar in London in October 2005, on the role of parliamentarians in implementing the New Partnership for African Development. The FCO will work with CPA and IPU in encouraging African parliamentarians to participate in this seminar.

Recommendation 18 The UK Government should use the opportunity provided by the 200th anniversary of the abolition of slave trade by supporting programmes to educate the British public about the intertwined nature of European and African history.

The DfES, Home Office, FCO and DCMS are committed to ensuring that we use the opportunity provided by 2007, the bicentenary of the abolition of the slave trade, to improve awareness and understanding of Britain's role in the transatlantic slave trade and its abolition. The DCMS have recently announced that they are funding the £250,000 per annum running costs of Liverpool's Slavery Gallery, which opens in 2007. DfES and DCMS are funding a new slavery exhibition at the National Maritime Museum and are jointly funding a programme of partnerships between national and regional museums aimed specifically at broadening and improving the range and impact of museums' educational programmes related to the historical ties between Europe and Africa, including but not limited to those of slavery. Among these is "Understanding Slavery"- a project whose participants include the National Maritime Museum and museums in Liverpool, Hull City Museum, Bristol Museums and Art Gallery, and the British Empire and Commonwealth Museum. The "Understanding Slavery" project has been devised in consultation with local teachers and the African diaspora. The Home Office have also held meetings

with church groups, community groups and individuals to determine what role the Government should fill in relation to the anniversary.

Recommendation 19 The UK Government must ensure that it complies fully with its existing commitments to reduce greenhouse gas emissions.

The UK is on course to meet its Kyoto Protocol commitment to reduce emissions of a basket of 6 greenhouse gases by 12.5 per cent below base level years by 2008-12. That is a significant achievement. However, we recognise that more needs to be done if we are to meet our more challenging domestic goal of a 20% reduction in carbon dioxide emissions below 1990 levels by 2010. Through the current review of the UK Climate Change Programme, the Government is looking at how existing policies are performing and the range of measures that might be put in place in the future. The Government will announce shortly its plans for publishing the revised Programme.