

Eliminating World Poverty:

a consultation document

Have your say...



**Did we make poverty history in 2005? No.
But did we take a big step in the right direction? Yes.**

Last year development took its rightful place at the heart of international debate. The Global Call to Action Against Poverty – including Make Poverty History – mobilised millions of campaigners worldwide on behalf of the poorest countries. The international community could not fail to hear their call. And during the year members of the United Nations (UN), G8, European Union (EU), African Union and others made a series of commitments to deliver more and better aid, debt relief, fairer trade, better governance and ‘joined up’ policies in support of development. The UK Government played a key role by convening the Commission for Africa, chairing the G8 summit and agreeing its own timetable for increasing aid.

For the first time in generations people believe that the fight against poverty is a fight which can be won. So, what happens next? The UK Government believes helping the poor is not only morally right but, in a world which is more interdependent every day, it is in our long-term interests. Later this year DFID will publish a White Paper on International Development setting out a plan for how the UK Government can translate the promises of 2005 into better lives for people in poor countries. *Eliminating World Poverty* (the title of the 1997 and 2000 White Papers) remains DFID’s mission, and this new White Paper will address three central questions:

What can we do to reduce poverty and deliver development more quickly?

What policies are needed in the UK and internationally to create the conditions necessary for reducing poverty?

How can the international development system be reformed so that it delivers better results for development, and is more responsive to the needs of poor people?

Governments and politicians don’t have all the answers, and we rely on the collective inspiration and experience of wider society, both in the UK and elsewhere. Through this consultation, we want to hear from you on the changes you believe will best hasten the end of global poverty.

On the following pages are a series of questions relating to the three main issues which the White Paper will address. I’d like to hear from you on those areas where you have particular expertise or experience, or where you have something to say on what approach we should take.

Over the next couple of months I will set out our emerging thinking on these issues in a series of speeches. We’ll be posting these on our website and we’d also like to hear what you think about them. You can find that information at www.dfid.gov.uk/wp2006

A handwritten signature in black ink, appearing to read 'H Benn', written in a cursive style.

**Hilary Benn, Secretary of State for International Development
January 2006**

Please send your comments by 7 April 2006.

Responses received by 17 March will allow us to come back to you with any follow-up questions we may have.

Email whitepaper@dfid.gov.uk or post to White Paper Team, DFID, 1 Palace Street, London, SW1E 5HE, UK

Delivering development: how can we make faster progress?

The process of development is complex. It is a long-term undertaking and success is difficult to measure. But the internationally agreed Millennium Development Goals (MDGs) provide the clearest way yet to measure progress in the fight against poverty.

Aid works. The evidence that aid – whether in the form of development assistance or debt relief – can help spur growth and improve developing countries' capacity to tackle poverty is now very strong. Aid enables the best governments to quickly increase access to services such as health and education – vital preconditions if people are to escape poverty. Well-targeted aid can also provide basic services for the poor and support people demanding progress where governments are not so committed. However, aid alone will not solve the problem.

No country can achieve a lasting reduction in poverty without economic growth, investment and the chance to trade on fair terms. But growth alone is not enough – nor can it be achieved in isolation of other changes. To reach the MDGs developing countries need effective governments and trustworthy public institutions. They need security and a political process with wide public participation. Corruption or weak governance undermine a country's ability to develop, denying citizens their rights and wasting aid.

Every country is different and a 'one size fits all' approach to development pushed by rich countries is no longer appropriate. Developing countries themselves have to lead the fight against poverty. Donors therefore need a range of tools and policies which are sensitive to local needs, and which support developing countries in determining their own future.

Questions

1. What determines economic success and promotes economic growth in poor countries?

- How do factors such as a government's macroeconomic policy, investment, trade, the environment, or regional markets and institutions affect the private sector's ability to raise the levels of growth?
- What are the obstacles to growth and how can they be removed?
- How should social and economic inequality be tackled?

2. How can we best ensure that donors deliver on the commitments they made in 2005?

- How can donors work together better to make their collective aid more effective?

3. What can donors do to help build more effective states?

- How can poor men and women be empowered to demand action from their governments and hold them to account?
- How can donors best help when working in fragile states?

4. How best can donors and developing countries increase access to basic services, such as health and education, in poor countries?

- How can this be done in countries where the government is unwilling or unable to do so?

5. How can the UK Government make sure that development is led by developing countries themselves?

- Should the UK Government ever attach conditions to aid – if so, which ones?
- What should be done when a country has an illegitimate government but a lot of poor people?
- What is the ideal balance between working with governments, civil society and the private sector?
- How can new mechanisms like the International Finance Facility best help deliver predictable development assistance?

Beyond aid: What else can be done to reduce poverty?

It is not just policies on international aid which influence the future of developing countries. Other factors, including other government policies, can have a significant impact. For example, migrants from developing countries send money back to their families. In some developing countries migrants contribute more annually than aid budgets. But the 'brain drain' caused by skilled workers leaving developing countries in search of higher wages elsewhere can equally have a negative effect on their homelands. Trade, if it is opened up, has the potential to lift millions of people out of poverty. But climate change and depletion of natural resources are already having a major impact on livelihoods in developing countries, and could limit growth.

Bad governance, exploitation and corruption can lead to insecurity and conflict, which usually affect the poorest people the most. Rich countries need to be sure that all their policies are helping to prevent conflict, not exacerbating it.

Rich countries and emerging powers need to ensure policies on trade, defence, migration, corruption and the environment – to name a few – do not damage prospects for reducing poverty.

Questions

- 6. What impact does wider UK Government policy have on developing countries?**
 - What could be done at a national, regional or international level to help ensure consistency between development and other policies?
 - How can the UK, other members of the international community and organisations such as the UN, EU or African Union work together better to prevent conflict and build security?
- 7. What further international action against corruption – such as bribery, money laundering, tax havens, trafficking and organised crime – should be taken?**
 - How can the arms trade be better regulated?
- 8. How can international migration be managed better – so that migrants can safely pursue opportunities in a way which benefits both their own countries and those to which they move?**
 - How can the ‘brain drain’ from developing countries be addressed?
- 9. How can the UK Government make sure that international trade negotiations deliver the benefits needed for developing countries?**
 - How can trade barriers be broken down so that developing countries get better access to regional and international markets?
- 10. What can the UK and other governments do to help developing countries to grow their economies while also managing environmental dangers?**

International reform: how can it best help the poorest countries?

Global problems will best be solved if we have an effective international system. The international development system as it stands at present reflects history and the interests of the most influential political players, and often gives inconsistent and inefficient support for development. If the international system is to help find lasting solutions then developing countries should have a stronger say.

In the last year some significant steps towards reform have been made. But in the wake of the Asian Tsunami and Pakistan earthquake, it is clear that the ways in which the international community responds to crises needs further changes. The way the world works to prevent conflict or state failure – and to rebuild after crises – can be inconsistent and unpredictable. This could improve with the UN Peacebuilding Commission and the new ‘responsibility to protect’ commitment. There are many other institutions and organisations beyond the UN that also play important roles, and the UN Millennium Review Summit has now created an opportunity for practical reforms.

There is no shortage of organisations working to reduce poverty – multilateral institutions, such as the UN, the World Bank and the International Monetary Fund (IMF), regional organisations including the EU, African and Asian Development Banks, as well as many bilateral agencies. However, the consequence of such a large number of organisations working to the same end is that roles are often duplicated or even compete with one another. Ultimately, this leads not only to inefficient performance, but also to unnecessary burdens for developing countries.

Much of the additional aid pledged at the G8 and UN Millennium Review Summits in 2005 will come from European Union member states. This means that EU member states and the European Commission will become more important in the international development system.

Questions

11. How can the international system work better to deliver humanitarian assistance and security in developing countries, and prevent conflict and state fragility?

- How should the UN and other agencies be reformed and better resourced for different types of crises?
- Does the world need an international early warning mechanism for conflict or state fragility? Should such a mechanism be located inside or outside of the UN system?

12. What comparative advantages do the international, regional and bilateral agencies have in delivering broader development advice and assistance?

- Which agencies are most effective and how should we judge this?
- How should the UK Government work with the EU over the next five to ten years to pursue development objectives?

13. What mechanisms could be used to better balance the international distribution of aid to ensure that under-aided countries receive more money?

14. How can developing countries have a stronger say in global institutions such as the World Bank and the IMF?

15. What should the UK Government be doing differently within the international system to make it more effective at delivering development?

- How can the UK Government help to ensure that donors and aid recipients are more accountable to each other?

Notes

DFID, the Department for International Development: leading the British government's fight against world poverty.

One in five people in the world today, over 1 billion people, live in poverty on less than one dollar a day. In an increasingly interdependent world, many problems – like conflict, crime, pollution and diseases such as HIV and AIDS – are caused or made worse by poverty.

DFID supports long-term programmes to help tackle the underlying causes of poverty. DFID also responds to emergencies, both natural and man-made.

DFID's work forms part of a global promise to:

- halve the number of people living in extreme poverty and hunger
- ensure that all children receive primary education
- promote sexual equality and give women a stronger voice
- reduce child death rates
- improve the health of mothers
- combat HIV and AIDS, malaria and other diseases
- make sure the environment is protected
- build a global partnership for those working in development.

Together, these form the United Nations' eight 'Millennium Development Goals', with a 2015 deadline. Each of these Goals has its own, measurable, targets.

DFID works in partnership with governments, civil society, the private sector and others. It also works with multilateral institutions, including the World Bank, United Nations agencies and the European Commission.

DFID works directly in over 150 countries worldwide, with a budget of some £4.6 billion in 2005. Its headquarters are in London and East Kilbride, near Glasgow.

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