

## **Racing to the top**

**How the Conservatives are now giving Labour a run for their money on international development**

ActionAid's analysis of 'In it together: the attack on global poverty', the final report of the Conservatives' Globalisation and Global Poverty Policy Group.

24 July 2007

### **Overall**

**Tom Sharman of ActionAid said:**

"It's great to see the Conservatives finally putting real effort into international development – and this paper sets out the best set of ideas on overseas aid that the Conservatives have ever had. Let's hope now that Cameron's upped his game Labour and the Conservatives will start a race to the top on how the UK tackles global poverty."

**On women and development Tom Sharman said:**

"60% of people in Africa living with HIV are women – and in some countries women are six times more likely to contract the disease. Any plan for development in Africa really needs to emphasise the need for women's rights at its core."

**On corporate accountability Tom Sharman said:**

"David Cameron has committed himself to standing up to big business, but this paper steers well clear of making UK PLC accountable for its negative impacts in many developing nations. While investment can and should bring growth and prosperity to poor countries it must be sustainable, responsible and not do more harm than good."

### **Aid**

**GOOD: More aid - 0.7 by 2010**

*"The Government should consider whether the target of 0.7% of GNI could be met sooner – by 2010 if possible." (page 16 of this draft)*

**This puts pressure on the new Chancellor Alistair Darling to increase DFID's budget, a minimum of a 'straight line' to 0.7% by 2013, in the autumn Comprehensive Spending Review.**

**GOOD: Better aid - no to economic policy conditionality**

*"Since Conservatives respect the national sovereignty of other countries our approach is not to impose a particular policy package on developing countries." (page 5 of this draft)*

**Developing countries must have the right to determine their own economic policies both because it is morally wrong for the UK to dictate what they must do and because poverty can only be reduced if developing countries themselves are in the driving seat.**

**GOOD: Donor accountability – a global donor index**

*"The international community, led by the UK, should promote the publication of an annual Global Donor Index designed to measure the performance of donor countries and the effectiveness of their aid effort." (page 41 of this draft)*

Donors have a duty to be accountable to the ultimate beneficiaries of aid – poor people. Typically, donors are rarely accountable to the governments and citizens of the countries that aid is supposed to be helping. A donor index would help to make donors *and* recipient governments accountable for the use of aid.

## **Economic development**

### **GOOD: Some recognition of supply-chain issues**

*“Participation in the value chain alone does not guarantee improvements in the living conditions of poor people.” (page 69 of this draft)*

**Improving the pay and conditions of the developing country workforce in global supply-chains is crucial to tackling poverty and exploitation and a major area where the UK Government can make a real difference.**

### **MISSING: Solutions to the problem**

**The Conservatives could make a start by calling for an independent watchdog to ensure that British supermarkets pay their suppliers a fair price for the goods they produce.**

## **Trade**

### **GOOD: Rejection of ‘forced trade liberalisation’**

*“The nature of Real Trade reflects the fact that amongst former developing countries there has been no single pathway to success. It provides developing countries with the policy space to tailor their own approaches to liberalisation whilst complying with WTO rules.” (page 82 of this draft)*

**This is a sensible recognition of economic history.**

### **GOOD: Support for infant industries**

*“‘Policy space’ can, for example, enable ‘infant industries’ to be supported and reflects the problems that many developing countries have adjusting to trade liberalisation.” (page 87 of this draft)*

**This recognises that there are circumstances in which developing countries will need to exercise their ‘right to protect’ to ensure long-term sustainable development.**

### **GOOD: An alternative trade deal for Africa**

*“The EU should offer duty-free and quota-free access to all low income countries, as defined by the OECD.” (page 91 of this draft)*

**The EU’s Economic Partnership Agreements threaten to exacerbate rather than alleviate poverty by forcing African countries to further open up their economies before they are ready to do so. With the European Commission refusing to make changes to their plans it is essential that a credible alternative scheme is available to ensure that Africa can still sell to Europe and develop at the same time.**

### **GOOD: Access to essential medicines and TRIPS**

*“In the absence of a more radical revision of the TRIPS rules, the UK should work with developing countries, the pharmaceutical industry and NGOs to make the Paragraph 6 mechanism workable.” (page 96 of this draft)*

Reforming the current rules and regulations around intellectual property so that developing countries have access to cheap medicines is essential for meeting internationally-agreed health targets such as universal access to HIV treatment by 2010.

## **BAD: More Export Processing Zones**

*“The UK should help developing countries to set up export processing zones, as a precursor for reform in developing countries.” (page 94 of this draft)*

**Exporting Processing Zones (EPZs) are special economic zones where national laws, such as those governing tax and workers’ rights, do not apply. They have a record of both of facilitating exploitation and of making a poor contribution to the overall development of the countries in which they are located.**

## **Corruption and governance**

### **GOOD: Putting poor people at the heart of the fight against corruption**

*“We believe the best people to police the integrity of the aid budget are people in developing countries – their media, civil society and parliaments. And the best way to empower them to do so is transparency – publishing aid allocations for each school, clinic and so on, as well as requiring auditing and public expenditure tracking surveys, and publishing the results.” (page 5 of this draft of the report)*

**Corruption is only likely to be tackled effectively if people in developing countries are at the forefront of efforts to tackle it.**

### **GOOD: Tackling the UK ‘supply-side’ of corruption**

*“We need a similar degree of transparency as far as the City and UK businesses are concerned since large scale corruption usually involves a western firm as the source or destination of the money.” (page 6 of this draft of the report)*

**The ‘other side of the coin’ – the supply-side of corruption – is mentioned far less often than what happens in-country. Yet this is an area where the UK can and should take action to close down the opportunities for large-scale theft of resources.**

## **Conflict, fragile states and humanitarian aid**

### **GOOD: Keeping the military out of emergency relief provision**

*“DFID should ensure that its humanitarian work supports the UN, the Red Cross and NGOs, and affirms the primary role of civilians organisations in delivering humanitarian relief.” (page 112 of this draft)*

**Humanitarian relief must be apolitical and provided in an impartial manner.**

### **GOOD: Supporting local organisations**

*“It is essential that national NGOs in the affected country receive a significant percentage of donor funds and where possible are included in decision-making forums in disasters.” (page 114 of this draft)*

**Local NGOs are usually better at knowing what affected communities want and are in a better position to help when disaster strikes.**

### **GOOD: Preparing for disasters**

*“We support the policy that 10% of DFID’s humanitarian budget for natural disasters should be used to reduce the impact of disasters on poor people and to help them*

*prepare for, cope with and recover from disasters. These funds should, subject to their clear impact on disaster reduction, be spent in consultation with recipient governments and communities.” (page 116 of this draft)*

**Spending money on preparing communities for predictable emergencies, such as flooding, saves lives and saves money in the long-term.**

## **BAD: Confusion on UN peacekeeping and peacebuilding**

*“The UN now has a ‘responsibility to protect’ and the [Peacebuilding] Commission is the first United Nations institution that allows those concerned with diplomacy, security and development to come together to establish and monitor a coherent strategy.” (page 109 of this draft)*

**This fundamentally misunderstands the role of the Peacebuilding Commission, confusing peacebuilding with peacekeeping. ‘Responsibility to protect’ has little to do with the UN Peacebuilding Commission.**

*“The UK should identify prominent statesmen, politicians, military officials and diplomats who could be appointed as special representatives of the Secretary General, to act as mediators in conflict zones around the world.”*

**The recommendation bears no relationship to the UN Peacebuilding Commission either in theory or in relation to its practice.**

**See the recent ActionAid/Cafod/Care report on the UN Peacebuilding Commission: ‘Consolidating the peace?’:**

[http://www.actionaid.org/assets/pdf/peace\\_consolidating\\_the\\_final.pdf](http://www.actionaid.org/assets/pdf/peace_consolidating_the_final.pdf)

## **DFID – the aid effectiveness challenge**

### **GOOD: Better aid - an aid watchdog**

*“We propose an Independent Evaluation Group reporting to Parliament like the NAO to ensure DFID spends taxpayers money in ways that will be most practical in helping the poor.” (page 6 of this draft)*

**DFID needs more independent evaluation of its aid, in particular of technical assistance which accounts for around 20% of its overall bilateral budget, a hefty chunk to spend on an area long-known for its ineffectiveness, high cost, donor-driven nature and problems of over-supply. Despite untying, three quarters of DFID TA contracts go to UK firms – evidence that the market is not competitive or fair.**

### **GOOD: Holding the World Bank and IMF to account**

*“DFID does not, but should, systematically relate allocation of funds to different bilateral and multilateral channels to their comparative effectiveness for different purposes. It is particularly weak at holding to account multilateral agencies which account for two-fifths of UK aid. We advocate a more robust approach.” (page 14 of this draft)*

**The World Bank and the IMF are deeply unaccountable institutions in dire need of reform. DFID should set out clearly how and why it allocates funds to these International Financial Institutions. DFID should withhold some of its funding for the World Bank until it ends its use of economic policy conditions attached to aid. The Government must also push for reform of the governance structures of both the World Bank and the IMF.**

## **Missing: strengthening women's rights**

*"We have used [the Millennium Development Goals] as a valuable framework against which to measure our specific recommendations." (page 34 of this draft)*

**Despite citing the Millennium Development Goals (MDGs), which include MDG3 'Promote gender equality and empower women', gender equality merits almost no attention in the report and none at all in the recommendations.**

**Yet it is widely accepted by development experts that gender equality impacts on all the other MDGs. Moreover, the MDGs that are most off track, including tackling HIV and reducing maternal mortality are the ones that are most dependent on realising women's rights. The following are just some examples of where issues of gender equality should be included in the report:**

- **On aid, since women make up more than two thirds of people living in extreme poverty, aid cannot be deemed effective unless it addresses the systematic denial of women's rights all over the world.**
- **On education, despite good progress, it is still the case that globally more than 54% of children out of school are girls; as many as 90% in India.**
- **On conflict, again it is impossible to address the impact of conflict without recognising the particular impact it has on women. Eight out of ten people displaced by conflict are women and girls. In Darfur and DRC, rape is systematically used a weapon of war. Violence against women, in all its forms, denies millions of women security in their everyday lives. One in three women will be raped, beaten, coerced into sex or otherwise abused in her lifetime and violence against women is now driving the HIV pandemic.**

**END**

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