

## JUNE 2005: UK GOVERNMENT NEWS REPORT JICA UK OFFICE

Sources:

- Department for International Development (DFID) website: <http://www.dfid.gov.uk/>
- Foreign and Commonwealth Office (FCO) website: <http://www.fco.gov.uk/>
- HM Treasury website: <http://www.hm-treasury.gov.uk/>
- 10 Downing Street website (PM's speeches): <http://www.number-10.gov.uk/>

### SPEECHES

30 June 2005

#### **Live website interview with Tony Blair in the run-up to the G8 summit**

John Lloyd, Financial Times, Downing Street website (included webchat with general public)

Q: Are the targets set too high for the G8 Summit?

TB: We are aiming to make a significant attack on poverty in Africa to deal with the killer diseases, to make sure that we are trying to help those countries get on their feet again, to at least give a signal that we need to open up our markets to their trade, and on climate change. There is no doubt at all that the biggest moral issue is Africa in the world today and the longest term threat to the security and stability of the planet is climate change. These are the biggest challenges the world faces – the G8 Summit should surely be a platform to discuss the most difficult issues. If you don't try, you don't get anywhere.

Q: How do you answer the scepticism that the money will be wasted?

TB: By saying you can go to places in Africa and see, even where the regimes are bad, that if people are able to get help with something like malaria that actually makes a difference and secondly, and every bit as important, there are places in Africa where the countries are transiting from one government to another in a democratic way, where corruption is being tackled, where people are trying to introduce proper judicial systems. There is hope as well as despair in Africa, and it just isn't true or fair to take an appalling regime like Mugabe's and say that is Africa.

Q: How are climate change and African development related to each other?

TB: The two issues are definitely linked. Climate change will affect millions of people in Africa through flooding. But also if we help poverty in Africa then African countries will grow and develop. It is essential that they do so sustainably without adding even bigger burdens to the environment. That's why it's rightly called sustainable development.

29 June 2005

#### **How can we get trade justice?**

Hilary Benn at London School of Economics

Trade justice is probably the most important development challenge facing us today. Campaigners are right to be angry about unfair trade rules and highly protected markets that work against the poor. Aid and debt relief alone are not enough because if we achieve trade

justice, the world's poorest countries will have the chance, with the right support, to set themselves on a sustainable path to higher growth, more jobs, and increased incomes for the poor. Trade justice will give them the means to end their dependency on aid. This means, ultimately to end poverty. Europe leads the world on development. It is time to demonstrate the same leadership on trade.

For trade to work for poor people and for the poorest countries, we need three things:

- action by developed and developing countries to reduce trade protectionism and end unfair subsidies
- substantially increased aid to build the capacity of the poorest countries to trade
- action by developing country governments to create the right conditions for trade, growth, and poverty reduction

Progress in Hong Kong is essential: as the Commission for Africa noted, rich country barriers and support are "absolutely unacceptable; they are politically antiquated, economically illiterate, environmentally destructive and ethically indefensible. They must go."

Priorities for the Doha Round:

- Make farming fair – this is an area where the system really doesn't serve developing countries. Subsidies cost people in the developed world a lot as well.
- Lower market barriers – countries need to be able to export a wider variety of goods and be able to add value, through processing
- Countries need to have freedom to choose whether and what to liberalise - we need the right mix of safeguards and support measures targeted at the poorest to help them integrate at their own pace and with the right support

Outside of Doha, there is more that can be done to reduce barriers:

- Regulations – e.g. Rules of origin, designed to prevent fraud, can have perverse effects and undermine the ability of countries to buy goods from competitive sources; health and other standards are also becoming a new barrier for poor countries; delays in getting goods across borders increase costs.
- Many countries do not have the capacity to trade in goods and services that can compete in global markets – there is a need for investment in infrastructure, human resources; other priorities for help include trade facilitation, policy reform, and adjustment to loss of preferences.
- Developing countries themselves need to create the right environment for trade and development - Sound policies and institutions; an environment attractive to local and foreign investment; social structures that provide opportunities and a safety net for when times are hard.

Achieving this will not be easy. Trade is also not a cure-all. Increased trade alone will not lift millions out of poverty - it must be accompanied by peace and security, by appropriate economic policies, good governance, investment in health and education. People, and above all, poor people need to be provided with the opportunities for productive employment. For the poorest countries the challenge is greatest. Progress demands one thing above all -

political will. A Round that creates real trade justice for poor people and for the poorest countries - is really something worth campaigning and also voting for.

27 June 2005

### **India: the next decade**

Jack Straw, Foreign Secretary, at Chatham House, London

The transformation of the Indian economy particularly since the early 1990s has been astonishing. And not least thanks to continuing economic reform, there is a great deal more to come – with Indian growth, according to Goldman Sachs, likely to be above 6% every year for the next two decades. But India's economic rise is not simply down to cheaper wages or to competition in low-cost sectors. India is not racing the world to the bottom, but to the top: British and other international companies look to India not just for low-cost call centres, but for services at every level of expertise and skills. The hospitals of our National Health Service now look to India for overnight results on medical tests through the use of tele-medicine – images and other data sent through the Internet. India is one of the world's most vibrant societies, and the largest democracy on earth, with 5 ½ thousand daily newspapers and the film capital of the world in Bombay. That makes for an environment where innovation and dynamism can flourish.

There are two key components to the UK's and India's shared history – some of it good some less so – that has left us with a powerful legacy on which we can build:

- The human links between us: Over a million people in the UK are of Indian origin, and they form one of the most dynamic communities in Britain today.
- The strength of our shared values: We are both pluralist democracies, have embraced secular multi-culturalism, a model focused neither on simple integration, nor on the bare requirement of tolerance, but instead on a celebration of our diversity.

Three main objectives for the India-UK relationship for the next decade:

- Strengthen further our business partnership - the UK is already the second-largest foreign investor in India; and India is rising fast up the list of investors in the UK
- Realise the benefits of an ever-closer relationship between our governments and societies - earlier this year, the UK and India broke new ground in their relationship in establishing a Joint Economic and Trade Committee, and a bilateral financial dialogue
- Turn our relationship into a truly global collaboration on the issues which will shape the future of our world, on energy security, climate change, development and security - India's Prime Minister will be attending the G8 summit in Gleneagles, other joint work is being done on global security and the Sustainable Development Dialogue

27 June 2005

## **60<sup>th</sup> anniversary of the United Nations**

Jack Straw, Foreign & Commonwealth Office, London

The ideals on which the UN was founded are still as relevant today. But the UN owes its success over 60 years to more than their strength alone. Two other common threads run through its history:

- The UN was founded not just on high principles but on the realities of international power. The permanent membership of the Security Council including the P5 vetoes reflects this.
- The UN has had great capacity to change. It has grown from 50 signatories at San Francisco to 191 members today – many of whom gained their independence with the help of the UN's decolonisation machinery, and then chose themselves to join the Organisation

Today, at 60, the UN remains the keystone of the international system and the strongest source of legitimacy for collective international action. Yet the world has changed almost beyond recognition since 1945. So too have the threats to our collective security and well-being. The United Nations now needs to respond to those changes, by adapting as it has in the past, and by finding new and better ways of channelling the collective will of its members.

Following the publication of Kofi Annan's report, *In Larger Freedom*, we are now working hard on turning the proposals into action, as we prepare for the Millennium Review Summit in September. The UN's reform agenda reflects the three pillars on which it was founded: development, security and human rights. The UK supports change in these three areas and reform of the UN machinery itself.

The UK also wants to see a Security Council which reflects today's world and the contributions of the UN's members to its objectives. The UK therefore supports the expansion of both the permanent and non-permanent membership, with permanent representation for Japan, Germany, India and Brazil, and for Africa. A Security Council of 25 need not be unwieldy, providing working practices are changed. But we cannot afford to let difficulties and sensitivities over Security Council reform hold up progress elsewhere: there is too much at stake for that – there are other important issues that need to be addressed in September.

It is important that everyone in civil society is involved in the process of change now underway in the United Nations. The whole of the international community has a stake in a United Nations which is quicker to deal with crises such as war or natural disaster; more effective at protecting people and pursuing abuses of their human rights; more efficient in delivering aid and assistance to the poorest; and running itself in a more modern way. That vision goes beyond this autumn's Summit: it is one for the future of the United Nations over the coming decades. The Charter of the United Nations begins not 'we the member states' or 'we the governments', but 'we the peoples of the United Nations'. If the UN is to meet the enormous challenges of this new century, it will need to draw on the energy and ideas of all those with a stake in its future – and that means all of us.

27 June 2005

### **The EU and Africa: Real trade, real lives**

Ian Pearson, FCO Minister for Trade, Traidcraft Seminar, London

Over the next six months, there is a real prospect of improving the trade climate for Africa. Our top priority remains making good progress at Hong Kong towards a successful outcome to the Doha Development Agenda next year. A successful deal for Africa must see firm commitments from all the developed countries – with a timetable – to eliminate export support that so distorts trade and to address their domestic support for agriculture. As part of a pro-development agreement, we want to see improved market access for developing country exports, not only for agricultural products but also for non-agricultural goods.

Whilst our priority must be on the DDA, there are other important negotiations taking place during the UK's EU Presidency. Perhaps the most important from a development point of view are the Economic Partnership Agreements with the African, Caribbean and Pacific countries. We are determined that EPAs will deliver the opportunity for Africa and other poor countries to develop through trade. We support these agreements and believe that they are a coherent and holistic approach and as Peter Mandelson has said, put 'trade at the service of development'.

Three things that can be done to ensure all benefit from trade:

- Invest more in Africa's capacity to trade
- Alter rules and regulations to assist trade
- Over-rigorous product standards need to be addressed

We will continue to push for the markets of the developed world to be fully opened up to developing countries and to work to bring people in Africa out of poverty through trade.

22 June 2005

### **British Government's Progress towards the Millennium Development Goals**

Hilary Benn at the Anglican Consultative Council, Nottingham

Making poverty history is the moral issue of our generation. Faith groups have a unique and important role in making poverty history. They are often poor people's most trusted institutions. They are often the first to which the poor turn in times of need and crisis, and to which they give in times of plenty. As a result they are closely embedded and committed to local communities.

Faith groups provide crucial services to the poor, often running the only schools and health clinics in rural communities: In Sub-Saharan African, faith groups provide more than 50% of all health and education services. They can and do reach poor people largely untouched by other institutions.

The UK is taking a lead by calling on the international community to take action on: more and better aid, debt relief and trade justice. The churches can help. 2005 is unique year of opportunity in the fight to eliminate poverty. We are already seeing the makings of a new

compact between the rich countries and the poor. It took faith to persuade us that slavery was an unimaginable evil that had to be stopped – but they did succeed. Perhaps ending poverty sounds about as distant a goal today as did ending slavery, but we *can* do it.

Campaigning works. Aid works. Let 2005 be the turning point for us all. Let it be the year when we put into action all our good words and promises.

15 June 2005

**Africa's instability is our instability**

Lord Triesman, FCO Parliamentary Under-Secretary of State speech at Tanzanian Parliament, Tanzania

The UK and Tanzania enjoy close political and commercial ties. Hilary Benn, and the Chancellor of the Exchequer, Gordon Brown, have both visited Tanzania in the last 8 months. We have, in turn, welcomed to Britain President Mkapa who has played such an important role in the work of the Commission for Africa. May I take this opportunity to congratulate President Mkapa on the strong stand he is taking to draw attention to the Commission's report, launched in this House last Thursday, not just in Tanzania but across the whole of Africa too. As the Commission's report states: 'Africa today has its best opportunity for change for decades.'

The UN, the G8, the EU – all the major industrial groupings and countries of the world recognise that now is the time for action in Africa. As the industrialised world grows richer and the world becomes ever more interconnected it is unacceptable that millions should still be dying from hunger or disease; that children should be denied the education that is their passport to prosperity; that millions die in brutal conflict.

Despite ongoing conflicts and the ravages of poverty, disease and environmental degradation I believe that we are seeing a new dawn in Africa.

Tanzania is a beacon of stability in Africa. Thanks to the far sightedness of its leaders Tanzania has enjoyed uninterrupted political stability and peace. President Mkapa has been instrumental in maintaining the pace and focus of a vigorous programme of economic reform. Now in its second phase, Tanzania's Poverty Reduction Strategy – the Mkukuta - is showing positive results. School enrolment has risen and the goal to ensure universal primary education for every child is close to achievement. Healthcare is improving with particular success in preventing malaria through wider use of bed nets, particularly in urban areas.

And we hope that Zanzibar too will continue to grow in political maturity. The UK and all Zanzibar's friends hope that the forthcoming elections will be peaceful and credible, reflecting the will of the Zanzibari people. This will send a clear message throughout Tanzania and the region that Zanzibar is committed to stability and transparency which are crucial to attract tourists and international investors.

As President Mkapa and all the Commissioners for Africa agree, trade will have a far greater impact than aid. A partially reformed legal and judicial system and corruption stand clearly in the way of greater foreign investment. Contracts can be difficult to enforce. The process is unpredictable and time-consuming. Investors tell me they face constraints on many levels. British investors say that legally occupied properties are threatened with repossession. It is important that Tanzania continues working towards a positive environment for investors, foreign and domestic, as investment in the engine of sustainable growth, jobs and skills.

We have insisted on transparency in our debt relief initiative. What is written off in debt interest payments must be used for health, education and poverty reduction programmes. Here in Tanzania we believe that, for transparency to be truly effective, there should be reforms in public financial management, in the legal sector and in public services at national and local levels. I know that you have made advances on financial management, and are looking at the other issues. We are helping and remain ready to continue doing so.

14 June 2005

**Written Ministerial statement on Zimbabwe**

Jack Straw, Foreign Secretary

Recent events in Zimbabwe show Zimbabweans being deprived of their democratic and human rights, facing the consequences of chronic economic misrule, and grappling with severe food shortages. Over the last three weeks the Mugabe regime has launched a brutal crackdown on some of the most vulnerable Zimbabweans, including inhabitants of urban shanty settlements and informal traders.

In response, we have joined our EU partners in demanding that the Government of Zimbabwe end this crackdown, in a statement on 7 June. We also continue to work with other international partners to maximise the pressure on Zimbabwe to end this brutality and are discussing these and other human rights abuses in Zimbabwe, with neighbouring African states and regional African bodies.

DFID are already responding to this man-made disaster, providing US\$ 400,000 so far towards humanitarian assistance to the most vulnerable mainly through the UN and International Organisation for Migration. A further contribution is imminent.

Since 2002 the European Union has imposed targeted sanctions on Zimbabwe; an arms embargo on the country and a travel ban and asset freeze on President Mugabe and leading regime figures. The EU's Common Position is kept under regular review. We agreed yesterday to extend the list of those regime figures caught by the travel ban and asset freeze, from 95 to 120 names.

11 June 2005

**G8 Finance Ministers' Conclusions on Development**, London

Reaffirmed commitments:

- To help countries achieve the MDGs, particularly Africa who are off-track
- That developing countries need to introduce policies for economic growth, sustainable development and poverty reduction
- Donors need to improve the effectiveness of aid
- To work together for a successful outcome of the Doha Development Round
- To provide support to enable developing countries to benefit from trade opportunities
- To scale up support for vaccines and medicines research
- To the full implementation and financing of the Enhanced HIPC Initiative
- That increased aid is necessary

Pledges for increases in aid to Africa were welcomed.

Nigeria is key to the prosperity of the whole continent of Africa: Nigeria's progress in economic reform was welcomed. Commitment to provide a fair and sustainable solution to Nigeria's debt problems in 2005, within the Paris Club.

18 countries immediately eligible for 100% debt relief: Benin, Bolivia, Burkina Faso, Ethiopia, Ghana, Guyana, Honduras, Madagascar, Mali, Mauritania, Mozambique, Nicaragua, Niger, Rwanda, Senegal, Tanzania, Uganda, Zambia.

6 June 2005

**G8 2005: A year for Africa**

Ian Pearson, FCO Minister for Trade, Commission for Africa Event, Tokyo, Japan

Why has Tony Blair put Africa, together with climate change, at the top of the agenda for the G8 summit in early July? Quite simply, the challenge of poverty and of inequality is one of the greatest challenges facing mankind. It is closely linked to wars and conflicts, to disease and to everyday human suffering. If we want peace in the world, we have to tackle this issue. If we believe in human security, this is the key.

The members of the G8 are now studying the Commission for Africa report and deciding on their response. But the report is not only addressed to the G8. It says clearly that African governments must also face up to their responsibilities if Africa's problems are to be overcome. African leaders must be accountable to their people and must develop comprehensive policies for development and poverty reduction in their countries. Without that, none of our efforts to help can ever be truly effective. The good news is that there are substantial changes taking place in Africa.

Some significant progress has already been achieved in taking this agenda forward:

- The EU has agreed on a new collective target to raise ODA to 0.56% of GNI by 2010. The original EU 15 members will raise their individual ODA by 2010 to 0.51%, and the new

10 members commit to 0.17%. By 2015 the EU 15 undertake to achieve the international target of 0.7%. Half of the overall increase in ODA will go to Africa.

- US aid levels have increased by over 50% from 2000 to 2004.
- Canada has committed to double its aid from 2001 to 2010, which will take them to an ODA/GNI ratio of 0.41% by then.
- Here in Japan PM Koizumi has agreed to double aid to Africa.

But there is still more to do – on trade barriers, on debt relief and on speeding up the flow of funds. There is broad agreement that the focus for our ODA should be on the priorities identified by the Commission – education, health, infrastructure, agriculture. We need also to focus on developing the private sector for economic growth. In part these priorities derive from the experience of Asia. Your region has shown the way – through taking hundreds of millions of people from poverty to a reasonable level of prosperity. It is important that we understand the Asian experience correctly and learn from it. That is where Japan has a key role.

Japan is a key partner, which has been active in Africa for many years, eg through the TICAD process. Japan is a country with worldwide interests, and so it is natural that Japan should be active in Africa, just as we are active in Asia. Our bilateral cooperation on development issues has improved significantly in recent years, with joint visits by our economic cooperation officials to Vietnam, Bangladesh and (soon) Tanzania. So we remain keen to work closely with Japan on development issue and specifically Africa. If we and the Africans can get together in a genuine partnership I am convinced that the problems of that continent can and will be solved.

## PRESS RELEASES

30 June 2005

DFID is to give **£50 million** over the **next five years** to connect **1.35 million households** and businesses to **electricity supplies** in under-served areas of **Bangladesh**, benefiting up to 10 million people. The Rural Electrification Board, which will carry out the construction work, has a reputation for efficiency and effectiveness. The DFID programme will strengthen the work of the local electricity cooperatives, which manage the service at the local level and will also help improve their performance by funding training for managers and members.

The overall programme cost is £161 million. The Government of Bangladesh will contribute £122 million through the Annual Development Programme. DFID will contribute £38 million for investment components to the Rural Electrification Board through the Ministry of Finance, £10 million to increase access to electricity for poorer households through micro finance and £2 million through USAID to provide technical advice for cooperative member education, impact studies and supervision. Disbursement procedures accord with existing rules to fund Government of Bangladesh agencies, donors and NGOs. The full cost of operation,

maintenance and asset replacement will be met through user charges. The Rural Electrification Board will begin implementing the programme from July 2005.

29 June 2005

A **new study** provides **insights** on how to **increase** the **impact** of **economic growth** on **poverty reduction**: 'Pro-Poor Growth in the 1990s: Lessons and Insights from 14 Countries'. The study presents evidence that underscores the importance of promoting strong and sustained growth as part of any pro-poor growth strategy. But at the same time, it also demonstrates the need to implement policies that enhance the ability of poor households to participate in growth.

The study forms part of a joint work programme sponsored by The World Bank, Agence Française de Développement (AFD), German Development Policy (BMZ, GTZ, KfW) and the UK Department for International Development (DFID). The case studies include: Bangladesh, Bolivia, Brazil, Burkina Faso, El Salvador, Ghana, India, Indonesia, Romania, Senegal, Tunisia, Uganda, Vietnam, and Zambia.

- Executive summary: <http://www.dfid.gov.uk/pubs/files/growth-poverty-summary.pdf>
- Full report: <http://www.dfid.gov.uk/pubs/files/growth-poverty-report.pdf>

13 June 2005

The UK will **increase** its **contribution** to the **African Union Darfur mission** to **£19m**, bringing the total contribution to the African Union Mission in Sudan (AMIS) since its inception to almost £32m. The money will be used to purchase up to 500 additional vehicles and further rapid deployment equipment.

- DFID's Sudan country homepage: <http://www.dfid.gov.uk/countries/africa/sudan.asp>

## NEWS

28 June 2005

As part of the Government's 10 year Investment Framework for Science and Innovation, **DFID** is producing a **Science and Innovation Strategy** and launching an **online consultation**. The consultation will run for 12 weeks, until 19 September 2005. The Science and Innovation Strategy is due to be published by the end of the year.

- Consultation overview: <http://www.dfid.gov.uk/consultations/science-main.asp>

21 June 2005

A **new report** by the **Marine Resources Assessment Group** (MRAG) on combating **illegal fishing** in the **developing world** shows that every year at least \$4 billion of fish is caught illegally. The report, commissioned by the UK's Department for International Development (DFID), suggests that small investments would reduce illegal fishing and enable poor

countries to benefit from their own resources. The initiative on illegal fishing has been implemented with cooperation from the Norwegian International Development Agency (Norad).

- Synthesis Report: <http://www.dfid.gov.uk/pubs/files/illegal-fishing-mrag-synthesis-report.pdf>
- Full Report: <http://www.dfid.gov.uk/pubs/files/illegal-fishing-mrag-report.pdf>

17 June 2005

**Announcement of Infrastructure Consortium for Africa:** Senior-level representatives from the G8, African Union, The New Partnership for Africa's Development (AU/NEPAD), African Development Bank, The Economic Community Of West African States (ECOWAS), the World Bank and the European Commission, met in London on May 5 to discuss infrastructure in Africa. Recognising that infrastructure in Africa is key to accelerating growth, reducing poverty and promoting regional integration and that a step-change in approach is required to meet urgent needs and address the scale of the problem an infrastructure consortium will be established to work together, building on the valuable work already on-going. Precise mechanics and possible additional participants will be discussed at the inaugural meeting of the consortium on 6 October 2005, in London.

**Role** of the consortium:

- Effectiveness - poor coordination amongst donors remains a problem
- Advocacy and awareness – emphasising the scale of the problem and to encourage a more effective response, including greater attention to country PRSs
- Coverage - the focus is on continent-wide cross-border/regional projects and at the national level, the focus is on sub-Saharan Africa
- Sector focus - water and sanitation, energy, transport, telecommunications and urban infrastructure.
- Data - current baseline data on funding and activity levels is poor - there is an urgent need to establish who is doing what, where, and with what money, so as to identify gaps
- Capacity building – focus to be in areas responsible for current bottlenecks
- Comparative advantage - respecting the comparative advantages and complementarity of different donors, and the appropriate type and mix of funding for different types of infrastructure is key, if more resources are to be mobilised and effectively used
- Scaling up - mobilising additional funds for infrastructure, more effective use of existing sources of finance and identifying funds in the near term for a number of priority projects
- Monitoring - monitoring of actions and outcomes

13 June 2005

Chancellor Gordon Brown announced a **£30 billion package** of **debt relief** for the developing world after agreement was reached by the G8 finance ministers in London. The move provides relief for **18 nations, mostly in Africa**, freeing up revenue to spend on health, education and development. Under the deal, the World Bank, the International Monetary Fund and the African Development Fund will write-off 100 per cent of the money owed to

them by selected nations. Other countries could be eligible for similar help if they met strict targets for good governance and tackling corruption.

7 June 2005

**DFID Departmental Report 2005 published.** This records progress towards the Public Service Agreement agreed with the Treasury and sets out achievements during the financial year 2004/05.

- Links to individual chapters of Departmental Report 2005:  
<http://www.dfid.gov.uk/news/files/2005/dr2005-launch.asp>
- DFID's Public Service Agreement with the Treasury:  
<http://www.dfid.gov.uk/pubs/files/servicedeliveryagree03-06.pdf>