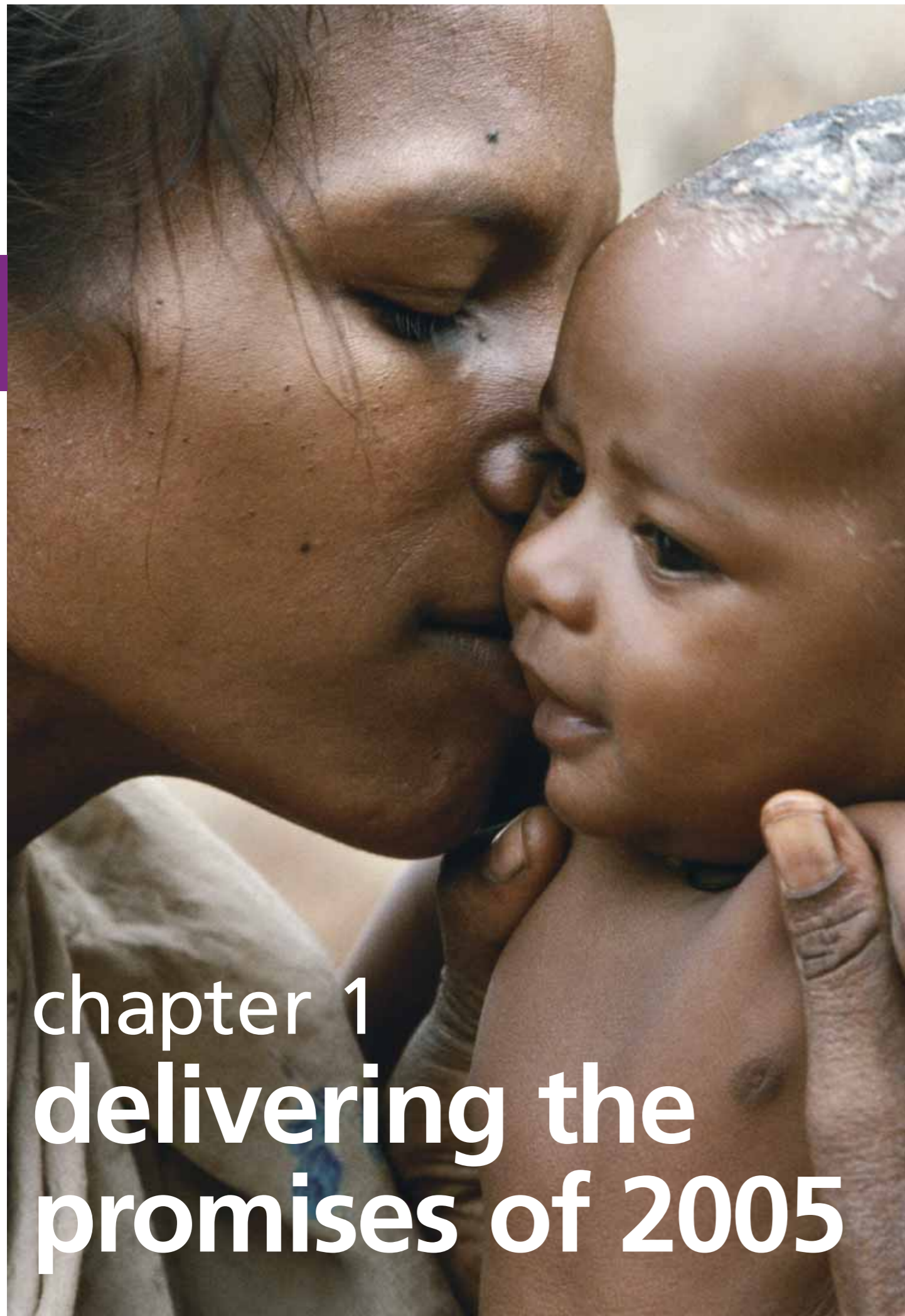


**delivering
our promises**



chapter 1 delivering the promises of 2005

The promises of 2005 have the potential to change the lives of a billion men, women and children.

Keeping those promises, in a rapidly changing world, is our priority.

The case for development...

1.1 Poverty is about people. One in every six human beings – one billion people – lives on less than US\$1 a day.¹ Poverty for these men, women and children means not having enough food to eat, no clean water, no place in school, a mother dying needlessly, living in fear and violence, and little opportunity for a better life.

1.2 In the fight against global poverty, 2005 saw rich and poor countries make promises that will change people's lives. These promises were made because people demanded them and leaders listened. They demonstrated that international politics can work in the interests of the poorest.

What is poverty?

"Poverty is like heat: you cannot see it, you can only feel it; to know poverty you have to go through it."

Saying from Adaboya, Ghana

1.3 The promises made in 2005 were part of a deal. The Commission for Africa set out its proposals.² At Gleneagles, African leaders committed themselves and their people to lead their own development by improving governance, upholding the rule of law, and using their resources to fight poverty.³ In turn, the G8 and European Union (EU) promised to provide an additional US\$50 billion for development – increasing health and



Aiki Sapountzi/Aiki Image Library/Alamy

Marching to make poverty history

"As a veteran of all the major campaigns to fight poverty... the Make Poverty History campaign was different. Walking 25 miles a day for two weeks to link the two British G8 venues of Birmingham and Gleneagles, we found enormous public support and interest everywhere we went. The white tape decked countless towns and villages. A mountain of cards and letters and a quarter of a million demonstrators awaited us in Edinburgh. Our hopes were high that this time we simply couldn't be ignored. The public have spoken and we will continue until we've seen it through."

Merryn Hellier, Member of the Jubilee Debt Campaign, Hereford, 2006

education provision, tackling HIV and AIDS, and promoting economic growth – and to improve the way that aid was spent. They promised to cancel debt, improve access to international markets, help poor countries

suffering from conflict or humanitarian emergencies, and tackle international corruption and climate change.

1.4 There has been progress over the last year. Twenty-one countries have already had all of their debt to the International Monetary Fund (IMF) cancelled. Nineteen countries – fifteen in Africa - have had their debts to the World Bank's International Development Association cancelled. The UK, with others, has launched the International Finance Facility for Immunisation (IFFIm). This has the potential to save the lives of 5 million children over the next ten years and another 5 million after that. The Global Plan to Stop TB (tuberculosis) and the Global Strategic Plan to Roll Back Malaria have been launched. The UK has helped establish an Infrastructure Consortium and an Investment Climate Facility for Africa. The UN Convention Against Corruption has come into force – the UK ratified it in February 2006. The Extractive Industries Transparency Initiative (EITI) is now being implemented in over twenty countries. Twenty-six countries have signed up to the

African Peer Review Mechanism, thirteen reviews are under way and Ghana, Kenya and Rwanda have completed their reviews. The UN Peacebuilding Commission and UN Central Emergency Response Fund have been established. And the EU has agreed to provide Euros 300 million to support African peacekeeping efforts.

1.5 Much more remains to be done. To sustain this new momentum in the fight against poverty, it will be essential to monitor progress. In the UK we have set milestones for action and will continue to publish updates so that Parliament and civil society can hold us to account. The G8 will publish a progress report this year. The new Africa Progress Panel will focus international political attention on Africa and track progress against the commitments made in 2005. As agreed at Gleneagles, the Africa Partnership Forum – which brings together African countries and their international partners – will also continue to monitor progress annually. The Development Assistance Committee



2005 – the promises

The G8 Summit agreed to:

- Double aid to Africa by 2010 and give an extra US\$50 billion a year globally.
- Cancel the debts owed by some of the world's poorest countries to the International Monetary Fund, World Bank and African Development Bank. This will be worth over US\$50 billion when fully implemented, and 90% will go to Africa.
- Write off US\$18 billion of Nigeria's debt, the biggest ever single debt deal for an African country.
- Uphold the principle that developing countries should decide their own economic policies to support their own development plans, for which they should be accountable to their own people.
- Get as close as possible to universal access to AIDS treatments by 2010.
- Support treatment and bed nets to fight malaria, aiming to save the lives of over 600,000 children every year.
- Fund the eradication of polio from the world.
- Ensure that by 2015 all children have access to free good quality education, and to basic health care free where a country chooses to provide it.
- Help the African Union to set up a Standby Force as part of the 2004 G8 commitment to train 75,000 troops for peacekeeping by 2010.
- Support early ratification of the UN Convention Against Corruption and find ways of recovering stolen assets.
- Implement effective controls over the transfer of small arms and light weapons.
- Implement a Plan of Action on Climate Change to speed up access by developing countries to low carbon energy and improve their resilience to climate change.

The EU agreed to:

- Set a new average EU aid target of 0.56% of Gross National Income by 2010 (doubling aid to US\$80 billion) and 0.7% of Gross National Income by 15 EU Member States by 2015.
- Adopt a new EU development policy with the central aim of reducing poverty.
- Implement a new EU Africa Strategy to support Africa to reach the Millennium Development Goals.

The UN World Summit agreed to:

- Recommit all UN member states to the Millennium Development Goals and other international targets including those agreed at the World Summit on Sustainable Development.
- Establish a new UN Peacebuilding Commission.
- Endorse the concept of "Responsibility to Protect" when states fail to protect their people from genocide, war crimes, ethnic cleansing or crimes against humanity.
- Establish a global humanitarian fund (the Central Emergency Response Fund).
- Re-affirm that managing natural resources sustainably is essential for development.
- Establish a UN Human Rights Council.

The World Trade Organisation talks agreed to work to:

- End all agricultural export subsidies by 2013, with substantial progress by 2010.
- Move, in principle, towards duty free and quota free market access for all products from the poorest countries by 2008.
- End cotton export subsidies by 2006.
- Increase substantially trade-related assistance, including a UK pledge to increase its support to £100 million per year by 2010.

of the Organisation for Economic Co-operation and Development (OECD DAC) and the EU are monitoring financial commitments. And the African Monitor – launched by the Archbishop of Cape Town – will help African civil society hold their governments to account.

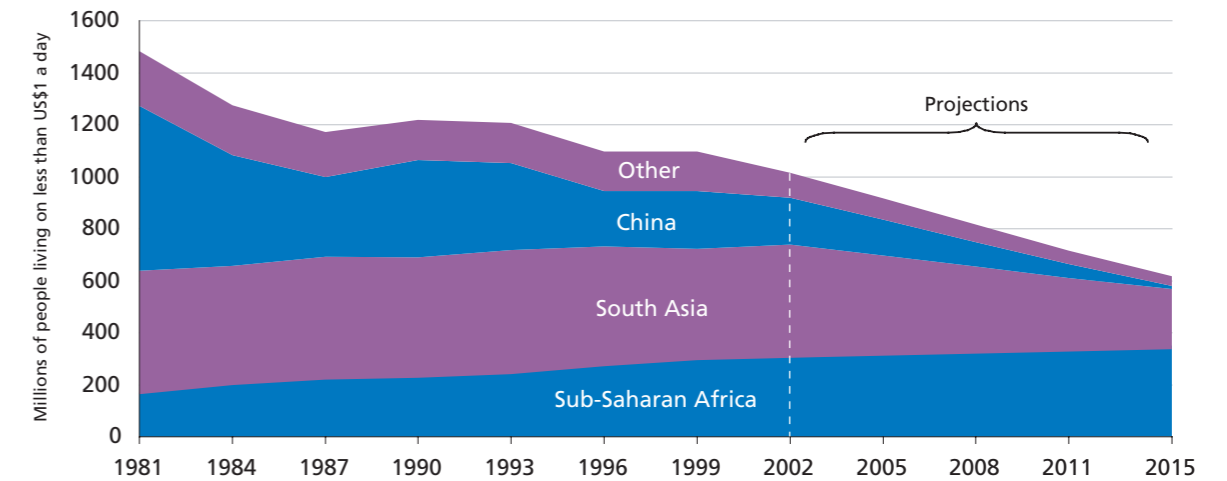
1.6 This White Paper sets out how the UK Government will work with others to deliver the promises of 2005. It builds on the international development White Papers published in 1997 and 2000, and is framed by the International Development Act of 2002. Promoting sustainable development is a Strategic International Priority for the UK as set out in the Government's 2006 White Paper 'Active Diplomacy for a Changing World'.⁴ We believe that eliminating world poverty is not only morally right, but that it will also create a safer, more prosperous world for us all.

Poverty is falling, but progress is uneven...

1.7 In the last two decades there has been dramatic progress in reducing poverty. Thanks to rapid economic growth in Asia the number of people across the world living on less than US\$1 a day is set to halve by 2015.⁵ There are now over 75 million more children in primary school than there were in 1990, and the gap between the number of boys and girls in education is slowly closing.⁶ There are ten times as many people receiving AIDS treatment as there were in 2000.⁷

1.8 But progress has been uneven. On current trends, many of the Millennium Development Goals (MDGs) will not be met.⁸ AIDS killed over 3 million people last year.⁹ Half a million women still die in pregnancy or childbirth each year. And while death rates of children under the age of five have been dropping, every day around 30,000 children still die from preventable causes.¹⁰

Where do the poorest people live?



Source: World Bank Development Indicators 2006

1.9 Most of the improvements have been in Asia, particularly in East Asia. Some countries in sub-Saharan Africa are making progress, but the region as a whole will not meet any of the MDGs; and South Asia is off-track on education, health, water and sanitation.¹¹ Across both regions, the spread of AIDS, malaria, tuberculosis and other diseases continues to present a major challenge. Progress has also been slow in other regions, such as Latin America and Central Asia – but the absolute numbers of poor people there remain low compared to South Asia and sub-Saharan Africa. On current trends, by 2015, over 90% of the world's poor will live in sub-Saharan African and South Asia.¹²

1.10 Progress is slowest on the MDGs that depend most heavily on improving the status of women and girls. Gender discrimination is not only unjust but holds back economic growth and sustainable development.¹³ Around a third of people living on less than US\$1 a day in sub-Saharan Africa are chronically poor – they experience poverty most or all of their lives. Trapped in this way, they die of easily preventable causes and pass on only poverty to their children.¹⁴ They have no way out and targeted assistance is needed to help them.

1.11 One third of the world's poor people live in 'fragile states'.¹⁵ Fragile states include those that have collapsed, such as Somalia, or have difficulties controlling their territory, as does Afghanistan. They may be in conflict, or recovering from conflict, such as Sudan, Nepal and Angola. Climate change, energy insecurity, scarcity of resources, population growth and migration could increase the

The UK will

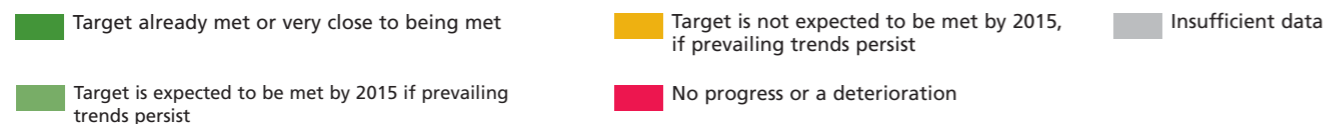
- Fulfil the commitments we made in 2005.
- Increase our development budget to 0.7% of Gross National Income by 2013.
- Work with others to press ahead with innovative ways of raising finance for development, like the International Finance Facility and an Air Solidarity Levy.
- Work with the G8, Africa Progress Panel, Africa Partnership Forum, UN, World Bank, EU, OECD DAC and civil society to monitor progress and ensure that developed and developing countries live up to their commitments.



Learning to tackle exclusion

Sita is 11 and lives in a hut next to the railway line in Patna, India. She belongs to the Musaha community, a low status caste. Fewer than 1% of Musaha women can read and write. When Sita went to primary school the other children called her names and refused to sit next to her. The teacher said she needed a bath and threw her satchel out of the classroom. Sita was so upset, she refused to go back. Her parents hadn't been to school and were too shy to go and talk to the teachers, so Sita stayed at home looking after her younger brothers and sisters. But Sita's life changed when a charity set up a class for girls. Now she is learning to read and write and wants to go back to mainstream school.

Will the Millennium Development Goals be met?



Goals and Targets	Sub-Saharan Africa	East Asia	South-East Asia	South Asia	West Asia	Central Asia	Latin America and Caribbean
GOAL 1 Eradicate extreme poverty and hunger							
Reduce extreme poverty by half							
Reduce hunger by half							
GOAL 2 Achieve universal primary education							
Universal primary schooling							
GOAL 3 Promote gender equality and empower women							
Equal girls' enrolment in primary school							
Women's share of paid employment							
Women's equal representation in national parliaments							
GOAL 4 Reduce child mortality							
Reduce mortality of under five-year-olds by two thirds							
Measles immunisation							
GOAL 5 Improve maternal health							
Reduce maternal mortality by three quarters							
GOAL 6 Combat HIV/AIDS, malaria and other diseases							
Halt and reverse spread of HIV/AIDS							
Halt and reverse spread of malaria							
Halt and reverse spread of tuberculosis							
GOAL 7 Ensure environmental sustainability							
Reverse loss of forests							
Halve proportion without improved drinking water							
Halve proportion without sanitation							
Improve the lives of slum-dwellers							

Source: Adapted from 2005 UN MDGs Progress Chart

number of fragile states. By 2010, half of the world's poorest people could be living in such places, as more successful countries and regions leave them behind.¹⁶ Working in these countries is difficult, but high levels of poverty and the threat of conflict mean they deserve significantly more international attention.



The UK will

- Concentrate our resources on poor countries in sub-Saharan Africa and in South Asia.
- Work more in those fragile states that receive less aid overall in relation to the number of poor people they have and which are most off-track on the MDGs.
- Work in the middle income countries that have the largest numbers of poor people and the greatest regional and global influence on development; and maintain links with others (including through the EU) in order to help them avoid slipping back to low income status.¹⁷
- Give greater priority to our work in support of gender equality and women's rights.
- Continue to meet the development needs and promote the self sufficiency of the UK's Overseas Territories.¹⁸

Making progress against the 2005 commitments...

1.12 The promises of 2005 must be kept in a world that is changing rapidly. This makes the task of helping people to improve their lives all the more difficult. These global trends will bring new opportunities. Fast-growing countries like China, India and South Africa are generating trade and investment in other developing countries. But these trends will also pose significant challenges, such as climate change, especially for the poorest countries. It is therefore essential to work with developing countries to manage these global challenges and to help them respond. Our development assistance and other international policies must work in tandem to promote development. And we must build on the huge wave of support in 2005 – from the



public, media, charities, faith groups and trade unions – that pushed governments to take action.

1.13 As this White Paper sets out, eliminating poverty means tackling four main challenges.

1.14 First, good governance is fundamental. Governance is about the *capability* of governments to get things done, how they *respond* to the needs and rights of their citizens, and how, in turn, people can hold their governments to *account*. In short, governance is about politics – the way in which citizens and government relate to each other.

1.15 Developing countries must keep the promises they have made on governance. But the international community must also do more to tackle the international causes of poor governance. Chapters 2 and 3 set out what developing countries, the UK and others need to do to achieve this.

1.16 Second, there needs to be rapid progress on the commitments made by developing countries and the international community to provide peace and security, encourage economic growth, and invest in the most important public services.

1.17 Additional resources will be essential for this. At the UN World Summit, developing countries promised to make full use of their own resources for development. Encouraging faster economic growth is the only way to reduce dependence on aid. But even with this growth, the poorest countries will not be able to generate sufficient resources over the next ten years to meet their needs for investment and public services.

1.18 We must, therefore, ensure that the international community delivers the US\$50 billion increase in aid promised by 2010. Nearly 80% of this was promised by members of the EU. Innovative financing, such as the International Finance Facility and the Air Solidarity Levy, could help raise these resources more quickly. But the extra aid must also be spent well. In the past, aid has been unpredictable and often given for commercial or political reasons. This has made it difficult for poor countries to make long term plans. Aid has improved significantly in recent years but could be better. Developing countries must now make ambitious plans that international partners can support. And international

Science changes lives

Using science in the fight against poverty: Managing global challenges requires investment in science, technological advances and innovation. Developing country governments need access to the best international expertise. And with the right networks, scientists in developing countries can encourage governments to use their skills to help the poorest people. The UK is investing in partnerships between researchers, international companies and people in developing countries – such as community groups, the media and private sector – to exploit science to fight poverty.

Tackling problems through research: Whiteflies and the viruses they carry affect the lives of 15 million people who tend 20 million hectares of food crops in some of the poorest countries.

The UK has helped bring together more than 100 agricultural research organisations, universities, scientists, non-governmental organisations, and farming groups from 50 countries. The collaboration led to the development of virus-resistant crops and policies that prevented the collapse of major food-crops in over 30 countries.

Public-Private Partnerships – joining the fight against malaria: Malaria kills more than three African children each minute.¹⁹ The Medicines for Malaria Venture, a public-private partnership, has brought together academic institutions and pharmaceutical companies to research anti-malarial drugs, some of which are due to be approved and licensed in the next few years.



partners must transform the way aid is allocated and delivered. The promises made in 2005 on aid mean that it will now be possible – for the first time – to make the long term commitments necessary to fight poverty. These issues are explored in chapters 4, 5, 6 and 8.

1.19 Third, climate change, together with natural resource depletion, is the biggest threat facing the world. Climate change is a huge challenge which is set to put unprecedented pressure on resources and people in developing countries. Developing countries will need support to adapt to the impact of climate change and urgent action is needed to cut emissions and prevent dangerous levels of climate change in the future. These challenges, and what needs to be done, are covered in Chapter 7.

1.20 And fourth, we need effective international organisations if we are to win the fight against poverty. The following chapters set out how the UN, World Bank, EU and other international organisations can help developing countries tackle poverty and deal with the wider challenges facing them. And in chapter 8, we set out the UK's views on reform of the international development system.

1.21 As this White Paper shows, development can make a difference to the lives of the poorest billion people in the world. Developing countries and their international partners know what needs to be done. 2005 has given us the best opportunity to make sure that everybody, everywhere has the chance to live a better life. We must not squander it.



Aid works

Aid helps reduce poverty by increasing economic growth, improving governance and increasing access to public services. In Mozambique, after the war in the mid 1990s, aid – totalling more than 50% of national income a year - helped increase the growth rate to an astonishing 12%. Poverty fell from around 70% in 1996 to under 55% by 2003. In Rwanda, in the ten years since the genocide, aid – over 15% of national income a year – helped reduce poverty from 70% in 1994 to under 60% in 2001.²⁰ In Africa as a whole, the situation would be worse without aid – economic growth would have been around 1% lower between 1973 and 2001.²¹ And contrary to popular belief, aid reduces the risk of money leaving the country, because it encourages people in developing countries to keep their wealth at home rather than abroad.²²

Aid is helping countries make progress towards the MDGs.²³ Aid has helped eradicate smallpox and – soon – polio. In Uganda, aid made it possible for the Government to offer free health care, which doubled the number of people visiting clinics and the number of children immunised.

And, as the Commission for Africa showed, aid can help improve the way a country is governed. Ghana, which used to experience regular coups, is now a stable democracy with a growing economy. Aid, supporting the Government's poverty reduction plan, helped to achieve this.

So aid works – but the amount of aid and the way it is used has a significant impact on how effective it is.

Debt relief works

Debt relief (which is a form of aid) provides reliable and predictable resources for developing countries. Twenty-nine countries increased their spending on the MDGs from about US\$6 billion in 1999 to US\$13 billion in 2005 because of the Heavily Indebted Poor Countries (HIPC) Initiative.²⁴ The UK supports and is financing our share of 100% multilateral and bilateral debt cancellation for low income countries that are committed to using the savings to fight poverty. In 2005, the G8 announced the Multilateral Debt Relief Initiative, which will write off 100% of all remaining debt owed by HIPCs to the IMF, World Bank and African Development Fund. In total, this could be worth over US\$50 billion for 45 countries. The additional resources available from this have already helped Zambia to announce an end to fees for basic health care in rural areas.

The UK will

- Help partner countries to deal with the global trends that have the greatest impact on development.
- Work with others, including the G8, UN, EU and other partners, such as China, India and South Africa, to create an international environment that promotes development.
- Report annually to Parliament on the effectiveness of UK policy and expenditure in helping to reduce poverty and support sustainable development, in line with the International Development (Reporting and Transparency) Bill currently before Parliament.
- Push for the full implementation and financing of the Heavily Indebted Poor Countries Initiative.
- Work towards 100% multilateral and bilateral debt cancellation for all the poorest countries that are committed to using savings to reduce poverty.
- Double our research funding by 2010, focusing on achieving the MDGs.

