

INTERNATIONAL DEVELOPMENT

Aid enhances global welfare and enables people in poverty to become productive and active contributors to their community's economic and social development. Aid benefits both the developed and developing countries in the longer term. The elimination of global famine, pestilence and poverty is not only a moral challenge; it is also essential for the world's long-term peace and stability. The Liberal Democrats believe that Britain must be committed to helping poor countries towards prosperity through international aid and fair trade, ensuring that development is environmentally sustainable.

Commitment to Reducing Poverty

Liberal Democrats will aim to deliver a major environmentally sustainable development assistance programme which tailors aid delivery systems to particular countries and situations by:

- **Ensuring that Britain meets its international obligations and raise aid spending to reach 0.7 per cent of GNP.** The substantial extra funds involved must be effectively and efficiently spent on those who need it most, particularly those in conflict zones. This will help the United Nations to achieve its Millennium Development Goals, including tackling extreme poverty and hunger, combating HIV/AIDS and providing universal primary education.
- **Ensuring effective donor coordination mechanisms** to increase the effectiveness of aid delivery and avoid unnecessary duplication.
- **Ensuring a high level of transparency in decision-making**, both for bilateral and multilateral aid and opposing any form of tying for procurement.
- **Ensure that development aid is targeted on projects that are environmentally sustainable**, such as renewable energy, clean water or sustainable agriculture; increase opportunities in the richer countries for sustainable products from developing nations; and increase support for international environmental agreements of particular benefit to the developing world. We will therefore be able to work towards leapfrog approach of development where by developing economies can grow without having to produce large amounts of carbon.

Debt Relief and Financial Assistance

- **Renew international effort on debt by giving the new International Financial Authority the quasi-judicial function of assessing the nature and sources of debt** and supervising an 'administration / bankruptcy' procedure for sovereign nations that cannot repay all their debt.
- **Reform of the World Bank** to make it more responsive to the needs of the developing world by giving it an explicit remit to deliver on the Millennium Development Goals, increasing the representation and voting rights of developing countries and ensuring all appointments are based on merit.
- **Reform EC aid by merging the European Community Humanitarian Office with EuropeAid** to create a new agency run by a deputy commissioner under the aegis of DG External Relations which will be run by a new High Representative.

- **Encourage private-sector contributions to sustainable development at a local level through mobilising both local capital and investment.**

Good Governance

In order to make aid and development programmes successful there must be a major effort to improve standards of governance in developing nations, including reducing corruption. Liberal Democrats will promote good governance and fight corruption by:

- **Ensuring that UK legislation meets its obligations under the UN Convention Against Corruption.**
- **Promote the active enforcement of the OECD Convention on Bribery** by establishing an effective anti-corruption unit to ensure that British companies and their overseas subsidiaries comply with UK law.
- **Support the World Bank asset tracking program and act to deter ‘vulture funds’** by making it harder to use British courts to pursue sovereign country debt.
- **Strengthening the Financial Action Task Force on Money Laundering** to tackle the complicity of western banks and corporations in corruption and illicit capital flight from developing countries.