

**Eliminating World Poverty:
Assuring our Common Future**
A consultation document

Foreword

The UK Government believes that helping the poor is not only a moral imperative, but in our increasingly interdependent world, it is in our long-term interests. It is an essential element of our international policy that enables the UK to be a successful world leader and a strong force for good.

Later this year DFID will publish a new White Paper on International Development setting out how the UK Government aims to continue helping deliver better lives for the world's poorest and most vulnerable people. A world shocked by recent global events and more connected than ever before means new approaches are required for the challenges we now face in pursuit of our mission.

Despite these adverse events of seismic proportion and consequence, we must acknowledge the remarkable progress in reducing world poverty over the last decade. In the UK, we can be proud of our collective contribution to this success, across Government, NGOs, faith groups, trade unions, private sector and many others. The three previous White Papers (1997, 2000 and 2006) have provided the UK with a clear focus on eliminating poverty, and have helped ensure that the UK plays a key role in lifting 3 million people out of poverty every year. Fighting global poverty and achieving the Millennium Development Goals will continue to be at the heart of our mission. We must continue our work on core areas such as getting more children to school, tackling HIV/AIDS and malaria, and continuing to put gender equality at the heart of our agenda. But we also need to recalibrate elements of our agenda to deal with the changed circumstances which now prevail.

This consultation document sets the current context and then outlines some preliminary ideas and poses a series of questions on four priority areas. I encourage all concerned to respond to these questions. We also welcome comments on how we can further refine our existing agenda, for example on supporting basic services such as health and education. The Government relies on your contributions of experience, knowledge and wisdom as key inputs to its policy formulation.

I very much look forward to your responses. Please send your comments by Wednesday 27th May 2009 to whitepaper@dfid.gov.uk or by post to White Paper Team, DFID, 1 Palace Street, London SW1E 5HE.

**Rt. Hon Douglas Alexander MP,
Secretary of State for International Development, February 2009**

1. Building our common future:

How to address the emerging challenges?

Despite remarkable progress over the last decade towards the internationally agreed Millennium Development Goals, there are significant new threats as we emerge from a strong era of global economic growth. The past year has witnessed a series of unprecedented events. The global financial crisis is bringing the most significant economic downturn for decades to all corners of the world, and global trade is likely to decline for the first time in a generation. The effects of climate change are ever more apparent, with unpredictable droughts and floods in both the north and south. Conflict and weak government is preventing progress for millions of people.

Many of these events are strongly linked and together they impact on peoples lives locally as well as on the global community. A banking crisis which begins in the US and rapidly spreads to close textile factories in South Asia. Poor harvests in Europe cause widespread hunger in the southern hemisphere. Climate change affects the sustainability of farmers' incomes worldwide. Fragile countries risk destabilising whole regions. The complex set of global challenges we now face means greater international coordination and mutual support is needed than ever before. Because of globalisation, the world is more interdependent, with a shared environmental and natural resource dependency, and now with increasing realisation, a shared future.

This means we must continue to support issues that affect us all such as getting more children into school, and reducing the number of women dying in childbirth. Ensuring support to basic services, such as health and education, is critical for successful human development and poverty reduction. But it also means addressing a range of global challenges and priority areas, which are outlined in the following sections:

- How can we support countries to minimise the impact of the economic downturn on the poor?
- How can we build a low carbon and climate resilient world?
- How can we create a safer world and the right conditions for poverty reduction in fragile and conflict affected countries?
- How can the international institutions be reformed to deliver development?

2. Global economic growth:

How do we minimise the impact of the downturn on the poor?

The world is currently facing the biggest economic downturn since World War II, with a predicted global growth of just 0.5 per cent in 2009. As with all such crises, the world's poorest and most vulnerable people will likely suffer the most, facing multiple pressures. Exports are falling, investment flows are drying up, workers' remittances are declining, and aid budgets are coming under pressure. Job insecurity threatens peoples' livelihoods worldwide.

Actions are needed now to avert a slump in poor countries. The world must keep trade flows open and avoid a return to the protectionism which proved so damaging in previous downturns. Trade finance needs supplementing in the short term. Coming to an agreement on the Doha Development trade round is therefore of the utmost priority. Increased investment from the multilateral development banks and delivery on past aid commitments by the G8 countries are both needed. Measures to protect core expenditures on health, education, water and sanitation, and other basic services will be vital.

The longer term impacts of the global slowdown are uncertain. But actions are needed now to help poor countries build a growth recovery that is robust, sustainable, and equitable. Stepping up aid for trade, to facilitate communication, infrastructure and regional integration in Africa, and building stronger market institutions for a vibrant business sector will be crucial to generating incomes and jobs, especially in those countries with fragile governments and weaker economies. We also need to work together to encourage a growth recovery that is low carbon and resilient to climate change that is already taking place.

Questions

2.1 What measures should the UK be taking to address the current global economic downturn, to protect the progress that has been made in reducing poverty over the last decade?

- What measures should the World Bank and the IMF be taking?

2.2 Which are the new countries, organisations, businesses and people who could do more to support global poverty reduction?

- How could the UK encourage and team up with them to promote growth, incomes and jobs?

2.3 How can the UK best help developing countries take advantage of opportunities to promote low carbon, climate-resilient growth?

2.4 What more could the UK do to promote sustainable growth, jobs and livelihoods for poor people, building in resilience to the global challenges?

We would particularly welcome your thoughts on:

- Improving the environment for business
- Facilitating trade
- Supporting agriculture and tackling food insecurity
- Raising income opportunities for women
- Promoting education and health
- Improving resilience to systemic shocks

3. Climate change:

How do we build a low carbon and climate resilient world?

Throughout the world, the effects of climate change are already being felt and are set to get much worse. The International Panel on Climate Change suggest that if we continue with 'business as usual', we are set for global temperature rises of up to 4 °C by the end of the century, with devastating consequences for the poor, as well as our global prosperity and security.

The economic downturn may threaten global commitment to tackling climate change, but the economic costs of ignoring climate change would far outweigh the cost of taking action now. Economic recovery programmes also offer a real opportunity to stimulate a shift towards low carbon and climate resilient growth. We cannot continue to use natural resources without thinking about the impact on others and the planet.

We need urgent international agreement to tackle the challenge head on. This must include agreement on global emissions reduction targets; levels, sources and delivery of financing; the development and deployment of low carbon and adaptation technologies; and transformed global institutions to meet the challenge.

Developing countries require support to adapt to the now inevitable impacts of climate change. Action is needed to help build resilience to climate change, for example, through the integration of climate change into development planning. Supporting the most vulnerable such as women and children, for example through social protection and humanitarian programmes is key, and targeting responses to specific climate change risks.

The international community must ensure that the least developed countries are not left behind in a global shift to low carbon development pathways. Action is required to support cleaner energy policies, enabled by relevant low carbon technologies.

Questions

3.1 What support is needed for developing countries to integrate climate resilience into their development plans?

- How can we ensure that the most vulnerable are protected from the impacts of climate change?

3.2 How can we work most effectively with developing countries to support the development and use of new technologies for low carbon growth?

- How can we ensure that innovation does not ignore the technologies most relevant to poor people?

3.3 How can economic recovery plans be used as a stimulus towards low carbon and climate resilient development pathways?

3.4 What sources of finance should be used to fund a response to climate change in developing countries?

3.5 What is the optimal international institutional architecture to ensure the needs of developing countries are not neglected as action is taken to tackle climate change and its impacts?

- What role should DFID play?

4. Fragile and conflict-affected countries:

How can we create a safer world and the right conditions for poverty reduction?

People living in countries affected by violent conflict, or where governments are chronically weak, are three or four times more likely to suffer from extreme poverty or die before the age of five, than those living in other developing countries.

Wherever they live, the poor, especially women and girls, are generally less safe and face more injustices than the better-off. Conflict and fragility hamper poverty reduction for all. The global financial and economic crisis, and longer term trends such as climate change look set to exacerbate tensions in conflict-prone societies, or where governments are unable or unwilling to respond to the needs of their populations.

We need a new approach to development assistance in these contexts. Better results can be achieved by focusing on the conditions that lead to conflict and weak governance, for example, by supporting peace processes, inclusive and transparent political institutions, and responsive public services. Support in these contexts can help address some of the underlying grievances which cause violence and undermine state stability.

Tackling these global challenges must be a coordinated effort. Multilateral and regional institutions must be reformed to promote peace and better protect populations. There is broad agreement that both 'peacebuilding' and 'state-building' are appropriate goals to pursue in fragile and conflict-affected countries.

Building capable, accountable and responsive states will guide our new approach.

Questions

4.1 What are the priority actions to address the causes of violent conflict and build capable, accountable and responsive states?

- How can we better support the development of sustainable and enduring peace processes and inclusive political institutions?
- How can we harness the potential of the private sector and civil society?

4.2 Do we need new ways of delivering assistance in fragile and conflict-affected countries?

- How can we ensure that there is an unbroken and constructive chain of support from humanitarian crises through to post conflict recovery, and long term development?
- How can basic services, like health and education, be delivered when states are weak or violence is ongoing, while 'doing no harm'?

4.3 How can we better provide for the security and access to justice of poor, vulnerable, or marginalised populations?

- How can we ensure that our assistance equally protects the rights of women, men, children and particularly marginalised groups such as the disabled and elderly, and tackles discrimination?
- How should we combine top-down institutional reforms with grassroots and preventative measures?

4.4 How can we improve coordination of diplomatic, defence and development efforts to ensure the right conditions for poverty reduction in fragile and conflict-affected states?

- How can UK efforts be strengthened?
- How can the international institutions be reformed?

5. International institutional reform:

How can we work in partnership to deliver development?

The global economic crisis has revealed a number of acute flaws in the international system. It is not flexible enough to respond to new challenges quickly and effectively, nor is it inclusive enough in the way it makes decisions. Often, it is not properly equipped to deal with the interconnected problems of the 21st century, including climate change and complex conflicts. There is too much fragmentation, duplication and overlap, and too little collaboration. Neither individual institutions nor the system as a whole are sufficiently accountable for their performance and the results they deliver on the ground.

Now, more than ever, we need an effective international system. We need a greater voice for developing countries and emerging economies. We need rapid improvements in the effectiveness of global aid flows, building on the commitments made at Accra last year, including a stronger focus on global mutual accountability and transparency. And we need better connections between institutions focused on development and those tackling wider issues such as trade, climate change, and peace and security.

Individual international institutions need to reform and the system as a whole needs to change. The UK Government needs to be sure that we are getting the best return on our investments in the multilateral system, and that these catalyse even greater change.

Questions

5.1 How can we strengthen the World Bank's legitimacy, responsiveness to member governments, and ability to accelerate progress towards the MDGs and address new challenges as they arise?

- How can developing countries have a stronger say in the Bank's work?
- How can we ensure the World Bank has the resources and structure to respond effectively to crises while continuing to deliver longer-term poverty reduction?

5.2 What can we do to improve the performance of the UN in supporting poverty reduction?

- What can we do beyond our strong support for the 'One-UN' reforms to build greater consensus on the role and performance of the UN in development?

5.3 How can we enhance the ability of the EU to connect development policy and aid delivery with actions on related issues such as trade, climate change, and conflict?

5.4 What further reforms are needed in other institutions, including the Regional Development Banks and the global funds to support poverty reduction?

5.5 What can be done to further improve the effectiveness of the international aid system?

- How can we help to build real mutual accountability at the country level and internationally?
- How can we gain better information on the results of aid, particularly aid delivered through the multilateral organisations?
- Can more be done to ensure a better allocation of all aid across countries to ensure that it reaches those who need it most?
- How can we make best use of the power of networks to collaborate more between donors, partner countries, civil society, private sector and others?
