

DECEMBER 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

Joint statement by Tony Blair with Prime Minister Persson of Sweden on UN reform/Peacebuilding Commission

8 December 2005

We share a strong and personal commitment to the United Nations reform process. It is imperative that these reforms be carried out in accordance with the timetable set at the Millennium Review Summit. We believe that there is now a sense of urgency. We strongly support the establishment of the Human Rights Council, and stress the need for early progress on management reform. It is of great importance for the reform process as a whole that the Peacebuilding Commission can be established before the end of the year. We are convinced that the Peacebuilding Commission could make a real difference on the ground in some of the poorest countries, not least in Africa. The proposals under discussion in the UN's General Assembly are a good basis on which to agree to launch the Commission. The European Union has offered its broad support. We urge other parties to do the same.

12 December 2005

Making Globalisation work for Bangladesh

Hilary Benn, in Bangladesh

The relationship between the UK and Bangladesh is no longer just about aid and immigration, but now covers the full political spectrum. The UK's primary purpose in Bangladesh is in supporting democracy and helping Bangladesh to achieve the Millennium Development Goals. Every day 2 million garment workers in Dhaka are linked to markets in the UK, Europe and America. Their jobs have come about because of globalisation; their jobs depend on it. Globalisation needs to work for social justice – to increase prosperity for everyone. I want to focus on those aspects of globalisation likely to be of most interest to you here in Bangladesh - Trade and Investment. These are the most powerful forces driving globalisation.

This is why the trade talks in Hong Kong are so important. There are three key areas:

1. Agriculture has got to be addressed in a serious way.
2. Trade rules need to work better for developing countries.
3. The poorest countries must build their capacity to trade. DFID will be trebling its "aid-for-trade" to £100 million by 2010.

There is much that Bangladesh can do to improve its trade prospects through actions here at home. As a start, a comprehensive trade strategy needs to be developed in consultation with all the major stakeholders – government, business, civil society - in particular, focusing on expanding exports beyond the traditional garment sector. One area of particular concern is in providing good and responsible working conditions. Bangladesh - and its business leaders such as yourselves - could do more in this area. This requires a concerted effort by all – the private sector, NGOs, unions and Government. The UK is helping to facilitate this process.

Despite the impressive recent growth, Bangladesh's exports as a percentage of GDP are around the lowest in Asia. You have a vibrant private sector that, with appropriate support, could quickly grasp new export opportunities. But this requires action on a number of fronts. Why is it that in Bangladesh it takes 6 to 7 days to turn around a ship, compared to 6 to 7 hours in Singapore? Resolving problems like these requires the right policies and Government action. But it is not just a matter of what the Government can do. It also requires the private sector to get involved in streamlining regulation and red tape, and pushing for improvements in legislation. Arguably, the key economic challenge for Bangladesh is to become, and remain, internationally competitive. This requires a host of things: building up educational and skill

levels, becoming technologically innovative, improving productivity, and managing a more open market economy. A tall order for any country!

However not everything can be done at once; nor does it need to be. It's essential to prioritise. The key to increasing Bangladesh's ability to benefit from the opportunities arising from international trade is to get the investment climate right – to give business the confidence to invest. Foreign Direct Investment – FDI - to Bangladesh is low by Asian standards, but is growing – from \$79 million in 2001 to \$460 million in 2004. The UK has always been a major source of investment into Bangladesh, and we will continue to encourage this. But on average, FDI represents only around 12% of total investment in developing countries. So, while attracting more foreign investment remains vital, it is clear that the key to progress is domestic investment.

Many of you will be aware that the UK Government has agreed up to £40 million to help Bangladesh achieve a better investment climate. We are working closely with our development partners, the World Bank, Asia Development Bank, Japan, EU and Canada on this. We also hope to assist in the development of special economic zones, in which domestic and foreign firms will be able to secure a better investment climate.

I had the pleasure today of signing the UK Government's Remittance Partnership with Bangladesh, which should benefit more than 4 million migrants and families over a period of 3 years, by helping to reduce costs of remitting to Bangladesh. DFID will be working closely with the Bangladesh Bank to implement this initiative.

Bangladesh is making huge progress. The 15 years of economic growth at around 5%, and the reduction in poverty that has accompanied this, is an amazing accomplishment. But the progress that has been achieved faces a number of threats. The main threat is related to security and terrorism concerns. The UK will be working with the Bangladesh government to address this.

PRESS RELEASES

20 December 2005

The UK will **reduce budget support to Uganda by £15 million** and use the money to support the United Nations' humanitarian relief efforts in northern Uganda. In addition, **a further £5 million will be held back until after the elections in February**, when a decision will be made on whether to disburse it.

The immediate effect is to reduce budget support by £20 million from a planned £50 million. The decision comes after an economic and governance assessment raised concerns over:

- The government's commitment to the independence of the judiciary, freedom of the press and freedom of association following the events surrounding the arrest and trial of the leader of the Forum for Democratic Change, Kizza Besigye;
- Delays in the government's own road map for the political transition;
- The continuation of state financing for the ruling party in a new era of multi-party politics; And a significant overrun on public administration expenditure.

The total development assistance to Uganda this financial year is £71.6 million. The original indication was that Poverty Reduction Budget Support (PRBS) would form £50 million of this assistance. In view of Uganda's overall progress, the UK government has decided to disburse £30 million of PRBS this year, with £15 million to be reallocated to humanitarian assistance in northern Uganda and £5 million to be held back for a decision on the disbursement until after the elections in February. The remaining £21.6 million supports:

- improved governance and the capacity of the government to implement its budget effectively;
- service provision in the key areas of health, HIV/AIDS and water and sanitation;
- civil society and the private sector, and their contribution to poverty reduction; and
- conflict resolution and other humanitarian assistance in northern Uganda.

Other donors (Norway, Ireland, the Netherlands and Sweden) have cut or are withholding similar proportions of their programmes.

21 December 2005

The **UK** signed a **US\$2.9 million agreement** with the **Royal Government of Cambodia** to help **improve women's health** in Cambodia. Under the Memorandum of Understanding, DFID will provide technical and financial support to the Ministry of Health to **implement the provisions** of Cambodia's **abortion law (1997)** and **strengthen the delivery of longer acting and permanent methods of family planning**. A further US\$725,000 will be used to ensure poor women have access to life saving maternal health services. This project is part of the UK's US\$22 million contribution to support the Royal Government of Cambodia's Health Sector Strategic Plan. The UK will provide Cambodia with 63 million dollars in development assistance over the next three years. This will focus on increasing the impact of development resources in Cambodia through:

- supporting the national Harmonisation and Alignment Action Plan
- supporting more responsive, accountable and effective local government
- improving the livelihoods of poor people, and
- increasing access to services and information to improve health, including addressing HIV and AIDS.

20 December 2005

Plans for spending **£23.6 million** to assist **long term reconstruction** in **tsunami-hit Indonesia** were set out by DFID. The **funds will support** initiatives including:

- Providing jobs and training to help people back to work;
- Help promote private businesses, especially small enterprises and
- Support local government authorities provide basic services to the affected communities

The newly-allocated funds are part of the £65 million pledged by the UK government earlier this year but which had not yet been spent, pending ongoing assessments of reconstruction priorities.

UK Government assistance to the tsunami affected countries (total - £290 million):

- £75 million of our bilateral funds to the humanitarian relief effort.
- £7.5 million on disaster risk reduction
- £65 million for longer-term reconstruction
- £59.2 million for Indonesia (includes £23.6 million announced today)
- £2.8 million for Sri Lanka
- £3 million for India
- £50 million through tax relief on public donations made through the Gift Aid Scheme
- £55 million as its share of EC humanitarian and reconstruction funding
- £45 million to pay off some of Sri Lanka's debt to the World Bank over the next 10 years.

£55 million of the £75 million that the UK government committed to immediate relief for the tsunami affected region was **allocated to Indonesia**. DFID has approved an additional £59.2 million to help with the long term reconstruction in Aceh. This includes the £23.6 million announced.

DFID also published a **booklet of advice** for the **public, Disasters and Emergencies Overseas: How You Can Help**, in partnership with the Disasters Emergency Committee, on helping victims of international disasters. Copies can also be downloaded at: <http://www.dfid.gov.uk/emergencies>

13 December 2005

Aid for basic education must double, so both boys and girls of primary school age across the world can get a full seven years of teaching whatever their families' income, UK International Development Minister **Gareth Thomas** said today. Speaking in London, at a global conference on child and maternal health and child survival 'Countdown 2015', and as the United Nations Children's Fund (UNICEF) launched its annual flagship publication 'The State Of The World's Children', he **urged international donors to contribute** additional funds to the **Fast Track Initiative (FTI)**, a landmark scheme promoting and helping provide primary education in the developing world. The FTI currently faces a **funding gap of \$500 million** for 2006 to help an extra 16 million children in 16 countries go to school. In September the UK

committed an additional £40 million to help fill this gap, from its overall pledge to spend £1.4 billion on education in developing countries in the next three years.

- **Countdown 2015: Tracking Progress In Child Survival conference:**

<http://www.childsurvivalcountdown.com/>

8 December 2005

DFID announced **£1.5 million additional support** for **tsunami relief in North East Sri Lanka**. The funds will help **improve** the **capacities** of the North East Provincial Council (NEPC) Secretariat and other key actors in the development process (government, non-governmental and private sector) to **plan, coordinate, implement** and **monitor tsunami recovery** and economic and social development programmes in the North East. A strengthened NEPC will allow the substantial assistance available from the World Bank, Asian Development Bank, United Nations and other donors and non-governmental organisations (NGOs) to be most effectively used to alleviate poverty and devastation across communities in the North East.

1 December 2005

Over £27.5 million for global AIDS prevention was today **announced** by the Prime Minister, showing the UK's commitment on World AIDS Day to tackling the world's fourth biggest killer. Building on the Gleneagles G8 Summit's ambitious agreements the UK government is giving **£20 million** to the **International AIDS Vaccine Initiative (IAVI)** and **£7.5 million** to the **International Partnership of Microbicides**. EU Ministers, under the UK presidency, also confirmed their commitment to increased prevention by issuing a statement on a vision for an AIDS free generation - the first pan-European pledge of its kind. Meeting in London, they backed efforts to give people around the world better access to condoms and effective information.

DFID's funding for microbicides now totals £50 million. In April 2005 DFID agreed further funding of £23.8 million over the next three years for the Microbicide Development Programme (MDP). An additional £1m is for advocacy and preparedness and the Global Campaign for Microbicides (GCM). DFID provided £16 million to MDP in 2001.

Funding for IAVI is £20 million over the period of 2005 - 2008. The total funding of IAVI from DFID is £39.8 million. The UK was the first government to support IAVI.

- **The UK government position policy paper on Harm Reduction:**

<http://www.dfid.gov.uk/pubs/files/hivharmreduction2005.pdf> 

NEWS

31 December 2005

The **Queen's New Year's Honours List** recognised the contribution of **DFID staff** to the on-going fight against world poverty. Those receiving an honour include:

- **Suma Chakrabarti**, Permanent Secretary to DFID, who receives a Knight Commander of the Order of the Bath (KCB). Suma Chakrabarti became Permanent Secretary of the Department for International Development on 18 February 2002.
- **Graham Stegmann**, Head of the 2005 Unit and Strategic Adviser to the DFID Management Board, who receives a CBE.
- **Myles Wickstead**, the former Secretary to the Commission for Africa, who receives a CBE
- **Clive Warren**, the former Head of the Overseas Territories Department, who receives an OBE.

22 December 2005

The **new Jamaica Country Assistance Plan (CAP)** was **launched** in Kingston on 30 November 2005. DFID's annual budget for its Jamaica programme is £2.5 million, with an additional £5.5 million annually in writing-off of Jamaican Government debts to the British Government. DFID's aim is to use these resources, and the expertise it can provide, in ways which will maximise their impact on ordinary people's lives. That means, over the next 3 years, it will continue to join forces with those other parts of the UK Government which are active in helping the country.

- **Full Country Assistance Plan:** <http://www.dfid.gov.uk/pubs/files/capjamaica.pdf>
- **Summary of the UK's plans to support Jamaica:**

22 December 2005

DFID has **published** an **action plan** showing how it will play its part in delivering the UK Government's vision of **sustainable development**. That vision, spelt out in the UK Sustainable Development Strategy, launched in March 2005, is to enable all people throughout the world to satisfy their basic needs and enjoy a better quality of life, without compromising the quality of life of future generations. As the government department with responsibility for poverty reduction and sustainable development in poor countries, DFID has a key role to play.

DFID's action plan highlights a **cross-section** of **specific commitments**, and gives details of how we will follow up on them. These are to:

- promote international efforts to achieve the MDGs;
- achieve the target of putting 0.7% of the UK's gross national income (GNI) into official development assistance (ODA);
- increase the effectiveness of aid;
- work with developing countries and other donors to help integrate principles of sustainable development in poverty reduction strategies;
- help developing countries to give appropriate emphasis to water and sanitation in national development plans;
- share experiences of sustainable development with other countries;
- help developing countries adapt to climate change;
- tackle illegal, unlicensed and unregulated fishing;
- extend the Extractive Industries Transparency Initiative to other countries and resources;
- support the Global Environment Facility;
- support environment projects in UK Overseas Territories; and
- lead by example by ensuring sustainability in our internal operations.

Progress against the plan is monitored regularly by the inter-departmental Sustainable Development Programme Board, and ultimately by the Sustainable Development Ministers Committee

- **DFID's Sustainable Development Action Plan:**

<http://www.dfid.gov.uk/pubs/files/sustainable-development-plan05.pdf>

21 December 2005

The UK Presidency and the European Commission organised an **exchange of views** about the **European Union's** (EU's) **humanitarian** and **reconstruction response** to the 26 December 2004 Asian **tsunami**, with a focus on Indonesia, Sri Lanka and The Maldives. Participants were from the European Commission, the EU Council of Ministers, the United Nations, the World Bank, European non-governmental organisations (NGOs) and the International Federation of the Red Cross and Red Crescent.

The **following conclusions** were reached:

1. The affected regions and people require continued large-scale international assistance. Much has been achieved, but it is important not to lose the sense of urgency.
2. The EU and the international community responded quickly and effectively to meet basic humanitarian needs.
3. Further efforts are needed to ensure stronger coordination between different multilateral and bilateral agencies who respond to major disasters. Civil-military coordination and coordination with NGOs are priority areas. The EU could contribute to these efforts by continuing to implement the agreements made in Paris in March 2005 on aid effectiveness.
4. The EU and the United Nations (UN) worked effectively together during the humanitarian response to the tsunami, but this relationship can and should be developed further.
5. The international humanitarian architecture needs strengthening including through:
 - providing adequate funding for the new UN Emergency Relief Fund
 - boosting the role of UN humanitarian coordinators
 - developing the UN cluster system, and
 - better focusing UN Flash appeals on short-term needs.

6. The international response to future disasters could be improved by developing and using a common needs assessment. Needs assessments should be regularly updated, particularly when moving from the relief to the reconstruction phase.
7. The quality of leadership from authorities at all levels in affected countries has a major impact on the effectiveness of the aid response. From an early stage, donors need to support the development of effective and durable national, regional and local institutions to manage the relief and reconstruction process. Community participation in planning processes is also paramount.
8. Visa and customs regulations applied by affected governments can have a significant impact on international relief efforts.
9. While accountability is important for donors, and therefore a measure of visibility is needed, donors should minimise the burdens they impose on local actors.
10. The international community needs to be able to judge better its performance in order to improve accountability and the provision of relief for future disasters.
11. More international investment in disaster risk reduction is required, including through mainstreaming in relief and reconstruction work. Environmental concerns also need to be fully factored into relief and reconstruction work.
12. Donors need to show flexibility when providing funding during the transition between relief and reconstruction and need to adequately consider medium - as well as short- and long-term needs, when they start planning their response.
13. There has been impressive progress on reconstruction work, particularly in Indonesia and Sri Lanka in the housing and education sectors, despite initial difficulties.
14. Reconstruction work in parts of Sri Lanka has been hampered by the revision of the 'buffer zone' policy and non-implementation of the Post-Tsunami Operational Management Strategy. It is hoped that an alternative strategy can be found under the new government. Uncertainties over land titling have slowed progress in several countries and need to be resolved quickly.
15. The Multi Donor Trust Fund (MDTF) in Indonesia helped to facilitate and create the conditions in the government systems for on-budget reconstruction support. A review of this and other MDTFs could identify valuable lessons for the future.
16. Priority considerations for 2006 should include:
 - Housing (in Indonesia a community led approach to reconstruction has laid a strong base for rapid reconstruction in 2006)
 - Further development of livelihoods including through revitalising private sector activities such as tourism and helping affected countries take advantage of trade preference
 - Continuing to use reconstruction to support peace building activities
 - Equitable provision of assistance, particularly to women and marginalized groups
 - Addressing the reconstruction funding gap facing the Maldives.
17. A clear donor communication strategy directed at partners, recipients and the public in donor countries is needed to manage expectations about the delivery of assistance and timescales involved: it is likely to take at least three to five years to complete reconstruction work in any one country.
18. Austria intends to take forward work on the EU Tsunami Action Plan and international humanitarian reform during its Presidency of the EU in 2006.

13 December 2005

DFID published its **second Institutional Strategy** (IS) with the **UNDP** covering the period **2004 to 2007**. This focuses on DFID's relationship and priorities with the UNDP, and sets out how the partnership can be maximised to support the UNDP in strengthening its impact on, and strategic contribution to, the achievement of the MDGs. It will help to consolidate the UNDP's role in the international development system and support improvements at country level in key areas such as strengthening democratic governance and contributing to the international community's response in crisis and post-conflict situations.

- **UNDP Institutional Strategy:** <http://www.dfid.gov.uk/pubs/files/undpis04-07.pdf>

9 December 2005

DFID's **Autumn Performance Report** (APR) 2005 was **published**. This report is produced annually, and is laid in parliament and made available publicly. It details DFID's progress in relation to the Public Service Agreement (PSA) and the Efficiency Programme, mostly through

a traffic light system with accompanying narrative. For the first time, reports on progress in the Efficiency Programme are included in the APR. Through this programme we are saving £420 million over the next three years, through better spending options, improved quality of project management and the Catalyst programme.

DFID is **on track** towards **meeting 16 of the 29 targets** in the 2003-06 PSA (which is finishing in March 2006). Some examples are:

- increasing primary school enrolment in Africa
- reducing under-five mortality rates in Asia
- debt relief for the poorest countries
- working with international partners to make progress towards the Millennium Development Goals (MDGs)
- increasing the proportion of our bilateral programme going to Low Income Countries
- increasing the proportion of bilateral projects that are successful.
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- **DFID's Autumn Performance Report (APR):**
<http://www.dfid.gov.uk/pubs/files/autumnperfreport05.pdf>
- **DFID Public Service Agreement:**
<http://www.dfid.gov.uk/pubs/files/PSA/DFID-PSA-2005-08.pdf>

7 December 2005

Hilary Benn launched DFID's **new agriculture policy paper**, '**Growth and poverty reduction: the role of agriculture**'. The paper proposes principles and priorities to guide DFID's work and to help decision-makers to weigh up the potential growth and poverty impact of agriculture compared with other competing demands on resources in specific countries. Agricultural growth has strong links to growth in other sectors of the economy. Increasing agricultural productivity is essential in many of the poorest countries and especially those in sub-Saharan Africa, if they are to escape the trap of slow growth. In many of the countries where DFID works, small-scale farming will be the engine of agricultural growth for some time, so we need to tackle the barriers to improved performance that they face.

In recent years donors and governments have neglected agriculture. As a result, the sector has stagnated and the pace of overall economic growth has slowed down. The need for an increased emphasis on agriculture has now been recognised. **Agriculture** is a **priority area** for the **African Union** (AU) and its New Economic Partnership for African Development (**NEPAD**).

DFID will work with others to follow up its G8 commitment to build coordinated donor support for agriculture and particularly for AU/NEPAD's Comprehensive African Agricultural Development Programme (CAADP). With African leaders now highlighting the priority they attach to agriculture, there is a real opportunity to get behind Africa's own efforts to make a difference to the lives of people who rely on agriculture for a living.

- **Policy paper - Growth and poverty reduction: the role of agriculture:**
<http://www.dfid.gov.uk/pubs/files/growth-poverty-agriculture.pdf>
- **DFID support to the Comprehensive African Agricultural Development Programme:**
<http://www.dfid.gov.uk/news/files/caadp-au.pdf>

5 December 2005

DFID and **all other UK government departments** have **comprehensive efficiency programmes**. **DFID is committed to delivering £420 million of sustainable efficiencies** over the period **2004/05 to 2007/08**. These will be achieved through more effective spending and improvements to the management of projects, as well as through more streamlined processes and systems as a result of DFID's business change programme - Catalyst.

DFID's efficiency programme is broken down into a **number of targets**:

- increase the percentage of our country programmes spend on programmatic support
- increase the value for money from programme procurement
- improve bilateral project performance
- increase the amount of European Commission aid going to low income countries
- increase the amount of support we give to the International Development Association, and
- reduce our administration costs.

An Efficiency Technical Note details the targets, rationale, calculation methodology and monitoring systems behind each government department's efficiency programme. These have recently undergone a process of revision and updating.

- **DFID's revised Efficiency Technical Note:**
<http://www.dfid.gov.uk/pubs/files/efficiency-technical-note.pdf>
- **Annex on the evidence base for the effectiveness of programmatic support:**
<http://www.dfid.gov.uk/pubs/files/efficiency-annex-a.pdf>
- **Annex on the calculation methodology for the portfolio quality target:**
<http://www.dfid.gov.uk/pubs/files/efficiency-annex-b.pdf>
- **Annex on the International Development Association (IDA):**
<http://www.dfid.gov.uk/pubs/files/efficiency-annex-c.pdf>

The Treasury's website provides more information on the Efficiency Programme across government: http://www.hm-treasury.gov.uk/documents/public_spending_and_services

1 December 2005

The private sector is a key player in development, and an active partner in many of DFID's approaches to growth and poverty reduction. DFID has **just published 'DFID & the Private Sector: Working with the private sector to eliminate poverty'**. This booklet **demonstrates the variety of DFID's work** in areas such as infrastructure, investment climate reform, international trade, and increasing the access of the poor to business, financial, and social services. "DFID & the Private Sector" has been jointly produced by the International Financial Institutions Department (IFID) and Policy Division's (PD's) Growth & Investment Group. Many staff around DFID have provided examples and text, with the report being overseen by an editorial advisory group, and put together by a lead consultant.

- **DFID and the Private Sector: Working with the private sector to eliminate poverty**
<http://www.dfid.gov.uk/pubs/files/dfid-private-sector.pdf>