

MARCH 2006: 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/>

NEWS

31 March 2006

A **portal for DFID funded research, Research4Development (R4D)**, was **launched**. It promotes new DFID funded research and it also provides information about the research activities prior to 2006 in Rural Livelihoods, Health, Social Sciences, Education and Infrastructure and Urban Development. It includes information on:

- Topics funded
- Countries where DFID has research programmes
- Major findings (including access to policy briefs and media outputs)
- Who is working with DFID from which country

R4D includes a searchable database containing records of around 6000 projects from around the mid 1990s onwards. It provides project information including data on the organisations and countries involved. Where possible the research outputs are included, collected from across all the research sectors. The database is searchable by free text keywords or on internationally recognised subject categories

- R4D website: www.research4development.info

30 March 2006

DFID has launched a **new Disaster Risk Reduction Policy**. This provides a framework for DFID to integrate disaster risk reduction measures more effectively into its own work, as well as strengthening the international system's capacity to manage disaster risks, helping to reduce the threat that disasters pose to sustainable development and the Millennium Development Goals.

- Disaster Risk Reduction Policy Paper:
<http://www.dfid.gov.uk/pubs/files/disaster-risk-reduction-policy.pdf>
- Summary Implementation Plan:
<http://www.dfid.gov.uk/pubs/files/disaster-risk-reduction-implementation.pdf>
- Frequently Asked Questions on Disaster Risk Reduction:
<http://www.dfid.gov.uk/news/files/disaster-risk-reduction-faqs.asp>

21 March 2006

Wednesday 22 March is World Water Day. DFID spent £220 million to help poor people in the developing world to access clean water and sanitation in 2003/04 and £200m in 2004/05. This money has achieved a lot, but the Millennium Development Goal (MDG) for water and sanitation won't be met in Africa if current trends continue. This is why DFID is **doubling its funding for water and sanitation in sub-Saharan Africa over the next two years to £95 million a year by 2008**.

- World Water Day Factsheet:
<http://www.dfid.gov.uk/pubs/files/mdg-factsheets/water-factsheet-2006.pdf>

9 March 2006

One year after the launch of the Commission for Africa's report, and eight months after the G8 Summit at Gleneagles, the government has published a **report on what the UK has been doing to take forward the Commission's recommendations** and to make sure that the G8's commitments are implemented. The report is called "Implementation of the Commission for Africa recommendations and G8 Gleneagles commitments on poverty". It highlights achievements including:

- Debt relief already being delivered by the International Monetary Fund
- Launch of the International Finance Facility for Immunisation (IFFIm) by the UK, France, Spain, Italy, Sweden and Norway, alongside a grant from The Gates Foundation

- UN Peacebuilding Commission and UN Convention against Corruption established
- Report – Implementation of the Commission for Africa recommendations and G8 Gleneagles commitments on poverty:
<http://www.dfid.gov.uk/pubs/files/apf/cfa-gleneagles-imp-06.pdf>
- Gleneagles Implementation Plan for Africa:
<http://www.dfid.gov.uk/g8/milestones.asp>
- Information page – effective monitoring of progress:
<http://www.dfid.gov.uk/news/files/africa-partnership-forum.asp>
- IFFIm website:
<http://www.iffim.com/>

6 March 2006

Dipak Patel, **Zambian Minister of Commerce, Trade & Industry** is also the **chair** of the **World Trade Organisation's (WTO) Least Developed Country Group**. He was recently in London. Here are **edited highlights** of his views:

- The Hong Kong meeting in December did make a difference for LDCs because we went from 0% on products with duty and quota-free access to 97% but that 97% means nothing if the 3% includes our products, such as clothing.
- The multi-lateral trade organisation is now in our interest because it's a rule-based system. Walking away from it and destroying the WTO would not be in our interests, because then countries would get into bi-lateral agreements - and our negotiating capacity and authority and power on a bi-lateral basis is extremely weak, politically and economically.
- Technical assistance for the whole of last year, through DFID, with no strings attached, was a great help. This assistance enabled us to do the technical work on things such as rules of origin – so that in Hong Kong we had our proposals on the table and did not wait for anyone else.
- Subsidies have to go. Then we will have a competitive, comparative advantage, especially in agriculture and agricultural processed products. We have the weather, the land, the labour costs so we can actually produce and sell.
- If you remove domestic support then all countries are competitive. You then get industrialisation.
- Over 15 years the mindset of DFID has completely changed. Especially with the Commission for Africa report, the whole thinking is much more practical, about solving problems not 'preaching'.
- In Hong Kong we ended up with the G110. The message was a political statement – 110 countries out of 149 at the WTO were saying 'No'. We have learned to play politics at that level.
- We would never have been able to bring this to the attention of the world had it not been for civil society support through the Make Poverty History and Trade Justice movements etc.

1 March 2006

A **report** looking at **DFID's provision of financial support for humanitarian assistance following the Asian tsunami** has been launched by the National Audit Office (NAO). It is **overwhelmingly positive** about DFID's tsunami response and demonstrates the importance of pre-planning for disasters. The report also suggests that DFID should strengthen its financial monitoring procedures, in order to establish precisely how much of £50 million paid in grants to aid agencies and NGOs actually reached the victims of the disaster, and how much remains in bank accounts waiting to be spent. Now the immediate disaster phase has passed and rebuilding and reconstruction work has begun DFID has asked partners to fully account for their spending and to return any unspent funds.

- NAO Report - Tsunami: Provision of financial assistance for humanitarian assistance:
http://www.nao.org.uk/publications/nao_reports/05-06/0506803.pdf
- DFID information page – Tsunami – One year on:
<http://www.dfid.gov.uk/news/files/emergencies/tsunami-oneyearon/oneyearon-intro.asp>
- National Audit Office press release:
<http://www.nao.org.uk/pn/05-06/0506803.htm>

PRESS RELEASES

31 March 2006

DFID announced **provisional 2005 figures for UK net official development assistance (ODA) and the official development assistance as a proportion of the gross national income (ODA /GNI ratio):**

- ODA spending in 2005 is estimated at £5916 million which represents 0.48 per cent of the £1236 billion Gross National Income (GNI) that year.
- There is an increase of 38 per cent in ODA in cash terms over the 2004 level. GNI has increased by 3.8 per cent between 2004 and 2005.
- In real terms, ODA increased by 35 per cent between 2004 and 2005.
- Total ODA expenditure increased by just over £1600m from £4302 million in 2004 to £5916 in 2005.
- A large proportion of this increase was due to debt relief of £1153m for Nigeria and £673 million for Iraq. Both were part of the Paris Club of creditors' agreement to reduce Nigeria's and Iraq's debt.
- The UK contribution to the Asian Tsunami relief was £83 million

31 March 2006

Drought-hit **Somalia will receive a further £5 million in UK humanitarian assistance.** The new funding brings the UK's total response to the drought in Somalia to £12 million since December 2005. Of the £5 million announced today, £3 million will support the World Food Programme to buy and distribute food rations, and £2 million will help the International Committee of the Red Cross (ICRC) to provide water and emergency healthcare.

26 March 2006

New **DFID-funded research has shown for the first time that starting to breastfeed immediately after birth significantly increases the chances of survival** of babies. The research is the first study to assess the effect on newborn survival rates of when mothers start to breastfeed. It was carried out by the Kintampo Health Research Centre in Ghana and the London School of Hygiene and Tropical Medicine and was funded by DFID. The analysis was based on 10,947 breastfeeding babies born between July 2003 and June 2004 in Ghana who survived to the second day. Babies that were fed only breastmilk were four times less likely to die than those who were also fed other milk or solids, confirming the health benefits of exclusive breastfeeding in the first month.

- Research results in the American Journal Pediatrics:
<http://pediatrics.aappublications.org/cgi/content/full/117/3/e380>

20 March 2006

A **new UK-funded training centre for water engineers in Basra, southern Iraq**, has been opened. Designed by Iraqi engineers on a model from Northern Ireland, the new Water Authority Training Centre was built by Iraqi construction workers, providing jobs for up to 120 local tradesmen. It has been funded through DFID's £40 million Iraq Infrastructure Service Programme. The centre will train engineers for all four southern Governorates of Iraq. In addition to funding the centre, DFID's Iraq Infrastructure Service Programme will help provide sustainable sources of drinking water for nearly 500,000 people in Basra by the summer of 2006 through various infrastructure projects.

The Iraq Infrastructure Services Programme was launched in April 2005 to address short, medium and long-term needs in Iraq. The programme comprises two parts: Infrastructure repairs to improve power and water services in Southern Iraq; and Development of an energy strategy for Iraq through policy work in Baghdad with the Ministry of Electricity and other donors, particularly the World Bank. DFID advisers have worked closely with the Iraqi Technical Directorates to identify suitable projects in the power and water sectors.

14 March 2006

£75 million (\$130 million) in **funding has been announced for an expanded DFID and United Nations Children's Fund (UNICEF) Strategic Partnership for India.** The new partnership will support UNICEF's work in India focusing on some of the poorest states such as Uttar Pradesh and Bihar, to **improve delivery of primary healthcare and education.** The partnership will complement the national and state governments' increased commitment to transforming the lives of children with a focus on reaching the most socially excluded. The strategic partnership will, in line with DFID's current country assistance plan, aim to build on the good progress to increase the number of children attending school and also improve the quality of education. Access to effective and affordable healthcare services, especially for children, is a way to tackle both a long term symptom and cause

of poverty. The Government of India has been closely involved in shaping the Partnership, which is consistent with its overall programme goal of co-operation with UNICEF.

9 March 2006

Hilary Benn urged that money from the multi-million dollar humanitarian crisis fund launched today (Thursday) by Kofi Annan, the UN Secretary General, should be **released immediately** to help save lives in the growing **food crises in Kenya, Ethiopia and Somalia**. Speaking at the UN in New York he welcomed the UN's new Central Emergency Response Fund (CERF) as a faster source of funding to agencies dealing with humanitarian crises. The UK has made a commitment to contribute \$70 million (£40 million) a year, every year to the fund. So far, at least twenty-two countries have pledged funding totalling \$193 million. The UK's commitment is the largest single sum, but many donor countries have yet to make a pledge. These 'missing donors' are being urged to step forward and contribute. The CERF, which was agreed by UN resolution on 15 December, becomes operational immediately and will deliver grant-aid fast - within 72 hours instead of weeks - to those that need it. The UN's Emergency Relief Coordinator will be able to allocate these funds to where they are most needed.

- Central Emergency Response Fund website:
<http://ochaonline.un.org/webpage.asp?Page=2101>

9 March 2006

£11 million in funding announced to tackle both infectious and neglected diseases such as malaria, human sleeping sickness, kala-azar and Chagas disease, that take more than a million lives every year and continue to threaten more than half a billion people. £6.5 million will help the organisation Drugs for Neglected Diseases (DNDi) plug the research and development gap into essential medicines that are too expensive or outdated to tackle forgotten diseases. £4.5 million will go to the Special Programme for Research and Training in Tropical Diseases (TDR), co-sponsored by WHO, the World Bank, UNDP and UNICEF, which will support research on infectious diseases and training to help developing countries with prevention and control.

- Drugs for Neglected Diseases website: <http://www.dndi.org/>

9 March 2006

Hilary Benn passed on a **strong message** about the **lack of progress towards peace in Sudan** to Sudanese political parties attending the Sudan Consortium Meeting in Paris. He stated that the Government of Sudan and the Government in the South must implement the Comprehensive Peace Agreement. The UK is committed to achieving peace and stability in the region with a pledge of funding in excess of £250 million in development and other assistance to Sudan over the next two years; £40 million will go to the UN's Common Humanitarian Fund, £20 million to the African Union Mission in Sudan (AMIS) and £17 million to the Multi-Donor Trust Fund. The UK has already committed £19m funding this financial year to the African Union Mission in Sudan (AMIS). This money is providing equipment, including over 900 vehicles, military and civilian policing advice, expertise and training, airlifting of AU troops into Darfur, and further troop rotation.

9 March 2006

At the start of National Science Week, **details were announced of how £100 million of UK funding will be used to turn innovative research into useable technology for poor farmers in Africa and Asia** so they can earn their way out of poverty were announced. The first allocation will be £37.5 million for a "Research Into Use" Programme to identify up to 30 successful technologies resulting from research funded by DFID in the last 11 years and promote them in Africa and south Asia. They will be selected on their potential to make money for farmers, reduce poverty for the community, stop environmental damage, and increase the supply of food. Lessons from the programme will be shared to show how responsible forestry, fishing, farming and livestock rearing combined with new, useable technology can help reduce poverty. The programme is the first of three initiatives developed under DFID's new £100 million Strategy for Research on Sustainable Agriculture. The aim of the strategy is to support agricultural, fisheries, forestry and livestock research and turn the findings into useable technologies to increase the incomes of poor farmers in the developing world. The balance of the funds will be used to develop two further initiatives:

- Regional programmes based in West Africa, East Africa, Southern Africa and South Asia.

- Joint funding schemes with two of the UK's leading research councils - the Biotechnology and Biological Sciences Research Council (BBSRC) and the Natural Environment Research Council (NERC).

7 March 2006

A **£6.5 million kick start** in **new funding** to the **Global Alliance for TB Drug Development** (TB Alliance) was announced. The funding, over three years, will provide key support to the TB Alliance and its core work, pushing forward the creation and testing of new drugs, reducing treatment times by half in the next five years. The Netherlands and Ireland are also contributing €2 million and €300,000 respectively, providing incentive for the international community to follow suit. The TB Alliance, a not-for-profit organisation, was set up to overcome the 40 year drug development gap in TB. In five years, it has built the most extensive pipeline of TB drugs ever assembled, with ten compounds in development or in human testing. It works through a unique combination of partnerships, bringing together the expertise of NGOs, Government, universities and the private sector, acting as a virtual drug development enterprise.

- TB Alliance website: www.tballiance.org

3 March 2006

US\$1 million announced to help support an international initiative to deal with pirate fishing activities. The announcement was made in Paris at the launch of the High Seas Task Force report (HSTF).

The report is the product of the collaborative efforts of conservation communities including WWF, IUCN and the Earth Institute and Australia, Canada, Chile, New Zealand, Namibia and the United Kingdom, sets out nine initiatives that aim to put rogue fisherman out of business. At the vanguard of the international movement to stop fishing pirates plundering finite fish stocks, damaging the delicate balance of the marine ecosystem and stealing the natural assets of developing countries, the group is seeking more countries and organizations to join their efforts.

- High Seas Task Force report:
http://www.high-seas.org/docs/HSTFfinal/HSTFFINAL_web.pdf

3 March 2006

The UK welcomed Ghana's steady progress on development, with DFID's **announcement** that it would provide **up to £120 million** in **Poverty Reduction Budget Support** (PRBS) over the **next three years**. This will be used to help improve health, education, water and infrastructure in the country. Ghana will receive £35 million from the UK in 2006 under a multi-donor programme. Subject to continued satisfactory performance, DFID will provide £40 million in 2007 and £45 million in 2008. The UK is Ghana's largest bilateral donor, as well as the largest contributor to the work of the international development system in the country. The UK has provided over £90 million in budgetary support to Ghana since 2003 under the Multi Donor Budget Support (MDBS) programme.

1 March 2006

The governments of the **UK and Rwanda** have signed a **Memorandum of Understanding** (MOU) to take forward their **partnership to reduce poverty** and help Rwanda achieve substantial development results over the **next 10 years**. The MOU provides guidelines for cooperation between the two countries. It says that, subject to Rwanda honouring its commitments, the UK will provide at least £460 million in development assistance over the next 10 years. The partnership focuses on poverty reduction and the achievement of the Millennium Development Goals in Rwanda, as well as the promotion of peace and stability in the Great Lakes region. The UK currently provides bilateral assistance totalling £46 million each year, of which about £31 million is provided as direct support to the Government of Rwanda's budget. The focus of UK bilateral assistance is on poverty reduction, especially in the area of education.

- Rwanda Memorandum of Understanding:
<http://www.dfid.gov.uk/pubs/files/rwanda-mou-2006.pdf>

1 March 2006

Drought-hit Kenya will receive a **further £15 million** in **UK humanitarian assistance**. The funding includes £10 million for the World Food Programme (WFP), to help buy and deliver food rations for around 223,000 of the most vulnerable people for 6 months. It also includes £2 million which will support a larger United Nations Children's Fund (UNICEF) programme to provide: emergency

feeding for 73,000 malnourished children under 5, and 7,200 pregnant and nursing mothers; and emergency healthcare for over 460,000 children. The remaining £3 million will support further emergency assistance through non-governmental organisations (NGOs).

SPEECHES

14 March 2006

An international development system fit for the 21st Century

Hilary Benn, at Overseas Development Institute and All Party Parliamentary Group on Overseas Development, 6th and final White Paper speech

I want today to talk about what we need to do to ensure that the international development system is able to deliver the promises of 2005, at the same time as facing up to a rapidly changing world. The system we've got now was created in response to two World Wars and a long and terrible economic depression. The UN was brought into this world to end wars between nations by replacing bombs and bullets with cooperation and compromise. Two institutions were also established: the IMF and the World Bank. For all their faults and for all the problems that we have faced over these past 60 years, and still face today – these institutions have served us well. In particular it seems to me they have promoted three things: human rights and the rule of law; peace and security; and prosperity.

So these institutions have served us well and achieved much. But the world we now live in 60 years later is very different from the world of the post-war years. Things have changed. We live now in a very different world. Many conflicts are not between states, but within states. Terrorism and the proliferation of weapons of mass destruction threaten us. Globalisation makes corruption, money laundering, and bad governance of natural resources, much easier. Climate change threatens to undermine development hitting hardest the countries least responsible. Huge variations in wealth are giving rise to global inequality, and in the influence different countries have on global decisions. And underlying this, information is flowing around the world faster than ever before. All this means that the structures we created after the 2nd World War are not able to deal with these changes as well as they might. And yet we need the international system to become better at responding to them - because each of us can't do it alone. And that can't mean adding yet more institutions to a system that may crumble under its own weight. It does in my view mean making the institutions that we have work better. I want to illustrate this by looking at natural resources and the allocation of aid.

1. Let's start first with natural resources. Funds from natural resources often fund the corrupt. The EU Forest Law Enforcement, Governance and Trade action plan – which bars illegal timber from entering the EU - will help to control illegal logging in countries that join in – in West and Central Africa and some south-east Asian countries. But it only works for the EU. More generally, an agreed UN definition of conflict resources would help create an international framework to better control illegal trade and the flows of conflict finance. The Extractive Industries Transparency Initiative, created by the UK and now led by the International Financial Institutions, with over twenty countries involved and most of the major oil and mining companies, has meant that in Nigeria the results of the first audit of oil and gas accounts was published last month. But China is now the second largest consumer of oil after the United States, and India's consumption will treble over the next 25 years. This thirst for energy is helping to push up global prices, and it also risks undermining global governance. Neither India nor China is a member of EITI, for example. They could repeat our mistakes from past decades – looking away on human rights and governance in order to secure their need for energy.
2. Secondly, aid. Last year we made promises on aid that the international system as it currently stands, is not equipped to handle well:
 - We need to allocate aid better. India, with a population of over a billion people – a third of whom live in extreme poverty - gets the same amount of aid as Mozambique with a population of 19 million people. But this isn't easy to achieve because most bilateral donors – including DFID - value their relationships with particular developing countries and are unlikely to volunteer to walk away. The multilateral agencies or global funds have to balance out aid flows across the world, not least because they're less subject to some of the political pressure that individual donors face.

- We also need to improve the way that we work. Over four fifths of 35,000 aid transactions that take place each year are worth less than \$1 million; and require 2,400 quarterly progress reports. We have made a lot of progress in getting the international system to work better on fighting AIDS. The Global Fund, for example, is getting better at supporting countries' own plans, rather than creating separate projects and reporting structures. We always need to think carefully when we create vertical funds such as these, but where they work, let's support them.
- We also need more aid. We made enormous progress last year, but it is not enough, and that is why we have been pushing hard on innovative funding like the International Finance Facility.

In all of these areas, international problems can only be solved through international means. Alone, none of us has the resources or, more importantly, the moral authority to deal with the challenges of tomorrow. Multilateralism isn't an empty slogan. It is a call for collective action.

What would an improved international system look like? I think it's about three things: First, responding effectively to conflict and disasters; Second, improving global governance; and third, becoming better at supporting development.

1. We need an international system that can deal effectively with conflict – prevent conflict before it's begun, resolve conflict once it's started, and rebuild once it's over - and a system that can deal with humanitarian disasters, whether human made or natural. The UN has to lead.
2. We need better international governance, where all countries have a say in how international affairs are run, setting standards and aspirations, and protecting human rights. It is legitimacy that counts. It is the UN's legitimacy and neutrality that sets it apart.
3. On supporting development. I think we've got to be steely about streamlining the international system, pruning out duplication and waste, and making it work better. We have now a "once in a generation" opportunity to reform the UN. If we think of what reforms would best improve the UN's role in a country, then it seems clear to me that we should adopt the principles of four ones - One UN Office, One UN Representative, One Programme and Budget, and One Funding Mechanism. One thing we have to sort out is UN financing. One option for the UN development system that should be seriously considered is the establishment of a single approach to UN fundraising and allocation.

What does all this mean for DFID? And for the White Paper? I think we should put our money where it is most effective in helping to eliminate poverty, regardless of the institution. I think that in order to make those judgements, we need to be much better at measuring how effective each part of the system is – multilateral and bilateral, including DFID's own programmes. We're not as good at that as we need to be. I think we need to be held to account for our performance individually and collectively. We mustn't forget the private sector. What it does - or doesn't do - has a huge impact on development. The same for NGOs.

7 March 2006

Opening Speech at Asia 2015 conference

Tony Blair, Lancaster House, London

Asia has seized the opportunities of globalisation. Growth has been strong, with a dramatic impact on extreme poverty. There is remarkable progress to applaud. But we should be under no illusion. Major challenges remain. There are still areas of conflict, instability and ingrained poverty. In 2050, India alone will have the same population as the whole world in 1900. Asia has the lowest per capita availability of fresh water resources in the world. The challenge of the ethnic and religious diversity is also present. Conflict remains a feature of many people's daily lives, whether in Afghanistan, Nepal or Burma.

To face up to these challenges, we need a new vision and strong leadership, to ensure that Asia's success is sustained. We all have a stake in this no matter what continent we live in. For this reason, we want to develop our relations with all countries in the region. We in the EU also need to change our mindset and become more effective in engaging more strategically with Asia on issues that affect

global stability. And beyond government relations, there will be a crucial role in sustaining change for public-private partnerships, and for civil society. We must help you use scarce natural resources effectively and sustainably. Climate change is one of the key environmental challenges we all face. But we must not forget that you are not the main polluters. We in the industrialised countries are. Asian economies have a right to grow as we have. It is up to us to help you grow with cleaner technology. Useful co-operation also means a willingness to tackle sensitive issues as well. We now have the power through trade to lift millions out of poverty. Tackling poverty is one of the ways we can together tackle extremism which it helps to breed.

6 March 2006

Speech to Asia 2015 Conference

Hilary Benn, Lancaster House, London

There have been remarkable successes in Asia. This is being built on a foundation of economic growth. This growth affects all of us in the rest of the world – from our climate to the clothes we wear. This reminds us just how interconnected we are as a world. What you do affects us, and what we do affects you. And this interconnectedness creates risks as well as opportunities. Eradicating poverty in a generation is possible; but it is not inevitable.

So what are some of the obstacles that need to be overcome?

1. The first is social exclusion and inequality. It takes many forms – gender, ethnicity, caste, religion, or where people live – and it can deny poor people the chance of working and benefiting from the opportunities created by growth. While it is true that the level of poverty across Asia has been reduced by a third – it is also true that 650 million people still live in extreme poverty.
2. The second challenge will be to ensure that everyone has access to basic services – to education, to health care, and to water and sanitation.
3. The third challenge will be to ensure that a healthier and better educated population will be able to move out of poverty. At present however, most poor people are employed in the informal sector. They need more and better jobs, decent work in safe conditions. These jobs will come, not from government, but from the private sector. That has been Asia's experience.
4. The fourth challenge will be to ensure that all of us use scarce natural resources sustainably. Climate change is the environmental challenge we face. Asia has the right and the need to grow its economies, as we have done in our history. You are not the main polluters – we in the industrialised countries are. But as Asia's economies grow, they are starting to show some of the environmental problems we have seen in our part of the world. So Asia too has an interest in growing with cleaner technology, and in being part of any solution to climate change. The UK stands ready to help.
5. Fifth - the Asian region is already home to natural disasters - the Tsunami is one example, the earthquake in Pakistan, another and while nothing can stop these events from happening, we know that there is much that can be done to reduce vulnerability to such events, and to reduce the potential impact on people and the deaths caused. Let's work together on this.
6. And finally, progress on many if not all of these issues will be greatly affected by governance – the quality of how we govern and how we are governed. The process of politics – the "deal" between citizen and state - this foundation has to be laid by each country itself, but it can be undermined by corruption.

So how can we - the rest of the world – help?

- Aid is one part of the picture but it is not alone the solution. In some parts of Asia, aid is a small fraction of national wealth – less than a fifth of 1% in India and China, in others it is more, at 13% in Cambodia, and 35% in Afghanistan. We need to improve the quality of our aid too. The core principle is to put our money wherever it will be most effective in reducing poverty.
- But aid is only one way in which countries affect the development of others, and is not sufficient on its own to tackle some of the issues I have raised today. Our other actions and policies count too, and we need to do more together.
- This is not just a discussion for development agencies and governments. It also involves the role of regional bodies, and the UN - where the process of reform, and the Panel set-up by Kofi Annan, will give us all the chance to ensure that a strong UN works alongside us as we together face up to the challenges that the rest of the century will bring.

We should celebrate Asia's success and learn from it. And recognise the enormous diversity across Asia. The UK will continue to work in partnership with Asia; in different ways, in different countries, to help you achieve the progress that you want to make, as you seize the great opportunity that we now have – if we do it right – to conquer extreme poverty in the next generation.