

Conservative Green Paper on Development
One World Conservatism – A conservative Agenda for International Development

Highlights and Summary - Produced by the UK Aid Network - July 2009

Highlights

- **Positive core statement** – even in fiscal squeeze need to meet aid promises of **0.7% by 2013** as morally right and in our own interest; we know aid can work
- BUT in contextualising around economic climate, make it clear they will work hard to be accountable to UK taxpayers (it seems first and foremost); **will this hinder accountability to the poor; promote micro output focus**
- Will maintain an **independent DFID with a Secretary of State**; the UK's aid will **remain untied** and focussed on **poverty reduction**

- Want an **independent Aid Watchdog** to evaluate the UK's aid independently
- Want to spark an **information revolution in British aid** – project info made available; reveal all corruption related to the UK's aid; support IATI
- Use up to **5% of budget support to fund accountability work**
- Demand greater accountability and transparency in return for **budget support**
- **Predictability** important – use 3 year rolling budgets; 10 year indicative budgets
- Will support **cash on delivery**, aid released when outputs achieved; **don't clarify how this will be used, how consistent with predictability, institution-building, reducing bureaucracy, working with other donors!**
- Link **multilateral funding** more closely to results and effectiveness
- Introduce **MyAid- £40m for public to vote on its use**; will help engage public
- Introduce a **£40m Poverty Impact Fund** for British NGOs to apply to
- Want DFID to work in **fewer countries; more in Commonwealth countries**
- Will investigate use of **vouchers, cash payments and other methods**
- Will fully embrace the potential of the **private sector** – mention matched funding of private investors, matching peer to peer loans, more on business environment
- **Health and Education** – need to do what works; be more results focussed; stand ready to work with all, including the private sector
- DFID needs to be **integrated more effectively into Whitehall structures**; will seek better integration both ways (DFID to Whitehall-Whitehall to DFID)
- A strengthened **Stabilisation Unit** will bring DFID, MoD and FCO together more formally, and report directly to new National Security Council
- Will seek to mobilise **greater development funding to Afghanistan and Pakistan**, where harmonisation of ministry work is critical

Main Summary

INTRODUCTION

The fault lies not with individuals...The problem is that the energies and talents of people in the official aid sector are too often stifled by weak systems and structures (p10).

The official international aid system suffers from a chronic lack of feedback and accountability (p10).

When problems are uncovered, they are often hushed up. It is too easy for people in the development community to turn a blind eye to failure and waste for fear that publicising it will undermine support for development. No official aid agency has ever gone bust for failing to deliver the goods for poor people (p10).

Today, taxpayers have no control over, and very little knowledge about, how or where their aid is spent. Britain's aid programme is centralised and bureaucratic: money is taken from people through tax and spent on their behalf by experts in Whitehall (p10).

Attitudes matter, as well as structures. Aid is sometimes undermined by a set of misguided beliefs about poor people and their communities. Often, people in developing countries are thought of as passive recipients of charity, not as energetic, active agents in their own development. Too often their voices are silenced or ignored, their potential neglected (p10).

Above all, Labour have an endemic tendency to focus more on inputs than on outputs. They sometimes see spending money as an end in itself, rather than as a means to end (p 11).

- If elected, a new Conservative Government will be fully committed to **achieving, by 2013, the UN target of spending 0.7 per cent of national income as aid**
- We believe that the **Department for International Development (DFID)** should be here to stay. With a Conservative Government, DFID will continue to report to the Secretary of State for International Development, who will have a seat in the Cabinet. British aid will remain **untied from commercial interests**, and we will maintain DFID's focus on **poverty reduction**
- We support and will continue to work towards the **Millennium Development Goals**

SECTION 1. VALUE FOR MONEY IN AID

1. Value for money through independent evaluation and transparency

We will spark an information revolution in British aid, for the first time gathering and publishing thorough, *independently*-audited data on the impact and effectiveness of British aid.

- Measuring aid effectiveness is not easy; poverty is complex and development is a long term process; but this is too often used as an excuse not to measure aid effectiveness properly
- **Will establish an independent Aid Watchdog to independently audit the effectiveness of the UK's aid**
- **Will provide £10 million to the recently established International Initiative on Impact Evaluation**; this will shine more of a spotlight on multilateral effectiveness; UK bilateral aid will also be evaluated
- Not all development can be scientifically observed; some interventions take years to mature; sometimes need a venture capitalist approach to risk
- **Will publish all information about DFID projects and programmes on its website**
- **Will demand greater transparency from all those receiving DFID support; our can be used as a battering ram for transparency**
- **Strongly support the International Aid Transparency Initiative**
- **Will reveal all corruption related to UK aid; all DFID programs will have a dedicated anti-fraud officer**

2. Value for money through output-based aid

- In theory budget support is the most efficient method of aid delivery; but as NAO and parliament have highlighted, we don't know enough about its spending; we will only provide this where transparency and accountability exist; Labour too eager to give governments benefit of the doubt
- **Will use up to 5% of budget support funds to support accountability**
- **Will adopt and champion the idea of "cash on delivery" aid, with funds released when outputs independently confirmed**; most suitable for observable, measurable outputs; will need to ensure they have the upfront investment needed to achieve desired results; where budget support given but output approaches not implemented, will demand increases in spending verified through expenditure tracking surveys
- **Will be prepared to walk away if essential conditions not met**; if we stop budget support will look at other ways to provide support
- **Will link multilateral funding more clearly to results and performance; particular focus on EU, as concerns over overlapping focus**
- **Will make 3-year rolling commitments and give 10 year indicative aid projections; will demand performance, but allow time for this**
- **Will support steps to accelerate HIPC debt relief**
- **Will continue, as far as possible, to give aid as grants not loans and encourage others (especially the World Bank) to provide support for social spending as grants**

3. Value for money through greater focus of British aid

- **Review where aid spent and which most suitable (talk of moving from 108 countries to 60-70); will end aid to China after current commitments delivered**
- **Strong supporters of harmonisation embodied in Paris Declaration and Accra Agenda for Action**
- **Will look at ways to bolster links with Commonwealth and Overseas Territories**
- **Will review emergency support in order to improve it; need better coordination; sustained funding for silent emergencies; UN CEF a step in right direction, but we need to retain our own response**

4. Taxpayer control over aid

- **MyAid initiative will disburse £40 million to projects voted for by the public**
- **Establish Poverty Impact Fund worth £40 million in its first year, to support demand-led and effective programs; in part aims to help smaller NGOs**
- **PPAs will continue, but as far as possible link funding increases to evidence of effectiveness and results**
- **Will establish a £5 million Health Systems Partnership Fund to help medical professionals work overseas and create links with the NHS**

5. Respect and responsiveness

- **Will when making funding decisions focus on how well interventions have been designed with beneficiaries (mention World Bank PPAs as an example) and promote participatory budgeting**
- **Will investigate use of vouchers, direct cash payments and other direct methods, including for certain emergency situations; will only work where genuine choice and not a substitute for strengthening the capacity of governments to guarantee access for all**
- **Will introduce immersions for DFID staff; encourage young people to do volunteer work overseas, as part of National Citizen Service idea**

6. Tackling climate change

- **Will push for ambitious international agreement to limit emissions and provide finance (UN and World Bank have a role)**
- **Will include environmental impact assessments in large DFID projects**
- **Will support activities that respond to climate imperative, e.g. those promoting a low carbon path**
- **Will ensure DFID and DEC work together to ensure developing country voices promoted in negotiations, including through establishing an advocacy fund; support R&D for new technologies**
- **Will support the promotion of sustainable forest development**

SECTION 2. WEALTH CREATION

1. Our Response to Downturn

- **Will work to protect social spending; World Bank and IMF have role**
- **Will give developing countries greater say in the World Bank and IMF; President selected on merit**
- **World Bank need to decentralise and become more efficient and effective**

2. The building blocks of wealth creation

- Private enterprise is the single most important driver of development;
- **Will embrace the potential of the private sector, through exploring DFID co-investment alongside private companies; UK trade delegations can help**
- **Will explore how DFID spending can better support and stimulate the private sector**
- **Will place greater emphasis on property rights, reducing bureaucratic burdens for the entrepreneurs and microfinance**
- **Will consider providing matched funding for peer to peer loans to entrepreneurs in developing countries**
- We must find ways to improve agricultural productivity in developing countries; **will support risk management projects**
- **Will support targeted nutrition programs and strengthen safety nets, particularly for children**
- **Will seek to increase productive investment in infrastructure**

3. Health and Education

- **Will take a results-focused approach, supporting and encouraging national governments to choose whatever path will enable them to grow the provision of education fast and effectively.** Stand ready to work with the public, not-for-profit and private sectors.
- **Will consider funding insurance schemes, bursaries, or targeted vouchers for the poorest and marginalised children to attend a school of their choice.**
- **Will spend £500 million on malaria and support work for a vaccine**
- **Will support health systems; promote access for the poorest; work with governments and the private sector to achieve the health MDGs**
- **Will prioritise maternal and child care; empower women to make choices about their reproductive and sexual health**
- **Will lobby for global action to push water, sanitation and hygiene up the development agenda.**
- **Will ensure that the water and sanitation advisors in DFID are properly linked in to their colleagues working on health issues.**

4. Trade

- **We will champion aid for trade.**

SECTION 3. CONFLICT, STABILISATION AND PEACEKEEPING

- **Will work multilaterally; stick to the task for the long-haul; apply greater supervision and monitoring in fragile countries**

2. Regional security

- **Will build regional capacity for peace-keeping**
- **Will champion the African Union**

4. DFID and Whitehall: Working together to achieve development

- **DFID will retain its independence.**
- **We will work to improve effective coordination between DFID and the Foreign and Commonwealth Office in poor countries, so as to increase the impact of our aid.**
- **We will aim to make DFID more like a department for development in the developing world and a little less like an aid agency; includes ensuring that DFID can help ensure other policies of the UK gov' support development**
- **In the event that countries actually start a conflict the UK should be ready to cut aid to their governments unilaterally and rapidly; say some 40% of military spending in poor countries comes from aid**

5. DFID in insecure environments: helping to win the peace

- **Focuses on development vacuum after areas freed in Iraq and Afghanistan, in large part because of challenges in DFID and MoD working together on this; therefore Tories will enhance the Stabilisation Unit so that it can break through departmental rivalries and jealousies. We will make the Stabilisation Unit the main driver of post-conflict reconstruction policy, reporting with a strong voice to the new National Security Council that a Conservative Government will create.**
- **We will recruit significantly more Stabilisation Advisers; they will be integrated into military structures**
- **Improving the quality and impact of in Afghanistan and Pakistan, as part of a joined-up British regional strategy, will be a top priority for an incoming Conservative Government; confluence of our moral responsibility and national interest**
- **Will review aid to Afghanistan and Pakistan with a view to increasing it**
- **Will ensure development program in Pakistan is effective and increasingly harmonised with British diplomatic and military engagement**