

**A response to the Department for International Development (DFID) consultation document on the forthcoming White Paper ‘Eliminating Poverty: Assuring our Common Future’.**

**A joint submission from the Baptist Union of Great Britain, The Methodist Church, Quaker Peace & Social Witness and the United Reformed Church.**

**1. Introduction**

**1.1 Background to the partners making this submission**

We appreciate the opportunity to comment on the forth-coming DFID White Paper and welcome the initiative to hold regional gatherings in the UK and abroad inviting input from a range of organisations and concerned individuals.

This submission is made by four significant free church groups in the UK. There are some 150,000 members of Baptist churches associated with the Baptist Union of Great Britain. The Methodist Church has about 295,000 members and 800,000 people are connected with the Church. Quaker Peace & Social Witness is a department of The Religious Society of Friends in Britain (Quakers) which has a membership of around 15,000 with up to a further 15,000 attending Quaker worship. The United Reformed Church comprises about 150,000 adults and 100,000 children.

Our four churches have extensive links with Christian partners overseas. The Methodist Church for example maintains close links and ministerial exchanges with 60 independent national Methodist Churches worldwide. The Baptist World Alliance and World Alliance of Reformed Churches bring together partners from Baptist and Reformed backgrounds. The Religious Society of Friends in Britain (Quakers) has links with 93 Yearly Meetings in 74 countries around the world.

**1.2 Building our common future**

We welcome the emphasis on interdependence and interconnection within this White Paper. In light of this theme we would emphasise the many dimensions of interconnection in DFID’s work – within DFID, within the UK Government and between the governments and the citizens of the global north and south. The challenges of poverty, conflict and climate change are interdependent; interventions targeted at one alone are unlikely to be successful. Rather these interlinked challenges must be addressed within the context of the political and economic relationships of the global north with the global south.

In our opinion the current economic crisis has brought into focus the fundamental failure of the market system and the Washington Consensus approach. This reality must guide DFID’s work – particularly its emphasis on economic growth as a means of reducing poverty. We recognise that there is a role for economic growth in poverty reduction, however we remain unconvinced that it will necessarily lead to poverty reduction unless conscious pro-poor policies and legislation are put in place. In particular, mechanisms must be found to ensure that economic growth is equitable and that it remains well within the bounds of the planet’s ecological limits.

By implication, DFID's key aim of poverty elimination depends on widespread support for values of justice, equality and fairness. It is in this area of values and ethics which faith groups can make a distinctive contribution. While faith leaders would by no means make any exclusive claims in this area, many in our societies nevertheless respect the guidance offered by faith leaders on the values by which we live. We appreciate the interest shown by DFID in developing a dialogue with faith groups. In response we offer in this introductory section some suggestions in the development of such a dialogue.

### **1.3 Churches as actors and advocates in poverty alleviation**

The local church is a key actor in sustaining communities and addressing issues of poverty. The church is embedded within communities and often representative of the rural or urban poor. One of the most distinctive features of the work of our partner churches is the permanence of these programmes. While non-governmental organisation (NGO) projects supported by grant funding come and go, local church initiatives are an extension of their lived experience within the communities they serve. The church or church-based groups can frequently be found providing health and education services or otherwise contributing to their governance and delivery.

Although rooted in local communities the churches, either at local or national levels, have not always been good at communicating their own distinctive moral and ethical reflections on poverty and governmental responses to it. This is changing. Liberation Theology, Catholic Social Teaching and Quaker testimony have long provided the rationale and guidance for churches to be involved in the more political aspects of poverty and exclusion. Now other traditions with different ecclesiological backgrounds are also finding theological resources to help them in this area. Consequently there is increasing scope for the Church to develop a more distinctive advocacy role in addressing poverty and economic development.

### **1.4 The global nature of the church**

Ministerial and congregational exchanges and mission appointments help to link 'church families' across the globe. Exchange of personnel now occurs more evenly such that church partners in the South support Northern partners with personnel as much as in the other direction. Community-based initiatives of the church in the South gain support of counterparts in the UK and elsewhere. Financial support often arises from a direct relationship or exchange between two local churches. Such support may be transferred directly or channelled through national church structures such as Baptist Missionary Society or the Methodist Church Fund for World Mission. Consequently church communities enjoy ongoing dynamic relations with partners around the globe based on human interaction and exchange, dialogue and partnership in the resourcing of ministries and programmes.

### **1.5 Dialogue on development with faith groups**

Faith-based organisations and government institutions may well embark on a dialogue on development from differing perspectives. For example, while the right to life and security of person may not be contentious<sup>1</sup>, the "right of every human person to participate in, contribute to, and enjoy economic, social, cultural and political development" is of a different order. The language of human rights resonates with the Christian belief in the dignity afforded by God to every individual<sup>2</sup>. However, certain rights require elaboration according to social and moral understanding born out of cultural experience and religious conviction/ethics. On occasions, faith groups grapple with the concepts of inalienable individual rights especially when the

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<sup>1</sup> Except with respect to the political implications that follow this principle

<sup>2</sup> This is drawn from Christian belief that "Each person being made in the image of God and known to him even in the mother's womb."

value basis on which such rights are expressed is not made explicit. They may need to overcome a prejudice arising from a perceived over emphasis of certain rights over others. Similarly, secular development agencies, wedded to a strong rights-based approach to development, may have to be prepared to recognise the value of ethics within the development dialogue.

## **2. Global economic growth: How do we minimise the impact of the downturn on the poor?**

We welcome the emphasis that the government has put on global poverty reduction over the last twelve years. We recognise that the current economic uncertainty poses challenges in developed and developing countries alike; however we are concerned that asymmetries in resources mean that many developing countries are limited in their capacity to respond to these challenges. Therefore it is vital at this time that the UK Government's commitment to poverty reduction and development remains at least as strong, as it has been over the last decade, if not stronger.

The Millennium Development Goals (MDGs) have galvanised international co-operation to achieve clearly defined development gains. DFID's strong advocacy in support of the MDGs within the international community is to be applauded. It is our hope that, even in the event of a prolonged recession, governments will not weaken their commitments to achieving these goals. The consultation document uses language of 'accelerating progress towards the MDGs'. We urge DFID to continue to insist that governments remain committed to their achievement.

### **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?**

#### **Ensuring development is seen as a priority issue in the UK**

In the context of the economic downturn and at a time where it is likely that public and government attention is focused closer to home it is vital that international development continues to be seen as a priority issue both within the UK government and by the wider public. It is necessary for DFID to do more to emphasise the importance and value of its work generally and to ensure that its policies are 'owned' and observed by the whole of government not just one department. The publication of this White Paper could have an important part role to play in this and we urge DFID to capitalise on this opportunity.

With regard to the general public we consider that more needs to be done to widen awareness of development and to deepen the understanding of how the actions and decisions of UK citizens interconnect with the developing world. We welcome past initiatives such as the publication of *The Rough Guide to a Better World* booklet published in 2004 and the department's presence at events such as the Greenbelt festival. We would encourage the department to do more of this as well as finding ways to reach new audiences. We would ultimately like to see development issues having a place in mainstream political and social debate, for example through having a prominent role in political manifestos, the press and other media. Civil society, NGOs and faith groups could all play an important role in helping to bring this about.

## **Delivering on Development Assistance commitments**

Noting the recommendations made in January 2009 by the Commission of Experts of the President of the United Nations General Assembly on Reforms of the International Monetary and Financial System (CoE) that “developed countries should resist the temptation to cut back on development assistance” we welcome the continued commitment to UK Overseas Development Assistance (ODA) funding made in the recent budget. However we seek a further commitment, protected under statute, to ensure that the UK Government meets its pledge to reach the 0.7% target by 2013 and that it protects the absolute volume of aid in the event of contractions in national income. We hope that the UK will continue to show leadership on this issue by encouraging other donors to do the same.

In response to the economic crisis, it is vital that DFID’s programmes aim to ensure the provision of ‘social safety nets’ and basic services, particularly to the most vulnerable groups.

## **Multilateral response**

We also note the CoE observation that whereas many developed countries have been able to pursue countercyclical economic policies to counteract the effects of the economic crisis, most developing countries have, for various reasons, had to adopt pro-cyclical policies. These are likely to further deepen the crisis and can have damaging effects on social protection for the most vulnerable.

The international community has an important role to play in ensuring that the policies and activities of multilateral institutions support developing country governments to protect basic services and support other appropriate forms of economic stimulus/activity. In our opinion particular consideration should be paid to the CoE’s recommendation that more funds should be provided through the International Financial Institutions (IFIs) but that this should be done in a way which does not prevent developing countries applying countercyclical policies where these are appropriate.

We recognise that both the International Monetary Fund (IMF) and World Bank have recently made changes to their policies on conditionality, however we are concerned that in practice sensitive policy reforms continue to be associated with loans from both the Fund and Bank.<sup>3</sup> We consider that further reform to IFI conditionality policy and practice is necessary. The UK’s conditionality policy for bilateral ODA which focuses primarily on financial management and accountability within recipient countries is a good model which could also be applied at the IFI level.

## **Debt Relief**

We consider that there remains a need for further wider and deeper debt relief for developing countries so that countries hit by the crisis can put money into activities which protect the poor and stimulate the economy. Debt sustainability thresholds should be based on a wider analysis of development needs. Furthermore the legitimacy of debts should be taken into account when making decisions about eligibility for debt relief.

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<sup>3</sup> See for example ‘*IMF emergency loans: Greater flexibility to overcome the crisis?*’ and ‘*IMF: Bigger but not much nicer*’ in *Bretton Woods Update 65, March/April 2009* Available at: <http://www.brettonwoodsproject.org/art-564188> and <http://www.brettonwoodsproject.org/art-564205>

## Special Drawing Rights

We support the call by organisations such as Oxfam for the IMF to consider a separate allocation of Special Drawing Rights (SDR) for the explicit purpose of reducing or cancelling existing debts of highly indebted countries as a means of stimulating their economies in the current global downturn.

A special allocation of SDRs for the purpose of debt alleviation for countries in the South would have a three-fold benefit. First, this would cost the IMF almost nothing as SDRs are emitted freely. Secondly, it would substantially decrease the debt burdens of the South, and thus contribute to the recovery of the global economy. And, thirdly, it would substantially improve the capital position of those banks in the North which invested in the economies of the South.

The 1997 amendment of the IMF articles which allowed a single special 'equity' allocation of SDRs to the former Soviet republics, other transition and poorer member countries provides a precedent for such action.<sup>4</sup>

We urge DFID to work with the Treasury and international partners towards these objectives.

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

While church structures and patterns in church attendance are changing, not only in the UK but across the globe, mainstream churches and their leaders continue to retain significant influence among their communities. They, along with other faith groups, are useful and probably under-used allies in engaging people in discussion on national development agendas and we urge DFID to link with them wherever appropriate – for example as part of DFID in-country strategic consultations<sup>5</sup>.

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

This question needs to be addressed in the context of a global framework to address mitigation. An agreement at the United Nations Framework Convention on Climate Change (UNFCCC) COP15 meeting at Copenhagen in December 2009 must be founded on the following principles:-

- Reduction of greenhouse gas emissions consistent with a climate trajectory that gives a high degree of probability of limiting average global temperature rise to no more than 2 degrees.
- The principle of equity between developed and developing countries recognising firstly, that national per capita emissions currently range from more than 20 tonnes to less than one ton and secondly, that the legacy of fossil fuel consumption of developed nations is largely responsible for the current climate crisis

The principle of equity implies that UK assistance to developing countries on mitigation must a) not allow the UK to offset its own emissions and b) be additional to existing development aid commitments.

Therefore the UK and EU should, in our view, commit to achieving mitigation targets (such as the EU proposed reduction in CO<sub>2</sub> emissions of 30% by 2020) within the boundaries of the UK/EU. Furthermore we join with others to call for the EU to invest the financial equivalent of

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<sup>4</sup> An amount of \$ 21.433 billion was allocated in this instance.

<sup>5</sup> See section 1 above

an additional 15% of emission reductions in developing countries by 2020 to assist those countries to decarbonise their economies and adapt to climate change impacts<sup>6</sup>.

We welcome the introduction of the UK Climate Change Act. However bearing in mind that global greenhouse gas emissions must peak and begin to decline around 2020, we face further difficult choices as a nation. In fulfilling its mandate to poverty alleviation it is vital that DFID acts as an advocate within the UK government to ensure that substantial additional resources are made available to support developing countries in their mitigation efforts and to assist with adaptation.

## **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?**

### **Improving the environment for Business**

We recognise that business can make an important contribution to the reduction of poverty; however, in some cases business can also undermine development. Our international partners continue to report instances of the negative impact of business development on local host communities and the environment.

There is a continuing tendency for companies to interpret 'corporate responsibility' as engaging in philanthropic activities such as contributing towards educational or medical facilities. While there may be some merit in these initiatives, they are no substitute for examining the impacts that core activities have on host communities and vulnerable groups. Success criteria for DFID sponsored initiatives in the area of business development should include an improved impact of the business sector on poverty reduction, human rights and on the most vulnerable groups within host communities

### **Business and Human Rights**

It is vital that DFID's work to improve the environment for business is grounded in a rights based framework and seeks to balance the needs of business with mechanisms to ensure that businesses recognise and live up to their responsibilities with respect to their core business activities.

John Ruggie, the Special Representative of the Secretary-General on the issue of human rights and transnational corporations and other business enterprises, provides valuable insights on the scope for effective legal and non-legal instruments to hold companies accountable for human rights. One finding from this research states that, of the 85 recognized national human rights institutions, 40 are able to handle grievances related to the human rights performance of companies. Clearly national capacity in this area needs to be improved. We would be pleased to see the UK Government actively engage with the Human Rights Council and other bodies on this increasingly important issue.

We believe that the UK Government has a particular responsibility with respect to companies that are UK-based or registered. As such we urge DFID to work with other government departments to promote genuine corporate responsibility, particularly with regard to human rights, currently one of the least well defined and implemented areas of corporate responsibility. This should involve better monitoring of corporations and effective, transparent mechanisms to hold companies to account.

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<sup>6</sup> In a letter to the Prime Minister on 26 February 2009, the Baptist Union of Great Britain, the Methodist Church and the United Reformed Church urged the UK Government to use its influence in the Council of Ministers to obtain the endorsement of the EU on these demands.

## **Labour standards**

Efforts to uphold and promote labour standards must be a fundamental part of any strategies for job creation. Unless there are strong mechanisms to ensure that workers can earn a fair, living wage and enjoy decent working conditions, job creation alone will not be sufficient to reduce poverty.

Work carried out through the Ethical Trading Initiative has led to real improvements for workers, including vulnerable workers such as home workers and smallholders. DFID support of the ETI has been instrumental and we encourage the department to continue this. We urge the department to better integrate learning from this and from its involvement in initiatives such as the Decent Work & Labour Standards Forum into country programmes and to work with other government departments to better integrate labour rights issues into procurement and other activities.

## **Business in the context of conflict**

In situations of conflict it is vital that governments and companies assess the impact of business on conflict. We would point to the work of International Alert and the UN Global Compact in this respect.<sup>7</sup> These agencies offer advice and support in the use of conflict impact assessment for business development. We would be keen to see such assessment being used by companies more frequently and much earlier in the planning process. The role of large-scale extractive industries presents particular concerns especially when operating in environments where democratic processes are weak or corruption is rife. Our churches continue to support research in this area and address issues with companies concerned.<sup>8</sup>

## **International trade**

Our churches continue to call for a fair and just trading system that protects the livelihoods of small producers and creates opportunities for developing countries' exports and employment. Trade can be an important source of revenue for developing economies. However, trade-related liberalization has also had disadvantages for many countries

It is our view that the UK Government could be more influential in shaping European trade policy in favour of developing nations, and in favour of those who are economically vulnerable within those nations. The European Partnership Agreements (EPAs) continue to be controversial, taking as their starting point the need to assist African, Caribbean and Pacific (ACP) countries in a process of a transition to a free-trade agenda. A significant aspect of this transition has been to eliminate tariff barriers. Meanwhile subsidies and other non-tariff barriers continue to limit the scope for the products and services of ACP countries to compete in European markets.

The move to persuade countries to open their markets has been a fundamental characteristic of a dominant liberalisation agenda that argues that reduced barriers to investment and trade are essential for poverty reduction. This agenda has often failed to give due attention to the negative impacts on the poor or problems arising from increasing inequality. The impact of the current crisis on developing countries underlines the need to adopt a more critical view of economic liberalisation. In our view any market opening should: -

a) support national strategies for alleviation of poverty

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<sup>7</sup> [www.international-alert.org](http://www.international-alert.org).

[www.unglobalcompact.org/Issues/human\\_rights/Tools\\_and\\_Guidance\\_Materials.html](http://www.unglobalcompact.org/Issues/human_rights/Tools_and_Guidance_Materials.html)

<sup>8</sup> The partners in this submission are members of Ecumenical Council for Corporate Responsibility (ECCR). ECCR's research reports may be found at [www.eccr.org.uk](http://www.eccr.org.uk)

- b) take into account the difficulty that the producers in the South have in competing in global markets
- c) encourage the development of regional trade
- d) be phased (if necessary over decades) to take into account the structural challenges that many countries face and
- e) protect the environment.

Greater facilitation of ACP country delegations' participation in the negotiation process, as well as greater civil society engagement in the process, would give confidence that the EPAs contribute to national strategies for economic development and poverty alleviation.

### **3. Climate change: How do we build a low carbon and climate resilient world?**

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

Small-scale farmers are particularly vulnerable to climate impacts especially in Africa and South Asia. We note that over the past two decades funding for sustainable agriculture has fallen from 17% to 3% of ODA. In the context of climate change, sustainable agriculture requires investment to improve the richness and productivity of the land including forests, watercourses and soils. However benefits from increased funding are clearly dependent on cohesive national strategies to ensure that small farmers have security of land tenure and access to markets, information and improved infrastructure.

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

The principle of including local communities in the identification of problems and delivery of appropriate technology is well established and remains highly relevant as we seek to achieve low carbon growth. It is important a) to ensure that innovations are cost effective and b) to demonstrate that the institutional arrangements for the support, maintenance and extension of any innovations are sustainable.

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

While we wholeheartedly support the importance of carbon awareness in making development decisions, we are concerned that the pursuit of low carbon and climate resilient development pathways may be too narrow a focus. Devising development pathways that are low carbon but ineffective in other ways must be avoided. We would welcome a return to the language of sustainable development since this broader principle would inherently include the need to be low carbon.

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

We consider that the principles of equity and justice must be at the heart of humankind's response to climate change. In line with the 'Polluter Pays' principle and the commitments made in the UNFCCC, countries with historically high emissions must take the lead in

enabling vulnerable developing countries, most of which have low levels of GHG emissions, to respond. In our opinion there needs to be easier access to external climate change adaptation funding for these countries. Funds should be made through grants rather than loans. Furthermore, where these funds come from donors, including DFID, they should be additional to and not come out of existing ODA commitments. They should also be over and above the longstanding 0.7% target.

Funding commitments for adaptation need to be predictable and assured well into the future and in this respect we draw attention to our recommendation in relation the EU in 2.3 above.

### **Innovative financing**

Given the scale of the challenge of responding to climate change we consider there is a role for innovative financing mechanisms to raise the funds that will be required for responding to climate change as well as for other development needs. See also section 5.4

### **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?**

We are of the view that recipient countries should have the primary responsibility for determining how adaptation funds should be applied. Financing to help developing countries respond to climate change should primarily be delivered through structures which are under the authority of the Conference of Parties (COP) of the UNFCCC and upon whose governing bodies developing countries are effectively represented.<sup>9</sup> We note that there are currently some problems in the operation of UNFCCC funding mechanisms, particularly the Adaptation Fund, however we urge DFID, to work with The Department for Business, Enterprise and Regulatory Reform (BERR) and other COP partners to find ways to ensure that these structures can work effectively and are well supported.

## **4. Fragile and conflict-affected countries: How can we create a safer world and the right conditions for poverty reduction?**

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

We would welcome a strengthened role on the part of DFID with respect to conflict prevention and responding to violent conflict. The 2007 DFID policy paper 'Preventing Violent Conflict' was a positive step forward in advancing DFID's understanding of its role in preventing conflict through appropriate development strategies. We hope that DFID is able to implement fully its commitments in that paper by 'putting greater emphasis on preventing violent conflict' as well as 'making all development work more conflict sensitive'. This is an important pre-condition to selecting priority actions.

The causes of conflict are often multiple and dynamic. Climate change and its consequences are already contributing to and prolonging conflict. The competition for natural resources including land, water and oil is likely to intensify in years to come. Global economic integration has enabled the private sector to access and distribute resources more freely than ever before. The legacy of Royal Dutch Shell's operations in Nigeria demonstrates how difficult it is to recover trust and good community relations once that trust has been broken.

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<sup>9</sup> While we welcome the fact that the UK Government puts money into climate change adaptation through, for example, the Bangladesh Multi-Donor Trust Fund and the World Bank's Climate Investment Funds, we note the criticisms that have been made of the governance of these, particularly the latter.

The development of new oil and mineral extraction enterprises in countries where there is civil conflict or where government accountability is poor, indicates that if lessons of the past have been learnt then they are still largely being ignored. Discussion of this area has been developed in section 2.4 above.

We believe that in order to address adequately the causes of violent conflict we must develop a stronger and more effective United Nations system. UN reform must be underpinned by adherence to values and human rights and have greater civil society interaction than is the case today. The UN has a problem with its public image. In this respect we question what more the UK government might do to promote its own involvement with the UN and to encourage public engagement and debate about the essential values that underpin global cooperation through the various organs of the UN system. We recognise that the responsibility for UN affairs is spread across a number of government ministries and that this arrangement may not help the UK government promote our own involvement with the UN or discussion around UN reform.

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

The immediate needs of vulnerable people caught up in conflict may not be addressed by conventional budgetary support. This can be particularly acute in an intra-state conflict situation when for example the government may retract from a geographic area entirely. In country flexibility is important in these situations and can be reliant on the role of in-country conflict advisors. We would like to see greater resources and status allocated to conflict advisors. An elevated status could help ensure that good quality country analysis is widely available and thus enables DFID to integrate better not just conflict sensitivity but also prevention into core activities.

An assessment of conflict dynamics in the development of country assistance plans for all DFID country programmes would provide an understanding for the potential for future violent conflict. This requires a multi-stakeholder approach that includes a wide range of civil society groups including faith-based groups and churches.

In the context of violent conflict DFID must carry out conflict impact assessment early in order to link the learning to strategies for delivering development assistance. Large-scale interventions in the context of conflict are seldom wholly positive in their impact.<sup>10</sup> We would hope that DFID's conflict analysis might influence the joint strategic planning of the Foreign and Commonwealth Office (FCO), Ministry of Defence (MOD) and other international agencies and that DFID's role in this respect could be enhanced.

#### **Churches in the context of conflict and peace-building<sup>11</sup>**

In the context of political crisis and conflict the church has been crucial in sustaining communities and rescuing those most severely affected. Churches and their leaders are well placed to denounce disorder and lawlessness founded on human greed. Their influence in conflict is seldom overt but in Zimbabwe, Sri Lanka, the Democratic Republic of Congo and Uganda for example, church leaders help to articulate a moral vision for a just society that enable people to believe that a different future is achievable<sup>12</sup>. In South Africa, Sierra Leone, Nicaragua and elsewhere the contribution of the church to reconciliation has been well

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<sup>10</sup> It is therefore appropriate to question whether the intention to 'do no harm', while laudable, can generally be reconciled with the often complex and multifaceted dynamics of a conflict situation

<sup>11</sup> See also "*Peacemaking: A Christian Vocation*"; A report of the Methodist Church in Britain and the United Reformed Church, 2007. Available Methodist Publishing House.

<sup>12</sup> For example three national church groups in Zimbabwe The Zimbabwe Council of Churches, the Zimbabwe Catholic Bishops Conference and the Zimbabwe Christian Fellowship produced the document titled "*The Zimbabwe We Want*" giving a detailed analysis of the political challenges and concrete recommendations.

reported and more widely acknowledged. Of course the church has not always had an unambiguously positive role, for example, the partisan statement of churches in Kenya during that country's recent political conflict has since caused national church denominations to reflect deeply.

It is not uncommon for belligerent parties to use allegiance to a particular faith group to justify antagonism towards others. Churches and other faith groups are particularly keen to build bridges across faiths when faith allegiance is seen as a contribution to conflict<sup>13</sup>. There are useful examples of inter-faith initiatives in the context of conflict and opportunities to learn from these<sup>14</sup>. In the development of national assistance strategies it is probably helpful to examine the faith dimension and capacities and limitations of faith-based groups to contribute to peace-building and community cohesion.

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

Adopting a Human Security approach, as developed within the United Nations, would help DFID go further to ensure that it reaches vulnerable populations. The Human Security principle of focussing policy on individual human needs necessarily takes account of factors such as age, gender and ethnicity and could help to prevent inadvertent discrimination in the provision of assistance. Recently commissioned field projects funded by the United Nations Trust Fund for Human Security could help DFID understand how to integrate this approach into its planning.

#### **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?**

### **Strengthening the UK response to conflict and development**

The challenges of poverty, conflict and climate change are interdependent. As DFID has noted, interventions targeted at one alone are unlikely to be effective. We welcome the approach and initiatives taken by the Conflict, Humanitarian and Security department of DFID in bringing about greater coherence within DFID activities, departments and in-country planning. We applaud the creativity behind funding mechanisms such as the Conflict, Humanitarian and Security Fund (CHSF) and encourage DFID to continue working in this way in future.

We also recognise the role that the joint MOD and DFID Conflict Prevention Pool (CPP) has played in bringing about greater coherence within government and in enhancing the UK's effectiveness on conflict prevention. Recent funding cuts to the CPP, without a replacement initiative, undermine the White Paper's message.

### **The relationship between armed violence reduction and development**

The recent Organisation for Economic Co-operation and Development policy paper 'Armed Violence Reduction: Enabling Development'<sup>15</sup> clearly shows the impacts and costs of armed violence for development. It also outlines a range of ways in which countries affected by armed violence need to integrate arms violence prevention and reduction into their

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<sup>13</sup> For example, the partners in this submission support the Ecumenical Accompaniment Programme for Palestine and Israel (EAPPI) offering opportunities for people to serve in solidarity with Palestinians and Israelis.

<sup>14</sup> In December 2008, the Woolf Institute of Abrahamic Faiths, Cambridge, held a conference with Christian Aid, Islamic Relief and World Jewish Relief to profile three case studies of inter-faith co-operation in the context of conflict. This conference contributes to an ongoing theme of the Woolf Institute.

<sup>15</sup> *Armed Violence Reduction: Enabling Development*, OECD Development Co-operation Directorate 2009. Available at: [http://www.oecd.org/document/21/0,3343,en\\_2649\\_33693550\\_42281877\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/21/0,3343,en_2649_33693550_42281877_1_1_1_1,00.html)

development programmes as well as donor approaches which can be seen to assist this. This document was endorsed by the UK as a member of the OECD.

We urge that DFID's poverty reduction policies take into account the clear recommendations of this policy paper. Armed violence undermines development. Many means exist to tackle the this problem, including consciously planned development policies themselves. DFID should also consider ways in which it can support the multi-lateral initiative of the Geneva Declaration on Armed Violence and Development. The UK sits as a member of the Core Group of countries at the heart of the Geneva Declaration process. Increased support by the UK inside this process would help this creative initiative to make a positive contribution to its stated goal of achieving "demonstrable reductions in the global burden of armed violence and improvements in human security by 2015."<sup>16</sup>

## **International Institutions**

The creation of the UN Peacebuilding Commission in 2005 represents an important recognition by the international community of the need for new ways to address the gap between humanitarian assistance in the light of violent conflict and the stage of sustainable development in post-conflict societies. The Peacebuilding Commission's goals are ambitious but its practice so far has been limited. It is becoming increasingly obvious that it has a vital inter-agency role to play in guaranteeing the responsiveness of the UN system.

The UK has demonstrated its commitment to this work. Its substantial engagement with the Peacebuilding mission of the UN system, including assisting the Peacebuilding Commission and its Peacebuilding Support Office, will help to strengthen the UN's capacity to build conflict prevention processes into overall assistance policies. This will help to ensure appropriate forms of international intervention that help to prevent post-conflict settings slipping back into violent conflict.

## **Humanitarian Assistance**

There is a need for a more extensive dialogue on the role of humanitarian actors in the context of conflict-affected states. There is often a dilemma about whether a military response is appropriate in cases of genocide, mass atrocities or other forms of mass suffering. We note DFID's strong advocacy for humanitarian intervention, and endorsement of the 'Responsibility to Protect' (R2P) doctrine. However we believe that to date most attention and resources afforded to R2P have been around 'the responsibility to react' rather than 'the responsibility to prevent' pillar.<sup>17</sup> Greater attention to the latter would address conflict at an early stage and therefore prevent large scale impacts on civilian populations.

Humanitarian assistance must be delivered by humanitarian actors in accordance with the SPHERE guidelines and Red Cross Code of Conduct for Humanitarian NGOs. Maintaining the concept of humanitarian space in the context of violent conflict is difficult. It is therefore all the more important that international donors uphold the principle of the impartiality of humanitarian assistance and avoid the establishment of structures for aid delivery that risk compromising this principle.

## **Development assistance and conflict**

In our view the use of development assistance to 'win hearts and minds' in the context of violent conflict is misguided. The capacity of development assistance to 'win over' community leaders is often grossly overplayed by international actors<sup>18</sup>. In addition, while quick impact

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<sup>16</sup> [www.genevadeclaration.org](http://www.genevadeclaration.org)

<sup>17</sup> See for example *The Responsibility to Prevent: A report to Congress from Friends Committee on National Legislation*, October 2008

<sup>18</sup> "Afghan 'hearts and minds' strategy not working, say church agencies."; <http://www.ekklesia.co.uk/node/7289>.

projects may have their place, they also have drawbacks, especially when they become the main focus of attention. There is a tendency for local government to be overlooked or marginalised in the planning and delivery of rapidly devised infrastructure projects. Often too little attention is given to the ongoing delivery of services.

In Afghanistan, development assistance (particularly infrastructure such as road construction) is used to extend the presence of the central government. Aid projects have become closely aligned to political and military objectives. When huge projects are delivered through civil/military operations, humanitarian agencies can become 'tainted' by association. Local Afghan communities place great emphasis on the importance of locally appropriate, transparent and accountable development. The governance of some major infrastructure projects managed by international donors in Afghanistan does not provide a good model for accountability and transparency<sup>19</sup>.

The disparity in approaches of the Provincial Reconstruction Teams in Afghanistan are indicative of the differing perspective of international donors, not only on modalities for delivery of assistance, but also to the adherence to underlying principles such as those expressed in the SPHERE guidelines<sup>20</sup> and Red Cross Code of Conduct for Humanitarian NGOs<sup>21</sup> (the latter with associated recommendations for international donors and governments). We believe that governmental actors and agencies must learn the lessons arising from the coordination of diplomatic, defence and developments in Afghanistan and, with others, seek to achieve agreement on fundamental principles that would inform practice in the context of violent conflict in the future.

## **5. International institutional reform: How can we work in partnership to deliver development?**

### **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?**

#### **Towards better representation**

We consider that the legitimacy and efficacy of the World Bank and the IMF is currently being undermined by the anachronistic nature of their governance structures. It is therefore essential that these are made more representative and transparent. The current reform agendas within both the Bank and Fund continue to progress extremely slowly. There is an urgent need to speed these up – particularly in the light of the increased financial allocations for the institutions announced at the London Summit earlier this year.

We welcome the decisions taken last year concerning the additional World Bank board member for Africa. However reforms need to go much further so as to increase the voice both of recipient countries and those economies such as China whose economic importance is not currently reflected in the current structures. We consider that further attention should be given to the composition of the Bank's board so as to ensure a better balance and representation for these countries. In practice this will mean consolidation of the current European seats.<sup>22</sup> We

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<sup>19</sup> "Aid and Civil/Military Relations in Afghanistan"; British Agencies Afghanistan Group (BAAG) and European Network of NGOs in Afghanistan (ENNA) Policy Paper; Oct 2008; [www.baag.org.uk](http://www.baag.org.uk)

<sup>20</sup> [www.sphereproject.org](http://www.sphereproject.org)

<sup>21</sup> [www.ifrc.org/publicat/conduct](http://www.ifrc.org/publicat/conduct)

<sup>22</sup> 'IMF and World Bank Governance' Quaker Peace & Social Witness occasional briefing, July 2007 and 'Who should control the Bank?' in *Bretton Woods Update 62*, Bretton Woods Project, September/ October 2008 Available at: <http://www.brettonwoodsproject.org/update/62/bwupdt62.pdf>

also consider that there should be an exploration of the demands made by the G24 regarding the parity of vote between borrowing and lending member countries.

Furthermore we strongly believe that action is long overdue with regard to the leadership selection procedures of both the Bank and the Fund. The current situation is deeply unsatisfactory and fails to uphold the principles of openness and inclusivity that we consider to be a necessary basis for the international financial architecture of the 21<sup>st</sup> century. It is vital that leaders for these institutions are selected on the basis of merit and from a pool of candidates that reflect the diversity of the international community that these institutions serve.

As well as developing country governments having a greater say in the decisions made by the bank, we consider that it is imperative that civil society is afforded good access to information about bank decisions, projects and proposals that will affect them. Currently this does not appear to be the case. As such we welcome the recent announcement of the Bank's disclosure review and hope that it will lead to a real improvement in the institutions accountability to the communities it affects. We urge DFID to play a full role in and support this process.

As a major contributor to the World Bank we believe that the UK should be in a good position to push for thorough and meaningful reforms at the World Bank and we encourage DFID to work with the Treasury to demonstrate leadership in this area.

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

We have chosen not to respond to this question.

## **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?**

We have chosen not to respond to this question.

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

### **Innovative financing for development**

The need for innovative financing has been given a new impetus in light of the global economic crisis. Even before this crisis, a significant financing gap existed in meeting the MDGs, especially related to health. We therefore support the call for the urgent introduction of a Currency Transaction Tax (CTT) and for developed countries to dedicate 0.7% of their economic stimulus packages to a Vulnerability Fund for developing countries suffering in the global downturn. (See below)

#### **Currency Transaction Tax**

The proposed CTT is a proportional, or percentage, tax on individual foreign exchange transactions, assessed on dealers in the foreign exchange market and collected by financial clearing or settlement systems. The volume of the foreign exchange market is immense and growing and is, therefore, a very robust income base.<sup>23</sup>

The CTT is technically feasible. The market is fully electronic and payment is automatic when a currency trade is settled. So it is efficient and inexpensive to implement with little scope for

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<sup>23</sup> In 2004, the market was worth \$1,900 billion a day (\$1.9 trillion), which equates to \$500 trillion a year. By 2007: \$800 trillion a year – a 71% increase. In 2008: more than \$4 trillion a day or 1,000 trillion a year.

avoidance. The rate of the CTT at half a basis point or half of one hundredth of 1% (0.005%) is too small to alter decision-making in the market and yet high enough to yield a substantial revenue stream.<sup>24</sup>

The ring-fencing of proceeds of a tax on currency transactions is likely to be controversial as there is a general resistance to the hypothecation of taxes. However, there are precedents for hypothecated taxes for the purpose of international development; UNITAID being a case in point. In our view these objections can and should be overcome as this proposed initiative represents a significant and realistic means for raising additional sustainable development finance.

### **Vulnerability Fund**

We support the recent call by World Bank President Robert B. Zoellick for developed countries to dedicate 0.7% of their economic stimulus packages to a 'Vulnerability Fund' for developing countries suffering in the global downturn.<sup>25</sup> Such a fund could speed resources to existing World Bank, United Nations and regional development bank safety-net programmes.

A target of 0.7% of each developed country's stimulus package represents only a tiny fraction of the hundreds of billions devoted to bank bail-outs, yet it could make a significant difference to the hundreds of millions who are victims of a crisis not of their making.

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

We have chosen not to respond to this question.

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<sup>24</sup> In work for the UN University last year, Professor Rodney Schmidt undertook the most detailed econometric modelling to date, showing that at a rate of 0.005%, the levy is too low to affect the structure of the market – whilst at the same time producing potential revenue of the order of \$33 – 60 billion a year. Please see reports (including Schmidt) at: <http://www.stampoutpoverty.org/?lid=10556>

<sup>25</sup> 'Time to herald the Age of Responsibility' *Financial Times* 29<sup>th</sup> January 2009