



**SUBMISSION TO THE DEPARTMENT FOR INTERNATIONAL
DEVELOPMENT'S WHITE PAPER CONSULTATION – “ELIMINATING
POVERTY: ASSURING OUR COMMON FUTURE”**

1. The Church of England welcomes the opportunity to respond to the Department for International Development's (DfID) White Paper consultation, *Eliminating World Poverty: Assuring our Common Future*. The Mission and Public Affairs Council of the Church of England is the body responsible for overseeing research and comment on social and political issues on behalf of the Church. The Council comprises a representative group of bishops, clergy and lay people with interest and expertise in the relevant areas, and reports to the General Synod through the Archbishops' Council.
2. We recognise the four themes in the White Paper as being key issues in development and important areas around which DfID should seek to drive the agenda forward. From the perspective of this submission, however, two considerations are key: first, building new more inclusive civil society relationships with churches and other faith communities to assist in the efforts to reduce global poverty; second, rethinking the development agenda in a way that makes sense of the unprecedented human security challenges posed by climate change. Rather than responding to each and every question listed in the White Paper, this submission only tackles those areas where we have particular expertise to offer or concrete recommendations to make.

Global economic growth: How do we minimise the impact of the downturn on the poor?

3. For many least developed countries this global financial crisis puts at risk the very real, but limited progress that has been made since 2000 in realising the Millennium Development Goals (MDGs). By adopting these goals, poverty alleviation was identified as an overarching goal of international cooperation. Governments promised that in addition to looking after the health and well being of their own societies, they had a collective responsibility to uphold the principle of human dignity, justice and equity internationally. **Despite the financial and economic tsunami facing them, governments need to remain faithful to their promises.** Responding to the social and economic dislocations within our own societies should not blind us to the reality that the credit crunch has exacerbated in other countries a pre-existing socio-economic crisis marked by widespread poverty, under-employment, growth in inequality and difficult social conditions. Reviving the world economic economy will help to curtail the negative feedback from this crisis, but it will not in itself deliver sustainable development. **Further consideration needs to be given to how best we challenge those unjust structures within society that conspire, even at times of global economic prosperity, to thwart the aspiration and dignity of those most marginal and vulnerable.**

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

4. The White Paper focuses much of its attention on the relationship between the MDGs and the global economic crisis. The White Paper rightly argues that “as with all such crises, the world’s poorest and most vulnerable people will likely suffer the most, facing multiple pressures”. The White Paper could also have said that these same countries are being affected by a crisis that had no part in creating. We are concerned, however, that the economic projections underpinning much of the White Paper’s thinking are erroneous and at odds with the analysis provided by the IMF’s April 2009 World Economic Outlook. **There is a distinct risk that subsequent policy recommendations emerging from this consultative**

exercise are not sufficiently calibrated to take account of the severity and projected longevity of the global downturn and how it impacts on the worlds' poor.

5. Restoring trust between financial institutions and enhancing market liquidity remains the optimum long term strategy for resuscitating the global economy. Within this matrix, the government can take certain measures, either unilaterally or with others, to ensure that the development gains of the past decade are not lost. The inability to **conclude a genuine development trade round** at the World Trade Organisation (WTO) is a painful reminder that the economic benefits of globalisation have not been evenly spread or enjoyed. Globalisation has all too often given rise to new asymmetrical relations. We welcome the Government's commitment to revive the Doha Round, but such efforts need to place the needs of development countries centre stage. We do, however, have considerable doubts that it can be concluded this year given the administrative and political obstacles facing a number of major actors.
6. In the absence of its conclusion, the Government must **resist domestic pressures to apply protectionist measures** either in the form of tariffs or subsidies. History shows that the pursuit of short term beggar-thy-neighbour trade policies encourages a politics of self-interest and a narrowing of horizons that legitimates the protection of some at the expense of others. The Government must work with its EU partners to ensure that the various fiscal stimuli packages governments are introducing do not distort trade flows.
7. Whatever the efficacy of the fiscal stimuli measures adopted by the major economies, governments need to be mindful that such steps provide corporations in advanced industrial and countries with a distinct competitive advantage over their rivals in the emerging world. Developing countries need also to be provided with substantial funds to allow them to take comparable policies that provide for their well being and flourishing. Rescue and assistance packages should not stop at the borders of rich and powerful countries. **Such help that is provided needs to be given generously without the usual conditionalities.** We are therefore disappointed that although the G20 London Summit saw a recommitment to the

MDGs and governments respective Overseas Development Assistance (ODA) pledges, it only provided US\$6 billion for additional concessional and flexible finance for the poorest countries over the next two to three years.

8. Most of the G20 outcomes appear based on the hope that the benefits of their fiscal stimuli packages will ‘trickle down’ to the poorest nations. Although the White Paper talks repeatedly about the financial crisis challenging old market orthodoxies, the evidence suggests that the ‘old Washington consensus’ is not over. Just as the financial crisis of the 1990s gave rise to the Monterrey Consensus on financing for development, **governments need now to recommit to a new development consensus that provides the means necessary to address poverty worldwide.** We suggest that further consideration be given by the G20 at its meeting in September 2009 to the proposal that at least 0.7% of national stimulus packages be given to developing countries in the form of ODA.
9. Despite the lack of multilateral progress, we are encouraged that the 2009 budget confirmed that increases in Britain’s ODA will remain exactly at the same levels that they were forecast in 2007 not only for the current financial year but also for the next. We are heartened that both opposition parties have indicated their support for such a progressive measure. The Government should use this cross party consensus to **lobby other OECD countries not to use the current crisis as pretext to economise on Overseas Development Assistance.** Despite the 2009 budgetary allocation for international development, **the Government must ensure that the legitimate case for financial stringency across Whitehall does not see a refocusing of DfID’s budget away from poverty alleviation to other pressing foreign policy goals such as Pakistan and Afghanistan.** Such a move, we believe, would have devastating results in terms of human development and would threaten to erode yet further the levels of global trust between rich and poor, North and South.
10. The Government needs to **be mindful of the dangers that the economic recession poses to the domestic consensus on development that DfID has nurtured since its first White Paper in 2007.** This consensus is not a given. It is subject to systemic shock and reversal. With tensions and challenges to social

stability already evident both here in the UK and across Europe, the Government needs to make the case that Britain's commitment to development is not a luxury but a political and moral necessity. The Government needs to be alert to the dangers that voters might resent the Budget's vow to "keep our promises to the world's poorest" given the significant squeeze on the financing of domestic priorities. **Now more than ever DfID needs to intensify its efforts in the field of development education and development awareness with key constituencies here in the UK.** We are therefore disappointed that the language of the White Paper appears at times to suggest a lowering of ambition from realising the MDGs to cementing the gains of the last decade. It is of course important that these gains are protected, but these gains still fall woefully short of what governments promised in 2000.

Which are the new countries, organisations, businesses and people who could do more to support global poverty reduction? How could the UK encourage and team up with them to promote growth, incomes and jobs?

11. In a speech to Church of England's General Synod, November 1998, the then Secretary of State for International Development, Claire Short, acknowledged the development role and reach of churches and faith communities both in the field of advocacy and service delivery. This contribution was explored more fully by the March 2005 Commission for Africa Report that helped inform the G8 Summit in Gleneagles that same year. More recently, in July 2008, the Prime Minister in a speech at Lambeth Palace to bishops from around the Anglican Communion publicly praised the important work that churches and faith communities play in alleviating poverty and restoring human dignity.

12. **Despite publicly acknowledging the significant role and contribution of churches and faith communities to poverty alleviating, DfID remains hesitant, even at times reluctant, to harness this faithful and generous capital.** All too often DfID appears to equate working with faith inspired NGOs with working with churches and faith communities. This is a flawed equation. The religious landscape both in the UK and overseas can at times be confusing, but attempts by DfID to compensate for its lack of religious literacy by seeing faith inspired NGOs as gatekeepers to and for a wider religious constituency leads to an unhelpful

simplification of relationships. In some instances faith inspired NGOs have only a nominal relationship and commitment to working with churches and faith communities overseas. In other cases, where this commitment is stronger, the size of the NGO in question prohibits an effective scaling up of efforts. **The net result is one of missed partnership opportunities, and a growing frustration within churches and faith communities that their specific and unique contribution to development is being either unintentionally overlooked or purposefully marginalised by DfID.**

13. To correct this situation DfID should:

- i. **commission a departmental Position Paper** setting out its approach to engaging with churches and faith communities as distinct civil society stakeholders in the development agenda;
- ii. **provide a mechanism to support a regular, open and transparent dialogue between churches and faith communities** both at the level of religious leaders and also at the level of expert officers on matters of mutual concern;
- iii. **produce coherent internal guidelines** that have traction and ownership within DfID that might assist officials to engage more effectively with churches and faith communities in the development field;
- iv. **re-examine the existing funding relationships with civil society organisations** (Partnership Programme Arrangements, Civil Society Challenge Fund, Governance and Transparency Fund and Development Awareness Fund) to ensure that they do not unduly discriminate against churches and faith communities.

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

14. See the subsequent section on climate change

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

15. See the subsequent section on climate change

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

16. Recognising that even in testing times we have an individual and collective responsibility to provide for those most in need is to retain a hold of our sense of what it is to be human. This understanding cannot be divorced from our understandings of the natural environment that we have inherited. Any suggestion that our current predicament entitles us to a temporary respite from taking the necessary measures to provide for environmental security of current and future generations is both short sighted and foolhardy. At its heart, climate change is an issue of justice. The vast majority of emissions are produced by the wealthiest billion in the world, but the impact will be felt hardest by the poorest 2-3 billion people. Climate change threatens to push many communities still further into poverty and in so doing frustrate the efforts by the international community to deliver on the MDGs. Those most affected also have the fewest resources to adapt to climate change, the weakest systems for managing natural disasters and live in areas of the world most vulnerable to social conflict and crisis over scarce resources. Leaving the world's poor to sink or swim with their own meagre resources in the face of the threat posed by climate change is, as Desmond Tutu, the former Archbishop of Capetown noted, "morally wrong".

What support is needed for developing countries to integrate climate resilience into their development plans? How can we ensure that the most vulnerable are protected from the impacts of climate change?

17. Despite the efforts that many countries have taken to develop national action plans on climate change, more needs to be done to help them to mainstream or integrate climate issues into government policy making and into donor planning. The effectiveness of any national action plan on climate change will depend on the accuracy of the climate data available and the degree of ownership and political backing that any resulting plan has across government as whole. We remain concerned that **efforts to develop effective national plans have been hindered by a lack of data as to the vulnerabilities and priorities for adaptation of a number of least developed countries.** Where data does exist, it tends to be very approximate and top down rather than based on disaggregate estimates. In Sub-

Saharan Africa for instance, high levels of rural poverty and dependence on rain-fed agriculture makes meteorological information an imperative for adaptation. In France, the meteorological budget amounts to US\$388 million annually, compared with just US\$2 million for Ethiopia. The 2005 G8 Summit pledged action to strengthen Africa's meteorological monitoring capacity, but follow up has fallen short of the commitments made.

18. We recognise that steps have been taken to correct this imbalance, as illustrated by the joint venture between DfID and the Canadian International Research Centre to investigate how African countries can adapt to change. Yet such research, while helpful, is piecemeal, top down and involves a significant element of provisionality. **DfID needs to assist developing countries to engage more, not only in global climate observations and modelling through the Global Climate Observation System (GCOS), but in smaller regional modelling that can provide location specific results.** Based on such predictions, a better mapping of vulnerabilities can be undertaken – establishing which coastal areas are likely to suffer from a rise in sea level, which diseases are likely to be more prevalent and where they might be concentrated and, what crops are likely to face declining yields, for example.

19. The uncertainty of existing climate predictions, particularly over short time periods, means that adaptation and climate resilient development plans inevitably involves some element of provisionality. **Funding programmes will need to be sufficiently flexible and responsive if they are to prove effective.** The concept of 'learning by doing' will be key in developing guidance for the future, as well as part of the process of helping those communities and countries already facing severe impacts of climate change. In view of this uncertainty and the need for prior clarification we suggest that **the effectiveness of adaptation measures should, in the first instance, be assessed against general models of best practice.** This might include the degree to which the measures focus on the most vulnerable, their level of transparency and the degree to which they involve relevant stakeholders. Progress should be monitored and learning captured through oversight of a relevant UNFCCC body.

20. Current discussions of climate change adaptation tends to focus on technological and infrastructure solutions, framing this area as essentially an apolitical branch of standard development policy. All too often, as illustrated by the White Paper, providing assistance for developing countries to integrate climate change into their development plans is seen as just good development. Yet, as the implications of climate change become more noticeable and our climate predictions become more sophisticated so our understanding of what adaptation might necessitate will develop. Both the impact of climate change and the policies to address it will raise intense political conflicts over the allocation and control of resources and territory. In some instances, where governance structures are already weak and resource management already politicised, encouraging effective adaptation will be far from problematic. **It is of course important that DfID assist developing countries maximise the potential to adapt to climate change and to develop climate resilient development plans, but DfID needs to recognise the limits of such action and make provision accordingly.** Even at moderate levels of climate change, it will not be technically possible, or cost effective, for many countries in areas affected by drought, floods and sea level rises to remain where they are.
21. Within this expanding matrix we hold that there are several and, as yet, unexplored roles for the UNFCCC. There is a clear need to help coordinate the work of international organisations, perhaps through an enhanced Nairobi Work Programme which manages to both stimulate and disseminate research findings on particular aspects of adaptation. Progress could be facilitated by the establishment of a permanent adaptation body under the UNFCCC with the task of resourcing adaptation globally. This coordination could be underpinned by regional adaptation centres which could assist governments in building effective integrated analysis and strategic responses in this area. Regional adaptation centres could play an important role in assisting in the modernisation of traditional resource management systems, which are likely to be made redundant by a changing climate. Either way, **given the complexity and provisionality of the area, providing generic information is unlikely to result in effective adaptation or climate resilient development plans.**

22. Against this uncertain future, support for government action needs to be balanced with appropriate funding for community based adaptation and climate resilience projects. Lessons learnt from these projects need to be disseminated to a wider audience and constituency with the opportunity of their scaling up through effective programme partnerships. This support needs to extend to and make use of the significant resources and networks provided by churches and faith communities. The Church of England, for instance, in September 2009, will be launching its own Adaptation Fund. This Fund will enable individuals, parishes and diocese here in the UK to calculate their own carbon footprint and pay compensation for anything over their fair share. Money accrued will then be used to finance community and Church based adaptation projects from around the Anglican Communion that will be managed by Tearfund. These efforts, we believe, will provide local communities with an opportunity to develop their own adaptation projects and in so doing enable them to have a voice in the decision making processes that shape their lives. The Fund will also have value domestically here in the UK by raising awareness as to the intricate and complex relationship between climate change and development.

How can we work most effectively with developing countries to support the development and use of new technologies for low carbon growth? How can we ensure that innovation does not ignore the technologies most relevant to the poor?

23. The transition to a low carbon economy needs to empower the development of many of the poorest countries rather than contributing to their marginalisation through the duplication of existing asymmetrical relationships. A number of mechanisms already exist to encourage greater flows of finance to bridge the funding gap to improve access to clean energy and development. These facilities include the Clean Development Mechanism and the Clean Energy Investment Framework. Yet, these mechanisms have so far bypassed Africa. George Edgar, the Foreign and Commonwealth Office's envoy for climate change in Africa noted in a speech to Chatham House, 23 May 2007, that out of the existing 645 registered CDM projects, only 16 were in Africa, of which seven were in South Africa and Seven North of the Sahara.

24. The International Energy Agency estimates that to facilitate the transition to a low carbon economy the world will need to invest some 21 trillion dollars in the energy sector between now and 2030 and that the bulk of this money has to flow in the direction of low carbon and energy efficient investment. Developing effective carbon pricing through a global cap-and trade system should help stimulate investment in innovation. It will not, however, be sufficient to ensure the commercialisation of new green technologies such as Carbon Capture and Storage (CCS). **New green technologies could be developed and deployed more rapidly and cost effectively if the Government worked towards a more active programme of public-private investment that is better aligned with effective carbon pricing.**
25. It is important that any technological advances are shared broadly across the international community. The Government needs to work with others to allow developing countries and emerging economies to manufacture patented clean technology so as to help address projected energy shortages and to avoid the problem of rising emissions in these countries as their economies grow. **Developing new models of technological cooperation will require changes to the existing intellectual property rights regimes and trade rules in such a way that the public goods of these technologies is acknowledged and safeguarded.** We recognise, however that this will require a shift in political positions which run counter to the current protectionist sentiments in some OECD countries.
26. To decarbonise the global economy effectively the world will need OECD countries to come up with the technological innovations that are then manufactured more cheaply by others. **Facilitating the transition to a low carbon will therefore require removing tariff and non-tariff barriers to trade in low carbon, energy efficient and environmentally friendly goods and services.** We believe that it would be self-defeating to continue to use systems under the Kyoto Protocol, which subsidizes the use of low-carbon technology in industrialising countries while simultaneously raising the cost of access to the best of these technologies and restricting trade in low-cost solutions.

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

27. Britain, like many other countries, is facing two significant challenges: the financial crisis which has contributed to a deepening recession and growing unemployment, complemented by a dawning ecological crisis. **How governments respond to these twin pressures will be seen by many as a tipping point in our understanding of, and commitment to the idea of sustainable development.** Both challenges are interlinked and represent massive market failures requiring concerted and coordinated action at all levels of government. Resuscitating economic growth cannot be treated in isolation from the challenges of promoting sustainable development. **The choice is not between economic growth and environmental protection. The work of eco-justice (*eco*-logical and *eco*-nomic) is one work.**

28. We support the analysis underpinning the United Nations Environment Programme's *Global Green New Deal* initiative launched in October 2008. **Re-focusing the global economy towards investments in clean technologies and natural infrastructure such as forests and soils offers the most promising options for real and sustainable growth: combating climate change and triggering an employment boom in the 21st Century.** The supposition that environmental protection yields significant economic benefits, as well as ecological gains, is substantiated by Europe's own emerging green economy, which, according to the European Commission (January 2008), currently boasts a 227 billion Euro turnover with 3.4 million jobs.

29. **We hold that the current financial crisis and economic recession represent less a threat and more a historic opportunity to bring about tomorrow's low carbon economy today.** We recognise that steps have been taken here in the UK to develop green growth strategies, as illustrated by the September 2008 'refreshed' Manufacturing Strategy that highlighted "seizing the opportunities of the low carbon economy". But, **what seems to be lacking across the political spectrum is any strategic vision for urgent government action** to ensure that the UK's environmental industry secures early mover advantage through a comprehensive long term strategy. As Lord Chris Smith, the Chair of the UK's Environment Agency, noted in November 2008, "unlike the US, the UK has no

comprehensive, integrated strategy for the creation of green technology, no coherent, determined national initiative.”

30. We suggest that further consideration be given to the January 2009 recommendations made by the Environmental Industries Commission that called for: a fiscal stimulus for green jobs; long term regulatory targets to support investment and innovation; government policies in the field of research and development, public procurement and green jobs training and finally a formal Department for Business, Enterprise and Regulatory Reform (BERR) Environmental Industry Growth Strategy to coordinate the range of policies needed to support environmental industry.
31. We recognise that much of this analysis might remain outside DfID’s domain. We remain concerned, however, that **the scale the Government’s action and thinking in this area remain inadequate when compared to the size of the economic and environmental challenge we face**. Unless the Government can provide a clear steer on how to make the transition to a low carbon economy, business will not have the confidence to invest. Without the commercialisation of new green technology it is difficult to see how any technological innovation can be exported cheaply to assist in the green development of others. If this analysis illustrates anything it is that many of the decisions critical for global climate security and the effective transition to a low carbon, high efficiency economy, will take place outside the field of climate change. It is the decisions made in the areas of foreign and trade policy that will have an influence on the global response to climate change.

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

32. Despite the existing uncertainty as to the long term costs of adaptation, there is a clear consensus that to secure the necessary levels of adaptation, developing countries will need significant external financial assistance that is likely to fall in the range of tens of billions of dollars a year. There is a need for urgent action here since adaptation measures will become progressively harder to implement and in turn more costly to finance, as societies face increasing costs stress from the

consequences of climate change. Some of this investment will need to come from the market, but a significant proportion has to be public funding. This money must not be channelled from existing aid budgets in a way that undermines the international communities' existing development commitments. **Sustainable and predictable financing to address climate change must be additional to the government's existing ODA commitments, and contributions should be divided up among countries according to their responsibility and capability.** Any shortfall in delivery will compromise progress towards the MDGs and compound problems in climate change adaptation.

33. We remain concerned that **progress to date in securing the necessary levels of adaptation funding has been hazardously slow.** Several financial mechanisms to support adaptation already exist under the UNFCCC and the Kyoto Protocol. These include the Least Developed Countries Fund, the Special Climate Change Fund, the Adaptation Fund and the Strategic Priority on Adaptation. These four funds contain a total of over US\$310 million to date. These multilateral funds are complemented by a number of bilateral funding agencies in countries including Canada, Germany, the Netherlands, Japan, the USA and the United Kingdom that have allocated funding for adaptation activities, including research and some pilot projects. This patchwork of multilateral mechanisms is delivering small amounts of finance with very high transactions costs. **To date, bilateral donors have provided around US\$110 million for over 50 adaptation projects in 29 countries. To put this in proper perspective, this figure is less than one half of what the German state of Baden-Wurtemberg will allocate to the strengthening of flood defences.**

34. We recognise that **there is no single bullet to finance adaptation at the levels needed. A range of innovative sources of funding will be needed to support developing countries respond effectively to climate change.** We understand that four broad categories of funding mechanisms exist that could generate additional resources to support adaptation. First, financial pledges via general expenditure by national governments, without a specifically identified funding source. Second, auctions of emissions allowances as cap-and-trade system emerge by either pre-announcing some of the revenue from permit (Assigned Amount Units, AAU) auctions as finding source, or re-assigning a portion of AAUs. Third, levies on the

carbon market such as an extension of the Clean Development Mechanism credits, that are currently funding the Adaptation Fund, to e.g. Joint Implementation. Fourth, through the introduction of a global carbon mechanism, such as that proposed by the Swiss government.

35. We have argued in previous submissions regarding the reform of the EU's emissions trading scheme that AAUs offer a number of attractive features which need closer attention. AAUs would help to mobilise the scale of funding that is required, but in a way that is both predictable and sustainable. It would also reflect the polluter pays principle and if extended to a wider cap-and-trade system, it would ensure that such a system empowered the development of many of the poorest countries rather than contributing to their further marginalisation. We have also argued in these same submissions for the hypothecation of auctioning revenues as priority for the EU on climate change. Wherever the additional finance originates from further attention needs to be given within the scope of the UNFCCC to developing a more coherent approach towards financing adaptation.

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

36. Throughout our response to this section of the White Paper, we have continually pressed in favour of strengthening the international institutional framework provided by the UNFCCC. The UNFCCC provides developing countries with a inclusive and equitable framework for participation on climate change. Given the suspicion that many developing countries have of the World Bank, we suggest that any funding arrangements for climate change are handle through the UNFCCC and not the World Bank.

Fragile and conflict afflicted countries: How can we create a safer world and the right conditions for poverty reduction?

37. We welcome the White Paper's emphasis on peace-building and state-building. All too often state weakness is a crucial factor stimulating the fragmentation and

growing intractability of armed conflict. Reducing violence in weak and conflict torn states requires intensive and sustained efforts at state-building that combines functionality and local legitimacy. Domestically generated movements that enjoy wide popular support and pursue broad social, political and security agendas may be best placed to assist with state-building even if the ideologies and agendas of these movements are significantly different from those promoted by the leading international actors. In those situations where conflict has contributed to the politicisation of religion as a marker of identity, efforts at peace building and state-building that do not include religious actors or purposefully marginalise them as being problematic are less likely to be sustainable long term. Yet, with so much emphasis on religion as a source of conflict, the role of religion as a force for peace keeping is usually overlooked.

What are the priority actions to address the causes of violent conflict and build capable and responsive states? How can we better support the development of sustainable and ensuring peace processes and inclusive political institutions? How can we harness the potential of the private sector and civil society?

38. All too often the Government's response to conflict resolution and peace building can appear confused, even at times contradictory. The impression given, as with the Middle East, is that of a Government picking winners according to its own strategic interests rather than necessarily providing and supporting an inclusive peace process that has legitimacy and ownership in the region. **Real and lasting conflict resolution requires the active engagement and participation of all parties to a conflict however unpalatable and uncomfortable that might be for some.** It follows from this that the Government should also **avoid imposing its own notions of democracy on countries emerging from conflict.** We do not dispute that democracy is worth having, but that it simply cannot be imposed on countries in Western secular terms. To focus on the development or introduction of democratic institutions and processes without paying attention to a country's civic culture is shortsighted. Greater attention needs to be given to how the democratic principle can be understood and appropriated in culturally sensitive ways.

39. Further attention needs to be given to how DfID might **better harness the potential of churches and faith communities in peace building and**

reconciliation. In Iraq, the Iraqi Institute of Peace, for example, is one of the most effective non-government organisations in the region. Set up in 2005 with the assistance of the Foundation for Relief and Reconciliation in the Middle East, it brings together a myriad of religious communities in an integrated effort to counter the ethnic, tribal and religious conflict that has threatened to hinder the country's transition to democracy. Similarly, other faith based organisations, such as the Community of St Igidio and the World Conference for Religion and Peace undertake unofficial mediations between conflicting parties that is sometimes beyond the capacity of any state actor. As respected members of society, individual national religious leaders have often been at the forefront of efforts to deny impunity and bring an end to fighting.

40. Initiatives such as these, appear to replicate the “intentional communities of reconciliation” such as the Coorymelea Community that emerged in Northern Ireland in the 1960s. The Corrymella Community provided a chance for experimental learning so that members of that community were able to rediscover each other as human beings. Given the dehumanising nature of war and conflict this is no small task. These often grass roots initiatives play a vital role in providing the space for people to rediscover together not only their own humanity but also the humanity of others.

Do we need new ways of delivering assistance in fragile and conflict affected countries? How can we ensure that there is an unbroken and constructive chain of support from humanitarian crises through to post-conflict recovery and long term development? How can basic services, like health and education be delivered when states are weak or violence is ongoing, whole ‘doing no harm’?

41. In many situations of armed conflict where the institutions of government have failed or are failing, churches and faith communities often represent the only coherent and effective means of service delivery nationwide. Churches and other faith communities represent a durable and reliable presence which illustrates that they are intrinsically part of the community. They remain embedded in areas affected by conflict and crisis long after others have left. In the Democratic Republic of the Congo, for example, up to 60% of health care is provided by the Church and yet the role of the Church as service provider in the DRC hardly

warrants a mention in the relevant DfID strategy papers. The net result is that DfID excludes from its calculations a pivotal and well-proven channel of aid delivery. **A greater appreciation by DfID of how religious networks operate in conflict situations, could see fundamentally different ways of delivering assistance in fragile and conflict affected countries.**

How can we better provide for the security and access to justice of poor, vulnerable or marginalised populations? How can we ensure that our assistance equally protects the rights of women, men, children and particularly marginalised groups such as the disabled and elderly and tackles discrimination? How should we combine top-down institutional reforms with grassroots and preventative measures?

42. As other secular NGOs have noticed in the past, DfID needs to support those indigenous civil society groups in using a range of approaches, such as legal, campaigning and advocacy, to influence governments to promote inclusive growth and combat discrimination. Within this matrix we suggest that specific consideration, support and financial assistance be given to the role of churches and faith communities. More than any other civil society actor, churches and faith communities provide global networks linking North and South, local to international that may be mobilised for social justice and advocacy. Unlike other civil society actors, churches and faith communities have a visible and living presence amongst the poor, the marginalised and those most vulnerable within society. **Whether it is Zimbabwe or Sudan, it is this rootedness in the local community that gives the Church and other faith communities both the credibility and legitimacy to challenge unjust structures of society and to work towards the restoration of human dignity and flourishing.**

How can we improve coordination of diplomatic, defence and development efforts to ensure the right conditions for poverty reduction in fragile and conflict-affected states? How can UK efforts be strengthened? How can the international institutions be reformed?

43. We have chosen not to answer this question.

Section Five: International institutional reform - How can we work in partnership to deliver development?

How can we strengthen the World Bank's legitimacy, responsiveness to member governments, and ability to accelerate progress towards the MDGs and address new challenges as they arise? How can developing countries have a stronger say in the Bank's work? How can we ensure the World Bank has the resources and structure to respond effectively to crises while continuing to deliver longer term poverty reduction?

44. The current financial crisis is the result of serious shortcomings in domestic financial governance that have also revealed significant gaps in the global governance of international finance and capital. It follows that the current financial crisis represents both a market failure and a systemic failure in multilateral governance. **Short-term measures to restore market confidence will mean little if they are not accompanied by more long-term changes to the institutions of global governance.** Current governance structures of both the World Bank and the IMF do not sufficiently reflect the tectonic shifts in the global political economy that have occurred over the past twenty years, nor have they shown themselves capable of coordinating a suitable response to the current challenges. **Although we consistently hear about the benefits of globalisation, neither the World Bank nor the IMF have globalised their governance structures in a way that commands the confidence or respect of emerging economies or developing countries.** All too often the actions of these institutions resemble interventions by a small group of heavily industrialised countries rather than cooperative and equitable working relationships involving differing stakeholders capable of managing the challenges of globalisation. In the eyes of many, these institutions epitomise a set of outdated economic doctrines that have been shown to be wanting both in developing countries and now more recently in heavily industrialised economies.

45. Reform of the international financial institutions needs therefore to give rise to a new understanding of relatedness and community. If emerging economies are to assume greater responsibility for the effective operation of the international financial system, then old market orthodoxies will need to be revisited. This means

allowing space for the concerns and the anxieties of others to be heard and addressed. That is why governance reform needs to be more than just the symbolic widening of participation; it means broadening the regulatory agenda to include items of particular concern to poorer countries, such as debt restructuring, capital flight or commodity futures trading. To do otherwise, risks strengthening existing resentments in ways that could boost centrifugal forces in international financial politics.

46. We recognise that steps have been taken by the G20 to look again at accelerating the reform of these institutions. Yet, the G20 needs to be mindful of those not included within its own deliberations as well as those discussions already taking place in other bodies. **All too often countries excluded from these exclusive gatherings have resented the imposition by others of various international standards that are established with little or no input from developing countries and that are felt inappropriate to their particular contexts.** A more open, inclusive and transparent debate needs to occur than hitherto exists as to the aims and scope of any international reform.
47. Recognising that global governance is problematic, involving sometimes a compromise between efficiency and legitimacy, does not exclude the possibility of securing reform through democratic and transparent means. At the very least this will require building bridges between the conclusions of the London Summit and the Commission sponsored by the UN General Assembly President. Active consideration needs also to be given to how the views of civil society, business, faith communities and other non governmental actors might be heard.
48. We recognise that like the creation of the Bretton Woods institutions in 1944, a new international financial order is not something that is created overnight. It needs to be fashioned from alternative and sometimes competing ideas that then need to be polished and tested. Ten years ago, at the time of Asia's financial crisis, there was much discussion of the need to reform the global financial architecture. In hindsight it is evident that too little was done. Too much attention was focused on technical fixes at the expense of realising the full ambition of global reordering. We cannot allow the moment to pass again.

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

49. We have chosen not to answer this question.

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?

50. In 2005, the British Prime Minister, Tony Blair, in a speech to the European Parliament at the start of the British EU Presidency called for development to become one of the new political priorities. He was right to do so. The EU, together with its member states, is the world's largest donor of ODA. It accounts for more than half of the world's efforts to support poor countries. It gives three times as much to developing countries – as a proportion of GDP – as the US. Yet, the **visibility of Europe's aid remains limited, compared with other major donors**, like the WB or the IMF. There is rarely a single European voice to counter balance the USA in the Bretton Woods institutions, while Europe's influence on the intellectual and strategic debates on aid is limited.

51. **Although the EU faces a wide array of challenges from beyond its borders, it is ill-equipped to deal with them.** The EU seldom appears to take a strategic approach to its external relations by joining up its aid, trade, judicial, diplomatic, military and their policies. It rarely takes into consideration the external influence of internal EU policies such as the environment, justice and security, or transport. As a result, its institutions and member states often fail to co-ordinate their various policies and instruments in the pursuit of common and agreed objectives. In some instances as with the issue of small arms the lack of coordination and understanding between the institutions regarding division of labour and competence can lead to judicial action. The EU must find ways of removing the contradictions that often exist between its agricultural, development and security policies; between the policies of member states and the European Union; between the views of the Commission and the Council of Ministers; and between the different departments of both the Commission and the Council.

52. **The situation is compounded by the EU's institutional weakness.** The institutions of the 'rotating presidency' and the troika (the representation of the EU by the presidency's foreign ministers, the High Representative and the commissioner for external relations) limit the EU's effectiveness. The loss of the constitutional Treaty and the continuing uncertainty over the future of the Lisbon Reform Treaty has deprived the EU of some sensible reforms to the way it makes and manages its external relations. However, even with the current treaties, the EU could do plenty to strengthen its activities in this field. That it hasn't suggests that the problem is less one of institutional weakness and more a collective lack of political will to see more common and concerted EU action in this area. The major obstacle here rests with the fact that most donors see aid as part of their foreign policy.
53. **We recognise that some steps have been taken to coordinate aid policies, not least at the country level, but for the most part the record remains poor.** We recognise that the aid industry and business is highly complex. A vast number of actors and programmes exist, which means that in practice there are often too many donors or agencies working on the same sectors and/or in the same countries. For example, there are about 40 donors in Tanzania, a country with only about 37 million people, including ten EU member states and the Commission. In the same country, 23 donors including nine EU agencies have to meet every month to co-ordinate their action against HIV. Such a multiplicity of aid is costly for poor countries whose limited staff and resources are overstretched by the requirements, conditions and administrative procedures imposed by the various donors. The costs involved in co-ordination ultimately means that less aid flows to those who need it most.
54. **With opinion polls consistently showing that EU citizens want a more visible and high profile EU development policy, the EU and its member states have a moral and political responsibility to ensure that increased public spending on aid is spent effectively.** If the EU can improve its performance as a provider of aid, and improve the coherence of its various policies, it will gain a political voice that matches its economic weight on the international stage.

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

55. We have chosen not to answer this question

What can be done to improve the effectiveness of the international aid system? How can we help to build real mutual accountability at the country level and internationally? How can we gain better information on the results of aid, particularly aid delivered through the multilateral organisations? Can more be done to ensure a better allocation of aid, particularly aid delivered through the multilateral organisations? How can we make best use of the power of networks to collaborate more between donors, partners countries, civil society, private sectors and others?

56. We believe that this question has been answered in part by our response to earlier sections of this submission.