

# European & External Affairs Committee

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**Date: 6 April 2006**

**Time: 09.00 – 12.00**

**Venue: National Assembly for Wales, Cardiff Bay**

**Title: Wales Overseas Agencies Group - Make Poverty History: The verdict and the task ahead**

### 1. Introduction

Last year global poverty took its rightful place at the heart of international debate. The Global Call to Action against Poverty, of which Make Poverty History was a part, mobilised millions of campaigners worldwide – including many thousands in Wales too – on behalf of the world's poorest countries as 2005 presented a series of exceptional international opportunities for the governments of the richest countries to make political decisions that deliver justice for the world's poorest people.

Through the G8 and presidency of the European Union (EU), the UK Government was challenged to take a lead globally at the G8, UN World Summit and World Trade Organisation (WTO), to make radical changes to its own economic policies and push for long term changes internationally, in three critical and inextricably linked areas:

- To deliver more and better aid;
- Debt relief;
- Trade justice.

Make Poverty History called for justice not charity. Crucial to that call was the need to allow developing countries the freedom to decide their own economic policies, free of conditions set by rich countries on aid, debt and trade. Conditions such as enforced privatisation of essential services, enforced liberalisation of their economies, and opening up their markets to rich countries' goods. On governance, we recognised that conditions that encourage greater transparency and democracy can be helpful in eradicating poverty. We welcomed commitments from the African Union and United Nations on better governance and 'joined up' policies in support of development.

Make Poverty History was a truly global campaign, symbolised by the white wristband, 9 million of which were worn in the UK last year. Across the world, from Peru to Jakarta, white bands were worn

and wrapped public buildings and landmarks to demonstrate peoples' solidarity with the global movement. In Wales, campaigners wrapped the summit of Mount Snowdon and the National Assembly's Pierhead building. Significantly, public awareness and participation exceeded all expectations; within six months of the campaign's launch 87% of the UK population had heard of the campaign, and crucially many more people came to understand why ending poverty was about justice and not charity.

## 2. Our calls: the results

Aid: our call:

- More aid: Donors to immediately deliver at least \$ 50 billion more in aid per year and set a binding timetable for spending 0.7% of national income on aid;
- Better aid: Aid must also be made to work more effectively for people in poverty and free developing countries from the damaging economic conditions outlined above.

Aid: the result:

- On the call to ensure better quality and more effective aid some limited progress was made. Crucially, G8 recognition that poor countries be free to pursue their own economic choices failed to translate into concrete changes in the conditions attached to aid.
- The G8 summit last July signalled an extra \$48 billion a year by 2010. Fifteen members of the EU have set themselves the goal of spending 0.56% of GDP on aid by 2010, and reaching the UN target of a minimum of 0.7% of GDP by 2015.
- However, the rate of progress towards the long overdue target of 0.7% is still far too slow. EU commitments are encouraging but member states must ensure they fully deliver on their promises, which if kept, will be the lasting legacy of 2005.

Debt: our call:

- The unpayable debts of the world's poorest countries to be cancelled in full, by fair and transparent means.

Debt: the result:

- A number of important new changes in the UK approach were established. Bilateral UK aid would no longer be conditional upon inappropriate economic policy demands; be more predictable, and therefore more effective; be doubled in its contribution to the Global Fund to Fight AIDS, TB and Malaria;

- The international acceptance of the principle of 100% multilateral debt cancellation;
- At the end of September 2005, the International Monetary Fund (IMF) and the World Bank approved a proposal by the Group of Eight (G-8) wealthy nations to cancel the debts of 18 countries, 14 in Africa, to these institutions;
- If developing countries are to achieve the Millennium Development Goals more debt will need to be cancelled. For example Nigeria, in spite of its huge poverty needs is required to make a repayment of \$12.4 billion. We hope creditors will return this money immediately for the benefit of Nigeria's poor, including the £1.7 billion paid to the UK government.

Trade: our call:

- A stop on poor countries being forced to open their markets to competition from abroad before they are ready and respect the right of governments to decide their own policies that will help them end poverty, respect workers' rights, provide services such as water, health and education and protect their environment;
- An end to subsidy over-production and the dumping of farm produce on poor countries' markets which destroys the livelihoods of poor farmers;
- Laws that stop big business profiting at the expense of people and the environment.

Trade: the result:

- While there was an undertaking at the G8 summit that developing countries have the right to "decide, plan and sequence their economic policies to fit with their own development strategies";
- The WTO meeting in Hong Kong last December failed to be the promised turning point in making poverty history and failed to deliver a pro-poor outcome as the EU and the US continued to aggressively push their own self-interests at the expense of the world's poor;
- The EU and US retained damaging domestic agricultural subsidies, and the date for ending export subsidies (by 2013) was a symbolic gesture that will have little positive impact.
- In Hong Kong, strong-arm tactics and pressures were used to obtain agreement to the market-opening proposals of the developed countries, against their pre-stated commitments.

HIV, TB and Malaria: our call:

- Commitment to universal access to HIV & AIDS treatment by 2010 and replenishment of the Global Fund to Fight HIV, TB and Malaria.

HIV, TB and Malaria: the result:

- Support for as close as possible to universal access to treatment for HIV and Aids for all who need it by 2010;
- The G8's commitment to access to HIV treatment was the clearest success of the campaign, however, final aid pledges for the Global fund to Fight AIDS, TB and Malaria fell drastically short of the \$7 billion it needed.

### **3. What can Wales do?**

WOAG believes that with a commitment to sustainable development enshrined in the Government of Wales Act, the National Assembly can implement change at home and support change internationally on trade, debt and aid.

In particular, we call on the Welsh Assembly Government to:

Take action on trade by:

- At home, continuing to support efforts to make Wales the world's first fair trade nation by providing additional support to Welsh fair trade enterprises and expanding the work undertaken by public authorities to ensure that Wales £4 billion procurement budgets works, at least in part, for the world's poor and that the proportion of ethical public procurement is increased over time;
- Internationally pressing EU partners to bring forward the end of direct and indirect subsidies that finance export dumping; and advocate further reform of CAP, which would target subsidies more effectively in line with the EU's social and environmental goals.

Take action on Aid: by

- At home, pledging to work with the newly formed Disasters and Emergency Committee (DEC) Cymru to ensure the public sector provides appropriate, effective and timely support. Where British networks such as Red R / International Health Exchange already exist, the emphasis should be on publicising them more in Wales and feeding relevant Welsh personnel and organisations into them;
- Internationally, using its influence to the UK government and others to accelerate the timetable to deliver 0.7% GNI for development aid.

Take action to support the Welsh international development sector by:

- Ensuring the International Sustainable Development Framework reflects what is already up and running in Welsh links overseas;
- Linking with diaspora communities and community groups in Wales on MDGs and humanitarian responses;
- Assist the development of smaller non-governmental and civil society groups working in international development.

Wales Overseas Agencies Group 2006

Acknowledgements:

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