

Address at Commonwealth Business Council Conference, London.

5th July 2005

Liz O'Donnell, T.D Address to Commonwealth Business Council Conference "Action for Africa". Barbican, London 5th & 6th July 2005

"STRENGTH TO LOVE"

On this eve of a historic meeting of the leaders of the G8 there is a palpable feeling of what could be an unstoppable dynamic to end extreme poverty in the world.

I feel immensely honoured to be here today, to share with you the Irish experience of solidarity with the global poor and particularly our partnership with the African countries targeted by our aid programme.

In any government, to hold high office as a Minister is a great privilege. Responsibilities are awesome. As Minister with responsibility for the Irish Aid Programme 1997 to 2002, my job as I saw it, was to harness the unprecedented opportunity presented by economic growth in Ireland to expand our aid programme and demonstrate our commitment as a nation to civilised values.

Ireland has had an official development assistance programme since 1974. It has grown steadily over the years from modest beginnings to its current budget of €545 million for 2005.

Ireland's aid philosophy is central to our foreign policy; in particular its objectives of peace and justice. Our development cooperation policy and programme reflect our longstanding commitment to human rights and fairness in international relations.

Our approach is also very much influenced by our history. Ireland has a long and proud tradition of active participation in missionary and humanitarian work in the world's poorest countries, which has shaped our model of aid. We have no agenda in Africa except to help. We have no colonial past - except of course that we ourselves were a colony of Britain, up until 1921. In the mid 1800's Ireland suffered from a terrible famine, in which millions died, and millions more emigrated. There are distant echoes of that terrible event still resonant in Ireland to this day. We have a race memory of famine, of pitiful and abject poverty, of mass migration, conflict and the despair, which comes with no economic opportunities

As a result our Aid Programme has as its absolute priority the reduction of poverty inequality and exclusion in developing countries. 50% of our Budget goes to the world's poorest countries.

The reduction of poverty is a complex, challenging and controversial matter, requiring a strategic and cross cutting approach. Our anti-poverty strategies seek to break the vicious circle of poverty through support for sustainable indigenous development.

We focus on six least developed countries in Africa, Lesotho, Zambia, Uganda, Tanzania, Ethiopia, and Mozambique. We have long-term respectful partnerships with governments and NGO's and we concentrate on the basic needs of education, health, sanitation and

agriculture. Ten per cent of our overall aid is focused on responding to the HIV/AIDS pandemic. In all cases the developing country government is in the driving seat of their own development. Poverty reduction is the absolute focus and all policies and activities are measured against the progress they achieve towards the development targets set by the international community.

In volume terms, Ireland's aid programme has grown rapidly over the last decade - while the G8 donor countries currently provide 0.21% of their GNP in aid, which equates to just over half the level of aid achieved by Ireland. Since 1997 the Irish aid programme has risen from 0.29% to its current figure of 0.4% of GNP, a threefold increase.

Going forward, we have made a three-year commitment, stipulating minimum increases of €60 million this year and €65 million in each of the next two years. This multi-annual commitment allows for careful planning and implementation. It also means that over the three years, 2005 to 2007, we will be spending €1.8 billion on development assistance. For Ireland, a country with a population of just four million people, these are significant sums and place us the ninth highest on the list of top international OECD donors.

To mark the Millennium in the year 2000, Ireland pledged to reach the coveted UN target of 0.7% of GNP on ODA by the year 2007. Regrettably, due to some temporary domestic setbacks, we have suffered some slippage on that target.

However just last week in a Dáil Debate the Government pledged to announce a new target date, prior to the Millennium Summit in New York next September.

Despite this setback, it remains a fact that Ireland is a leader among developed nations in terms of our per capita and percentage of GNP contribution to overseas development aid. There is strong public and political support for this and the expansion of our programme has the important support of our social partners, trade unions, employers and churches.

But of course, that accepts **quality** as well as **quantity** of aid is important i.e., where and how the funding is spent.

The last Peer Review by the OECD in 2003 noted that the Irish aid programme distinguishes itself by its sharp focus on poverty reduction and its commitment to partnership principles. The recent report by Action Aid International entitled "**Real Aid: An Agenda for Making Aid Work**" found that we have one of the highest-quality overseas aid programmes among Western donors, and put Ireland at the top of the "real aid" list, noting that almost 90% of our aid is "real aid" - that is aid that directly benefits poor people in developing countries and is **totally untied**.

Making Poverty History

"Making poverty history" is a wonderfully powerful slogan which has resonated around the world this weekend. Let it be a credo for this generation of world leaders this weekend. It will require an integrated approach.

It's about:

- debt relief and debt cancellation;
- more aid directed at lifting people out of poverty and giving them the capacity to help themselves;
- trade policy reform that gives poor countries open access to rich country markets and eliminates unfair dumping on their markets;
- Policies to stimulate sustained economic growth.

If this is to happen then there is a need to foster the development of a strong private sector that unlocks the entrepreneurial skills of the people and provides well-paid employment.

This will require a massive increase in both foreign and domestic investment and I welcome the focus of this conference on stimulating and supporting such investment as well as removing barriers to its effective deployment.

We in Ireland have learned that high levels of foreign direct investment and high levels of domestic investment go hand in hand and that measures to stimulate one also serve to stimulate the other. We have also learned that an open, level playing field with clear and consistent rules applied to all is an essential precondition for success.

I also welcome the focus in this conference on highlighting success stories, particularly from Africa. Those who have seen the scale of unmet needs in Africa could be reduced to head-hanging despair. Yet, when you have seen hunger abated, lives transformed by critical interventions in health and education and other sectors one is converted to the cause. We know that there are many examples of real social and economic successes, often against great odds in the public business and NGO sectors in the fight against poverty in Africa. For example in Tanzania the positive impact outside assistance can have can be seen with the help of donors like Ireland net enrolment rates for primary school children increased from 58.8% in 2000 to 88.5% in 2003.

Much has been said, and frequently as an argument against aid, about the levels of corruption and bad governance in Africa - and it is true this is a major challenge. To be fair, poor administration and corrupt officials are a feature of all emerging democracies. Nation building and establishing the rule of law is part and parcel of the development challenge and needs to be funded just as much as other sectors. That is not to excuse or minimize the responsibilities, which fall on African governments themselves to stamp out corruption. What I would say to African leaders here on this issue of corruption, which is so often used as a stick against you.

- Stamp out corruption at all levels in your countries;
- Preserve the highest punishment and penalties for corrupt officials and politicians; Corruption is a crime against your people and does untold damage by undermining your friend's efforts in donor countries in raising funds to help.
- Make peace with your enemies;
- Reduce your military budgets;
- Educate your girls.

I say to Finance Ministers, in developed countries, who tend to attend World Bank meetings in Washington rather than visit rural villages in Africa.

- Go see for yourselves - don't leave it to your development Ministers.
- Don't succumb to aid fatigue or gloomy economic predictions.
- Believe in the power of your office.
- See the life altering work going on across the world by missionaries and NGO's.
- Recognise that there is a right to development itself.
- Take responsibility for the fact that millions of people are dying from preventable diseases and that you can make a difference.
- Stop saying no.
- Agree to multi-annual programming on aid budgets. Liberate the aid budget from the annual spending estimates wrangle.
- Be a champion of fair and ethical trade policy.

To Business Leaders and to those of you who are wealth creators in the rich world I would say;

- Play fair.
- Promote people of conscience in your corporations.
- Allow conscience to permeate your corporate culture.
- Join the broad and strategic alliance of world leaders in politics who want a better and more just world order
- Give of your talents to the public interest.
- Make globalisation, which has been so good for business be an instrument for fighting world poverty.

To the G8 Leaders I say;

- Feel the Hand of History on your Backs.
- You have a power and responsibility, which transcends your own jurisdictions.
- See the scale of unmet needs in the world.
- Transcend yourselves and achieve greatness.

In Martin Luther King's sermons "*Strength to Love*" in the context of the qualities needed for world leaders he recalled Jesus' instruction to his disciples in the gospel of Matthew at 10.16 knowing they would face a hostile world confronting the recalcitrance of political officials and intransigence of the protectors of the old order, He gave them a formula for action;

"Be ye therefore, wise as serpents and harmless as doves".

It's pretty difficult to imagine a single person having simultaneously, the characteristics of the serpent and the dove - But we must combine the toughness of the serpent and the softness of the dove, a tough mind and a tender heart.

So in conclusion, I would urge the G8 Leaders to heed the words of the Gospel and of Martin Luther King and have "the strength to love". Lifting the poor out of extreme poverty is the single biggest challenge of our generation. As Bono said recently in relation to Africa, and I

applaud him and Bob Geldof for their advocacy and sincerity on this, *“we could be the first generation that can unknot the whole tangle of bad trade, bad debt and bad luck”*.