CARNEGIE ENDOWMENT
FOR INTERNATIONAL PEACE

Transcript

THE U.K. VISION FOR REINVIGORATING THE MILLENNIUM DEVELOPMENT GOALS

FRIDAY, JUNE 25, 2010
12:30 P.M.
WASHINGTON, D.C.

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Transcript by Federal News Service
Washington, D.C.

Transcript Not Checked Against Delivery

THOMAS CAROTHERS: Good afternoon. Welcome to the Carnegie Endowment. I am Thomas Carothers, vice president for studies here at the endowment. And it is my pleasure to welcome all of you to this event at which we are hosting Andrew Mitchell, the new secretary of state for international development in the United Kingdom.

I think as all of you know, over the past decade, British development assistance has been commanding widespread interest, attention and respect on the international stage. The U.K. Department for International Development has been known, in my opinion, as a leader among bilateral aid agencies standing out for the excellence of its leadership, its management and its staff, for the seriousness of its purpose and for its innovations and its role as a thought leader in development work.

I think the large crowd here today attests to this fact. In fact, I don't think the head of the development agency of any other country, except I think our own, would command a crowd of this size and quality on a hot Friday summer afternoon.

[01:17]

A new government in Britain in place now for just a little over a month appears to be solidly committed to continuing and, in fact, furthering strengthening Britain's role in development assistance. In a green paper published in the run up to the elections, the Conservative Party set out an ambitious and thoughtful agenda for development assistance. And they have appointed the primary author of that paper to be the secretary of state for international development.

Moreover, despite very significant budget cuts, a 25 percent across-the-board cut in government spending, the new coalition government has identified development assistance as one of only two protected areas in the budget that will not experience these reductions. If we imagine a U.S. government from either party overseeing a 25 percent cut in federal spending, it is hard to imagine that foreign aid would be one of two protected areas in the U.S. budget.

We are very fortunate that to help us learn more about the new government's plans on development assistance, we have here today with us Andrew Mitchell. Andrew Mitchell assumed the position of secretary of state for international development on May 12 of this year. I note for the record that this was just six days after the British elections, something of a contrast to the situation here in Washington – (laughter) – where we waited 14 months after our election to have a new head of USAID and in which we are still waiting for a senior leadership team to be able to come into place at the agency.

[02:53]

Andrew Mitchell brings to the job an outstanding record of experience and expertise. He served for five years as shadow secretary for international development and before that, accumulated many relevant experiences starting all the way back as a peacekeeper in Cyprus for the United Nations, extensive travel and work in Asia and Africa, almost 20 years of experience as a member of Parliament and as I said, as shadow secretary of state, hard work for the Conservative Party and its own development of a development agenda.

In short, he is well-prepared. He is in place. And like the rest of his government, he is moving ahead quickly. We look forward to hearing his thoughts. And following his presentation, he will be taking some questions. (Applause.)

[03:50]

ANDREW MITCHELL: Well, ladies and gentlemen, thank you very much for your welcome this afternoon. Tom mentioned that it was six days after the election that I was appointed to this job. I should say that six days was, I think, the longest period for the appointment of a cabinet since the war. And, of course, of course, by the fact that we are a coalition and the details of that needed to be put into place.

As world leaders gather for the G-8 summit, I want today to argue that over the course of the next five years, we have the means and the opportunity to put an end to some of the most egregious problems facing the world today, but that the only way we will do so is by putting women front and center of all our efforts. Most importantly, I will argue that this is a perfect moment when with political will and with leadership, we can change the course of history.

Our generations are the first that can make a real difference to the discrepancy of wealth and opportunity, which exists around the world today. We know so much more about what works and we know what needs to be done. We understand, for example, that it is conflict ultimately, which mars people in poverty. If I think about those dreadful refugee camps that I have seen around the world in Darfur and on the Burma-Thai border, if you are languishing in one of those camps, it doesn't matter how much access to aid and to trade and to money that you have. Until the conflict is over, you are going to remain poor and miserable and frightened and dispossessed.

[05:27]

And in just the same way, we know that it is conflict which mars people in poverty and condemns them to stay there. So we now have learned and generally accept that it is free trade and the private sector and wealth creation and enterprise and jobs, which lift people out of poverty. And I must emphasize the importance, which should never be forgotten on bringing the Doha Round to a successful conclusion. A successful conclusion to the Doha Round on any basis at all would mean an increase in world trade of about $300 billion. And the total amount of aid flows across the world is something like $150 billion. So the importance of the Doha Trade Round should never be forgotten.

And lastly, that money, aid spent well works miracles, not least when we are talking about maternal health. This is the context within which I want to set my comments today.

Ladies and gentlemen, this is my first overseas speech since becoming secretary of state for international development. And I can think of no better place to deliver it than here in the home of philanthropy, the Carnegie Endowment and in that great hothouse of free thought that is Washington, D.C. (Laughter.) And I would like to congratulate Carnegie as they celebrate their centennial this year. We have a great dialogue with Carnegie and regard Tom as a member of the Department for International Development family in Britain.

So let me begin by paying tribute to President Obama and Secretary Clinton for their commitment to global development. I salute to the tireless battle pursued against HIV/AIDS and President Bush and I applaud the pioneering efforts of the Clinton Foundation, the campaign against river blindness spearheaded by President Carter and the inspirational work of Bill and Melinda Gates. You are true leaders, one and all.

[07:38]

I want to begin also with a few words about our new coalition government, a government that is motivated by a shared determination to erode these vast inequalities of opportunity that I described and that we see around the

world today. Ours is a new agenda, one of value for money, accountability, transparency and empowerment. We have promised to enshrine in law Britain's commitment to spend naught .7 percent of our gross national income on overseas aid for 2013 and crucially, we will keep aid untied from commercial interests. And this I urge the United States to follow our lead.

This new agenda will underpin our approach to the Millennium Development Goals. These goals, agreed by the U.N. 10 years ago, were the concrete embodiment of our generation's collective commitment to tackle the terrible poverty and suffering that afflict so many. As well as being in our own national interest, that is also our shared moral obligation. And yes, the commitment has led to some real results. We are on track to half extreme poverty. We have made strong progress on universal primary education, where some 13 African countries look set to achieve that Millennium Development Goal.

Measles-related deaths fell by 78 percent between 2000 and 2008. However, in other areas and indeed, even within those goals where we are doing quite well, progress is patchy. Most regions are off-track on tackling child mortality, while progress on maternal health is especially disappointing. It is significant, too, that across all the goals, sub-Saharan Africa lags far behind. And however hard we try, new challenges constantly threaten our ability to meet the MGDs and jeopardize our gains.

[09:49]

The world of 2010 is not the world of 2000. We have had food price hikes, a global recession, a massive increase in the cost of fuel. Some argue that against this backdrop, we should focus our attention on domestic priorities. I disagree. This is a time to reaffirm our promises to the world's poor, not abandon them. We should never balance the books on the backs of the world's poorest people. It is true that charity begins at home, but it doesn't end there.

Promoting global prosperity is also very much in our own interest. Development is good for our economy, our safety, our healthy, our future. It is quite simply the best return on investment you will find. Of course, it commands consensus across the political spectrum both in Britain and hopefully here in America.

So our response is not to abandon the MDGs, but to encourage all parties to work towards a clear action plan that can be agreed at this September's U.N. summit. For our part, Britain will also be aligning development more effectively with other policies, whether with trade, investment and enterprise, climate change or economic growth. In the U.K., we have brought together the three policy pillars of development, defense and diplomacy through our new National Security Council. This synergy will allow us to reduce poverty in fragile states while also building capacity and guaranteeing security and stability.

[11:31]

I know that balancing and integrating all of the elements of power is a major objective for you here in the States. There are areas, however, where our approaches to development differ. In Britain, the Department for International Development is a separate government department in its own right. As its secretary of state, I have a seat in the cabinet and on the National Security Council, a vibrant DFID at the table agitating, campaigning and helping to deliver progressive change for communities worldwide.

And in our government, an equally vibrant coalition whose leaders share a vision of a world where everyone has the opportunity to fulfill their true potential. Abroad, as well as at home, we believe in decentralizing power and responsibility, empowering citizens, making governments more transparent and accountable.

Here in the States, President Obama has spoken out for greater transparency and accountability across his administration. Back in Britain, our Prime Minister David Cameron and Deputy Prime Minister Nick Clegg have applied these same principles to our new coalition government. That is why one of the first things I did on taking office was to launch our new United Kingdom aid transparency guarantee, a guarantee that will help to make aid transparent to citizens in the United Kingdom and also to those in recipient countries, too. This chimes with Raj Shah's promise to embrace extreme transparency throughout USAID. I look forward to working with Raj and to discussing this with him when we meet again this afternoon.

[13:16]

We are also fundamentally redesigning our aid program so that they build in rigorous evaluation processes from day one. The focus will be on outputs and outcomes rather than inputs. In these difficult economic times, donors have a double duty, a responsibility to achieve maximum value for money, not just results, but results at the lowest possible cost. With this in mind, we want to test the concept of cash-on-delivery aid that has been mooted by the Center for Global Development. CGD has been the leader of much great thinking on development. And Nancy Birdsall told me this morning that she loved her trade here at Carnegie. We are also taking a fundamentally new approach to our bilateral and multilateral aid, reviewing what we do and where so that we can maintain a ruthless focus on results.

At the same time, I am setting up a new independent body that will gather evidence about the effectiveness of our programs. Again, our two nations are on the same page. I know Raj Shah envisages a stronger focus on impact evaluation in USAID's work.

Let me now, Tom, turn to the most off-track of the MDGs, maternal health. When a jumbo jet crashes anywhere in the world, it makes the headlines. If it were to crash week in, week out in the same place, there is not a person alive who would not be talking about it. The international community would set up an inquiry and no money would be spared in making sure it never happened again.

Yet in Nigeria, the equivalent number of women die each and every week from pregnancy-related causes and the world stands silent. In Britain, we want to make a serious contribution to tackling this tragedy. Today at the G-8, our prime minister, David Cameron is working with Prime Minister Harper and other G-8 leaders to ensure the world delivers on its commitments to cut the number of women and children dying during pregnancy and childbirth in some of the world's poorest countries.

[15:42]

The prime minister will argue today that it is indefensible in this, the 21st century, that for so many women, pregnancy and childbirth should represent a death sentence or at least a morbid lottery or that a risk to a woman of dying in the U.K. due to a pregnancy-related cause at some point during her lifetime is one in 8,200, while in Niger, it is one in seven. Every year, at least a third of 1,000,000 women and probably more die due to complications in pregnancy or childbirth. The vast majority of those deaths occur in low- and middle-income countries. And research by my department tells us that if a mother dies in childbirth, there is a high chance her child will die within a few months, too.

We all know it doesn't have to be like this. As Melinda Gates said earlier this month, it is not that we don't know what to do or that we can't do it, it is that we haven't tried hard enough. We have within our grasp a golden opportunity, a perfect moment when we have the technology and the political will if not to eradicate maternal

mortality, then to reduce it significantly. History is on our side. The last time that the United Kingdom had a Conservative-Liberal coalition government was back in 1935. That coalition did not pull it punches when it referred to Britain's maternal mortality rate as the great blot on public health. Determined to reverse the trend and with political will behind him, the British Prime Minister Stanley Baldwin established a national midwifery service.

[17:36]

The move, coupled with the necessary policies and resources, saw maternal deaths fall by 80 percent in just 15 years. The resonance with where we are today is uncanny and only serves to sharpen our government's resolve to seek an equally radical result abroad. We will not be afraid to try new approaches. Maternal health is an area where there is room for innovation. Look at the example of Madhya Pradesh, where pregnant women are offered free transport to hospital and paid 1400 rupees, about $30, to compensate them for the work their partners lose in having to stay at home to supervise the other children. Phone numbers for the service are widely displayed while community workers spread the message about safe deliveries and timely checkups. These workers receive 350 rupees, about $8, for every expectant mother that they bring to the hospital.

Innovation isn't confined to overseas activities. Closer to home I was excited to hear of Oxford University's creative plan to use crowd sourcing as a means of undertaking research into maternal health. Ten thousand health-care professionals across the developing world will be asked to complete an online survey and to identify where they see the gaps in maternal health care in their respective countries.

We are being equally innovative in my department. Two weeks ago, I launched a fund that will allow our health professionals to share their skills with birth attendants, doctors, nurses and midwives across the developing world. We want to encourage partnerships that can pilot new techniques such as live Internet linkups or the use of mobile phones for emergency referrals or operations.

[19:33]

I want to turn now, Tom, to a subject that I recognize to be sensitive, but which is nevertheless close to my heart. I understand the cultural difficulties implicit in any discussion about contraception and abortion. I merely lay these facts before you. Every year, 20 million women seek unsafe abortions and 70,000 of them, many still girls, die as a result. And 215 million women around the world who want to use modern contraception don't have access to it.

President Obama has described a woman's right to make a decision about how many children she wants to have and when as one of the most fundamental of human freedoms. Let me say this to you today. I could not agree with him more empowering women to take decisions about their own future is the right thing to do for so many, many reasons, not least as your president pointed out the fact that it is a basic human right. The UNFPA estimates that satisfying the unmet need for modern family planning would reduce unintended pregnancies by 53 million every year, the greatest reduction being in low-income countries.

We recognize that these are difficult areas and we will proceed carefully, while never forgetting that our ultimate goal is always to empower women in their own lives. That goal is simply non-negotiable. And I promise you here and now that Britain will be placing women at the heart of the whole of our agenda for international development. In the immediate term, we will be doing everything in our power to urge all countries to sign up to a strong set of commitments on maternal health at September's Millennium Development Goal summit.

[21:35]

Just as maternal health covers a whole health covers a whole continuum of care, so too does gender cover a continuum of opportunity of which a key stage is education. Focusing our efforts exclusively on women rather than on women and girls is to miss the opportunity to reverse a vicious cycle that can leave a lot of girls in poor countries. The cycle starts with limited access to education, but soon leads to poor employment, ill health, early marriage and all too frequently to violence and exploitation. By making sure that more girls have a chance to attend school, we can replace that vicious cycle with a virtuous one that ultimately puts females at the heart of their families and their communities. Bringing in money, support local enterprise, making sure their own children are educated and typically putting an average of 90 percent of their earnings back into the family compared to the 30 or 40 percent that males contribute.

There are many reasons why education is particularly hard for girls. These can be linked to issues of comparative low status. Girls will often be expected to do the household chores or to make the long journey to fetch water instead of attending school. When I visited Pakistan earlier this month, I saw how insecurity can add to the difficulties girls face. The new work that I was able to announce while I was there will see some 300,000 girls in the province of Khyber Pakhtunkhwa encouraged to attend school in return for a monthly allowance. There is a good story to tell in Afghanistan, too, where 3 million girls are now attending school. Making sure that girls are able to have access to education and are able to complete that education will remain a key priority for the U.K.'s Department for International Development.

[23:36]

Cash incentives can also work for education and for health, too, as we saw with the Madhya Pradesh project. But they can also have a wider application enabling women to meet basic household expenses and ultimately reinvest their savings in the family unit. I give you the example of Nahoza Angelique (ph) from Rwanda, a country my party knows well. She has less than a quarter of a hectare of farmland on which to support her family of three. However, thanks to development support, she has now been in employment for six months, earning 1,000 Rwandan francs per day, less than $2, out of which she is saving some 400 francs, just under 70 cents in her newly opened savings account. With her first salary, she bought school uniforms for her children. With her second and third salaries, she bought a goat. She now plans to use her savings to build a house for herself and her children.

We see, ladies and gentlemen, that when women are empowered economically, they are more likely to have a voice in the community and to be advocates for other women. In Nepal, the percentage of female members of parliament rose from 6 percent to 33 percent in 2008, while Ghana has seen a woman elected speaker of the national parliament for the first time in its post-independence history.

In the U.K., although we have had a woman speaker, indeed, a female prime minister, only 22 percent of our MPs are women. In your Congress, female representation is just 17 percent. It is salutary to be reminded that the developed world isn't always the shining beacon we might wish it to be.

[25:23]

On the theme of governance, let me say a few words about the new U.N. gender entity. This is an historic opportunity to create an efficient, powerful and well-resourced body that has a chance to make a positive impact on the lives of millions of women and girls across the world. It is vital that a competent and visible leader is appointed as soon as possible, a leader who is mandated to make progress in this crucial area.

Ladies and gentlemen, as we sit here in Washington, across the world, millions of people are suffering. Millions of people are denied the opportunity and the dignity they deserve. We can change that. The playwright, George Bernard Shaw, once said that the essence of inhumanity wasn't hate. It was indifference. He was right. Indifference kills. September's MDG summit represents a golden opportunity for us to demonstrate that we are not indifferent, that we will recommit to the promises that we made 10 years ago to the world's poor. We must call on the world's political leaders to come to the summit ready to make and deliver ambitious pledges. We must urge them to fulfill their aid commitments and to sign up to the secretary general's action plan on women and children's health.

We must grasp this single moment that history offers us, a moment when together we can make a stand. If we are prepared to do that, then we truly can leave this world a better place for generations to come. Thank you. (Applause.)

MR. CAROTHERS: Well, thank you very much. A rich speech with much to think about and, I think, much to discuss. Let me take the prerogative of the chair and just start with one or two kind of general questions to begin the discussion. First, if we could return to the question of – I think the expression in U.K. has been the ring fencing of British government spending on international development assistance.

[27:46]

And I was wondering if you could comment, Andrew, on first, how has the government, in effect, sold that to its constituents and to the British people more generally, something that I think, as I said, here in the United States would be difficult? And secondly, you know, the new budget that was announced is only the start of what will inevitably be a rolling, you know, or an increasing series of cuts that are planned across the years. Do you think it will be possible to maintain this ring fencing given that, you know, you will be facing intensive budget pressures over the next several years?

MR. MITCHELL: Well, the commitment to ring fence our budget is not just a conservative or coalition commitment. It is a commitment from all political parties in Britain. It is pretty deeply seared on everyone because, of course, this crisis has not happened overnight. And it has been tested and it is being tested. And as you rightly say, the budget is only the start of the very difficult circumstances, which we inherited from the outgoing Labor government in which the coalition must now put right.

It is a cut in expenditure, which will mean something like 25 percent in those two departments which are not ring fenced – mine and the health department. And it will be a very tough settlement and it will be one which will cause a great deal of debate in the press. And obviously, we have thought carefully about that.

[29:18]

And let me make this clear. The basis for this commitment is first and foremost a moral commitment. It is morally right, as I said in my speech, that we should do something about these colossal discrepancies of opportunity and wealth, which exist in our world today. And our generations have the chance to do that. And for many of us, the morality of this issue is sufficient. But it is not just that. It is also in our national self-interest to do this. And in dealing with conflict states, difficult parts of the world where there are issues of migration, issues of disease being spread, issues of conflict and violence being spread, you know, it is in our national self-interest to make sure that international development works and works effectively.

But the other side of that coin is that you have got to be able to demonstrate to people that when their money is being spent to hard-pressed taxpayers, they are getting 100 pence of value for every pound of their hard-earned money that is being spent. And that is why we have said for four years now that it is essential to set up independent evaluation of Britain's aid budget to inculcate much deeper transparency in how this money is being spent and also to focus on outputs and outcomes, as again I said in my remarks.

[30:44]

And let me be clear what I mean by that. Our prime minister going to Maputo to announce half a billion dollars for primary school education in Africa is an input, is very important, but is nothing like as important as the output of that money, how many schools you build and how many teachers you train. And even more important than that, the outcome of how many kids get a quality education. And so focusing on results and outputs and outcomes is a vital part of this. Having independent evaluation, which shows people independently of government and ministers and the executive. Reporting, indeed, to parliament – and in our case, the international development select committee – is absolutely vital.

And our transparency guarantee is not only about transparency for our own taxpayers; it is about giving to poor people in the countries where we are trying to help and where we have programs the tools also to hold their own political leaders to account for the proper and effective delivery of that money.

MR. CAROTHERS: Yeah, one other question. The new coalition government has established or will establish the National Security Council, something new for Britain. And as you mentioned, DFID will have a seat at that council. Given that here in Washington, we are still in the grips of the question of the, you know, relationship of our aid agency to the State Department and the proper balance between development and diplomacy and so forth, I wonder if you could say a word about what you expect the function of the National Security Council will be, but more particularly, what you anticipate your role as a member of that council and the role of development within that?

MR. MITCHELL: Well, the National Security Council is a big new departure for Britain. There was always a subcommittee of the cabinet that addressed overseas affairs. But a National Security Council on which sit – chaired by the prime minister, on which sit the foreign secretary, the defense secretary, the international development secretary, the home secretary, the interior minister and also the chancellor of the exchequer is a big new departure.

[32:53]

And it certainly does the first thing that Tom said, which is to wire together more effectively defense, diplomacy and development. And we see that, for example, in Afghanistan, where over the last two or three years, we have made good progress by wiring together those three key elements through the – you can see it quite clearly through the work of the PRT in Helmand. So there is that aspect to it.

But there is what I think is almost a more important aspect, which is seen in the workings now of our security and defense review. And it means that the security and defense review, which traditionally has been carried out principally through the Ministry of Defense and which usually comes down to a sort of metric of tanks versus airplanes, tanks versus – infantry versus ships as to how you build your security now has opened up. And, you know, this came up, indeed, at the first or second meeting of the National Security Council.

Well, on behalf of the development community, I was able to make the point that actually that is not the right metric. It should be tanks versus training the police in Afghanistan or infantry versus building governance in Yemen or, you know, boats versus getting another 100,000 girls into school in the Horn of Africa. Now, if you are

looking at your national security going forward, which is what a defense review is about, you know, those are very interesting questions. They are quite hard to measure. But they are incredibly important. And, of course, what you do to promote your security upstream if you like – my point about the national security interest of being in our own interest on development policy.

What you do to ensure that people do not migrate in great ways because they live in ghastly societies or that they have a better health structure, so they are not exporting diseases and drug-resistant diseases as well, and not exporting violence by helping build the capacity of a state. You know, these are very important value-for-money issues because if you don't take these steps upstream, you will have to pay for the consequences of them downstream. So you know, I am very clear that the National Security Council is a hugely important new part of government in the United Kingdom. And so far, I can tell you it is working very well.

[35:12]

MR. CAROTHERS: Thank you. I will turn to the audience now. I trust you will complete the review with somewhat greater dispatch than we have been completing our reviews here in Washington – (laughter) – and various elements of our development policy. We have lots of hands up, I can see. I will start down the front and try to come up – yes, right here, sir. And I will get to the two of you. Yeah, there is a microphone coming over your right shoulder – now left shoulder. There you are. You can introduce yourself.

Q: Thank you. I am Jack Goldstone, George Mason University. I also chaired the National Academy report advocating better impact analysis of programs, so I am delighted to see you do that. My question is this. I applaud your efforts on maternal empowerment. I think it is crucial. But it needs to be part of a broader system because if you could snap your fingers and save every woman who dies in childbirth and their children, you don't accomplish much if the children are at risk of malnutrition or dying of waterborne diseases or if they are sent to school, but the schools don't have textbooks or paper because that material is stolen.

So good governance is necessary for the women and the children that you save to grow up as important contributors to their society. Otherwise, we will end up with more poorly educated, angry, unemployed young people. So what is the program you see in the future for working on governance issues?

[36:29]

MR. MITCHELL: Well, you are absolutely right, of course. And you make the point that you need a holistic approach to development that doesn't focus only on one thing. But actually my answer to that also is that you don't necessarily want development agencies doing everything. They should focus on what they are best at and we should have much more coordination among donors and other people who are helping develop poor countries.

I think it is worth making the point in response to what you have said that some of the best governance programs I have seen around the world, some of the best spending of taxpayers' money has been on governance programs. I think, for example, all the work that is being done in Prime Minister Fayyad's office in Ramallah on the West Bank. You know, for a comparatively small amount spent, Britain's international development work there is doing great stuff at making the leaders – if the Middle East peace process can be brought to some sort of successful conclusion – accountable to the people who they represent.

I think, for example, of the work that has been done in Rwanda to build up the revenue-raising service of the government, which means that this year for the first time, they will go over 50 percent of raising their own money, which in the case of Rwanda is a very big step forward. So building governance, assisting governments in an

accountable way to exercise the function of the state, which often we take for granted in countries like yours and mine, is a vital aspect of development. And as I say, I think often it can appear to be – it appears to me to be the best spending of any money that we actually do.

MR. CAROTHERS: And here. Yes, right here in the front.

[38:15]

Q: Hello. Anne Richard from the International Rescue Committee. And as you know, the IRC is a recipient of sizable grants from DFID, so I am not about to start shredding you and cutting you down – (laughter) – full disclosure. But we are admirers of DFID under the previous government. And in listening to you today, I think the big question many of us will have is how are things going to change? How are they going to be different?

And in your remarks, you talked about doing more of things like accountability, transparency, working with the private sector, emphasis on change, interlinkages that are not very controversial in Washington, I think. You would find the same language on the right or the left in Washington in talking about the best ideas behind development. So what sort of things are you going to stop doing?

MR. MITCHELL: Well, I think there is broad agreement in Britain on the end we want to achieve. There is less agreement on how we will achieve them. We have banging on opposition about the importance of independent evaluation for the last four years. And it has to be said that although at times the government has paid some lip service to it, in the end actually they haven't done it.

[39:33]

And the output focus is a very, very big change. You know, I am particularly pleased that when I was in Khyber Pakhtunkhwa last week in Pakistan, I had an announcement to make about education, about giving 3 million textbooks to children in what used to be called the Northwest Frontier Province. And as I said in my speech, getting 300,000 girls through bursaries into low-fee-paying schools.

I managed to answer at the press conference all the questions without having to talk about the money that was being put on the table. When I first went to Pakistan, I asked to see the last 15 or so press releases that my department had put out on Pakistan. And they all started with Britain to give 20 million pounds to Pakistan, 10 million pounds, 12 million pounds. And in the end, you know, people nod about this being perfectly understandable about independent accountability and results focus for what you are doing. But it hasn't happened. And the coalition government in Britain is determined to make sure it does happen with the added point that I made in answer to Tom's first question that if we don't demonstrate this to our taxpayers in these very difficult economic times, we won't be able to sustain public support for the budget.

So that is a huge change. Now, there will be other changes as well. We set up a multilateral aid review. We give about 3 billion pounds a year, $5 billion a year to the multilateral aid agencies and multilateral agencies. And, you know, we will look very hard at the results they are achieving. And if we don't think they are achieving results, we will scale back the funding or in some cases maybe stop it all together. And that same approach applies not only to the money that we spend, the money we spend through other people, but the money we spend through the non-governmental organizations as well.

[41:23]

So value for money, although everyone nods, the way we are approaching this is difficult from the current government. I mean, there is lots of different ways we are doing it. We are going to set up a big review of the way we do emergency response, which I think will lead to some quite significant changes.

But if you talk the bilateral review that we have set up, which is to look at every single bilateral program that Britain is engaged in. We are asking questions about whether we should be there. We have said that we are stopping as soon as we can aid to China and to Russia, which is ridiculous that our taxpayers should be spending money in this way in China and Russia. And we are looking at every single program, see what we are doing. To ask ourselves the question if you increase spending by 20 percent or decrease spending by 20 percent, what will that do to the results we are achieving? Try to make them more sharper.

And from that bilateral program, everything else follows. You know, what you do with the multilateral spend in the future follows from that. What you do through NGOs, where we are going to change our funding for NGOs to a matched funding approach, where we say to an NGO, if we double your money, will you be able to double the outcomes and outputs of what you are achieving or even more than that? And if they can, that is a very, very good use of taxpayers' money.

[42:41]

So all these ideas are different from what the outgoing government has done. They are sharper. I think they will make our aid much better focused. They will make it more justifiable. I think that we will win greater support from our taxpaying public and our public generally. And I think that an infusion of ideas, some of which, you know, in Washington are, as you said, not particularly new, but which are new in Britain, will be very good for the system.

MR. CAROTHERS: Come to this side –

MR. MITCHELL: And we love the IRC, by the way. We know your people very well. You are great, a great NGO.

MR. CAROTHERS: I will come back to this side. Yes, right there.

Q: Thank you, Tom. I am John Ruthrauff with InterAction. This has been a very excellent talk. We appreciate it. And the rapidity in which you were appointed is an example I hope we can follow someday. I would like to have you talk a bit about MDG-8 and some of the more difficult areas in that are access to essential medicines and technology transfer, which are not sort of simple, you know, more aid or things and how you are planning to address those two parts of MDG-8.

[43:45]

MR. CAROTHERS: John, for the rest of the audience, can you – just in case they don't know their MDGs by their number, can you tell us what number eight is?

Q: I am sorry. The MDG-8 is the goal basically for the Northern countries around partnership and how we operate our development systems.

MR. CAROTHERS: Great, thanks.

MR. MITCHELL: On medicine, you are asking particularly?

Q: Medicine and technology transfer.

MR. MITCHELL: Well, let me try and be a bit briefer because I can see there are lots of people with their hands up. You know, the partnership approach, we set up a few weeks ago our health partnerships – a few days ago – our health partnerships fund, which is designed to enable practitioners and commissions who have been trained in Britain to go and work overseas. There are some structural impediments to them doing that and we want to encourage them to do so.

I don't know of a single British clinician or doctor who isn't a better doctor for their British patients as a result of them having worked for a period in the developing world. So you know, that sort of partnership we want to encourage and support. And I think, you know, twinning schools is well-advanced and happens a lot. Twinning hospitals where you are twinning a community in terms of diagnosis, medicine, surgery is a really important gain.

[45:03]

What I am much less enthusiastic about is the habit of rich countries taking health workers from poor countries to work in their own advanced health systems. You know, we are all committed in the European Union, for example, to the freedom of movement as well as freedom of capital. But I worry a great deal about some of the deeply perverse effects of that policy.

MR. CAROTHERS: Yes, right here. Yes, sir. And then I will come to the back. Then I will see if I can – yeah.

Q: Joel Barkan, CSIS. Coming back to the issue of value for money, I would like you to speak specifically to budget support and its intersection with governance, particularly bad governance. Do you continue budget support in massive amounts to countries like Ethiopia, which is your second-largest recipient of aid, or Uganda or places like this given the other goals and conditions that you articulated earlier in your talk? Thank you.

[46:04]

MR. MITCHELL: It is a very interesting question. I mean, budget support is the best way of doing development if you can trust the people who you are supporting. So you know, because it helps to build the systems. In Ethiopia, for example, if you can trust the budget – trust the government to spend the money as agreed, you then make sure that they build their own systems for delivering services. You have a school that is run by an NGO. The school may – the NGO may fold up and with it the school.

If you can actually do education through the Ethiopian government, you have got a much better chance of ensuring that it persists. You know, development is not about building schools. It is about having a replacement teacher when the teacher goes so that that school, class of young children have someone to continue to teach them.

So I mean, no doubt at all that budget support is the best way of doing it. The trouble is I think under the outgoing government or the outgone government in the U.K., there was a bit too much of that and it wasn't accountable enough. And so we are going to look very carefully at all the places where we do budget supports to see whether or not we think the systems of accountability and transparency to our own taxpayers as well as to the people in those countries are adequate. It is pretty clear, for example, that in Rwanda or in Ghana, it is. It is not so clear elsewhere.

[47:19]

You mentioned specifically Ethiopia, which is a fascinating –

Q: (Off mike.)

MR. MITCHELL: Yes, it is a fascinating country. You know, I have followed the money in Ethiopia down right to giving specific social support to some of the poorest people in food in secure areas. And I am pretty clear that money is getting through. You know, whatever else you say about the Ethiopians and, you know, the spurt of enterprise is not something which hits you when you go to Ethiopia.

In terms of the integrity of government systems for delivering the money, I think they are pretty good. And as I said, I have followed the system down to food in very insecure areas and I am absolutely certain that that sort of social support is highly effective in stimulating local markets and ensuring that food insecurity gets better.

[48:14]

The problem, of course, comes when the government does something which requires a response from us. And people argue that we should demonstrate our disapproval of what they have done by taking away some of their budget funding. And the trouble with that is that although it makes us feel better, actually the effect of doing that in Ethiopia is merely to take girls out of school when they don't have the money to teach them anymore.

And we have got to be very careful that we think these things through. You know, you can fudge it by, perhaps, not giving the money to the government, but by giving it to civil society in one form or another. But these are really difficult issues where, perhaps, foreign policy and good development rub up against each other. And the important thing to ensure is that the people we are trying to help don't lose out doubly, once, because they are very poor and secondly, because they have bad governments.

MR. CAROTHERS: Someone in the back has been patient. Yes, sir? Yeah. Can somebody get a microphone to him? Thanks.

Q: Good afternoon. Peter O'Neill from the World Bank. Thank you for an excellent speech. And I think you mentioned maternal mortality quite a few times, but I fear you have been a little modest, perhaps, in your remarks because what I would like to see more of is the fact that it is not just a health issue. It is about clean water. It is also about access to clinics. And DFID itself has done an enormous amount of work in this respect and especially here in Washington with USAID, they started the vitamin A trials for maternal mothers, which showed great improvement in rates if people get vitamin A in pregnancy.

[50:07]

But the other one that I just wanted to mention was a program called CCAP that DFID funded, which influences our world development programs in the Bank here. And transport in the Bank is 23 percent of our expenditures. It is the biggest area. And it was a great program, which showed how to achieve value for money and how to achieve a sustainable outcome for providing rural access, farmers to markets, women to clinics and people's opportunity, their social needs and girls to education.

So I think my point basically is please do not just concentrate on health. It is a wider and more holistic approach.

MR. CAROTHERS: I think a research bank commentary rather than a question.

MR. MITCHELL: Thank you for that. I mean, I think I made the point at the beginning of my speech that putting women central to development is vital because it covers so many different areas, you know, women bear the brunt of conflict in ways we understand all too well. So I think you make a very good point.

MR. CAROTHERS: Yes, sir, right here.

[51:24]

Q: Thank you. My name is Michael Hager, Education for Employment Foundation. Mr. Secretary, at the outset of your remarks before you began speaking about the women's issue, I heard you say that enterprises and jobs are needed to lift persons out of poverty. One of the elements that I have been intrigued with in terms of the millennium goals is the issue of youth employment.

And I am wondering with respect to the upcoming summit in the fall, would you say there is a case to be made for interpretation of some of the goals, not only the gender goal, but perhaps the education goal and the livelihood goal, the poverty goal, to interpret those goals to include something that – a problem that has been increasingly prominent, not only in the Middle East where we are working, but I think all over the world, and that is the problem of youth getting into the work age and not having a job. Thank you.

MR. MITCHELL: Well, it is a very good point. I mean, I am a great fan of the Millennium Development Goals because I think it was a way in which the world all agreed, everyone agreed to face in the same direction and to identify eight important causes around which we could all camp and set out our determination that by 2015, we would make progress in a way that was pretty clearly specified.

[52:50]

The problem is, of course, that they are miles off-track. And what I want to see from the summit in September is a commitment by people to redouble their efforts to achieve these results and to focus on what we can do and to try and hold ourselves to account every year for whether or not we are making progress and to concentrate on the areas that are most off-track. It is one of the reasons why I want to ensure that our program in Pakistan, perhaps jointly with the U.S. as well, focuses on education. There is an education emergency in Pakistan.

So I think we must be careful to make sure that the focus is on what we can do to reach these goals. We have said – our prime minister has said that he particularly wants to focus on MDG-5, maternal mortality, because it is the one that is most off-track and we will have our say on that. But I think – at the summit, it is incumbent on everyone to focus on how we reach these goals, what we do with the ones that are most off-track. And as you say, another key way of helping people lift themselves out of poverty is to create jobs to support enterprise. A society with lots of entrepreneurs, a society which cherishes and encourages its entrepreneurs will not remain poor for long.

MR. CAROTHERS: We will have just one last question. We are short of time. I apologize to all the others. And I haven't been favoring this area. Just all the eager beavers sat down here at the front and that is where all the hands are. And I have been hoping to call on somebody who is going to ask a really hard question to show him that we are not too friendly here. But so far, you have been pretty nice.

[54:24]

MR. MITCHELL: It is maybe just about to change.

Q: I will do my best. Gregory Adams from Oxfam America, where I work on aid effectiveness issues. And thank you so much for your comments, particularly your comments focusing on the value of good governance. And I have high hopes for your conversation this afternoon with Administrator Shah. I am optimistic that you will be able to come out of that meeting encouraging the U.S. to play a stronger role in the lead up to the MDG summit in September.

But I wanted to ask you specifically about reconciling a couple of the things that you had mentioned. And one of the things we have a lot of difficulty with here in the United States is reconciling our global development policy with our global trade policy. We don't really have a mechanism for doing this well. And one of the things that was highlighted for me in your remarks was the tension between your emphasis on good governance in developing countries and your remarks about the need to bring the Doha Round to a successful conclusion in order to spur global trade.

The problem is often that a lot of these poorest countries –

MR. CAROTHERS: Not too long. In the form of a question, please.

[55:31]

Q: Of course. The fact that a lot of the poorest countries that we are working with rely so heavily on customs revenue to fund their government activities, meaning that a reduction in customs revenue means in the short to medium term oftentimes a drop in government effectiveness. How does the U.K. government go about reconciling those two competing imperatives, trying to work with less developed countries to help them improve their governance while pursuing trade policies, which might create wealth globally often result in short-term local reductions in the capacity to effectively govern?

MR. MITCHELL: Well, that is an interesting point. That came together in the European Union issues over EPAs, these European Partnership Agreements, where there was a – the NGOs sort of spoke up forcefully for poor countries. I thought in some cases excessively so. And one of the points that Peter Mandelson, the trade commissioner, rather good trade commissioner in the European Union did as part of the negotiations over EPAs was to suggest that there would be a strong case for underlining and guaranteeing that revenues when they were lost as a result – customs revenues – when they were lost as a result of the introduction of these European Partnership Agreements.

[56:56]

So you know, I wouldn't rule that out. And the prime minister has announced today or is about to announce today that we are going to support eight new border post simplifications across Africa in order to try and demonstrate that if you stop people having to wait three days and ensure they only have to wait three hours to get across a border, actually you will massively increase the wealth of the people who are selling and buying goods as a result.

So you know, I think that that is important. But let me make two points about the wider questions you raised. One is that the Doha Round, I know that it is on President Obama's list and I know also that there are difficulties in timing and so on pursuing this. It is absolutely vital that we don't let the Doha Round go. And, you know, there are things that the Americans can do, the American state can do to assist with this.

I remember one of the earlier visits I did was to Mali. And I went deep into Mali, upcountry for miles and miles and miles off the beaten track for hours and hours in a Land Rover. And I got to this very remote community in the cotton-growing belt of Mali. Mali is one of the poorest countries in the world. It has 10 million citizens of whom about 30 percent earn their living by growing cotton. And the thing I will never forget is that having reached this very remote area and met this cotton-growing farmers who had no formal education at all and precious little health care and they lived in very difficult circumstances. The one thing they all knew was that they could not sell their cotton for a living wage because of the protectionist policies of the United States of America and the Southern European countries.

[58:42]

And, you know, that was the year that America was spending $4 billion on subsidizing 25,000 cotton growers in America. And it is iniquitous. And I have never forgotten that. So it is incumbent upon all of us who feel this moral indignation and passion to help those people who are less well-off than ourselves around the world, through no fault of their own, to drive forward this agenda. And it comes into sharpest relief on the issues in the Doha Round.

MR. CAROTHERS: Andrew, in addition to the important emphasis on maternal health and the role of women in development, generally you have also set out at least two things that I think will stay with us here that are very clear. One, that Britain's commitment to being a premier player in development is not the provenance of any one political party in Britain, but rather a society-wide commitment and a commitment to the new government. And secondly, that you personally – and I suspect your team – come to this task with a great deal of energy and many ideas and we wish you well with that. Look forward to seeing you back again here soon. (Applause.)

(END)