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United Nations Economic and Social Council

Annual Ministerial Review

Implementing the Internationally Agreed Goals and Commitments
in Regard to Sustainable Development

Statement by Dr Andrew Steer, Director-General, Department for
International Development, United Kingdom

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Dr. Andrew Steer

Director-General Department for International Development,

United Kingdom

Wednesday 2nd July 2008

Mr Chairman, Distinguished Delegates,

It is a great pleasure to be here for ECOSOC's annual review of the MDGs. The UK Government warmly welcomes this "new look" ECOSOC, and are very pleased to be part of it. In this interdependent world it is more important than ever that we hold each other accountable, and share the lessons we are learning.

In this regard, we look forward greatly to hearing the reflections, after my presentation, from our friends in civil society and other governments. It is a privilege to work together with you – and we continue to learn a great deal from you.

Sixteen years ago today, many of us here today were just returning from the Rio Earth Summit. Do you remember how hopeful we felt? For the first time it

seemed that there was a chance that we just might be able to work together to do things differently. To grow incomes and opportunities for all in a way that didn't hurt others or threaten the future. We had new Conventions on Biodiversity and Climate Change, a financing mechanism, and 800 pages of great ideas in Agenda 21.

Sixteen years on, how goes the battle?

There have been great successes : More people have been lifted out of poverty than perhaps any 16 year period in world history.

And yet there have been great failures. The world today is facing more environmental stress than ever before.

My task today is to share the lessons from this mixed record that we are learning in the UK, based on our work in the UK and in many countries around the world as we work hard towards the goal of MDG 7.

Lesson 1: Sustainable Development must begin at home.

While in the UK we are rightly proud of the key role we are playing to achieve the MDGs, we need to recognize that we ourselves have a very large environmental footprint that can hurt others, and we must address this with urgency. Our carbon emissions per capita are nearly 100 times that of some very low income countries, and twice that of many middle income countries. We are a major consumer of luxury items, and use large quantities of wood, water and newsprint, and generate annually about 335 million tons of waste.

The major role that we in the UK have played in environmental achievements in the past – CFCs, acid rain, lead in gasoline, economic instruments for environment etc – will stand for nothing, if we don't take the tough decisions to address our remaining threats to global sustainability.

This is why the UK Government has made a commitment to reduce UK carbon emissions by 60% by 2050, with a recognition that we may need to go even further perhaps to 80%. We expect Parliament to enshrine this in law in the coming months – which would make the UK the first country to have such a legally binding obligation.

Lesson 2. Sustainable Development Requires Integrated Solutions

For us, in the UK as we seek to help developing countries this means that we need to think not only of our aid flows, but also of the policies that we implement at home that may affect developing countries. The UK's policies on issues such as trade, migration, climate change etc may well have a much bigger impact on developing countries than our ODA flows.

This is the reason why the UK Parliament passed the International Development Act in 2002 that brings together in the UK's Department for International Development (DFID) responsibility for injecting development concerns into all UK policies. The Act insists that DFID focus only on the sustainable reduction of global poverty, and explicitly not focus on UK commercial or political interests. This clarity of purpose helps us shape all UK policies in the service of world development.

Trade policy is especially important here. This is managed jointly by DFID and the Business Enterprise Department, with the Secretary of State for Development chairing the Cabinet committee on trade. By this means the UK is doing all it can to ensure that trade negotiations have maximum benefit to the poor. The coming few weeks are crucial for the Doha round, and we – including our Prime Minister – are doing our utmost to secure a successful conclusion.

Lesson 3: There will be no Sustainability without Development.

Economic growth accounts for 80% of all poverty reduction over the past quarter century, and we should not accept any agreements that restrict the growth of developing countries. Inclusive economic growth is also essential to long run sustainability. Around the world we are seeing in our partner countries how growth can place additional strains on the environment, but can also enable solutions. Rich people and societies are better equipped to deal with shocks than poor ones. Development is the most effective way of building resilience to climate change.

For this reason the UK government is placing more resources in helping countries grow sustainably. This year we are establishing an \$80 million “International Growth Centre”. This will be a network of specialists from around the world who will be available to countries as they seek to understand and address the constraints on growth and job creation.

We need to admit that there is much that we don't yet know about the links between growth and the natural environment, and we are investing heavily in research towards this end. As examples:

- DFID and the World Bank have supported an economic assessment of the contribution of natural resources to Ghana's growth, and this has led to a long standing engagement with the Ministry of Finance on the costs of environmental degradation.
- We are supporting a major research programme on Ecosystem Services for Poverty Alleviation, which will help developing countries to develop the tools to assess the value of their ecosystems. The Millennium Ecosystem Assessment (MA) showed that functioning ecosystems are essential to fighting poverty, hunger and disease. ESPA will provide us with the in-depth scientific knowledge that we need to manage ecosystems sustainably in the future. I look forward to this afternoon's roundtable on this issue.

Lesson 4. Giving Information and Rights to Citizens and Consumers can change the world.

Around the world, it is citizens and consumers who are demanding change. The problem has been a lack of information. We have found that investing in getting the right information to the right people can have a much higher return for our funds than more traditional projects. The UK is therefore investing heavily in making information transparent and in voluntary codes of conduct.

One highly successful example is the Extractive Industries Transparency Initiative (EITI), which we initiated about 8 years ago. This supports verification and full publication of company payments and government revenues from oil, gas and mining. It currently works in more than 20

countries helping to ensure that some of the three and a half billion people who live in natural resource-rich economies get a greater share of this wealth. I hope that with leadership from the government of Azerbaijan that the General Assembly will recognise the importance of this work.

Making information available on what is certified to be sustainable and what is not is changing behaviour and rewarding sustainable production. We feel that our support to initiatives such as the Fair Trade Foundation and Stewardship Councils are money very well spent.

Relatedly, voluntary partnership agreements in forest products, for example, are beginning to bear fruit. The Forest Law Enforcement, Governance and Trade Initiative, and other such programmes are examples. Current negotiations between the EU and Indonesia, Cameroon, Malaysia and Ghana aim for agreement by the end of 2008.

Giving land rights to local citizens also has a powerful effect, and we are supporting efforts in several countries to give communities control over their lands. In our forest programme in Indonesia, for example, we are seeing good impacts on sustainability from such initiatives.

Lesson 5: If we don't address Climate Change effectively, our other efforts may well be wasted.

Under current trajectories climate change could undermine all recent progress. Developing a successor to the Kyoto Protocol by the end of 2009 represents the most important international negotiation of our times.

DFID has reorganized and shifted resources to position ourselves so we can play a helpful role injecting a development perspective into UK and EU negotiating positions and supporting developing countries to design their own strategies.

First, we recognize that knowledge is still lacking in many areas. We are therefore investing \$200 million in research and capacity building in developing countries on the possible impacts of climate change, the costs of adaptation and mitigation, and options for low carbon development.

Central to this work is building capacity in the countries themselves. Thus, for example we have ongoing a \$50 million programme to support African researchers working across countries on issues of adaptation.

Second, we are working to help ensure a “pro-development” post-2012 agreement . Here are five suggested features that we would look for:

- An ambitious goal with credible near-term targets;
- A way of sharing greenhouse gas emissions that is fair and equitable, with deeper absolute reductions by developed countries and measurable action by developing countries;
- A reformed carbon market to increase the reach and impact of carbon finance for poor countries;
- Support for technology development and transfer to benefit developing countries; and

- Support for developing countries to build their resilience and adapt to climate change.

Third, we are seeking to support real investments that will show that transformation to a new growth path is possible. Our Government has announced \$1.6 billion of funding for early investments in low carbon development and adaptation.

Lesson 6: Its Time to Take Water and Sanitation Seriously.

Despite great attention during the “Water Decade” of the 1990s, we are barely on track to meet the water MDG and we are off track in Africa - where 320m still do not have access to an improved source.

We have also overlooked sanitation for too long as the poor relation to water and are seriously off track. 2.6 billion people do not have access to just a basic toilet. The cost is enormous – 5000 children die needlessly every day because of preventable diarrhoea.

This is bad economics as well as inhumane. Economic losses due to lack of access to safe water and sanitation have been estimated to be \$14 billion per year for Africa alone, equivalent to 5% of GDP across the continent.

The message is clear - we need to work together to accelerate progress. This will require better governance, sufficient finance and efforts focused on those without access.

We have perhaps all assumed too much that solutions lie in engineering, while what is needed even more is behavioural and institutional change. Now, working with partners such as UNICEF and Water Aid, and with countries that are pioneering new approaches we are seeing some real progress. In Bangladesh and throughout Africa results are encouraging. As a result, our spending on water in Africa will rise to \$400 million per year.

However, there still needs to be more coherence in the provision of support. We are calling for more coherent action on water and sanitation through the 5 Ones to deliver effective action:

- One global annual report
- One global annual meeting – to monitor progress and, importantly, agree actions (this first of which will take place in New York on 24 September)
- One national water and sanitation plan
- One water and sanitation co-ordinating group at national level
- One lead UN agency on water and sanitation in each country

Lesson 7: We Dropped the Ball on Agriculture – and Must Pick it Up Urgently

The recent price rises reminds us that actions have consequences. We have paid too little attention to productive agriculture and its links to the natural environment. Three out of four people surviving on less than a dollar a day live in rural areas, where their livelihoods depend on the natural environment.

The international response to the food prices situation must be ambitious – in his video message to the recent ECOSOC special meeting on the food crisis,

Gordon Brown called for a doubling of our efforts to tackle hunger and agricultural development.

And in Rome last month the UK proposed an International Partnership for Agriculture and Food – with the objective of doubling agricultural production in Africa, doubling agricultural growth rates in Asia, and doubling the funding for agricultural research.

As a result, the UK is doubling our own support to agricultural research to \$800 million over the coming five years. We work closely with the CGIAR, and recommend a doubling of its budget to \$1 billion per year, accompanied by a reform of its structures.

The link with climate change is obvious and alarming. Some agricultural ecosystems will be threatened with collapse as temperatures rise and water becomes more scarce.

Lesson 8: Without Strong Leadership we will Fail

One of the major conclusions of the Growth Commission, which published its report two months ago, is that, even more than we had understood, leadership is key to development.

At this critical stage in the path towards 2015 this is more true than ever.

One key element of leadership relates to keeping promises. Commitments that were made in Monterrey and Gleneagles must be honoured even in a less benign economic environment. The UK government is fully committed to honour its pledge to move to 0.7% of GDP by 2013, and we are well on our way. We are also working with our EU and G8 colleagues to ensure that together we honour our end of the bargaining.

Within developing countries leadership involves designing and implementing clear policies and programmes to get the job done. At Accra in September we will commit to aligning our entire development efforts to government plans in our partner countries. We want to honour the leadership shown in developing countries, and are pleased to now have 10-year partnership agreements (providing long-term predictable financing) with countries such as Yemen, Zambia, Pakistan, and Uganda.

This is a year in which leadership is needed more than ever. In September in New York there will be an opportunity for leaders to refresh and renew our political and substantive commitment to the 2015 goals.

The UK Government believes that we stand on a historic threshold, whereby we have in our grasp for the first time in history the chance to eliminate mass poverty. But we also face perilous challenges that could set us back a decade. We are committed to do the utmost we can to work with you as we face these challenges together.

Thank you.