

The Rt Hon. Andrew Mitchell MP  
Secretary of State for International Development  
Department for International Development  
1 Palace Street  
London SW1E 5HE

Thursday 13 May 2010

Dear Secretary of State,

I and the team at ODI would like to congratulate you on your appointment as Secretary of State for International Development. The Department for International Development is rightly regarded as a leader in its field having played a major role in shaping the global agenda on poverty reduction. In these difficult times it is vital that the UK maintains its position as a progressive voice on international development and humanitarian issues.

This June ODI celebrates its 50<sup>th</sup> anniversary. A great deal has changed in development in fifty years, but no more so than now as we face up to a new generation of global challenges: from the changing climate, to financial and other systemic crises, new conflicts and natural disasters, and rapid population growth and urbanisation. These global challenges matter for development, and making the most of the opportunities that they create for a more sustainable and inclusive development is in all of our interests. The pace of change, however, means that there is no time to lose in deciding the shape of the UK's future international development policy. In this open letter I'd like to draw your attention to the following priority issues emerging from ODI's work:

**1. With only five years left to realise the promise of the Millennium Development Goals, the international community must refocus its efforts.** Significant progress has been made since 2000. But the MDGs in many of the poorest nations are still off-track and the arithmetic of rising food prices, global recession and climate change make getting back on track much more difficult. Going forward, three fundamental issues are vital for their achievement: growth, social protection and women's empowerment. The international community must focus its energies and resources on support for national progress on these issues, which will help countries achieve the MDG related targets they have set themselves.

**2. Think aid, think smart aid, but also think beyond aid.** The UK has strong cross-party support to deliver on its promises on aid volumes. More can also be done to improve the effectiveness of aid. Smart aid is aid that delivers within a strong framework of transparency and accountability. But aid and development are not synonymous and there is a need more than ever to direct attention to a wider set of policy concerns that impact on the prospects for growth and prosperity in poor countries. To achieve this, it is hugely important that the UK adopts fair global policies on climate financing, trade, conflict and international economic governance rather than focusing on aid alone.

**3. Global economic governance and the G-20.** The G-20 has taken centre stage in global economic governance following its swift and decisive response to the financial crisis. But the G-20 needs to tackle unfinished business urgently; there is no clearly defined role for the private sector in the G-20 and there is no formalised way of considering the interests of the poorest countries.

**4. European development policy.** The EU has a unique role in the emerging development agenda. It is committed to poverty reduction, well-represented at country level and engaged in meeting the MDGs. As the world's largest donor of both development and humanitarian assistance and with a wide range of policy levers available to it, there is a need to press for continued improvements in the way the EU leads on development policy. Urgent issues include additionality in climate financing, a more clearly defined set of ODA eligible financial instruments and a strong capability on development policy within the newly established European External Action Service.

**5. Climate financing** is the greatest development financing issue we face. It needs to be at scale. It needs to be well managed. It needs to be transparent. ODI monitoring shows it is none of these things at the moment.

**6. Trade** is a major source of growth and provides a huge opportunity for developing nations to leverage the opportunities of the global economy. But to date trade negotiations have slowed to a snail's pace. To reboot them, the UK needs to work within the EU to adopt a new approach to the Doha negotiations recognising and working with developing countries. EU preferences also need to be updated for the 21<sup>st</sup> century. Any global or regional climate change deal must also be dovetailed with the multilateral trading regime and with development priorities.

**7. Migration** is a vexed domestic issue, but on a world scale there is strong evidence that migration is good for development. There is no empirical evidence that restricting migration reduces skills shortages in developing countries, instead the emphasis should be on investing in higher education and vocational training in developing countries. Recipient countries should also reduce the cost of remitting funds to countries of origin.

**8. The private sector** is critical for jobs, innovation, growth and poverty reduction. In this changing world the private sector has a key role in driving low carbon growth through green investments in developing countries. Much more needs to be done to ensure that the incentives, policy frameworks and business models are in place for these investments to contribute positively to development.

**9. Rebuilding in fragile states** is a priority for all those concerned about poverty and the prospects for a more secure and stable world. But international engagement in fragile contexts is fraught with challenges and contradictions. As a result, much greater attention needs to be given to analysing the contexts of fragility to ensure that policies and programmes are realistic, while donors like DFID need to improve and increase the human resources needed to engage effectively in and with fragile states.

**10. Accountability** is at the heart of what makes development effective. Accountability reform is not just about improving the way aid is delivered, it is also fundamentally about improving the way governments relate to citizens and the rules that govern the international system. Accountability and transparency go hand in hand and support for it must cut across public, private and voluntary sectors.

The UK has a broad and longstanding commitment to international development. Severe economic and financial difficulties at home mean that this commitment will be tested in the weeks and months ahead. But as your own election manifesto made clear, investing in development is not only in the national interest, it is also the right thing to do morally and ethically. We have high hopes for your leadership of this vitally important agenda.

Yours sincerely,



Dr Alison Evans  
Director, Overseas Development Institute