



MULTINATIONAL AID

Alan Simpson (Nottingham, South) (Lab): If he will make representations that no economic policy conditions be attached to aid from multinational donors, with particular reference to the International Monetary Fund and the World Bank.

The Secretary of State for International Development (Hilary Benn): The UK's new policy document, "Partnerships for poverty reduction: rethinking conditionality", states that we will no longer seek to impose policy choices upon partner Governments, including in relation to sensitive areas such as privatisation and trade liberalisation, as part of our aid programme. The World Bank and the IMF are both undertaking reviews of their approach to conditionality this year, and I will work to persuade those institutions only to support programmes which are agreed, rather than imposed.

Alan Simpson: The Secretary of State will know that developing nations are telling us that the hidden privatisation requirements that attach to debt relief programmes are making poverty worse rather than better. Can he tell the House whether he and other Ministers, in their roles in relation to the World Bank and the IMF, have ever made formal proposals that those conditions be dropped, and whether we are now dropping our partnership with the Adam Smith Institute, which has a vested interest in ensuring that privatisation is built into our programmes?

Hilary Benn: Indeed, at last year's annual meeting we did persuade the World Bank to undertake the review of conditionality that is now occurring, and I look forward to seeing its outcome. The point about privatisation—it is important that we recognise this—is that it in some cases it might be the right route to take, while in some cases it might not. My view is that that decision should be taken by developing countries themselves. Tanzania and Ghana have invited in the private sector to help to deal with the problem of getting more clean water to more people. That is where the decision should be taken, not by us as aid donors and not by the World Bank, and that is what I am trying to achieve.