

31 October 2007

Response to the Scottish Government's Review of International Development Policy

International Development Policy

Mercy Corps welcomes this opportunity to submit its views on how the Scottish Government can make best use of its International Development Fund, as set out in the paper recently published by the External Affairs Minister, Linda Fabiani MSP.

Mercy Corps is an Edinburgh-based charity that works in over 35 countries amid disasters, conflicts, chronic poverty and instability. We find innovative ways to put people back on their feet and in charge of their own lives in secure, productive and just communities. We add our greatest value as an international relief and development agency on the ground by supporting positive change with community-led and market-driven action. Since 1979, Mercy Corps has provided over £650 million in assistance to people in 100 nations.

Our views on the questions posed in the External Affairs Minister's paper are detailed below.

Subject Priorities: the current thematic priorities are Education, Health and Civil Society Development.

- **Are these themes still appropriate?**
- **Do they need to be narrowed or be widened?**

We would suggest the Scottish Government consider broadening its priorities with poverty alleviation forming the keystone to its thematic priorities. Education, health and civil society development do constitute central aspects of interventions to alleviate poverty but a complex range of issues must be addressed in each country to tackle the nexus of governance, resources, justice and economic options that can break a continuing cycle of conflict, disease, hunger and poverty. We feel it is important for the Scottish Government to adopt a holistic view and consider funding any programmes which would contribute to the broader goal of poverty alleviation.

It will also be important to focus attention on transforming the demographic "Youth Bulge." More than half of the developing world's population is under 25, and one of the most daunting global challenges over the coming years is to create jobs and opportunities for youth. Over the next decade alone, more than a billion young people will enter the global labor market, with more than 800 million of them residing in the developing world. Yet labour experts predict only 300 million new jobs will be created by the global economy during this same decade. Youth comprise a quarter of those living in extreme poverty and the largest demographic group in fragile and failing states. At the same time, youth outreach programming in Scotland could build upon and strengthen synergies between Scotland and the global situation, and would provide an opportunity to educate, inspire and motivate youth from around Scotland to make a difference.

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Geographic Principles: The existing policy geographic priority is Sub-Saharan Africa, although disaster relief work has been supported in Asia.

- **Should we continue to focus resources on sub-Saharan Africa?**
- **Should work be supported elsewhere in the world?**

Sub-Saharan Africa should certainly remain a geographic priority as the needs here are most acute. Mercy Corps remains committed to expanding and deepening our reach in Africa and leveraging our identity as a relatively new player there with fresh perspectives and creative problem-solving. We believe our vision and approach will identify and scale solutions that can help solve the significant challenges faced by this continent.

Most importantly, global poverty and conflict and the youth boom must be tackled through robust and well-coordinated actions of the international community and a special emphasis on Africa, where a disproportionate number of the bottom billion currently reside, seems to be an appropriate choice.

However, while Africa comprises the continent of a special strategic focus, we would like to recommend that the geographic scope of the International Development Fund should be spread more evenly and beyond the current focus on Malawi. If possible, the Scottish Government may, at a later date, also want to consider enlarging its geographical focus to extend its aid to any least developed countries (LDCs) outside Africa.

International Development Fund and Process

- **Should the three schemes continue?**
- **Should the main and small grants scheme be amalgamated?**
- **Should the challenge fund approach continue?**

Mercy Corps would advocate that in order for programmes to have a long-term and sustainable impact, the level of funding available should be scaled-up and the main and small grants schemes should therefore be amalgamated. If sub-Saharan Africa is to be a central focus of activities, broader circumstances relating to such matters as conflict and governance will need to be taken into consideration. This means that effective interventions will often need to be longer-term projects and will therefore require greater amounts of funding to ensure such initiatives have a tangible, sustainable, positive impact.

Furthermore, as available funds are limited, we also feel that it would be crucial for the Scottish Government to build alliances and work in partnership with the private sector in Scotland. The engagement of Scottish corporations would maximize resources which could be provided in kind or as additional human resources in areas of expertise widely available in the country such as medical, financial, engineering, bio-technology, governance, tourism, education among others.

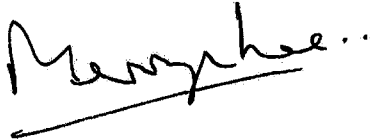
Thoughts on Challenge Fund approach?

The "challenge fund" approach is used by most leading international donors and is therefore appropriate for the Scottish Government, providing that selection criteria for projects is clearly outlined and that sufficient feedback is provided for unsuccessful funding applications.

As part of this approach, there also needs to be a clearly defined time-line showing when proposals would be assessed, when decisions would be communicated to the NGOs, and when the funds would actually become available. In the particular context of emergencies, Mercy Corps feels strongly that funding must be immediately available to enable timely disaster response operations.

Finally, Mercy Corps recognises that it is very important for the Scottish Government to develop its strategies for international development based on a participatory process involving NGOs experienced in international development. We are therefore glad to have been able to express our views on this occasion and would welcome any future opportunity to engage in an open dialogue with the Scottish Government on this important issue.

Yours faithfully



Mervyn Lee
Executive Director