



**ActionAid UK Policy Briefing on Responses to
the Tsunami Disaster
January 7th 2005**

EMERGENCY RESPONSE

The need for a long term approach

While meeting immediate needs such as food, clean water and healthcare are vital, we also need a longer term response to enable people to restore their livelihoods. All funding should be tailored to such an approach, allowing spending to take place over a longer timeframe.

Recommendation: People's needs must have priority over accountants need to meet a time deadline and 'close the books.'

Protection of basic rights

In the wake of disasters, people's basic rights are often ignored. There are already reports of land grabbing and displacement, particularly in poor communities. The rights of poor and vulnerable people in particular must be protected, including women, children, disabled people and tribal groups. There are major threats to children, especially those orphaned or separated from their families. These threats include the abduction, trafficking and sexual exploitation of boys and girls.

Recommendation: Donors and national governments should ensure that the rights of poor, vulnerable and marginalised people are prioritised in the response to the immediate crisis and long-term reconstruction.

Involvement of affected communities.

ActionAid UK believes that people affected need to participate in any response to such emergencies and to influence the decisions which impact upon them. Programmes should be designed to reinforce local capacities and resilience as well as increase the capacity of people and institutions responsible for emergency preparedness and response. It is vital that any aid effort must be accountable to those people it purports to be helping.

Recommendation: Whenever possible, international aid efforts should work with local aid groups and civil society to increase effectiveness and to build capacity for local emergency and relief response. Aid supplies including food should be purchased as locally as possible. In

the long-term, after the media spotlight moves on, local groups will be among the foundations that remain in place. All agencies (NGO, UN and governments) must have a policy for scrupulous budget tracking, probity and transparency at all levels.

MORE AND BETTER AID

ActionAid UK welcomes the funding already provided for the Tsunami disaster by donor agencies, the public and NGOs. We believe that governments should immediately pledge to fully fund the UN appeal for \$997m launched on 6 January. However, donors must ensure that all funding pledged actually translates into real aid and reaches those in need. Previous disasters suggest that actual disbursements often fall short of pledges. In the case of Hurricane Mitch, for example, only two thirds of the money pledged was actually delivered.

It is also vital that any aid directed to the Tsunami victims does not come at the expense of aid flows to other regions, particularly Africa. 20,000 people die every day in Africa from poverty related and preventable diseases, meaning that a disaster on the scale of Tsunami happens every single week. By some estimates, aid flows to the continent need to triple if internationally agreed poverty reduction targets are to be met. Donors must commit to fully funding both the needs of the Tsunami victims and those of the millions in need in Africa and across the world.

Donors must also provide aid in ways that help poor people rather than the corporations and populations of the rich countries. In particular, aid and debt relief should not come with economic policy conditions, such as privatisation and trade liberalisation, attached. Conditionality should be limited to what is necessary to ensure that money reaches its intended beneficiaries.

Aid must also be untied. At present, a quarter of all G7 aid is tied to goods and services from donor countries, and the proportion is even larger for food aid. The US ties 100% of its food aid, for example, while Canada ties 90%. Donors also need to better co-ordinate their aid. Lack of aid co-ordination increases the costs of aid, overwhelms govt bureaucracies and leads to wastage and duplication. Aid should come in the form of grants rather than loans.

Recommendation: donors should fully meet the costs of rehabilitation and reconstruction in Tsunami affected areas, without diverting aid flows away from other regions. Aid must be untied, well co-ordinated and provided without economic policy conditions attached. Aid should also come in the form of grants rather than loans.

DEBT

The G8 countries have now agreed a moratorium on debt service payments from the Tsunami affected countries, likely to be worth around \$3bn per year. Debt stock cancellations are possible at a later date, while Sri Lanka may be

added to the list of countries eligible for 100% multilateral debt cancellation, as proposed by the UK Government. ActionAid UK welcomes this move, but believes that the debt moratorium should last at least 15 months, in order to provide an opportunity for affected countries to recover from the disaster. Any funding for such debt relief must be additional to existing aid budgets rather than drawn from them. Debt relief should not have any economic policy conditions attached, such as privatisation, fiscal austerity or trade liberalisation. Only conditions around basic fiduciary accountability should be applied to ensure that money is used properly. Moreover, money that is not repaid should be effectively cancelled rather than 'rolled over.' In particular, it is important that interest is not charged on money not being repaid.

Recommendation: While the agreed debt moratorium for Tsunami affected countries is welcome, it needs to stay in place for at least 15 months and be accompanied by debt stock cancellations. All funding for debt relief should be additional and not drawn from current aid budgets. Debt relief should not come with any economic policy conditions attached, and money that is not repaid should be effectively cancelled rather than rolled over.

TRADE

Tsunami affected countries, as well as other poor countries, will need a fairer deal on trade if they are to recover from the disaster over the longer term. The ending of the quota arrangement under the multi-fibre arrangement on 1st January 2005 at the WTO, for example, will place exports of textiles and clothing from countries such as Sri Lanka in direct competition with more competitive producers such as China.

Any aid and debt relief provided should not come with conditions related to trade liberalisation. Indonesia in particular has suffered from trade liberalisation conditionality attached to previous IMF programmes and this should not be repeated. Infrastructure and the provision of public utilities will have been devastated by the tsunami. Priority should be given to tackling these (supply-side) constraints to facilitate the trade of products and services onto local, national and international markets, where appropriate.

Fisherfolk have been one of the most affected communities, particularly in Tamil Nadu, India but also in Thailand, Indonesia, Sri Lanka and the Andaman Islands. The UN's Food and Agricultural Organisation (FAO) is currently assessing the impact of the Tsunami on agriculture within the region. The livestock sector appears to have been particularly affected. In both cases, it remains critical that any trade negotiations – for example on agriculture and fisheries - should not compromise the ability of communities affected by the tsunami to rebuild their livelihoods. Particular attention should be given by WTO members to the right of countries to protect affected sectors – negotiations are currently underway with a decision expected at the WTO Ministerial in Hong Kong at the end of 2005.

Recommendations: Trade negotiations over the next few years and the implementation of new trade rules should not compromise the ability of countries affected by the Tsunami to rebuild their livelihoods. Aid and debt relief should not come with trade conditions attached. Priority should be given to tackling supply side constraints to infrastructure and the provision of public utilities.

HIV and AIDS

Several of the countries hit by the tsunami were already badly affected by the HIV and AIDS pandemic: Thailand's HIV prevalence has declined but is still high at 1.5%. India has a prevalence of 0.8%, while nearly 80% of all reported cases in the country from six states including the disaster areas in Tamil Nadu. Indonesia's prevalence is 0.1%, primarily among groups with high-risk behaviour. According to UNAIDS, South and South East Asia has a higher total of HIV infections and annual AIDS deaths than any region except Sub Saharan Africa.

Disasters expose displaced people to poverty, family disintegration and social disruption, which make people more vulnerable to HIV transmission. Destruction of healthcare infrastructures and over taxed health systems mitigating public health concerns related to tsunami could marginalise treatment and care of people living with HIV and AIDS.

Military forces throughout the region have some of the highest HIV prevalence rates among young men in their populations. Their presence, along with relief workers, often fuels the growth of commercial sex work, which is already prevalent in Thailand, India and Indonesia. Lack of other livelihoods is a main factor why women choose to or are forced into commercial sex where they encounter considerably higher risks of HIV infection. Relief efforts must ensure that vulnerable children, who've lost one or more parents, are protected from sexual exploitation.

Recommendation: Tsunami relief efforts must recognise that the region's HIV epidemic is a key reason why sustainable rebuilding of infrastructure, including health systems, and the economy is necessary as soon as possible. HIV treatments, condoms, safe accommodation and new forms of livelihood are urgent factors in protecting these ravaged communities from increased health risks. Worldwide, AIDS kills the same number of people who have died in the tsunami every 18 days. ActionAid implores donor governments not to divert aid dedicated to HIV and AIDS initiatives such as the Global Fund to Fight AIDS, Tuberculosis and Malaria.

SUMMARY RECOMMENDATIONS

While the initial response to the Tsunami affected countries by aid donors, NGOs and ordinary people is welcome, it is vital that this does not distract from the needs of other poor countries. A disaster on the scale of the Tsunami happens every week in Africa; every 3 days globally. Urgent action is needed

on debt cancellation, more and better aid, trade justice and universal access to AIDS treatments.

For Tsunami affected countries in particular, ActionAid UK recommends that:

- Aid must be provided over the long term, without time deadlines on spending.
- Donors and national governments should ensure that the rights of poor, vulnerable and marginalised people are prioritised in the response to the immediate crisis and long-term reconstruction.
- Whenever possible, international aid efforts should work with local aid groups and civil society to increase effectiveness and to build capacity for local emergency and relief response.
- Donors should fully meet the costs of rehabilitation and reconstruction in Tsunami affected areas, without diverting aid flows away from other regions. Aid must be untied, well co-ordinated and provided without economic policy conditions attached, including those around trade liberalisation. Aid should also come in the form of grants rather than loans.
- The agreed debt moratorium for Tsunami affected countries needs to stay in place for at least 15 months and be accompanied by debt stock cancellations. All funding for debt relief should be additional and not drawn from current aid budgets. Debt relief should not come with any economic policy conditions attached, and money that is not repaid should be effectively cancelled rather than rolled over.
- Trade negotiations over the next few years and the implementation of new trade rules should not compromise the ability of countries affected by the Tsunami to rebuild their livelihoods. Priority should be given to tackling supply side constraints to infrastructure and the provision of public utilities.
- Tsunami relief efforts must recognise that the region's HIV epidemic is a key reason why sustainable rebuilding of infrastructure, including health systems, and the economy is necessary as soon as possible. HIV treatments, condoms, safe accommodation and new forms of livelihood are urgent factors in protecting these ravaged communities from increased health risks.

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