

REMARKS OF THE AMBASSADOR OF MALAYSIA

POST-TSUNAMI RELIEF, RECONSTRUCTION AND DEVELOPMENT: WHAT CAN THE EU DO?

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I shall be brief. We have listened to the main speakers. Their exposé is what that matters being Ambassadors of the most affected countries.

2. I shall also update you on the discussion some ASEAN Ambassadors had with the Minister of Foreign Affairs of Luxembourg and MEPs both in Strasbourg and Brussels in the course of the last week.

3. What can the EU do? I would have thought this session ought to have been handled by someone from the European Commission.

4. Just a word or two to respond to the Chairman, Malcolm Subhan's opening remarks regarding 'common humanity'. The tragedy even if we may be strangers - separated by geography, culture, income levels or for that matter different in our beliefs and worldview, cannot remain or be seen to be, as Gordon Brown, the British Chancellor of the Exchequer, 'moral strangers'. Hopefully, this tragedy would bring us all towards a 'moral world'.

5. In terms of immediate impact, all I can say is SYABAS, to aid agencies, NGOs and, in particular ECHO, not to mention, other international players, including neighbouring countries and the American military assets. The Americans, I must say, displayed both VISIBILITY and CREDIBILITY.

6. ECHO should continue to monitor disbursement of emergency relief efforts in the coming months as well as beef up its staff in affected regions.

7. Owing to global support, the international community has been able to avert food shortages, prolonged hunger and widespread disease. So, for the next 3 months of the emergency phase, things appear to be in hand.

8. As some ASEAN Ambassadors have mentioned to MEPs and aid agencies and NGOs that it was important to know what is being done with the reported €800 million donated by the public in Europe. After all, the outpouring of public response was done on the back of the tragedy wrought by the Asian Tsunami.

9. Before we can talk about short and long-term impact, we need to determine the status of the €350 million pledged by the European Commission for reconstruction. As for now, this money does not exist. Given my limited understanding of EU processes and procedures, it may take several months before it turns out as cash. We would be lucky if the money is in hand by June this year. Secondly, things are still unclear whether all that amount would be fresh money.

10. Once this subject is settled, then comes the prolonged process of calling for tender, defining projects, awaiting consultant reports, signing of MOUs and financing agreements and much more, with governments concerned. This may yet take another six months or more.

11. By then Darwinism would have worked its way – some who have survived may have died, while others may have prospered by sheer grit of their resilience. In the meantime, it would be a situation of the survival of the fittest. The only people who would have benefited for all these processes and procedures would be the contractors.

12. In a nutshell, we have to know when is the €350 million is expected to made available as hard cash; where this amount is coming from, whether it is additional money or is it about robbing Peter to pay Paul and, thirdly, where is the money going to and when would that happen. What I understand is that the sum of €350 million will be achieved by taking €150 million by way of re-

programming from existing €605 million allocated for Asia and the balance of €200 million from EU Member States.

13. In the meantime, hope and expectation have been raised.

14. To have impact on a sustained basis, we may need a Mini Marshall Plan-typed of programme, which includes a combination of more aid, debt relief and trade concessions for the most affected countries.

15. Besides this, to have the desired impact, whether short or long-term, we should maximise the new found solidarity to its fullest extend as well as uphold accountability as to how the money is to be spend. Both go hand-in-hand.

16. I am inclined to support the views expressed by James Wolfensohn, President of the World Bank, that the focus should be on demand for help, rather than supply of money. It is hoped that the world spotlight over the next 3-5 years or more remain focus on these specific regions of the most affected countries until the last destroyed house is rebuilt, the last capsized fishing boat replaced and the life of those left behind gotten back on track.

17. The real impact, short or long-term, depends on how governments of the concerned countries and, more importantly, the peoples affected by the tragedy are able to change the quality of life on the ground. It should not be to restore poverty and/or to turn the devastated areas into shantytowns. Rather, we should take the opportunity in building for the victims some hope and some possibilities for a much better and sustainable livelihood.

18. I also hope that, the responses of donor countries and institutions do not make worse the concerned governments' fiscal position. Personally, instead of debt relief, I would have preferred a mixture of debt relief and debt cancellation. Had this been the case, then we would be talking seriously in terms of helping those countries in a sustainable way.

19. I also hope that if the aid money is directed properly it could represent new investments for the affected countries. This would provide tremendous fillip to growth of those affected economies. In this regard, I hope that more purchases of food and services could be done locally. It is understandable in initial stage to get drinking water at €4 per bottle from Europe itself. However such purchases should cease forthwith.

20. I also hope that the aid route is not viewed as a route to development. What we should aim at is to translate aid and reconstruction efforts to achieve self-reliance. Here I mean that the emphasis ought to be given to people/community centred projects where those affected (farmers, fishermen, petty traders and others) could be helped quickly to regain their livelihood.

21. SPEED and EFFECTIVENESS is of the essence. Hand-in-hand with a people/community centred approach; we should also INVEST IN PEOPLE (capacity building and imparting skills and skills development) along with CAPITAL INVESTMENT in health, education and physical infrastructure.

22. If these and other practical steps are taken, then half the battle is won.

23. As the economist, Jeffery Sachs, had recently highlighted that practical investment in terms of the mass provision of long-lasting mosquito nets can help save countless lives. Another example is how Malaysia is dealing with providing homes for some 6,000 people made homeless. It would cost the government some €1,500 to build a simple robust timber house. It must cost much less elsewhere in the affected countries. These are examples of cost effective, speedy, practical and appropriate projects that can have great impact.

24. Trade concessions and preferences need to be viewed not in a narrow and legalistic way. The important thing is for all concerned including the EU, to examine ways and means to ensure that their responses whether in the area of aid, trade or debt will help the fiscal position of the countries concerned.

25. Finally, to give a macro picture, I wish to stress that despite the huge human tragedy and scale of the destruction, we should not lose sight of the fact that the destruction has been concentrated in a few coastal areas of the affected countries.

26. The main metropolitan areas as well as the industrial and commercial hubs of Southeast Asia, which represent the mainstay of the economies, have been hardly affected. I mention this just to underscore that Southeast Asia remains a vibrant region for investments and that those affected regions would bounce back - of course, with global support and sympathy.