ONE

THE DATA REPORT 2010

MONITORING THE **G8 PROMISE** TO AFRICA

AKNOWLEDGEMENTS

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ERRORS AND OMISSIONS

This report went to print on 18 May 2010. Several G8 budget processes were underway at this time, in addition to civil society and ministerial-level G8 preparatory meetings. The information in this report was, to the best of our knowledge, current up until 18 May 2010. We acknowledge that events that occurred after this point may mean that some of the figures and commitments in this report are out of date.

As this report went to press, Spain announced significant cuts to its ODA budget for 2010 and 2011 following sweeping overall budget cuts to stave off economic collapse. Global assistance may fall by €600 million over this period, although final cuts may be higher. ONE did not alter the projections that were made prior to this announcement because it was not yet known what proportion of these cuts would be implemented in 2010, nor how assistance to sub-Saharan Africa would be affected.

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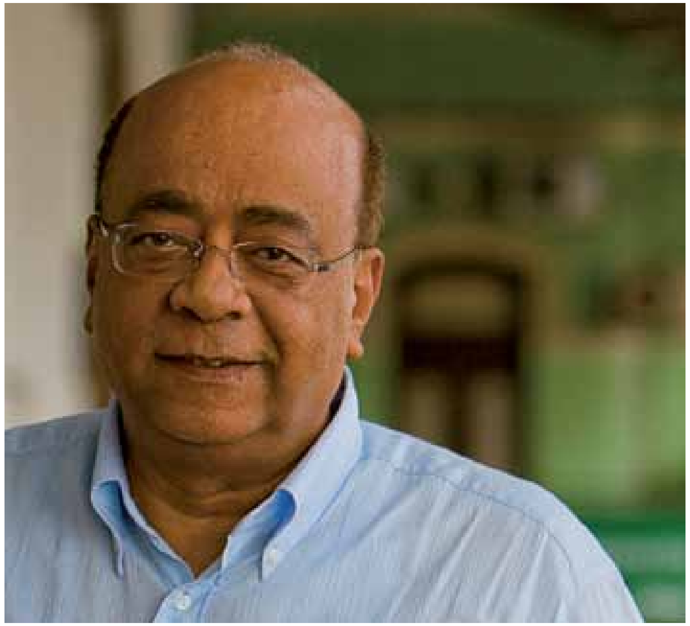


It's time to take stock of where we are today as we reach an important milestone on the way to 2015 and, ideally, achievement of our cherished Millennium Development Goals (MDGs). Have we lived up to our promises? And what do we need to do over the next five years to 'end extreme poverty in our time'?

Aid is a vital catalyst for development, supporting people to live longer, healthier and more prosperous lives. But ultimately, I think the main objective of aid is to eliminate the future need for aid. To that end, I hope that aid can be better targeted and delivered.

Alongside this 'smarter aid', Africans must demonstrate their commitment to good governance. Development of our infrastructure, agricultural sector and human capital must be at the core of our policies and investments. We must also make every effort to advance the regional economic integration of the continent, which is essential for our success.

In short, we must continuously demonstrate to our partners and friends that we are worthy of their support.

Our Foundation produces an annual index of governance in Africa. It is heartening to see our index demonstrate that rule of law, transparency and democracy are taking a strong hold on our continent. Africans are laying the foundations for progress and development. Dictatorships, abuse of human rights and financial mismanagement are becoming the exception rather than the rule. The rise of African civil society and the revolution in communications are the best guarantors (and signs) of our progress.

On the other hand we hope that our partners in development, and the donor community, will live up to their commitments, especially those relating to better governance, both in the public and private sectors. They must stand firmly against corruption. They must remember that for every corrupt African official there are a few corresponding corrupt international business people, and that the issue can not be addressed in Africa alone.

MO IBRAHIM
FOUNDER OF CELTEL INTERNATIONAL
AND THE MO IBRAHIM FOUNDATION

PLEASE LIVE UP TO YOUR COMMITMENTS. WE PROMISE TO LIVE UP TO OURS.

Remember that heady summer of love? Flowers in our hair, grass between our toes, massive crowds of singing, swaying activists, dreaming big about changing the world?

I'm not talking about 1967. I'm talking about 2005, when suddenly it seemed that 'making poverty history' was not just a T-shirt slogan but a practical, achievable goal. We believed (and we still do) that a certain level of deprivation and despair was no longer acceptable and could be eliminated with the right investments of aid, trade reform and good bottom-up policy. Back then (not so long ago) the Commission for Africa set out a vision and the leaders of the G8, egged on by an army of activists, laid down in their Gleneagles Communiqué the path to make that vision reality by 2010.

So here we are, five years on. A fine and reasonable time to ask whether that was indeed a vision or a mass hallucination. Not just for the sake of looking backward and assigning credit or blame, but to look forward, and see whether we need to keep marching in this direction, heads down, boots on, or change our course a bit.

We've come pretty far, having passed (maybe mostly) through the fog of financial crisis. Over the past five years, wealthy nations have delivered historic increases – if less than promised – in smarter aid to Africa. And Africa, not at all by coincidence, has delivered unprecedented gains in school enrolment and reductions in AIDS, malaria, TB and child death rates, and has seen strong economic growth through the region (though of course Chinese investments and a commodity boom have had a lot to do with the latter). So far, mostly so good.

But activists are and ought to be up in arms at the amount of foot-dragging, excuse-making and backsliding, some of which well predates the global recession. We've seen Italy's leadership not reflect its people's promise; France and Germany's faltering pace; Canada and Japan's weak promises; and a general, if not universal, slothfulness in meeting commitments to improve aid effectiveness, boost trade and investment, and help Africa reckon with man-made crises, financial and environmental. The UK's bipartisan commitment to development, and near fulfilment of its promise, stand out as achievements in these hard times, as does President Obama's promise to increase aid over and above the levels President Bush promised and delivered.

But ultimately, as President Obama himself has put it, 'Africa's fate is in the hands of Africans'. Mo Ibrahim hammers home this point wherever he goes, and I don't know anyone in Africa who would disagree. But before we all get out of the aid business entirely – Africa's goal as well as ours – they would like us to be better partners on the path to improving governance, spurring growth, achieving the Millennium Development Goals and, ultimately, peace and prosperity for all.

We in the West have it in us to help more and hurt less. To do that, we need to call in new partners (bring on the BRICs) and harness new technologies (mobilise the mobile phone brigade). We need to get this started before September, when the UN meets to measure progress on the MDGs. We need to get behind (not in the way of) the kind of development African people actually want.

Where we succeed, let's celebrate – and replicate – success. And where we fall short, let's be our own harshest critics. This report does both. It shows we've got some distance left to travel, so keep those boots on – and don't lose the melody line.

BONO
LEAD SINGER OF U2 AND
CO-FOUNDER OF ONE AND (RED)

WE NEED TO GET BEHIND (NOT IN THE WAY OF) THE KIND OF DEVELOPMENT AFRICAN PEOPLE ACTUALLY WANT.

INTRODUCTION

2010 MAY BE THE YEAR WHEN AMBITIOUS GOALS WERE DUE TO BE DELIVERED, AND IT MAY BE THE FINAL REPORT IN THE SERIES, BUT THAT IN NO WAY MEANS WE HAVE CROSSED A FINISH LINE.

This year, ONE's DATA Report concentrates on two tasks: Firstly, it offers a final verdict on whether the G8 have delivered on the historic promises made in Gleneagles. Secondly, it makes some recommendations which are based upon the successes and failures of the G8's current set of commitments, the changing landscape both inside and outside the African continent, and the priorities of African partners. We hope these recommendations will feed into deliberations in advance of the G8/G20 Summit in Canada and the UN Summit on the Millennium Development Goals (MDGs) in New York in September, where a review of the MDGs will take place and, ONE hopes, a renewed strategy and plan for their attainment, especially in Africa, will be agreed.

For the past four years, the DATA Report has served as a pure exercise in accountability. Since the announcement of the Gleneagles commitments, ONE has used this report to monitor their delivery, applauding donors who have been on track and charting a recovery course for those behind schedule. As such, all of these past reports have focused solely on what donors had already agreed. ONE did not spend time critiquing those commitments or pointing out their insufficiencies, but worked to understand exactly what was agreed – and ensure that understanding was shared with donors – so that the debate truly centered on whether they delivered what they said they would or not.

As the last installment in a five-year series, the 2010 DATA Report offers up a more comprehensive assessment of total performance for each individual donor with a final report card on the delivery of the 2005 commitments. But, as noted above, this year's report also breaks with previous tradition and outlines in more detail what future commitments should look like based on the lessons learned over these past five years.

As a result of this evolution, there are some methodological changes from last year.

Firstly, since 2010 is the final year for donors to deliver their collective Gleneagles target, this year's report emphasises ONE's projection for what those final 2010 figures are likely to be, so as to give a full 2005-10 report. ONE derives its 2010 projections from the latest budget figures verified through consultation with donor governments. This means that ONE's final assessment is subject to change when the preliminary Development Assistance Committee (DAC) data on 2010 disbursements are released in April 2011. It is important to note that although the OECD DAC released its own 2010 projections this year, these are based purely on past trends (rather than budget analysis) and include bilateral debt relief, which means that they often differ significantly from ONE's estimates.

Using those 2010 figures to assess overall progress between 2004 and 2010, ONE has written a final report card that assesses donor performance on development assistance using three factors: the ambition of the original commitment, the delivery of the increases promised and the extent to which each country has plans for 2010 and beyond – or not. ONE recognises the added challenge that each country has faced over the past five years with the onset of the food, fuel and financial crises and the resulting stresses that have been placed on budgets since the commitments were made. But those countries that have followed through with annual increases have seen significant returns, which should be applauded.

In addition to the emphasis on 2010, this year's DATA Report includes some new chapters that reflect the changing landscape. The first addition is a new chapter on emerging economies and their role in Africa's development. The past five years' reports have focused on the G8 but recently, the role of the G8 vis-à-vis other members of the G20 and even beyond has come into question. At a time when the world is considering new groupings to take leadership on issues of development, ONE wanted to at least profile the existing, robust level of engagement amongst some of those new players. Although a lack of data prevents a true evaluation of these relationships and development assistance flows (including a comparison with traditional donors), ONE is hopeful that increased transparency and reporting by emerging economies will help to improve this monitoring in future reports, especially as these relationships expand and become more critical to Africa's development over the coming years.

This year's report also matches the usual monitoring of progress with a more forward-looking approach across a variety of chapters and sections, most notably in the new '2010 and Beyond' chapter, the commentary on donors' post-2010 commitments and the development assistance recommendations for the G8 chapters dedicated to Trade, Debt and Investing in People. The '2010 and Beyond' chapter attempts to sketch out the changing landscape and the factors that must be considered going forward. ONE suggests that the primary focus must be on the importance of good governance for fighting poverty, the importance of equitable economic growth and the need to redouble efforts to fund successful, proven interventions to address the MDGs.

Over the years, ONE has acknowledged the limitations of this report and the gaps in its analysis. One glaring shortcoming is that, compared with its robust evaluation of progress towards ODA, there is a lack of comparative analysis in areas that are arguably most critical to Africa's future – donor pledges to non-ODA areas such as trade and improved governance, and also the committments of African governments to poverty reduction. As always, ONE calls for more transparent, robust commitments in these areas, matched with improved data, to empower civil society groups across the globe to hold their governments accountable for delivery in these key areas. ONE also applauds the work of the Africa Progress Panel (APP), as well as the efforts of African Monitor, the African platforms of the Global Call to Action Against Poverty, the Mo Ibrahim Foundation, United Nations Economic Commission for Africa (UNECA) and other civil society efforts focused on holding African governments accountable to their citizens. These partners need more support from the international community.

As the 2010 DATA Report is launched, key African-led publications will also launch their own assessments of progress to date. There is now a relatively robust body of work examining the past five years, highlighting both the historic successes and the shortfalls. The challenge now remains to feed that evidence into the momentum of 2010. With the G8 and G20 meetings, and the UN MDG Summit in September, there are several opportunities to set the course for another, better framework for engagement. Budget constraints have added challenges to the past five years and these constraints will remain, which is why donors must fully consider the potential impact demonstrated in 2005–10, while maintaining focus on the work still to do. It is critical that 2010 does not close without a roadmap for the future. And once it is written, ONE will most certainly be back next year to monitor it.

EXECUTIVE SUMMARY

2010

The deadline the G8 gave themselves to deliver a series of historic commitments to 'help Africa build the successful future all of us want to see'. Halfway through this critical year, ONE joins the G8, African governments and activists around the globe to reflect on the past five years and to suggest a renewed strategy to move forward.

THE FINAL VERDICT ON 2005-10

Over the past five years there have been historic increases in effective aid flows to Africa, which have supported African efforts to deliver life-saving results in health and dramatic progress in education. Though historic, due in part to large efforts by the UK and the US, as well as varying levels of follow-through from Canada, France and Germany and Japan these increases have fallen far short of what was promised. Much of the shortfall has come from Italy's inability to make any positive contribution to the effort. The G7 have failed on trade and have been slow on aid quality, but have delivered on debt cancellation – though a new debt crisis threatens if donor practices are not altered to preserve the gains made to date.

THE NEW STRATEGY 2010-15

Going forward, the global community must do more to support the vision of 'an Africa driven by its own citizens'.[1] While existing individual country commitments will continue to drive progress, a renewed collective commitment would enhance accountability and ensure cohesion. Development partners must do better at holding accountable those who break promises, and above all do more to ensure that polices beyond development assistance are better leveraged for African development – in particular policies which strengthen governance, fight corruption and spur sustainable, equitable economic growth.

The vision laid out by African leaders and the G8 in 2005 is still unrealised, but the story of the past five years is one of progress. As the world looks beyond 2010, it is critical that unfulfilled promises be delivered and that the successes and shortcomings of Gleneagles help to inform a stronger partnership to help Africa meet the MDGs by 2015 and go on to 'end extreme poverty in our time'.[2]

When the Millennium Development Goals (MDGs) were launched in 2000, it was clear that sub-Saharan Africa would need support to meet its ambitious poverty reduction targets by 2015. Leaders representing Africa were first invited to the G8 Summit at Okinawa in 2000, and the relationship was strengthened in 2002 in Kananaskis and Monterrey, where the G8 put African development firmly on the agenda. Three years later in Gleneagles, world leaders unveiled a comprehensive set of qualitative and quantitative commitments to solidify their partnership with Africa, with a delivery date set for 2010. ONE applauded these commitments, noting that, although they did not address the totality of needs on the continent, if delivered, they would make a significant impact in helping the poorest people beat poverty. Every year since Gleneagles, ONE's DATA Report has monitored progress against many of the commitments made at the summit, giving credit where promises were on track, laying out a path forward for commitments still behind schedule and evaluating the impact on the ground to the extent possible.

Some critical trends emerge from these findings. In evaluating common traits of those commitments that have been delivered, ONE finds that performance is linked partially to the strength of the original commitment (in terms of clarity and transparent budgetary planning to achieve it), partially to the strength of civil society campaigning in that country, but mostly to political will. The past five DATA Reports have run up against the importance of the first factor – the strength of the commitment – time and again, and therefore the DATA Report's most robust evaluations have been on the ODA commitments, where pledges were individual, quantified and time-bound. However, ONE's monitoring of the G8's rhetorical commitments to 'make trade work for Africa' and 'prioritize water and sanitation' has been difficult and, unsurprisingly, the G8 have little to show in these areas five years later.

In addition to these critical elements of what makes individual or sectoral commitments more likely to be met, ONE finds that there is value in collective commitments. Individual countries made individual commitments – often before they arrived in Gleneagles. However, coming to Gleneagles and binding those commitments into a whole delivered better results overall. Collective commitments – and the peer pressure that is generated by collective judgments – have a positive impact on delivery. These commitments lend themselves to mutual accountability and allow themselves to be monitored by independent mechanisms. As development champions grapple with a changing global architecture, the emergence of new donors and a more competitive international agenda, this provides a critical lesson on how to structure any new global commitments to development to ensure that they are delivered.

The key findings reflect learnings from the past five years, which must all be taken into consideration as development partners regroup in 2010. As the G8, other donors, African governments and activists use 2010 to reflect on the past five years (and indeed the eight years since Monterrey and Kananaskis and the decade since the Millennium Declaration), ONE's report this year looks not only at how this historic, interlinked set of time-bound commitments has been delivered, but also at how the lessons learned since Gleneagles can shape the outcomes of the 2010 G8 and G20 Summits, as well as the UN MDG Summit in New York. These are key moments to ensure that a roadmap for the future delivers sustainable, transformative results for the world's poorest people.

If there is one lesson to take away from this report, it is that the exercise of setting bold, collective goals in the fight against poverty yields results.

2010 IS NO FINISH LINE

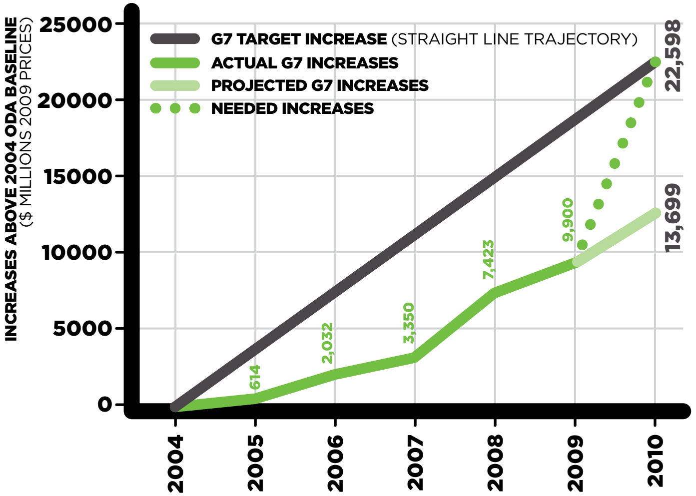
IT IS ANOTHER BEGINNING

KEY FINDINGS

THE GLENEAGLES COMMITMENTS HAVE NOT BEEN DELIVERED IN FULL, BUT THE PAST FIVE YEARS HAVE RESULTED IN HISTORIC INCREASES IN DEVELOPMENT ASSISTANCE AND DEBT CANCELLATION FOR AFRICA

There are clear shortcomings on the part of individual donors and sectoral commitments that have not been delivered. However, donors collectively delivered an historic increase in development assistance for sub-Saharan Africa between 2005 and 2010. In fact, development assistance increased by $5.5 billion between 2000 and 2004, but the increase expected over the 2005–10 period is two and half times that amount and represents the largest increase to sub-Saharan Africa on record over any six year period. With 100% debt cancellation for qualified countries and an estimated $13.7 billion increase in development assistance, donors have supported African countries to make important strides in their own development agendas, such as scaling up access to life-saving antriretroviral drugs (ARVs) and sending 42 million more children to school.

G7 INCREASES PROMISED TO SUB-SAHARAN AFRICA BY 2010



THE G7 ARE ON TRACK TO DELIVER A $13.7 BILLION INCREASE, OR 61% OF THE DEVELOPMENT ASSISTANCE INCREASES PROMISED. THE PERFORMANCE OF OTHER COUNTRY GROUPINGS LAGS BEHIND

The G7 are on track to deliver 61% of their combined commitments to sub-Saharan Africa by 2010, with an expected delivery of $13.7 billion of the $22.6 billion increase promised. These figures are based on a projected increase of $3.8 billion from the G7 in 2010, an estimate that ONE derives from the most current budget documents as well as from discussions with G7 governments. By the end of 2009, the G7 had delivered a total of 44% of the total committed increases, with a total $9.9 billion increase over 2004 levels.

The G7 were not the only countries to make development assistance commitments around the time of Gleneagles. 2010 is a time to reflect on the performance of other country groupings as well.

- In total, donor countries (the 22 countries reporting development assistance data for 2009 to the OECD) pledged a total increase in development assistance to sub-Saharan Africa of $28.5 billion. ONE estimates that they will deliver $17.1 billion of that total by 2010 – representing 60% of the total commitment.[3]

- If the G7 are excluded, non-G7 countries in total committed to increase development assistance to sub-Saharan Africa by $5.9 billion, and are on track to deliver $3.4 billion in additional assistance by 2010 – representing 57% of their total committed increases.[4]

- Finally, the EU (including four G7 members) committed to increase development assistance for sub-Saharan Africa by $22.9 billion. ONE estimates that the EU will deliver an $8.6 billion increase by 2010 – representing only 38% of its total committed increases. However, it is critical to note that several members of the EU are consistent performers in terms of global ODA. Four in particular – Denmark, Luxembourg, the Netherlands and Sweden – have met their target ODA/GNI ratios of 0.7%, in addition to Norway.[5]

THE FINAL G7 ASSESSMENT SHOULD BE DETERMINED BY AMBITION, DELIVERY AND VISION BEYOND 2010

In the past, ONE has largely evaluated performance based on whether a country was 'on track' or 'off track' to deliver its 2010 total development assistance commitment. When reflecting upon the experience of the past five years, ONE believes that a robust assessment of donors' Gleneagles commitments should evaluate performance along three balanced indices:

- THE COMMITMENT, which judges the ambition of the donor's original promise in terms of volume and relative to the size of its economy;
- THE DELIVERY, based not just on what portion of the Gleneagles commitment will be delivered but on what the actual assistance delivered was between 2004 and 2010, both in volume terms and in terms of growth as a share of GNI;
- PLANS GOING FORWARD, which evaluates each donors' action plans for its future partnership with Africa and whether targets are in place for the post-Gleneagles era.

The most important of these variables is overall delivery. Figure 1 reflects an amalgamation of these factors in assessing individual performance.

Behind the 61% headline, the story is mixed. The US, Canada and Japan have delivered and surpassed their modest targets and the UK is on track to meet its much more ambitious target (although the data are inconclusive on how close it will come to full delivery in 2010). France and Germany both set ambitious targets but are only on course to deliver a quarter of them, while Italy exists in a category of its own as the only G8 country to have retreated on its commitments, actually cutting development assistance compared with 2004 levels and bringing the rest of the G7 average down with it.

FIGURE 1

REPORT CARD: ASSESSMENT OF G7 ODA COMMITMENTS, DELIVERY AND FUTURE PLANS

	THE COMMITMENT	THE DELIVERY	OVERALL COMMENTS AND PLANS GOING FORWARD	FINAL ASSESSMENT
CANADA	Canada's original commitment was weak. It was the smallest amongst G7 in volume and average in terms of GNI.	Canada met its Gleneagles target in 2008, and is on track to achieve 170% of its target by the end of 2010, despite a predicted drop in multilateral contributions in 2009.	Canada has not yet announced plans to increase development assistance to sub-Saharan Africa after 2010, and despite being G8 President has announced a cap on foreign assistance at 2010-11 levels.	Canada is set to surpass its commitment by a large margin, but its commitment was the smallest in volume terms and there are not yet any plans to build on that commitment beyond 2010.
FRANCE	France made ambitious commitments in development assistance as part of the EU, and committed that an even greater share of its increases would be directed to sub-Saharan Africa.	After a disappointing year in 2008, France made very large ODA increases in 2009 but focused them almost exclusively on loans rather than grants. In the absence of continued expansion of loans, the budget for 2010 is expected to cut assistance. As a result, in 2010 ONE estimates that France will only have delivered 25% of its promised increases.	France has committed to meet 0.7% ODA/GNI by 2015. It has not guaranteed how much of this sum will go to Africa.	France may have set the largest commitment by volume but is only on track to deliver 25% of it (with a large proportion through loans not grants). It has not issued assurances that its performance in 2010 and beyond will be any different.
GERMANY	Germany made ambitious commitments in development assistance as part of the EU.	Germany continued to work towards its ambitious commitment, but delivered only a marginal $79 million increase in 2009, much smaller than anticipated a year previously. The projected increase for 2010 is even smaller and in total, Germany is on track for a 25% delivery.	Germany has committed to meet 0.7% ODA/GNI by 2015, but has not clarified how much of that is for Africa.	Germany is delivering a quarter of its more ambitious commitments, but is not offering assurances for the future.

	THE COMMITMENT	THE DELIVERY	OVERALL COMMENTS AND PLANS GOING FORWARD	FINAL ASSESSMENT
ITALY	Italy made ambitious commitments in development assistance as part of the EU.	Italy's ODA to sub-Saharan Africa decreased by $331 million in 2009, bringing the total level of its increases delivered to a pathetic -6%. No changes are expected for 2010. Italy has reneged a specific commitment to the Global Fund.	Italy has committed to meet 0.7% ODA/GNI by 2015 but prospects for meeting this goal remain poor.	Italy is an utter failure as a member of the G7 and should not be considered as part of the collective commitment going forward.
JAPAN	Japan issued a weak commitment that it surpassed by the time it hosted the G8 summit in Hokkaido. It then issued another weak commitment focused only on bilateral assistance.	Japan fell just short of fully meeting its 2010 target for bilateral assistance in 2009, but increased multilateral spending and is expected to deliver 149% of its promised bilateral increases in 2010.	Japan's current, very modest commitment was set to be delivered by 2012 but it will meet this goal by 2010, leaving no future targets beyond.	Japan is on track to surpass its commitment but has not established a comprehensive commitment that includes both its bilateral and multilateral resources.
UK	The UK made ambitious commitments in development assistance as part of the EU, and in 2009 even committed to maintain current budgetary plans, despite falling GNI projections.	Preliminary reports reveal lower than expected expenditure in sub-Saharan Africa in 2009. UK reports show that £1.9 billion of 2009 spending has not yet been allocated by country or region. ONE will analyse the full data when it is available in December to check for evidence that increased funds have been allocated to sub Saharan Africa in 2009 and that the UK is on track to meet planned expenditure in 2010. ONE expects the UK to deliver 93% of its total. commitment by 2010.	The UK continues to work towards reaching 0.7% ODA/GNI in 2013. In January 2010 the Government released draft legislation committing the UK to this target. There was not time for this to be passed before the May election. All three main political parties have committed themselves to the 0.7% target for 2013 and to ring-fencing public expenditure on international development.	The UK is the indisputable overall leader amongst the G7 countries in delivering on its ODA commitments.
US	The US made an absolute dollar commitment that represented a smaller share of its national wealth for development than that committed by other countries.	The US surpassed its $8.8 billion 2010 target a year early by delivering $9.2 billion in assistance for sub-Saharan Africa in 2009, and will deliver 158% of its committed increases by the end of 2010.	The Obama Administration has made a number of commitments to development including to double assistance by 2015 but has not yet issued an overall strategy for what it hopes to achieve (particularly in Africa).	The US is far exceeding its more modest commitments and building partnerships for 2010 and beyond.

EARLY PROGRESS ON DEBT MAY BE AT RISK; PROGRESS ON AID QUALITY HAS BEEN SLOW; AND PROGRESS ON TRADE AND INVESTMENT HAS BARELY STARTED

ON DEBT CANCELLATION, EARLY PROGRESS IS YIELDING TO A DETERIORATING SITUATION

Debt cancellation has resulted in significant gains for those countries able to invest savings into their people. The agreement to support 100% debt cancellation in Gleneagles was celebrated as development partners worked quickly to turn that commitment into action later in 2005 through the World Bank and IMF Fall meetings. However, not all donors (namely France, Italy, Japan and the US) have followed through with the financial commitments necessary to sustain the commitment. Further, despite increased debt cancellation, the number of countries with unsustainable debt burdens has fallen only moderately, as countries take on new lending and some donors (such as France) focus their ODA on loans rather than grants.

PROGRESS ON AID QUALITY HAS BEEN SLOW

Progress in implementing the Paris Declaration principles was reviewed in September 2008 at the Third High-Level Forum on Aid Effectiveness in Accra. The Forum concluded that, while significant advances had been achieved (particularly by recipient country governments), overall progress had not been sufficient and major acceleration of progress was needed to meet the goals of the Paris Declaration by 2010. Building on previous statements regarding implementation of Paris Declaration pledges, several G8 donors – Canada, Germany, Italy and the UK – prepared action plans in 2008 and 2009 to meet aid effectiveness commitments made at Accra. Many of these are being updated and strengthened this year. France, Japan and the US are either still developing such action plans or revising strategic frameworks that embrace effectiveness principles. While these documents include specific and time-bound goals to improve aid policies in order to achieve commitments made at Paris and Accra, data that can be used to evaluate progress over the past year are limited. The DAC Working Committee on Aid Effectiveness is to conduct another survey of performance, the results of which will indicate the degree of success of donors in meeting aid effectiveness targets by 2010. This survey, however, will not be published until 2011.

ON TRADE AND INVESTMENT, A VAGUE COMMITMENT HAS LITTLE TO SHOW

Little, if any, progress has been made in delivering any policy changes that help 'make trade work for Africa'. While aid for trade has increased over the years, it falls far short of the need. There has been some progress in terms of market access, but some products remain excluded and differences amongst programmes make them difficult to utilise.

Further subsidy programmes have become entrenched. Momentum has all but vanished on the Doha Development Round. Things seem slightly more promising in terms of investment, with FDI to sub-Saharan Africa increasing nearly ten-fold from 2000 to 2008 (before a steep decline in 2009 due to the financial crisis) and anticipated capital increase for the African Development Bank, as well as new regional economic corridors taking shape. More must now be done to facilitate greater investment in the continent.

THOSE NEW RESOURCES THAT HAVE BEEN DELIVERED HAVE BEEN INVESTED ALONGSIDE AFRICAN RESOURCES TO YIELD SIGNIFICANT RESULTS

Since 2004, these historic increases in development assistance have helped achieve impressive results in targeted areas, especially when matched with investment and political will by African governments. Similar to the variations across donors' ODA pledges, the success of the development goals established by the G8 at Gleneagles has often been driven by the quality of the commitment itself. In the areas where momentum has been high and the commitment from the G8 detailed and measurable, the gains for African countries have been enormous. For example:

HIV/AIDS

Although African countries still have a long way to go in preventing the spread of HIV and in reaching the international target of universal access to prevention, care and treatment, the impact of increased investments to fight the disease in the past decade has been transformative. In sub-Saharan Africa, where experts once questioned if life-saving ARVs could even be delivered, nearly 3 million people in need are now receiving drugs, compared with only 100,000 in 2003.[6]

MALARIA

The world has exceeded the Gleneagles goal of delivering 100 million bed-nets, with 200 million delivered between 2006 and 2009. In Ethiopia, Eritrea, Rwanda, Zanzibar and Zambia, where bed-net distribution has been matched with other interventions such as indoor spraying and effective anti-malaria drugs, cases and deaths due to malaria have fallen by 50%.

CHILD SURVIVAL

Investments in immunisation, treatment and prevention of malaria and other interventions have cut annual child deaths in half since 1960, from 20 million to 8.8 million. The Global Alliance for Vaccines and Immunisations (GAVI) alone has averted 5.4 million future child deaths.

PRIMARY EDUCATION

Thanks to savings from debt relief invested in education, development assistance, and scaled-up African government prioritization, 42 million more children have enrolled in school, and their completion rates are slowly improving. Nearly 75% of children are now enrolled in school across Africa, compared with only 58% in 1999, and Tanzania, Burkina Faso and Zambia have achieved enrolment above 90%. Benin, Madagascar and Zambia are on track to achieve universal primary education (UPE) by 2015.

AGRICULTURE

All eight African countries that spent more than 10% of their budgets on agriculture during 2004–07 have achieved reductions in the proportion of hungry people over the past decade – among them Ethiopia (which reduced the proportion from 63% to 46% between 1995 and 2005) and Malawi (45% to 29%).

Progress on the vaguer Gleneagles commitments – such as prioritising investments in water and sanitation – has been less impressive. And although the G8 and other donor groups have repeated their promises on issues such as maternal health and health systems, targets remain vague and results have not yet been achieved.

ALTHOUGH THIS REPORT FOCUSES ONLY ON THE G8, IT IS CRITICAL THAT, GOING FORWARD, AFRICAN COUNTRIES FULFIL THEIR OWN COMMITMENTS TO DEVELOPMENT

The DATA Report focuses on the donor commitments to Africa, while acknowledging that several other tools exist to monitor progress made by African leaders themselves – namely the African Progress Panel (APP), African Monitor, the African Partnership Forum and the Mutual Review of Development Effectiveness by the UN Economic Commission for Africa. These organisations are monitoring the progress of African governments in delivering on their own commitments to their people, and evaluating the extent to which there is actual progress on the ground in terms of strengthening governance, fostering economic growth, mobilising domestic resources and investing in the MDGs. In the APP's latest report, 'From Agenda to Action: Turning Resources into Results for People', there is a focus on the fact that, although there is tremendous natural wealth in Africa, resources are yet to be harnessed efficiently in order to promote sustainable and equitable development. Lasting, sustainable solutions to the fight against poverty will require African solutions, and these must be a much bigger part of the next phase. Africa's people must be empowered – with improved sources of information, with transparency and the tools needed – to hold their governments accountable. Those governments must leverage all available tools, such as their mineral wealth and the strength of the private sector, to fight poverty.

2010 AND BEYOND

As we move beyond Gleneagles and towards the 2015 deadline for the MDGs, the global community must learn from the successes and failures of the previous strategy, examine how the environment has changed and create a new strategy for the next five years that will lay the foundation for lasting change thereafter.

LESSONS LEARNED: NEW PARTNERS AND NEW CHALLENGES

The G8 is not the only collective group of countries engaged in Africa's future. Non-G7 donors account for 29% of the expected totals in 2010. Emerging economies are also playing an increasingly prominent role in Africa's development in terms of development assistance, finance, trade and investment, and no new strategy is complete without their inclusion. Furthermore, since the time the Gleneagles commitments were agreed, the world has suffered food, fuel and financial crises and has also woken up to the impact that climate change will have on the poorest countries and their efforts to achieve the MDGs.

LESSONS LEARNED: ACCOUNTABILITY IS KEY

Efforts must be made to strengthen donor accountability to ensure that donors play as positive a role as possible in supporting African development efforts. Existing and new commitments must incorporate the 'TRACK' principles for good commitment, which urge development partners to maximise transparency, results orientation and clarity regarding additionality and conditionality, and their ability to be measured (see box in '2010 and Beyond' chapter). Secondly, African leaders must be held accountable for keeping their promises to their citizens. Like the G7, African leaders have made a series of commitments on health, education and agriculture, which at best have been only partially kept.

LESSONS LEARNED: THERE MAY BE NEW CHALLENGES, BUT AFRICA IS ALSO TEEMING WITH NEW OPPORTUNITY

Africa may be challenged by the large numbers of people who live in abject poverty, surviving on a dollar a day or less. But the continent is also teeming with new opportunity: Africa has sustained economic growth at 5–6% for a decade. Its population of 900 million is expected to double by 2050, making it the fastest-growing continent in the world and presenting a large constituency of potential consumers, innovators and economic partners.

The continent is in the midst of a dynamic surge, with one of the most rapidly growing telecoms sectors in the world – mobile phone penetration grew from 10 million users in 2000 to 180 million in 2007 – and there are still opportunities in its largely untapped mineral wealth. Emerging economies have taken note of both.

Africa also represents the future: by 2050, it will be home to one-third of the world's youth. Seventy per cent of its population is under the age of 30. These youth represent the new face of the continent and with it opportunities for business-driven education and skills development initiatives, which, if targeted at this large and growing labour force, can be harnessed for rapid and sustained economic growth.

2010 AND BEYOND
WHAT IS NEEDED?

The September 2010 United Nations MDG Summit will provide a key moment to review progress, revitalise global efforts and investments in areas that have proved successful, and correct the course in areas that have not or those in which development partners have under-invested. Perhaps most importantly, the Summit must reinvigorate the overall drive to reach the MDGs but also to support the creation of opportunities that will carry this young generation well beyond simply achieving them.

Overall, the collective agreement signed in Gleneagles has delivered real results for Africa, and this strategy must be enhanced to accelerate progress. Individual countries will have their own individual plans, but weaving them together with common goals, with each holding each other accountable for delivery, and backstopped by independent monitoring mechanisms, can help increase the chances that new commitments will be delivered, and will also help Africa to better engage and plan for those commitments.

Taking into consideration the successes and failures of Gleneagles and the changing landscape both within and outside Africa, the new strategy requires a stepped-up focus on the following three broad policy areas: governance and accountability; sustainable, equitable economic growth; and increased effective aid for proven mechanisms and programmes.

- IMPROVING GOVERNANCE AND STRENGTHENING THE ACCOUNTABILITY of African leaders to their citizens must be at the centre of any new approach. Effective development assistance can help by being conditional upon improvements in objective measures of accountable governance, and by directly financing technical assistance to strengthen public institutions and capacity to deliver for African people. Looking at policies beyond development assistance, G8 and G20 countries must enforce initiatives that stop natural resource extraction companies from winning and enacting corrupt contracts, and which stop banks from assisting the flight from Africa of assets stolen by corrupt officials.

- Secondly, the new strategy requires a renewed emphasis upon EQUITABLE AND SUSTAINABLE ECONOMIC GROWTH, the kind that actually helps citizens lift themselves out of poverty. Global rules must change to facilitate trade and investment, but domestic and intra-African policies must also foster better access to financial services, regional integration and agricultural productivity. Investments in Africa's comparative advantage in renewable energy can help overcome the region's current energy poverty.

- Thirdly, a new strategy requires INCREASING EFFECTIVE 'SMART AID' INVESTMENTS INTO MECHANISMS AND PROGRAMMES WHICH HAVE TO DATE BEEN DELIVERING REAL AND MEASURABLE RESULTS for African citizens. Where momentum has been established – such as through the Global Fund, GAVI, the Education for All – Fast Track Initiative and the newly established L'Aquila Food Security Initiative – redoubled efforts must be invested and reforms must be made to maximise results. Where success has been less impressive, such as on maternal health, renewed and innovative approaches modelled on success must be established.

FIGURE 2A

ODA TO SUB-SAHARAN AFRICA (SSA) (ALL FIGURES ARE NET OF BILATERAL DEBT RELIEF, IN $ MILLIONS, 2009 PRICES)

	% OF INCREASES PROMISED TO SSA BY 2010 SO FAR ACHIEVED	% OF INCREASES PROMISED TO SSA BY 2010 EXPECTED	2004 ODA TO SSA**	2009 ODA TO SSA	ESTIMATED INCREASE IN ODA TO SSA IN 2010	ESTIMATE OF 2009 ODA INCREASES NEEDED TO BE BACK ON TRACK TO 2010 TARGET	2010 TARGET ODA TO SSA
CANADA	106%	170%	1,010	1,532	309	-32	1,500
FRANCE	37%	25%	3,111	5,039	-624	3,231	8,271
GERMANY	23%	25%	2,617	3,618	88	3,345	6,963
ITALY	-6%	-6%	1,392	1,157	-	4,188	5,345
JAPAN*	85%	149%	1,660	3,037	498	135	3,172
UK	41%	93%	2,453	3,976	1,928	2,201	6,177
US	111%	158%	5,387	9,171	1,600	-371	8,800
G7 TOTAL	**44%**	**61%**	**17,630**	**27,530**	**3,799**	**12,698**	**40,228**
NON-G7 DAC	**36%**	**57%**	**8,611**	**10,695**	**1,276**	**3,782**	**14,476**
DAC TOTAL	**42%**	**60%**	**26,241**	**38,225**	**5,075**	**16,480**	**54,704**

FIGURE 2B

GLOBAL ODA (ALL FIGURES ARE NET OF BILATERAL DEBT RELIEF, IN $ MILLIONS, 2009 PRICES)

	2009 GLOBAL ODA (ODA/GNI)	2009 GLOBAL ODA	2004 GLOBAL ODA**	CHANGE IN GLOBAL ODA 2004-2009	PERCENTAGE INCREASE IN GLOBAL ODA 2004-2009
CANADA	0.30%	3,964	3,351	613	18%
FRANCE	0.43%	11,616	8,170	3,446	42%
GERMANY	0.35%	11,894	7,602	4,292	56%
ITALY	0.15%	3,113	3,578	-466	-13%
JAPAN*	0.18%	9,477	9,552	-75	-1%
UK	0.51%	11,448	6,837	4,611	67%
US	0.20%	28,475	21,505	6,970	32%
G7 TOTAL	**0.26%**	**79,987**	**60,596**	**19,390**	**32%**
NON-G7 DAC	**0.55%**	**36,828**	**25,309**	**11,518**	**46%**
DAC TOTAL	**0.31%**	**116,815**	**85,906**	**30,909**	**36%**

* JAPAN'S COMMITMENT TO SUB-SAHARAN AFRICA WAS ONLY ON BILATERAL ODA, SO FOR THE PURPOSES OF MONITORING THE PERCENTAGE OF INCREASES PROMISED TO THE REGION, ONE ONLY CONSIDERS BILATERAL ODA. TO GENERATE A 2010 TARGET, ONE ASSUMES A FLATLINED MULTILATERAL ODA FOR 2009 AND 2010.

** BECAUSE MULTILATERAL CONTRIBUTIONS ARE OFTEN DISBURSED IN LUMPS, ONE CONSIDERS IT FAIRER TO SMOOTH 2004 AND 2005 FOR THE PURPOSES OF ESTABLISHING A BASELINE FOR PROGRESS.

FIGURE 3

2009 G7 ODA (ALL FIGURES ARE NET OF BILATERAL DEBT RELIEF)

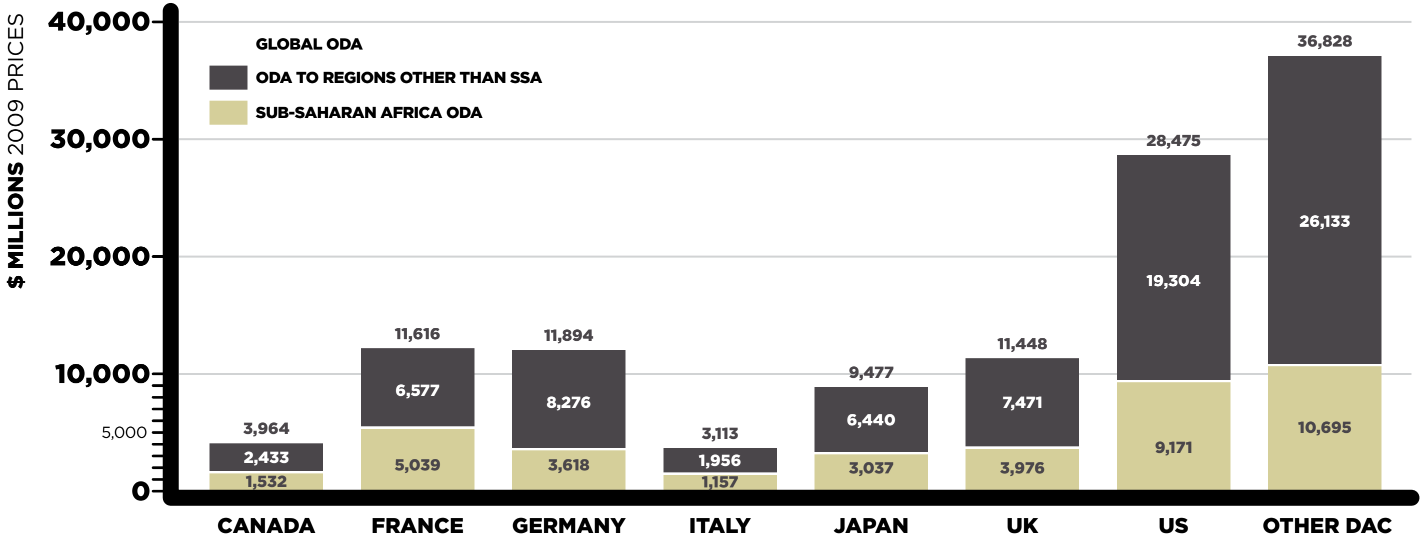
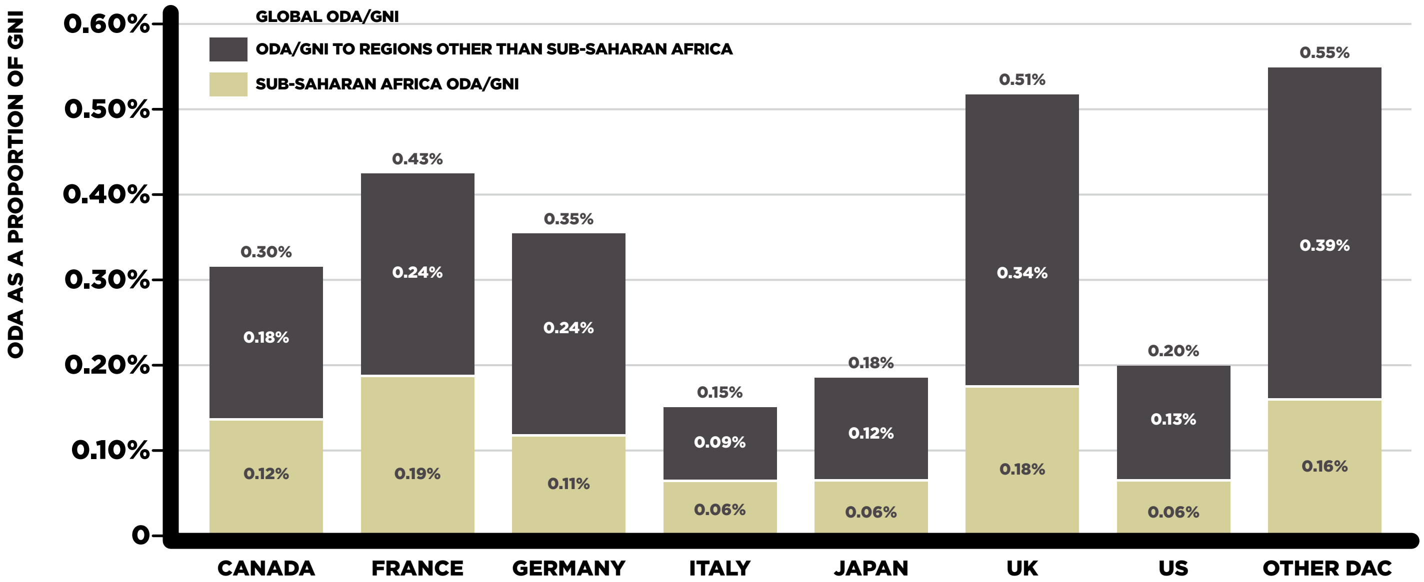


FIGURE 4

2009 G7 ODA/GNI (ALL FIGURES ARE NET OF BILATERAL DEBT RELIEF)



G7 COUNTRY OVERALL ASSESSMENTS

CANADA

Canada surpassed its modest Gleneagles commitment in 2008 and remained slightly above its target in 2009. In 2009, there was a decrease of CAD$335 million ($294 million) after a large multilateral payment in the 2008 calendar year caused ODA to spike. ONE estimates that Canada will increase its ODA to sub-Saharan Africa by an additional CAD$353 million ($309 million) in 2010, meaning that it will have met 170% ($589 million) of the increases it promised at Gleneagles.

Despite Canada's commendable performance on its Gleneagles target, the government's decision to cap its International Assistance Envelope at 2010–11 levels for the next five years threatens to undermine its leadership on development, especially as the host of this year's G8 and G20 meetings. In 2010, Canada should reconsider its budget decisions, set a new, more ambitious ODA target and lead the G8 in the development of a robust post-Gleneagles partnership with sub-Saharan Africa.

Within the G8, Canada has emerged as a leader in supporting basic education as well as food security. It has also made some laudable efforts to improve the effectiveness of its aid in recent years. Canada is on track to meet its commitments to cancel debt to the world's poorest countries, but like the rest of the G8 is failing to deliver on its commitment to 'make trade work for Africa'.

FRANCE

France's development assistance to sub-Saharan Africa grew substantially in 2009 with an increase of €853 million ($1.19 billion). This was a welcome change after last year's decrease, and greater than what was projected in the French budget. It was not enough, however, to put France on track to deliver its Gleneagles commitments. French budget documents indicate that 2010 ODA will be lower than what was reported to the DAC for 2009. Based on these figures, ONE estimates that France's ODA to sub-Saharan Africa in 2010 will fall by €448 million ($624 million), meaning that it will meet 25% of the increases it promised at Gleneagles. This projection is based on the most recent budget data available. France's ODA in 2010 may ultimately be higher than projected if IMF contributions remain high and if France continues to channel its ODA through loans rather than grants.

France must be commended for its ambitious Gleneagles commitment, which was the largest of the G7 as a proportion of GNI and the second largest in volume, and which focused a higher proportion of resources on sub-Saharan Africa than the rest of the EU. Although France's commitments will extend beyond 2010, with a goal of reaching 0.7% ODA/GNI in 2015, it has no budget increases planned until at least 2012.

France remains one of the core donors to the Global Fund to Fight AIDS, Tuberculosis and Malaria. In addition, its increase in health commitments to sub-Saharan Africa in 2008 was driven largely by increased investment in health systems. Support for primary education has grown consistently since 2005, and assistance for sub-Saharan Africa accounted for 59% of global primary education commitments in 2008. However, France is not on track to meet its commitments to cancel debt to the world's poorest countries (and may even be exacerbating debt portfolios by focusing assistance on loans rather than grants), and like the rest of the G8 is failing to deliver on its commitment to 'make trade work for Africa'.

GERMANY

In 2009 German ODA to sub-Saharan Africa increased by only €56m ($79m) – the smallest increase since the Gleneagles summit – despite efforts to increase both global ODA and allocations to the region in the 2009 budget. ONE estimates that Germany will increase its ODA to sub-Saharan Africa by €63 million ($88 million) in 2010, meaning that it will have met 25% (€782 million/$1.089 billion) of the increases it promised at Gleneagles.

Despite modest increases delivered in 2009 and projected for 2010, Germany's original Gleneagles commitment was ambitious and its increase in ODA of €719 million ($1.001 billion) to sub-Saharan Africa since 2004 is commendable. In 2010 and beyond, Germany needs to accelerate momentum to reach its global 2015 commitment, with clear targets for the region.

Within the G8, Germany has been a steady supporter of water and sanitation in sub-Saharan Africa. It has also emerged as a leader in generating funding from innovative financing mechanisms, including being the first country to direct financing from the sales of CO_2 emission certificates to development. Germany remains an average performer on the effectiveness of its development assistance. It is on track to meet its commitments to cancel debt to the world's poorest countries, but like the rest of the G8 is failing to deliver on its commitment to 'make trade work for Africa'.

ITALY

In 2009, the year of its G8 presidency, Italy's ODA to sub-Saharan Africa fell by €238 million ($331 million). Since Gleneagles, Italy has cut ODA to the region by €169 million ($235 million). This means that it has delivered -6% of its commitment. Italy is not expected to salvage this situation in 2010. ONE estimates 2010 levels of ODA to be the same as those in 2009. Further, there is little evidence of a proposed recovery plan to re-establish progress towards a new global target of 0.51% by 2013.

Italy provided leadership as the 2009 G8 host in prioritising agriculture on the G8's agenda. However, it has made minimal progress in improving its aid quality and also has not paid its 2009 commitment to the Global Fund to Fight AIDS, Tuberculosis and Malaria, raising concerns that it will become the first country to outright default on a Global Fund pledge. Italy is also not on track to meet its commitments to cancel debt to the world's poorest countries, and like the rest of the G8 is failing to deliver on its commitment to 'make trade work for Africa'.

JAPAN

Japan has almost reached its 2010 commitments to sub-Saharan Africa (made at Gleneagles and the Fourth Tokyo International Conference on African Development – TICAD IV – in May 2008). In 2009 it increased its total ODA to the region by ¥32 billion ($341 million). ONE estimates that Japan will increase ODA to the region by an additional ¥46 billion ($498 million) in 2010, meaning that it will have met 149% of the bilateral increases it promised for 2010, and will have surpassed its 2012 target this year.

Despite setting weak targets, Japan's ODA increases to sub-Saharan Africa in recent years (¥129 billion/$1.376 billion since 2004) demonstrate a growing commitment to poverty reduction in the region. Japan should solidify this commitment in 2010 by setting a transparent, ambitious target for future ODA increases that includes both bilateral and multilateral spending.

Within the G8, Japan has been a leader in providing technical assistance and support for water and sanitation improvements in the region. It has also been a consistent supporter of the Global Fund, providing $846.5 million between 2001 and 2008, the fourth largest contribution among single country donors. However, Japan is not on track to meet its commitments to cancel debt to the world's poorest countries, and like the rest of the G8 is failing to deliver on its commitment to 'make trade work for Africa'.

UNITED KINGDOM

Since hosting the Gleneagles Summit in 2005, the UK has been a leader in delivering on its commitments, and last year reached its target to double bilateral ODA to sub-Saharan Africa.[7] Despite a large increase in global ODA in 2009 that raised the UK's ODA to 0.51% of GNI, ODA for the region increased by only £240 million ($375 million). While still a significant increase, this was lower than expected and represented only one-fifth of the UK's global increase. Large volumes of 2009 bilateral assistance are yet to be allocated and may alter the final figures once reported. If so, ONE estimates that the UK has fallen just short of its 2009 target to be on track. An ambitious projected increase of £1.2 billion ($1.9 billion) for 2010 over the preliminary 2009 figures would, if delivered, enable it to meet 93% of the increases it promised at Gleneagles. A 2010 increase of this size would be greater than its £975 million ($1.52 billion) increase between 2004 and 2009.

In addition to its ambitious commitments, the UK deserves great credit for maintaining its budget projections during the economic crisis. Increases in the 2009 budget, reconfirmed in 2010, put it on target to be the first G8 country to meet the UN goal of spending 0.7% of national income in ODA.[8]

The UK continues to deliver large volumes of budget support, being the second largest country contributor to sub-Saharan Africa through this channel in 2008. Global education also remains a priority, with a new pledge to increase support for the sector by £1 billion ($1.56 billion) annually between 2010/11 and 2015/16, half of which will go to Africa. The UK has also responded to the international call for efforts to support agricultural development, pledging $1.8 billion over three years for the L'Aquila Food Security Initiative. The UK continues to be a leader on aid effectiveness within the G8 and is also on track to meet its commitments to cancel debt to the world's poorest countries. However, like the rest of the G8, the UK is failing to deliver on its commitment to 'make trade work for Africa'.

UNITED STATES

In 2009, US development assistance to sub-Saharan Africa rose by 14% ($1.12 billion). With this increase, the US exceeded its Gleneagles commitment one year in advance of the target. In 2010, ONE estimates that the US will increase ODA to the region by an additional $1.6 billion, meaning that it will have delivered 158% ($5.384 billion) of the increases it promised at Gleneagles.

Despite its relatively smaller commitment in 2005, the US has made the largest ODA increases by volume to sub-Saharan Africa among the G8. Although it has already committed to double foreign assistance by 2015, this commitment is expected to be met relatively easily given US interests in both sub-Saharan Africa and strategic states. In the years ahead, the US should set a new ODA commitment (including an ambitious target for sub-Saharan Africa) as part of a comprehensive national strategy on global development.

The US remains a clear leader on global health programmes and has maintained a solid record on investments in agriculture. Recent appropriations and proposed budgets for other development sectors are likely to deliver higher ODA disbursements in the future. At present, the US remains below a proportionate share in some sectors, especially in education. It has also performed poorly on most aid effectiveness indicators measured in this report. As the Obama Administration moves forward on two new strategy and operational initiatives (one led by the White House and one by the State Department/USAID) there is hope that aid effectiveness will be improved. The US is also off track to meet its commitments to cancel debt to the world’s poorest countries, and like the rest of the G8 is failing to deliver on its commitment to 'make trade work for Africa'.

ASSESSMENT OF SECTOR PROGRESS

EDUCATION

At the 2005 Gleneagles Summit, the G8 reiterated their commitment to the Millennium Development Goal of ensuring that all children are able to complete a full course of primary education by 2015 (also known as universal primary education, or UPE). They pledged to bolster African efforts towards achieving this goal, specifically through support of the Education for All – Fast Track Initiative (FTI). The G8 reiterated their support of the FTI at the 2007, 2008 and 2009 summits and also pledged to fill the financing gaps faced by FTI-endorsed countries. At the 2009 summit in L'Aquila, the G8 also committed to 'pursue funding' to fill the financing gaps faced by the FTI's multilateral funds.

Efforts to eliminate school fees and other barriers to education have led to a substantial reduction in sub-Saharan Africa's out-of-school population, from 45 million in 1999 to 32 million in 2007. Over the same period, the region's net enrolment ratio increased from 56% to 73%. However, because progress on completion has been much slower, UPE remains out of reach for many countries.

Although development assistance from the G8 increased substantially in the year following Gleneagles, to a peak of $1.43 billion, levels have since been falling. In 2008, the G8 committed $1.12 billion to primary education in sub-Saharan Africa. This fell far short of the $2.7 billion the G8 would have had to contribute as their proportionate share of the UPE goal for the region that year. The UK and non-G8 donors the Netherlands, continue to lead the way in education financing in sub-Saharan Africa.

Beyond 2010, the G8 should work with developing countries and other donors to increase the focus on education quality and the transition to secondary school to maximise the impact of progress achieved to date. In addition, to fully support national education plans, the G8 and other donors should work with partners to support the launch of a new and improved FTI, including the implementation of a comprehensive reform agenda. Finally, it is critical in 2010 that, along with robust reform of the FTI, both donors and developing countries mobilise new resources for education in line with the updated estimates on the need, as well as explore innovative, multilateral and private sector vehicles available to increase financing beyond the current framework.

AGRICULTURE

Each G8 Communiqué from 2005 to 2007 made reference to the importance of agriculture and food security, but lacked a commitment to a specific set of actions to address them. At the 2008 Hokkaido G8 meeting, individual G8 countries reiterated $10 billion worth of commitments that they made that year, and collectively the group committed to reverse the decline in funding for the sector. At the 2009 G8 summit in L'Aquila, the G8 and other donors committed to provide $20 billion (since revised to $22 billion) over three years for the L'Aquila Food Security Initiative. However, because data are only available through 2008, this report focuses on delivery of the 2008 commitment rather than on the more ambitious 2009 commitment.

It is clear that the G8 have fulfilled the Hokkaido commitment to reverse the funding decline in the agriculture sector, with increases in ODA for global agriculture. In 2008, global agriculture spending increased by $351 million. The G7 have also consistently increased funding for agriculture in sub-Saharan African since 2005, though their spending has not kept pace with global increases. In 2008, as global spending increased by $351million, G7 agricultural assistance to sub-Saharan Africa fell by $13 million.

All donors increased their ODA for emergency food assistance in 2008. G7 ODA for global emergency assistance increased by $1.6 billion to $4.5 billion, and G7 ODA for food aid in sub-Saharan Africa increased by almost $1 billion to $3 billion. The US was the largest provider of emergency food assistance to the region, providing $2.1 billion of the $3 billion total.

It is too soon for the data to reflect progress on the G8's 2009 commitment. For the L'Aquila initiative to be a success, donors must implement their initiatives transparently, allowing for maximum coordination between them, and support developing countries as they construct their agriculture strategies. Donors must also clarify their L'Aquila commitments, delineating how much will be new money, the breakdown between agriculture and food aid initiatives, and the timeline in which they expect to deliver the commitments.

WATER AND SANITATION

The G7 have fulfilled ONE's interpretation of their promise to 'give high priority in Official Development Assistance (ODA) allocation to sound water and sanitation proposals' to the water and sanitation sector by committing a minimum of 5.5% of their ODA to sub-Saharan Africa to this sector. However, because overall ODA has not risen to the levels committed in total, support for the sector has fallen short of needs. Furthermore, the G8 havw yet to take forward the 2009 commitment to establish a partnership with Africa to support national plans.

The proportion of people in sub-Saharan Africa with access to clean water increased from 55% in 2000 to 60% in 2008 – still short of the goal of reaching 75%. Rising Significantly since 2006. Access to improved sanitation in the region reached only 31% in 2008, or less than half that needed to achieve the MDG target coverage of 63%. Annual G7 assistance for water and sanitation in sub-Saharan Africa has increased by $697 million since 2004, from $1.26 billion to $1.95 billion in 2008.

The existing 5.5% target is only ambitious if achieved in tandem with the fulfilment of promises to increase overall ODA. Thus, while the G7 are technically meeting their commitment, it is in a context of low increases to overall ODA, and access to water and sanitation in the region remains well below the MDG target levels. The G8 need to scale up resources to provide greater access to water and sanitation in sub-Saharan Africa and establish concrete targets around the establishment of a new partnership to support national plans. Additionally, support for basic water and sanitation projects must be increased in order to close the access gap between rural and urban dwellers.

HEALTH

The G8's commitments in Gleneagles showed an emphasis on improving the health of Africans as a necessary means of achieving the MDGs – specifically those focused on HIV/AIDS, TB, malaria and maternal child health. In subsequent G8 Summits, new commitments broadened the world's approach to improving health and alleviating poverty, raising health systems strengthening, health worker training and control of neglected tropical diseases as additional priorities.

While the G8 have generally not met their ambitious targets on health, they have catalysed tremendous progress on disease-specific initiatives and, to some extent, in broader efforts to strengthen health systems across Africa.

Since 2004, G7 leaders have increased their ODA commitments to health in Africa by an average of 117%. These investments, particularly when they have engaged local leadership, have paid off: HIV-related mortality in Africa has declined by 18% since 2004, bed-net delivery has been dramatically scaled up, child mortality rates are declining and polio and Guinea worm are nearing eradication.

Still, the G8 have fallen far short of their commitments, and positive trends achieved to date stand to plateau or even reverse. In order to improve the scale and efficacy of the work being done across Africa, G8 leaders need to continue to increase funding to fight infectious diseases with an emphasis on outcomes; fully fund key multilateral mechanisms such as the Global Fund and GAVI; foster a robust dialogue around health systems strengthening and innovative financing; and continue the push for better health data. ONE looks forward to the 2010 G8 Summit, at which there will be a focus on maternal and child health, and hopes for progress in this critical area.

2010 AND BEYOND

It is now May 2010 – almost half-way through the year when the ambitious commitments made in Gleneagles were due to be delivered. There has been great progress in the past five years but, while the final statement on Gleneagles may not actually be made until 2011, we have enough data to know that the targets and their ambitiously hopeful outcomes have not been met. Many countries remain on a path that guides them forward – to 2015 in most cases, when the eight Millennium Development Goals (MDGs) are due to be met. But these represent country-specific or at best regional efforts, such as the EU's 0.7% ODA/GNI target. At this point, for the period 2010–15 neither the G8 nor any other grouping of developed or emerging nations has put forward a specific, comprehensive collective plan focused on how to help support the vision of 'an Africa driven by its own citizens'.[1]

There is no renewed plan for how these final five years to the MDG deadline will play out, but this glaring gap could also present a new opportunity. In 2010, developed countries can work together with African civil society, the private sector and government leadership to flesh out an improved strategic partnership to help the continent accelerate along the path towards poverty reduction and sustainable economic growth. The stakes are high, with many critical goals and lives on the line. In order to be successful, this new plan must recognise the changes in the global landscape, must build a true partnership with Africa (and thus also lean even more heavily on the fulfilment of African commitments), must emphasise accountability for all parties involved and, most of all, must be rooted in two critical elements that have not been prioritised sufficiently in the past – governance and equitable economic growth.

NEW REALITIES, NEW STAKEHOLDERS

THE GROUP OF ?

For the most part, individual members of the G8 will remain critical players in development but there is a question as to whether it is the right group to take the overall agenda forward. While the G20 looks likely to surpass the G8 to become the major forum for international economic cooperation, it has not yet established itself on what has been a central part of the G8 agenda: development in the poorest countries, particularly in Africa.

Yet, as detailed in the chapter on emerging donors, many of these new players are already active and influential in terms of their commercial interests (and some even as donors) in Africa. As new countries engage, it will be increasingly important to coordinate efforts, G20 and other leaders must also consider how they can develop a positive, proactive agenda for poverty reduction and development that moves beyond aid to incorporate trade and investment policy, enhances accountability and ensures the voices of the poorest are heard.

THE CRISES OF CLIMATE, FOOD AND FUEL

The past five years have unveiled new challenges that will make already ambitious goals even more difficult. The food and fuel crises posed very specific challenges to commodity- and energy-importers across Africa. Climate change has long been a factor but in recent years research has better underscored the impact that it will have – i.e. first and worst – on developing countries, which have done the least to cause it. In Copenhagen in December 2009, donors agreed that there must be new resources to address the needs of these countries to adapt to the impact of climate change – to the tune of $100 billion – but the overlap with existing development commitments was left unresolved and the viability of mobilising such resources doubtful. It must be clarified that the additional costs to development caused by climate change are paid for with additional resources. Clarity and reassurances are critical on the path forward. The financial crisis too has affected every country around the globe – but, again, a crisis that was not caused by the poorest people is now jeopardising their futures. Budgets have tightened in the wake of the financial crisis and this has dampened projections for 2010 development assistance.

ACCOUNTABILITY

DONOR ACCOUNTABILITY

With hindsight, there were inherent flaws in the way in which the 2005 commitments were designed. The 2005 Communiqué included a series of ambitious outcome goals such as reaching universal access for antiretrovirals (ARVs) and supporting African plans to educate all children. Then, separately, there was an overall financial commitment, but no lines were drawn between the two. Accountability (or lack thereof) was a common theme in the Communiqué – with aspirations not tethered to action plans or transparency mechanisms.

As has been seen through all five DATA Reports, any attempt at measuring and monitoring has required a good deal of interpretation and an extensive clarification of the intent and meaning of certain commitments in terms of individual donors. What has also been increasingly apparent is the fact that donors do much better in delivering upon immediate targets such as increasing access to ARVs or getting children into school, but not as well in building sustainable systems in partnership with African countries to address widespread health issues or enhance the quality of education. Perhaps because the quantified targets won the headlines and because advocates only underscored the importance of those outcomes, donors rushed to deliver services, to check boxes and to report on these 'results'. Less emphasis has been placed on building for the future and for sustainable mechanisms that are truly designed and owned by recipient countries, in line with their own efforts and commitments.

The success of the past five years should fuel continued momentum towards 2015, but a new strategic partnership must also take into account the shortcomings of the past five years. It is clear that, while individual commitments remain incredibly powerful, collective targets bound together and backed up by independent monitoring and evaluation mechanisms are the key to success. In order to facilitate a higher-quality set of commitments for 2010–15, ONE has worked with a group of partners to identify the 'TRACK' principles for establishing what constitutes a good commitment, and these principles should guide the formation of a new partnership for the future (see box on page 30).

THE TRACK PRINCIPLES

Over the past five years, the need for strong commitments has become increasingly clear. Going forward, stakeholders must focus on the strength of the commitments laid out from the start in order to ensure better outcomes. While bold commitments should still be strongly encouraged and welcomed, ONE hopes that the following questions will be asked seriously (and answered positively). These 'TRACK' principles have been developed and agreed by ONE, Development Initiatives, AidInfo, the African Progress Panel and independent consultant Richard Manning (former Chair of the OECD DAC).[2]

IS IT **TRANSPARENT**?

Every quantifiable commitment should come with – or be swiftly followed by – a clear presentation which shows how many years the commitment is for; a clear deadline; which budget line item the commitment is coming from; what the initial baseline is; and how the budget line item will change in future years. All this information needs to be comprehensive, comparable and timely, and to be available and accessible to the citizens of both recipient and donor countries. It should be accessible, ideally in machine-readable formats, on websites and in line with the International Aid Transparency Initiative (IATI) format standards.

IS IT **RESULTS-ORIENTED**?

Financial promises should link expenditure to real-world outcomes. In the context of ODA, these outcomes should be set by the recipient countries. A clear presentation of desired results will help the citizens of developing countries hold their governments – and the whole development sector – accountable for delivery of these results.

IS IT **ADDITIONAL**?

Perhaps the most difficult aspect of making promises, and one which makes the process vulnerable to abuse, is judging whether or not any of the money promised is new and additional. There is often confusion as to the meaning of additionality, as donors can justify new commitments as being 'new' in many ways. Overall, every promise that claims to be 'additional' must answer the question 'additional to what?'.

IS IT **CONDITIONAL**?

Often increases in resources are conditional upon changes in policy, both by the government and other agencies who are programming the resources, and above all by the implementing partner in the recipient developing country. Some conditionalities are onerous and much research has shown that conditions that impose policy choices on the recipient tend to be counter-productive. Others are important and necessary (i.e. the need for fiscal transparency and good audits and monitoring of projects). In either case, however, it is important for the conditionalities to be clear and openly presented.

HOW WILL WE KNOW IT'S BEEN **KEPT**?

As part of any major promise, a mechanism should be identified, preferably an independent mechanism, to measure and monitor progress through the life-cycle of the promise to help ensure that it is kept and that performance along the way is publicised to citizens and the media.

AFRICAN ACCOUNTABILITY

What has also emerged as a key theme is the need for the next phase to be even more rooted in the idea of a mutually accountable partnership. As President Obama noted in a speech in Accra, Ghana in 2009, 'Africa's future is up to Africans'. African leadership must also be held accountable – first and foremost by African citizens – for delivery of their promises.

The primary aim of ONE's DATA report is to evaluate the commitments of the G8. However, over the past decade, African countries have also made a series of critical commitments to their people. ONE relies on African partners, such as the Africa Progress Panel (APP), the African Monitor, the Mo Ibrahim Foundation and the United Nations Economic Commission on Africa (UNECA), to monitor Africa's commitments and assess progress. As the APP notes in its latest report, Africa must once and for all demonstrate that it has the political will to make progress. Some critical African commitments include the following:

AGRICULTURE

African countries have made important commitments to agriculture and food security, including the Comprehensive Africa Agriculture Development Plan (CAADP), which calls for 6% growth rates in the agriculture sector by 2015. In the African Union Maputo Declaration of 2003, African countries also committed to direct 10% of their budgets to agriculture. As of April 2010, 16 countries[3] had signed a CAADP compact and were moving towards implementation,[4] and eight (Burkina Faso, Ethiopia, Ghana, Guinea, Malawi, Mali, Niger and Senegal) were exceeding the budget target.[5] Ten countries met the 6% growth target in 2008.[6]

TRADE AND DIVERSIFICATION

In the 2001 New Partnership for Africa's Development (NEPAD) Declaration, African countries committed to improve their competitive environment by reducing trade barriers and deepening regional integration. Subsequent African Union statements on trade have linked to promoting regional integration and inter-regional agricultural trade, including the 2004 Sirte Declaration on the Challenges of Implementing Integrated and Sustainable Development on Agriculture and Water in Africa and the 2006 Abuja Africa Fertilizer Summit.[7] There has been some progress in improving trade policy across the continent with some reduction in tariffs, but the progress in integration has been limited. African countries trade, on average, less than 10% of their goods with each other, compared with 65% of goods traded between European countries. Many African countries have multiple regional memberships and this is considered to be one of the reasons for such low levels of intra-African trade. Of the 53 countries in Africa, 27 are members of two regional groupings, and 18 belonging to three.[8]

EDUCATION

In 2000, African countries signed up to the Education For All (EFA) programme of action and committed to developing costed plans to achieve EFA supported by the Fast Track Initiative (FTI).[9] By the end of October 2008, 23 African countries had their national education plans endorsed by FTI and 17 countries had developed long-term costed plans, which indentified the available domestic resources as well as the external funding needed in order to reach Education For All.[10] African countries have also scaled up resource allocations to the education sector, with average total expenditure rising from 3.7% of GDP in 1999 to 4.4% in 2006.[11] In 2006, more than half of the countries where data were available spent more than 17% of government expenditure on education.[12]

HEALTH

In 2001, African heads of state committed to take all the measures necessary to ensure a target of allocating at least 15% of their annual budget to the improvement of the health sector. In 2003, this commitment was reaffirmed at the Maputo Meeting of Heads of State. A 2010 study shows that there are currently six African countries meeting the 15% pledge: Botswana, Burkina Faso, Malawi, Niger Rwanda and Zambia. Twenty-two countries have allocated at least 10% of their annual budget toward the health sector. Of the remaining 30 countries that are allocating less than 10% of their budget to health, eight fall below 5%.[13]

INFRASTRUCTURE

African countries have committed to increasing their investments in infrastructure, as identified in the 2001 NEPAD declaration. Countries are improving their coordination and institutions such as the African Development Bank (ADB) are increasing support for cross-border projects such as highways that link countries and improve important transport linkages.

PRIVATE SECTOR DEVELOPMENT

African countries committed to private sector development in the NEPAD declaration and recommitted in the 2004 Maputo Declaration to improve conditions for achieving this.[14] According to the World Bank, Rwanda leads the world in private sector development reforms. The ten top reformers in 2008–09 also included Egypt and Liberia. Mauritius (global rank 10) held first position in sub-Saharan Africa for ease of doing business. These rankings reflect determined efforts by Africa to improve the investment climate and the business environment.[15]

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE CHANGE

In the 2003 NEPAD Environmental Action Plan, African countries agreed to a comprehensive plan for environmental sustainability, and in 2007 the AU committed to integrate climate change adaptation strategies into national development plans. Twenty-two countries have completed National Adaptation Programmes of Action (NAPAs).

GENDER

The 2003 Protocol on the Rights of Women in Africa, which embodies a range of economic rights for women, was committed to by African countries but, as of 2008, only 50% of countries had ratified it.[16] While more progress is being made in the area of equitable access to health, less is being achieved in the political arena – with the exception of Rwanda, whose parliament is the first to have more than 50% female membership, including the speaker.

GOVERNANCE

African countries have established a range of accountability mechanisms and institutions, including the African Peer Review Mechanism (APRM). Thirty countries have voluntarily acceded to the APRM process, while 12 have completed the peer review process.[17] In the area of economic governance, 44 countries have signed and 31 countries have ratified the 2003 African Union Convention on Preventing and Combating Corruption[18] and 19 African countries are now candidates for the Extractive Industry Transparency Initiative (EITI)[19]. Twelve countries have produced an EITI report, which is the first step in improving transparency in payments from the extractive sector. Liberia is one of the first two countries to have completed an independent EITI Validation, the EITI's quality assurance mechanism.[20]

PEACE AND SECURITY

In 2002, the African Peace and Security Architecture was established, comprising a number of continent-wide mechanisms for promoting peace. Five regions have committed to set up regional brigades (the African Standby Force) and a Peace Fund has been set up to support operational activities.

DOMESTIC PUBLIC RESOURCES FOR DEVELOPMENT

In 2001, NEPAD identified domestic savings and strengthened public revenue collection as primary resources to be supplemented by other sources of development finance. Many countries are beginning to improve the efficiency of their revenue mobilisation by broadening their tax bases. Thirty-four countries have adopted value-added taxes and 14 have established autonomous revenue authorities. With the establishment of the Stolen Asset Recovery (StAR) initiative, it is hoped that more countries will be able to successfully recover illegally acquired assets like Nigeria has done.

AID EFFECTIVENESS

In 2005, African countries promised to improve aid effectiveness in the context of the Paris Declaration by strengthening the linkages between national development strategies and annual or multi-annual budgets.[21] In 2008, these commitments were reaffirmed in the Accra Agenda for Action, which calls for stronger involvement of parliamentarians, civil society organisations and citizens in shaping national development policies. Twenty countries have completed substantially stronger and more operational second-generation Poverty Reduction Strategy Papers (PRSPs),[22] and a few have completed fully costed MDG needs assessments.

All of the above initiatives would be improved through further strengthening and support for African civil society monitoring organisations, further investments in African statistical capacity and the public and timely provision of these statistics. It is noteworthy that the core MDG 1 – of reducing poverty – cannot be adequately measured given the current statistical capacity in Africa. The Mo Ibrahim Foundation had to exclude statistics on poverty from its recent Index of Governance, because the quality of the data was too poor.

THE PATH FORWARD
WHAT EXISTS AND WHAT DOES NOT

While 2010 was largely viewed as the deadline of the Gleneagles commitments, there are some individual and collective commitments that extend beyond. The following list provides an overview:

COUNTRIES

CANADA
No commitments beyond 2009 other than an indication that budget levels will be held flat.

FRANCE
Ongoing target to meet 0.7% global ODA/GNI by 2015.

GERMANY
Ongoing target to meet 0.7% global ODA/GNI by 2015.

ITALY
Ongoing target to meet 0.7% global ODA/GNI by 2015.

JAPAN
Target of $1.8 billion of net bilateral ODA (excluding debt relief) to Africa by 2012.

UK
Ongoing target to meet 0.7% global ODA/GNI by 2013.

US
New sectoral commitments under the Obama Administration to global health and agriculture and a commitment to double foreign assistance by 2015.

EU
Target for EU15 member states of 0.7% global ODA/ GNI by 2015. Target of 0.33% for new accession members.

OTHER COMMITMENTS

DEVELOPMENT ASSISTANCE
No overarching commitment exists beyond 2010, save for the commitments listed above.

AID EFFECTIVENESS
Donors committed to a series of commitments to improve aid effectiveness, first as part of the Paris Declaration and then as part of the Accra Agenda for Action. Most of these commitments are set for delivery by 2010.

DEBT
Donors remain committed to the HIPC and MDRI processes and will need to make ongoing provisions through to 2044 to ensure full financing.

TRADE AND INVESTMENT
Except for a commitment to eliminate export subsidies by 2013, the vague commitment to 'make trade work for Africa' was not time-bound; nor was the commitment to fulfil the Doha Development Round. The investment commitment is similarly vague.

HEALTH
The ambitious HIV/AIDS commitments for universal access were tied to 2010, as was the commitment to ensure universal access to bed-nets to prevent malaria. The commitment to cut TB deaths in half and the commitment to ensure that all children have access to basic health care were set for 2015. Commitments around malaria treatment, polio, neglected tropical diseases and health systems/workers were not time-bound.

EDUCATION
The education commitments are tied to the MDG to reach universal primary education (UPE) by 2015.

WATER AND SANITATION
The water and sanitation commitments were vague and no deadlines were indicated.

AGRICULTURE
The financial component of the L'Aquila agreement was a three-year pledge due to be delivered by 2011/12. After that, while there is hope that a policy framework will be maintained, there are no additional time-bound commitments.

GOVERNANCE AND SECURITY
The global commitments to governance and security were largely made in the spirit of supporting African efforts, but did not have deadlines; the exception was a commitment to train 75,000 troops by 2010.

CLIMATE
In Copenhagen, donors committed to mobilise $30 billion over the next three years, with a goal of $100 billion annually for developing countries by 2020, to address the needs of mitigation and adaptation to climate change. It is unclear how much of the public financing will be additional to traditional development financing.

WHAT NEXT?

The September 2010 United Nations MDG Summit will be a key moment to review progress, revitalise global efforts in areas that have proved successful and correct the course in areas that have not. Perhaps most importantly, the UN Summit must reinvigorate the overall drive to reach the MDGs, as well as supporting the creation of opportunities that will carry Africa's new young generation well beyond simply achieving these goals.

The Summit should produce a set of commitments that together build a new strategic partnership between all development partners, based on enhanced mutual accountability, that will link their efforts together into a cohesive strategy through to 2015. Previous global compacts on development have had the right intentions, but in practice have been too easily reduced to simplistic quantitative measures around targeted interventions to respond to crises and prevent suffering. Efforts to promote the conditions that will support a long-term path out of poverty towards prosperity, including a focus on promoting good governance, increased private capital and investments in building local capacity to fight poverty, have lagged behind what is needed.

Moreover, a real partnership for the future must more effectively incorporate all critical sources of finance for development. Development assistance from external sources will continue to be crucial, but domestic resources and private capital must also be considered. In 2009 ODA for sub-Saharan Africa was $38 billion, but domestic resources raised in the region totalled more than $200 billion in 2007. At $66 billion in 2008, FDI also exceeded ODA to the region.[23] Going forward, all these sources of finance can and should be better harnessed to the goal of beating extreme poverty in Africa.

An effective new strategy will require a stepped-up focus on three broad policy areas. Firstly, the strategy requires a renewed emphasis on governance and accountability; secondly, it requires a renewed emphasis on equitable and sustainable economic growth, the kind which actually helps citizens lift themselves out of poverty; and thirdly, it requires increasing aid investments into mechanisms and programmes which have to date been delivering real and measurable results for African citizens.

GOVERNANCE AND ACCOUNTABILITY

The G7 have made a number of commitments to promote peace and security, strengthen governance and accountability and fight corruption. This area of policy focus must now be more of a priority and must be more clearly monitored for delivery. The direct benefit of this is that it will allow African citizens to hold their leaders accountable; the indirect benefit is that it should stop the leakage of scarce resources out of African economies due to corruption and incompetence. Specific measures in this area should include the following.

STRENGTHENING CHECKS, BALANCES AND FEEDBACK MECHANISMS IN AFRICAN NATIONS

Some development assistance flows can go towards building up governance and accountability systems; the rest can be made partially conditional upon these nations building up governance and accountability systems with their own resources. The systems which need increased investment include improved quality and public availability of statistics; open access to government decision-making and budgetary processes; public expenditure management systems; independent evaluations of development policy; strengthening of legislative branches and the judiciary; independent electoral commissions; securing freedom of the media; and strengthening think tanks and civil society groups.

FIGHTING CORRUPTING INFLUENCES FROM THE INTERNATIONAL COMMUNITY

International financial and corporate reform is required to ensure that Western companies do not undermine African efforts to promote good governance. For example, the Stolen Asset Recovery Initiative (StAR) aims to help African nations recover assets stolen from them and stashed in Western banks by corrupt officials. However, this effort requires more support – financial, technical and political – from the G7 and the wider G20. Furthermore, the Extractive Industries Transparency Initiative (EITI) should be fully ratified and implemented, and the Natural Resource Charter should be adopted as the norm by the G20 to ensure that the vast natural resource wealth of regions like Africa can be better harnessed for their own development. Ratification and implementation of the UN Convention Against Corruption (UNCAC) by all G20 nations – as well as by African nations – would drive an overall improvement in governance across the international community.

MAKING G7 AND OTHER INTERNATIONAL DEVELOPMENT PROMISES MORE ACCOUNTABLE

One particular lesson of the past five years is how hard it is to monitor the grand promises emanating from the G7. To this end, ONE has worked with others to develop a set of principles, called the 'TRACK' principles, to help ensure that development promises are of a high quality and can be more easily monitored and met. (see box on page 30).

SUPPORTING AFRICAN PEACEKEEPING AND CONFLICT RESOLUTION EFFORTS

In 2005 promises were made to support African peacekeeping efforts, and in particular to provide training and logistics support for African standby forces. Some training has been delivered, but whenever logistical support has been required, Western donors have failed to deliver.

EQUITABLE AND SUSTAINABLE ECONOMIC GROWTH

Although economic growth rates have been decent for a decade, poverty reduction rates have been sluggish, and indeed may have reversed since the global financial crisis. Too often it seems that economic growth has benefited elites in urban areas but has failed to reach and lift the large majority of people out of poverty. The following policy changes would help alter this trend.

FOCUS ON AGRICULTURAL PRODUCTIVITY

This boosts economic growth in rural areas and directly lifts large, remote populations out of poverty. Investements in women and smallholder farmers are particularly important.

FINANCIAL EMPOWERMENT OF THE POOR THROUGH ACCESS TO FINANCIAL SERVICES

Recent emphasis in the financial services sector has been directed to micro-credit, but access to savings accounts and access to credit for small and medium-sized businesses can be even more transformative. Mobile banking services, as piloted by Safricom's Mpesa and Zain's ZAP, have the potential to revolutionise the industry.

REGIONAL INTEGRATION

Currently, African nations trade the least with each other of any region in the world – regional trade accounts for a mere 10% of total trade.[24] The AU, the ADB and the UN Economic Commission for Africa (UNECA) have developed ambitious regional integration plans that could be supported further. A strategy to coordinate support from the BRICs economies for regional infrastructure projects would be particularly helpful to the African integration project.

TACKLING ENERGY POVERTY THROUGH HARNESSING THE REGION'S RENEWABLE ENERGY POTENTIAL

Africa has tremendous renewable energy potential, and even a comparative advantage over other regions in some sectors. Investments in solar, geothermal, hydro, biomass, wind and wave technologies to harness its full potential are considerable, but renewable energy can provide the continent with clean, cheap energy permanently into the future.

PROMOTION OF INVESTMENT IN AFRICA

Frontier investors have for some time enjoyed excellent returns on their African positions, and the potential of African investments could be more widely promoted to attract capital from financial centres.

REDUCTION OF WESTERN SUBSIDIES AND OPENING OF MARKETS, FREE OF TARIFFS AND DUTY, TO AFRICAN PRODUCTS

Initial efforts such as the African Growth and Opportunity Act (AGOA) in the US and the Everything But Arms (EBA) initiative in the EU have been helpful, but both should go much further to encourage dynamic economic growth in Africa. Further, progress in eliminating trade-distorting agricultural subsidies is long overdue.

ACCELERATE INVESTMENTS IN PROGRAMMES DELIVERING PROGRESS TOWARDS THE MDGs

The great success of the past five years has been the mobilisation of additional resources for certain effective programmes, which have produced strong results. One clear lesson is that these proven mechanisms should not want for sufficient finance.

ON HEALTH

Mechanisms such as the Global Fund and the Global Alliance for Vaccines and Immunisation (GAVI), which both go through replenishment cycles this year, must be fully financed. A new strategy must be devised to drive down maternal mortality, which is closely linked to the quality of overall health systems and infrastructure.

ON EDUCATION

Reform and refinancing of the Education For All – Fast Track Initiative can build on the increased enrolment rates of the past five years, while also improving completion rates and overall quality.

ON AGRICULTURE

Clear plans for implementing the L'Aquila Food Security Initiative must be agreed by all partners, with clear timetables and parameters established around financing commitments. These efforts must be extended beyond the current 2011/12 end point.

ON WATER AND SANITATION

The water and sanitation commitments of the G7 were perhaps the weakest of those monitored in the DATA Report. A much sharper action plan must be established in order to make progress in these neglected sectors.

THE KEY PROMISES

DEVELOPMENT ASSISTANCE

THE G8 PROMISE

In 2005 at Gleneagles, donors acknowledged the importance of development assistance and committed to a significant increase in both quantity and quality by 2010. Reaching the development outcomes agreed to by the international community will require scaled-up resources that are spent as effectively and efficiently as possible. This chapter focuses on progress made on those aid commitments, realising that to achieve sectoral goals in trade, food security, health, education and water and sanitation, development assistance promises must be delivered and in a timely, accountable and transparent manner.

WHAT DID THE G8 PROMISE?

At the Gleneagles Summit in 2005, the G7[1] and other donors agreed to 'an increase in official development assistance to Africa of $25 billion a year by 2010, more than doubling aid to Africa compared to 2004'.[2] This commitment was the sum of individual G7 and government donor pledges made to Africa. The G8, with the addition of Russia, also committed to implement the Paris Declaration on Aid Effectiveness. This would maximise the impact of their ODA while minimising the burden placed on recipient countries. This chapter first reports on whether the commitment on development assistance volume has been met, and then evaluates progress on aid effectiveness.

Though the Gleneagles ODA commitment was reported as a $25 billion increase – or a doubling of assistance for sub-Saharan Africa – the G7 target has fallen to $22.6 billion (in 2009 prices). This is due to both clarifications to the original commitments and fluctuating projections of gross national income (GNI) (see page 55). In evaluating individual donors, ONE considers two different categories of commitment:

- Canada, Japan and the US made absolute value commitments for Africa. These targets do not fluctuate with changing GNI projections.

- The European G7 members (as well as some non-G7 donors) made global ODA commitments based on a percentage of GNI. It is important to note that these commitments built on an EU pledge to reach a collective target of 0.56% ODA/GNI by 2010 with a 0.51% minimum target for the individual members, and an agreement that half of the increases would be directed to sub-Saharan Africa. If delivered in full, the EU commitments would represent 72% of the total commitments made to the region.

The DATA Report monitors progress on the G7's $22.6 billion goal, as well as individual country progress against their commitments. Donors did not commit to annual interim targets, and therefore targets for each year have been open to interpretation. In lieu of agreed upon annual targets, the DATA Report draws a straight line to 2010 from the most recent year for which data are available, assuming that equal annual increases have been provided. While ONE acknowledges that these interim targets were not explicitly set by the G7, it believes that establishing a clear way to track progress is necessary to gauge the likelihood of meeting the 2010 targets.

HOW AMBITIOUS WAS THE G7 PROMISE?

At the time the commitments were made, some advocates criticised the total ODA commitment as being too small to achieve the development objectives set out in the G8 Communiqué. This point was true at the time and remains true today. Nowhere in the G8 Communiqué did the donors say that their ODA commitments would be sufficient to cover the financing requirements of all the outcome goals. The Commission for Africa report (published in 2005) estimated that its total recommendations would require an additional $75 billion to fully implement. While that costing has not been updated, ONE's back-of-the-envelope estimate for the total need in terms of aid for trade, education, health and water and sanitation alone show that an annual G8 share would total over $44.5 billion by 2010, and these figures do not even consider estimates for agriculture (though there is some overlap with aid for trade).

FIGURE 1

EXTERNAL SOURCES REQUIRED AND G8 PROPORTIONATE SHARE

	EXTERNAL RESOURCES REQUIRED ANNUALLY BY 2010 ($ BILLIONS)	G8 PROPORTIONATE SHARE ANNUALLY BY 2010 ($ BILLIONS)
AID FOR TRADE	18.3	14.2
EDUCATION	6.7	5.3
HEALTH [4]	29.5	22.9
WATER AND SANITATION	2.9	2.2
TOTAL	**57.4**	**44.5**

Although the G7's overall aid pledges are insufficient to achieve the collective sectoral targets, they were still ambitious financial commitments that – if delivered – would make a huge impact on key development goals. Between 2000 and 2004, G7 ODA to sub-Saharan Africa increased by $5.5 billion, or 45%. Even at today's reduced level, the G7 commitment would still represent an increase more than four times as large as that witnessed over the previous four years. The G7 are not expected to deliver this four-fold increase in full, but their estimated 2010 increase will represent the largest increase on record from the G7 to sub-Saharan Africa.

The ambition of the G7's individual commitments can be assessed in two ways – either in terms of the absolute dollar value of the commitment or in relation to each country's relative wealth (as measured by GNI). As has been demonstrated throughout the past four DATA Reports, the commitments made by Japan and Canada fall at the smaller end of both scales. The European countries' commitments appear especially ambitious when measured in terms of GNI. The US commitment is the largest in terms of volume, but it falls closer to the bottom end of the scale when measured in relation to national wealth.

FIGURE 2

DONORS RANKED BY VOLUME OF THEIR COMMITTED INCREASES IN ODA TO SUB-SAHARAN AFRICA, 2004 AND 2010

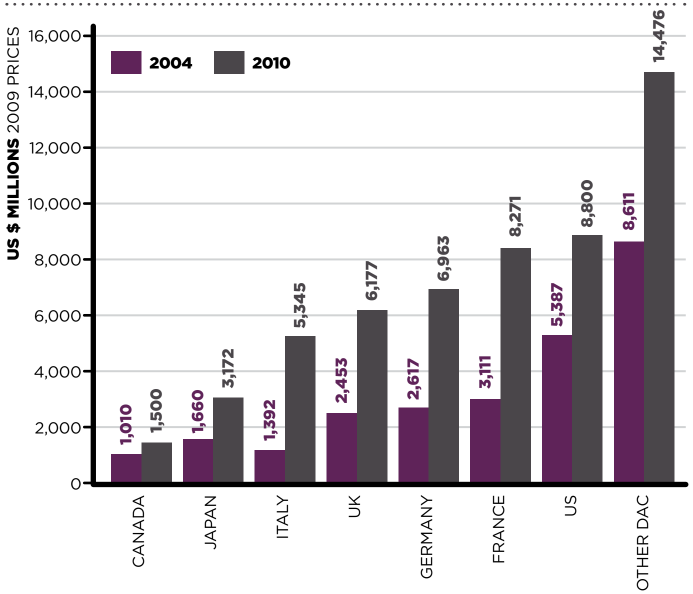
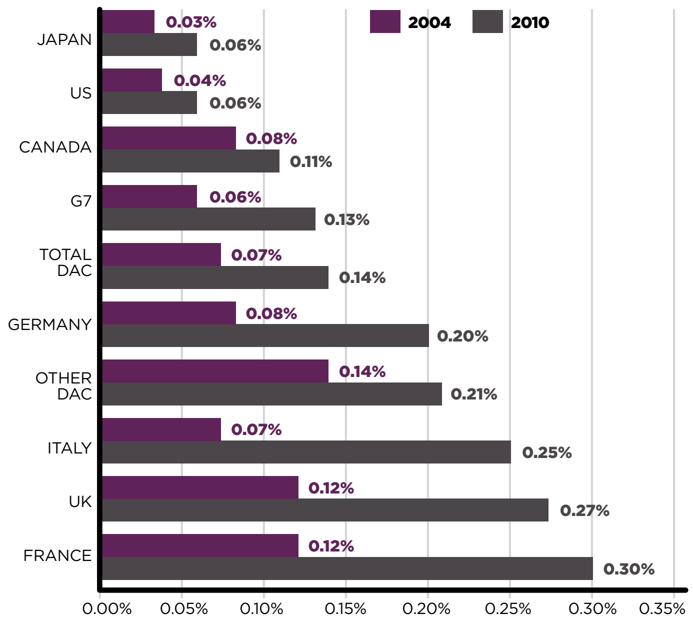


FIGURE 3

DONORS RANKED BY SHARE OF GNI COMMITTED TO ODA IN SUB-SAHARAN AFRICA, 2004 AND 2010



DELIVERING THE PROMISE?

Efforts to alter the way in which the world partnered with Africa began in 2000 when the Millennium Development Goals were established. As Figure 5 shows, levels of development assistance began to rise – and a true partnership with Africa began. At the 2000 Okinawa Summit, the 2002 Monterrey UN summit and the 2002 G8 summit in Kananaskis, African leaders were invited to the table for the first time, and their partnership was critical in helping to put development firmly on the agenda. The 2005 Gleneagles Summit saw donors commit to the largest ever increase in aid to Africa, even if it still fell far short of what was needed.

The 2010 DATA Report is being released in the year that the Gleneagles development assistance commitments are due. In the lead-up to the 2010 G8 and G20 Summits, as well as the UN Summit in September, it is critical to see which targets have been met – and which targets have not. In this final edition of the DATA Report, ONE offers its analysis of progress to date, using verified figures from the OECD through 2009. It has also incorporated projected budgets for 2010 so as to give a more complete assessment of how the G7 have done on their commitments in full.

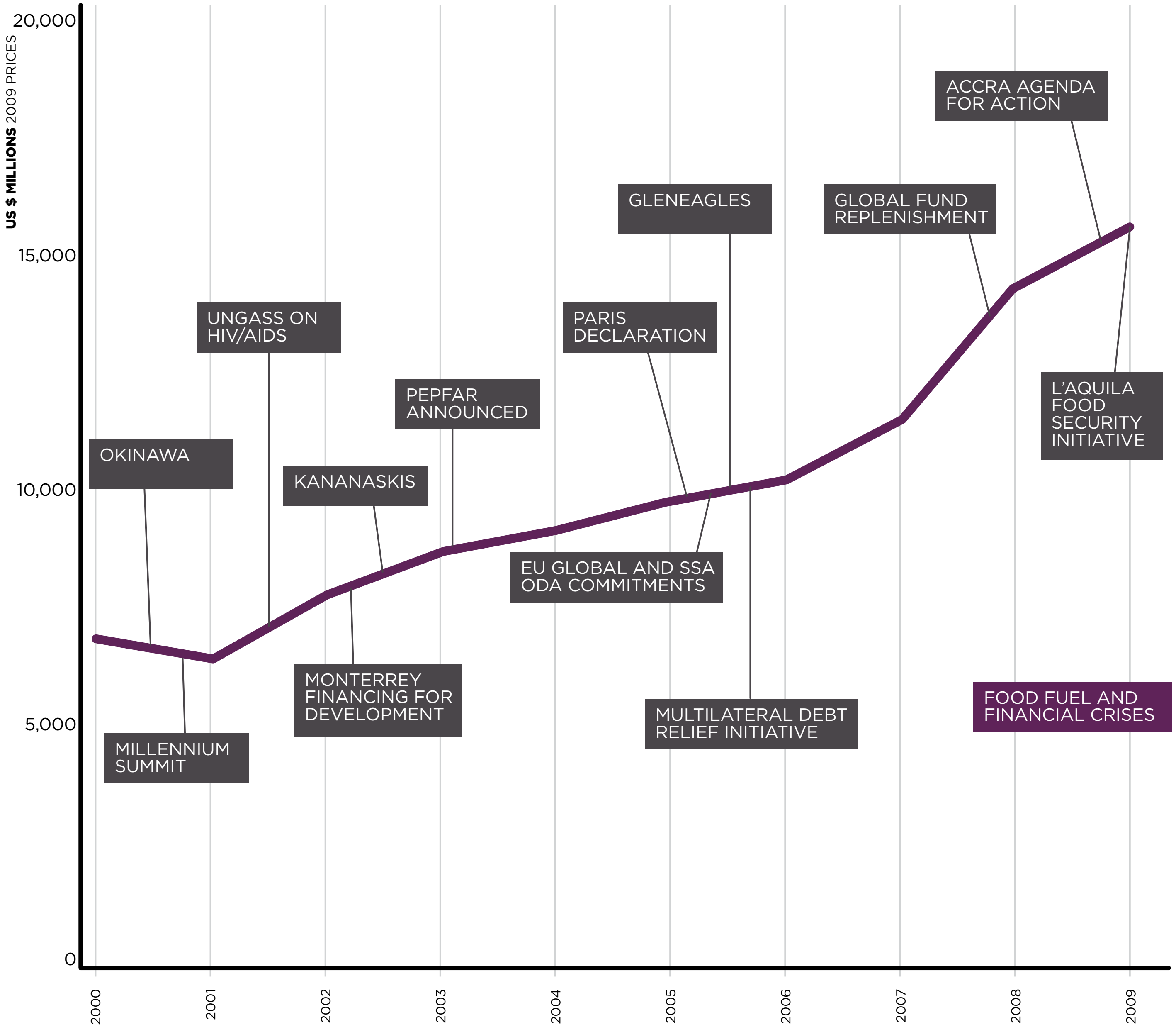
FIGURE 4

PROPORTION OF G7 ODA DIRECTED TO SUB-SAHARAN AFRICA, 2004–09 ($ MILLIONS 2009 PRICES)

	2004-2009 INCREASE FOR SSA	2004-2009 INCREASE GLOBALLY	% OF INCREASE DIRECTED TO SSA
G7	9.9	19.4	51%
NON-G7 DAC	2.1	11.5	18%
TOTAL	12.0	30.9	39%

FIGURE 5

KEY MOMENTS AND G7 ODA EXCLUDING DEBT RELIEF SINCE 2000



2004–2009

As past DATA Reports have noted, while progress has been mixed, collectively donors have steadily increased assistance levels for sub-Saharan Africa since 2004. In 2009, the G7 delivered a $2.5 billion increase in development assistance from the previous year, bringing the total increases to the region to $9.9 billion. This means that by the end of 2009 the G7 had delivered 44% of its promised increases.

The original commitment involved non-G7 donors as well. From 2004, non-G7 donors also increased their assistance to the region – but in 2009, they actually cut their ODA by $371 million. This was due to notable cuts in assistance by Belgium, Greece, Ireland, the Netherlands, Norway, Portugal and Spain; because of these falls, the EU as a bloc posted only an $897 million increase in 2009. Over the period 2004–09, the EU delivered a $6.1 billion increase (or 27% of the total committed increases). Since 2004, non-G7 donors have collectively increased their ODA to sub-Saharan Africa by $2.1 billion, constituting 36% of the increases promised by 2010.

Although the DATA Report is focused primarily on ODA to sub-Saharan Africa, fluctuations in ODA levels to the region occur within the broader context of fluctuations in global ODA levels. In 2009, the G7 increased global ODA by $5.82 billion. Approximately 43% of the G7 increases were directed to sub-Saharan Africa (a larger proportion than the 41% recorded in 2008). The group of all DAC countries increased global ODA by $7.34 billion, reaching a total of $116.8 billion in 2009. Of this increase, 29% was directed to sub-Saharan Africa (down from last year's 38%).

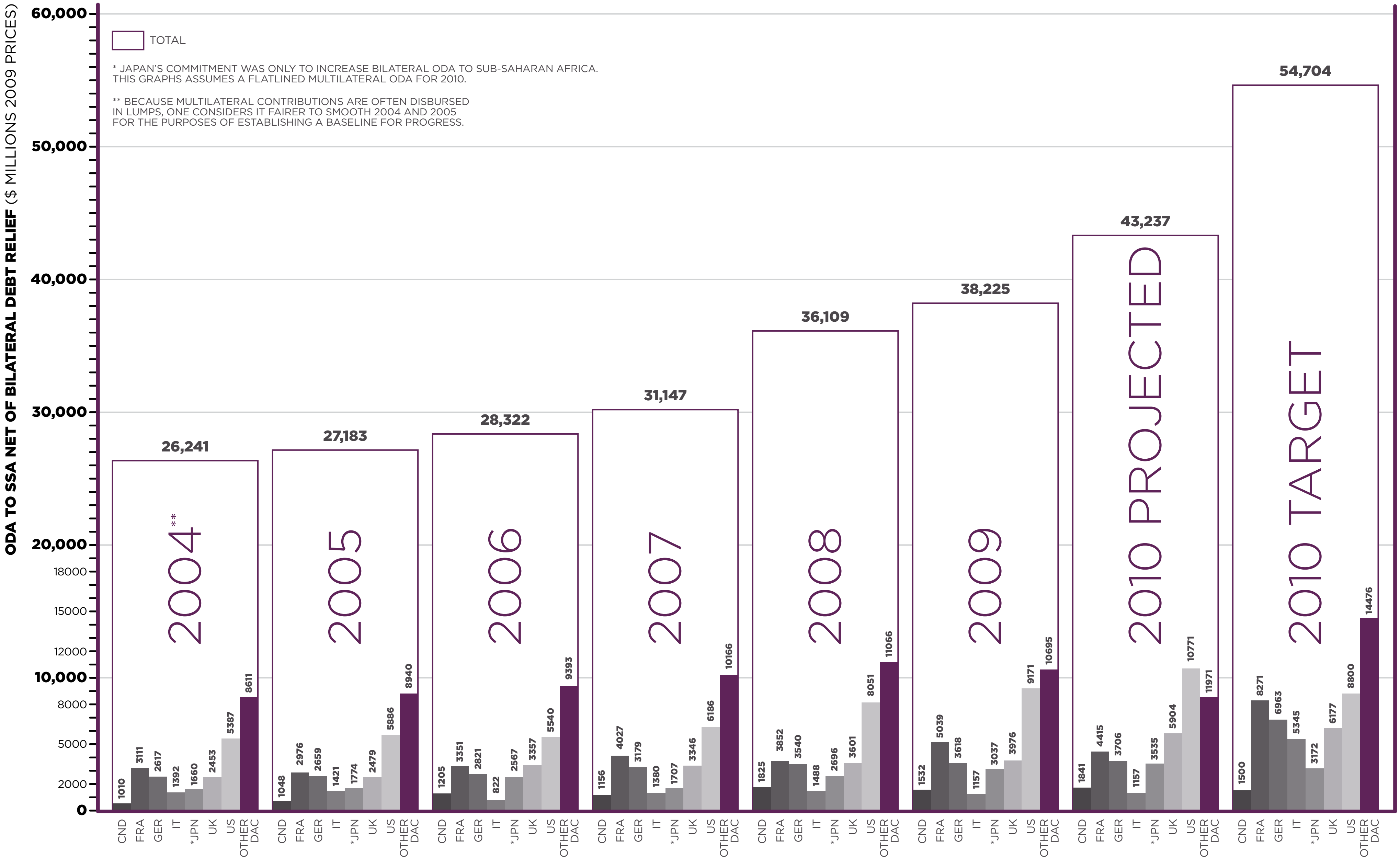
FIGURE 6

G7 ODA TO SUB-SAHARAN AFRICA, 2008–09 ($ MILLIONS 2009 PRICES)

	2008 ODA TO SSA	2009 ODA TO SSA	TOTAL VOLUME CHANGE	TOTAL % CHANGE
CANADA	1,825	1,532	-294	-16%
FRANCE	3,852	5,039	1,187	31%
GERMANY	3,540	3,618	79	2%
ITALY	1,488	1,157	-331	-22%
JAPAN (TOTAL ODA)	2,696	3,037	341	13%
UK	3,601	3,976	375	10%
US	8,051	9,171	1,120	14%
G7	**25,053**	**27,530**	**2,477**	**10%**
NON-G7 DAC	**11,066**	**10,695**	**-371**	**-3%**
DAC TOTAL	**36,118**	**38,225**	**2,106**	**6%**

FIGURE 7

WHAT DAC DONORS NEED TO DO IN 2009 AND 2010



2010

In order to fully meet their 2010 commitment, the G7 would collectively need to increase ODA by a total of $12.7 billion by the end of the year.

ONE uses past expenditures and trends, as well as projected outlays from donors where available, to project 2010 ODA levels for the G7 countries. This 'pipeline analysis' is not precise and is at the mercy of fluctuating decisions by individual countries. But in the absence of other information, it offers an important estimate for delivery in 2010.

According to ONE's projections, the G7 will deliver a $3.8 billion increase in ODA in 2010, bringing the total level of G7 assistance for sub-Saharan Africa to $31.3 billion. The boost in 2010 is expected to be driven in large part by a $1.6 billion increase from the US (mostly for global health) and a $1.9 billion increase from the UK. Other G7 countries are also expected to boost ODA levels, including Canada with a $309 million increase, Germany with an $88 million increase and Japan with an increase of $498 million. Italy is expected to flatline its assistance, and France is expected to bring the total down with a projected $624 million cut in 2010.[4]

In total, this would mean that the G7 have delivered 61% of the total commitment they made in 2005. In absolute terms this represents a $13.7 billion increase over 2004, the largest increase to sub-Saharan Africa on record over a six year period. While they have finished strongly as a group, the $31.3 billion still falls $8.9 billion short of their committed target increases.

FIGURE 8

HAVE THE G7 ACHIEVED THEIR ODA COMMITMENTS TO SUB-SAHARAN AFRICA? ($ MILLIONS 2009 PRICES)

	2004 ODA[5]	2009 ODA	TOTAL CHANGE	% OF CMMTS ACHIEVED END 2009	2010 PROJECTED ODA TO SSA	2010 TARGET	ONE'S ESTIMATE OF THE DIFFERENCE	% OF CMMTS EXPECTED TO BE ACHIEVED END 2010
CANADA	1,010	1,532	522	106%	1,841	1,500	341	170%
FRANCE	3,111	5,039	1,929	37%	4,415	8,271	-3,856	25%
GERMANY	2,617	3,618	1,001	23%	3,706	6,963	-3,257	25%
ITALY	1,392	1,157	-235	-6%	1,157	5,345	-4,188	-6%
JAPAN (BILATERAL)	528	1,287	759	85%	1,863	1,422	441	149%
UK	2,453	3,976	1,524	41%	5,904	6,177	-273	93%
US	5,387	9,171	3,784	111%	10,771	8,800	1,971	158%
G7	**17,630**	**27,530**	**9,900**	**44%**	**31,328**	**40,228**	**-8,900**	**61%**
NON-G7 DAC	**8,611**	**10,695**	**2,084**	**36%**	**11,971**	**14,476**	**-2,505**	**57%**
DAC TOTAL[6]	**26,241**	**38,225**	**11,984**	**42%**	**43,299**	**54,704**	**-11,405**	**60%**

In terms of individual country progress, the story is mixed, and depends on multiple variables.

Figures 9 and 10 use the same two measures employed to evaluate the ambition of commitments to evaluate country delivery. They show each country's performance in terms of the projected increase in volume of ODA, together with the projected increase in terms of ODA/GNI.

When reflecting upon the experience of the past five years, ONE believes that a robust assessment of the commitments made by donors at Gleneagles should evaluate their performance along three balanced indices:

- THE COMMITMENT, which judges the ambition of the donor's original promise in terms of volume and relative to the size of its economy;
- THE DELIVERY, based not just on what proportion of the Gleneagles commitment will be delivered but on what the actual delivered assistance was between 2004 and 2010, both in volume terms and in terms of growth as a share of GNI; and
- PLANS GOING FORWARD, which evaluates each donor's action plans for its future partnership with Africa and whether targets are in place for the post-Gleneagles era.

The most important of these variables is overall delivery. Figure 11 reflects an amalgamation of these factors in assessing individual performance.

FIGURE 9

DONORS RANKED ACCORDING TO ESTIMATED VOLUME OF ODA INCREASE DELIVERED 2004-10

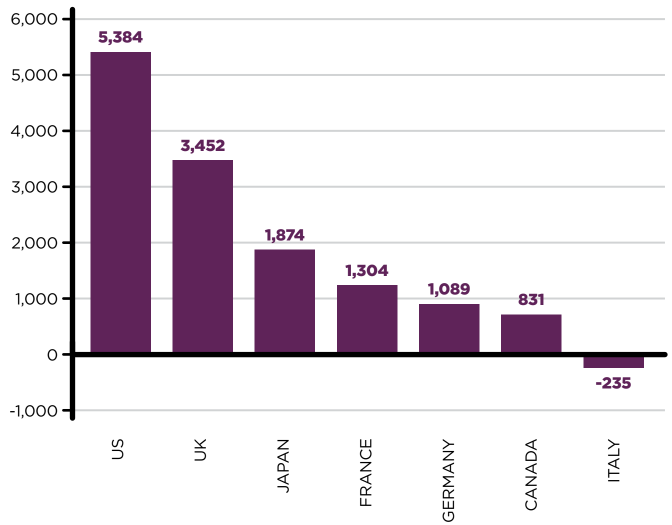


FIGURE 10

DONORS RANKED BY ESTIMATED INCREASE IN ODA/GNI RATIO 2004-10

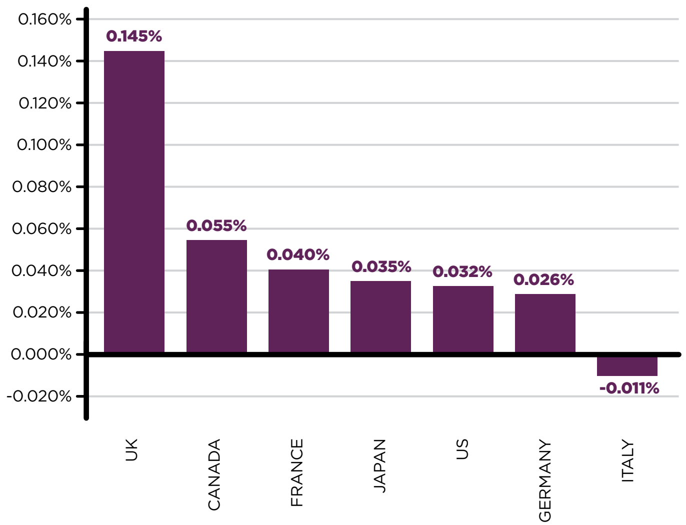


FIGURE 11

	THE COMMITMENT	THE DELIVERY	OVERALL COMMENTS AND PLANS GOING FORWARD	FINAL ASSESSMENT
CANADA	Canada's original commitment was weak. It was the smallest amongst G7 in volume and average in terms of GNI.	Canada met its Gleneagles target in 2008, and is on track to achieve 170% of its target by the end of 2010, despite a predicted drop in multilateral contributions in 2009.	Canada has not yet announced plans to increase development assistance to sub-Saharan Africa after 2010, and despite being G8 President has announced a cap on foreign assistance at 2010-11 levels.	Canada is set to surpass its commitment by a large margin, but its commitment was the smallest in volume terms and there are not yet any plans to build on that commitment beyond 2010.
FRANCE	France made ambitious commitments in development assistance as part of the EU, and committed that an even greater share of its increases would be directed to sub-Saharan Africa.	After a disappointing year in 2008, France made very large ODA increases in 2009 but focused them almost exclusively on loans rather than grants. In the absence of continued expansion of loans, the budget for 2010 is expected to cut assistance. As a result, in 2010 ONE estimates that France will only have delivered 25% of its promised increases.	France has committed to meet 0.7% ODA/GNI by 2015. It has not guaranteed how much of this sum will go to Africa.	France may have set the largest commitment by volume but is only on track to deliver 25% of it (with a large proportion through loans not grants). It has not issued assurances that its performance in 2010 and beyond will be any different.
GERMANY	Germany made ambitious commitments in development assistance as part of the EU.	Germany continued to work towards its ambitious commitment, but delivered only a marginal $79 million increase in 2009, much smaller than anticipated a year previously. The projected increase for 2010 is even smaller and in total, Germany is on track for a 25% delivery.	Germany has committed to meet 0.7% ODA/GNI by 2015, but has not clarified how much of that is for Africa.	Germany is delivering a quarter of its more ambitious commitments, but is not offering assurances for the future.
ITALY	Italy made ambitious commitments in development assistance as part of the EU.	Italy's ODA to sub-Saharan Africa decreased by $331 million in 2009, bringing the total level of its increases delivered to a pathetic -6%. No changes are expected for 2010. Italy has reneged a specific commitment to the Global Fund.	Italy has committed to meet 0.7% ODA/GNI by 2015 but prospects for meeting this goal remain poor.	Italy is an utter failure as a member of the G7 and should not be considered as part of the collective commitment going forward.

	THE COMMITMENT	THE DELIVERY	OVERALL COMMENTS AND PLANS GOING FORWARD	FINAL ASSESSMENT
JAPAN	Japan issued a weak commitment that it surpassed by the time it hosted the G8 summit in Hokkaido. It then issued another weak commitment focused only on bilateral assistance.	Japan fell just short of fully meeting its 2010 target for bilateral assistance in 2009, but increased multilateral spending and is expected to deliver 149% of its promised bilateral increases in 2010.	Japan's current, very modest commitment was set to be delivered by 2012 but it will meet this goal by 2010, leaving no future targets beyond.	Japan is on track to surpass its commitment but has not established a comprehensive commitment that includes both its bilateral and multilateral resources.
UK	The UK made ambitious commitments in development assistance as part of the EU, and in 2009 even committed to maintain current budgetary plans, despite falling GNI projections.	Preliminary reports reveal lower than expected expenditure in sub-Saharan Africa in 2009. UK reports show that £1.9 billion of 2009 spending has not yet been allocated by country or region. ONE will analyse the full data when it is available in December to check for evidence that increased funds have been allocated to sub Saharan Africa in 2009 and that the UK is on track to meet planned expenditure in 2010. ONE expects the UK to deliver 93% of its total. commitment by 2010.	The UK continues to work towards reaching 0.7% ODA/GNI in 2013. In January 2010 the Government released draft legislation committing the UK to this target. There was not time for this to be passed before the May election. All three main political parties have committed themselves to the 0.7% target for 2013 and to ring-fencing public expenditure on international development.	The UK is the indisputable overall leader amongst the G7 countries in delivering on its ODA commitments.
US	The US made an absolute dollar commitment that represented a smaller share of its national wealth for development than that committed by other countries.	The US surpassed its \$8.8 billion 2010 target a year early by delivering \$9.2 billion in assistance for sub-Saharan Africa in 2009, and will deliver 158% of its committed increases by the end of 2010.	The Obama Administration has made a number of commitments to development including to double assistance by 2015 but has not yet issued an overall strategy for what it hopes to achieve (particularly in Africa).	The US is far exceeding its more modest commitments and building partnerships for 2010 and beyond.

The country variations are critical to understanding the story as a whole. Italy's failure casts such a shadow over the entire progress report that it is useful to strip it out of the group to assess progress. In fact, Italy's negative figures are responsible for nearly 47% of the shortfall in 2010. So if Italy were stripped out of the G7, the remaining G7 countries would actually have met 75% of their target.

In 2010, non-G7 donors are expected to reach \$11.97 billion in assistance for sub-Saharan Africa.[7] This will bring them to 57% of their total 2005 commitments.

The EU as a bloc is expected to have delivered only 38% of its collective commitment by 2010. In total, DAC donors are expected to deliver 60% of the total commitment.[8]

THE IMPACT OF THE FINANCIAL CRISIS ON DONOR COMMITMENTS

At the time they were agreed in 2005, G7 commitments reached $26.1 billion in total (in 2004 prices). An additional $5.3 billion (in 2004 prices) was committed by non-G7 DAC donors. However, the magnitude of the G7 commitment has been reduced over the past five years to $22.6 billion (2009 prices).

As has been noted in previous reports, one reason for this change is the clarification of targets by Canada and France. Canada originally committed to double its 2004 ODA level, but it later clarified a lower 2004 baseline from which that doubling would take place. France moved its target date for reaching 0.7% of ODA/GNI back from 2012 to 2015, reducing the 2010 interim target. These changes resulted in a net cut of $1.7 billion from the original total.

The second factor for the decrease was the financial crisis. The European members of the G7 and other DAC donors tied their commitments to a percentage of GNI, and as GNI projections have declined with the financial crisis, so too have estimates of the proportion that would be directed to ODA. For the G7, these falling GNI projections have reduced the total commitment by another $993 million.

MEASURING DEVELOPMENT ASSISTANCE

Official development assistance (ODA) is a standard definition of what donors can count as development assistance for developing countries, as defined by the OECD Development Assistance Committee (DAC). This definition is agreed upon by all 24 members of the DAC (including all G8 countries except Russia) and allows both a fair comparison of donors and assurance that the funding being compared is used for development purposes.

The 2010 DATA Report monitors ODA in constant 2009 US dollars. This helps provide a universal reference point across donors and also ensures that the full value committed to in Gleneagles is not eroded by inflation. The figures in this report are also net of bilateral debt relief. While debt relief is immensely valuable and frees up funding that would otherwise go to debt service payments, the rules of counting bilateral debt cancellation as ODA (which are set by donors themselves) overstate both the value of the debt relief and what the donor has to pay to provide it. As pointed out in previous reports, debt relief can provide an artificial boost to ODA in some years.

There is a significant time lag in the reporting of ODA data. While this report can only evaluate preliminary 2009 ODA data, the budgets that will determine spending in 2010 and even 2011 will either have been agreed or are in the process of being agreed now. In order to assess donors' performance with the most current information, ONE recognises that the DATA Report should include development assistance actions taken in the current calendar year. Unfortunately, no source exists that evaluates donors' future spending plans with a standard methodology. Once again this year, ONE has calculated projected expenditures using the most accessible budget information available for each G7 country.

G7 COUNTRY ODA PROGRESS SUMMARY

CANADA

2004-09 INCREASE:
CAD$595m ($522m)

% PROMISED INCREASES ACHIEVED BY 2009: **107%**

2004-2010 EXPECTED INCREASE:
CAD$948m ($831m)

% OF PROMISED INCREASES EXPECTED BY 2010: **170%**

OVERALL ASSESSMENT ON ODA

Canada surpassed its modest Gleneagles commitment in 2008 and remained slightly above its target in 2009. In 2009, there was a decrease of CAD$335 million ($294 million) after a large multilateral payment in the 2008 calendar year caused ODA to spike. ONE estimates that Canada will increase its ODA to sub-Saharan Africa by an additional CAD$353 million ($309 million) in 2010, meaning that it will have met 170% ($589 million) of the increases it promised at Gleneagles.

Despite Canada's commendable performance on its Gleneagles target, the government's decision to cap its International Assistance Envelope at 2010–11 levels for the next five years threatens to undermine its leadership on development, especially as the host of this year's G8 and G20 meetings. In 2010, Canada should reconsider its budget decisions, set a new, more ambitious ODA target and lead the G8 in the development of a robust post-Gleneagles partnership with sub-Saharan Africa.

CANADA'S COMMITMENT

Canada committed to double ODA from 2001 to 2010, and to double the amount of assistance to sub-Saharan Africa from 2003–04 levels by the end of 2008–09. In absolute figures, this would increase ODA to the region from CAD$1.05 billion ($750 million) in 2003–04 to CAD$1.711 billion ($1.5 billion) in 2008–09.[9]

2009 SNAPSHOT

Canada met its Gleneagles target in 2008 and maintained development assistance above that target in 2009. Net of bilateral debt relief, ODA to sub-Saharan Africa actually decreased in 2009 by CAD$335 million ($294 million), or 16%. Even with this decrease, development assistance levels did not fall below the 2010 target of CAD$1.711 billion ($1.5 billion).

Although this report is focused primarily on the G8's commitment to sub-Saharan Africa, these increases occurred within the context of global ODA fluctuations. Net of bilateral debt relief, Canada decreased its global ODA by CAD$383 million ($336 million) in 2009, a fall of 8%.

MEETING THE 2010 COMMITMENT

Between 2004 and 2009, Canada's ODA to sub-Saharan Africa (net of bilateral debt relief) increased by 52%, or CAD$595 million ($522 million). Over the same period, its global ODA increased by 18%, or CAD$699 million ($613 million). This means that 85% of Canada's increases during this time were directed to sub-Saharan Africa. Canada's ODA/GNI ratio rose from 0.26% in 2004 to 0.3% in 2009.

FRANCE

2004-09 INCREASE:
€1.385bn ($1.929bn)

% PROMISED INCREASES ACHIEVED BY 2009: **37%**

2004-2010 EXPECTED INCREASE:
€937m ($1.304bn)

% OF PROMISED INCREASES EXPECTED BY 2010: **25%**

OVERALL ASSESSMENT ON ODA

France's development assistance to sub-Saharan Africa grew substantially in 2009 with an increase of €853 million ($1.19 billion). This was a welcome change after last year's decrease, and greater than what was projected in the French budget. It was not enough, however, to put France on track to deliver its Gleneagles commitments. French budget documents indicate that 2010 ODA will be lower than what was reported to the DAC for 2009. Based on these figures, ONE estimates that France's ODA to sub-Saharan Africa in 2010 will fall by €448 million ($624 million), meaning that it will meet 25% of the increases it promised at Gleneagles. This projection is based on the most recent budget data available. France's ODA in 2010 may ultimately be higher than projected if IMF contributions remain high and if France continues to channel its ODA through loans rather than grants.

France must be commended for its ambitious Gleneagles commitment, which was the largest of the G7 as a proportion of GNI and the second largest in volume, and which focused a higher proportion of resources on sub-Saharan Africa than the rest of the EU. Although France's commitments will extend beyond 2010, with a goal of reaching 0.7% ODA/GNI in 2015, it has no budget increases planned until at least 2012.

FRANCE'S COMMITMENT

France has committed to reach 0.7% ODA/GNI by 2015. Its commitment is based on the shared EU target of reaching 0.51% ODA/GNI in 2010. Within this pledge, France has committed to spend 66% of all bilateral ODA and 50% of all multilateral ODA in sub-Saharan Africa. In absolute figures, this would mean an increase in ODA to sub-Saharan Africa from €2.234 billion ($3.111 billion) in 2004 to €5.939 billion ($8.271 billion) in 2010.

2009 SNAPSHOT

In order to be on a straight-line trajectory to meet its 2010 target, France would have needed to increase ODA to sub-Saharan Africa in 2009 by €1.587 billion ($2.209 billion). Actual increases to the region were €853 million ($1.187 billion), net of bilateral debt relief, with much of this in the form of concessional loans.

Although this report is focused primarily on the G8's commitments to sub-Saharan Africa, increases occur in the context of fluctuations in global ODA. Net of bilateral debt relief, France increased its global ODA from 2008 to 2009 by €1.418 billion ($1.975 billion), a total of 20%. Sub-Saharan Africa accounted for 60% of these increases. France's ODA/GNI ratio also increased, from 0.35% in 2008 to 0.43% in 2009.

MEETING THE 2010 COMMITMENT

Between 2004 and 2009, France's ODA to sub-Saharan Africa, net of bilateral debt relief, increased by €1.385 billion ($1.929 billion), or 62%. In the same period, France's global ODA increased by €2.475 billion ($3.446 billion), or 42%. This means that during this time 56% of France's global ODA increases were directed to sub-Saharan Africa.

In order to reach its 2010 target, France needs to increase its ODA to sub-Saharan Africa by €2.321 billion ($3.231 billion). However, ONE estimates that its ODA will actually decrease by €448 million ($624 million), compared with 2009. This means that France would have met 25% of its promised Gleneagles increases for sub-Saharan Africa. This projection is based on the most recent budget data available. France's ODA in 2010 may ultimately be higher than projected if IMF contributions remain high and if France continues to channel its ODA through loans rather than grants.

GERMANY

2004-09 INCREASE:
€719m ($1.001bn)

% PROMISED INCREASES ACHIEVED BY 2009: **23%**

2004-2010 EXPECTED INCREASE:
€782m ($1.089bn)

% OF PROMISED INCREASES EXPECTED BY 2010: **25%**

OVERALL ASSESSMENT ON ODA

In 2009 German ODA to sub-Saharan Africa increased by only €56m ($79m) – the smallest increase since the Gleneagles summit – despite efforts to increase both global ODA and allocations to the region in the 2009 budget. ONE estimates that Germany will increase its ODA to sub-Saharan Africa by €63 million ($88 million) in 2010, meaning that it will have met 25% (€782 million/$1.089 billion) of the increases it promised at Gleneagles.

Despite modest increases delivered in 2009 and projected for 2010, Germany's original Gleneagles commitment was ambitious and its increase in ODA of €719 million ($1.001 billion) to sub-Saharan Africa since 2004 is commendable. In 2010 and beyond, Germany needs to accelerate momentum to reach its global 2015 commitment, with clear targets for the region.

GERMANY'S COMMITMENT

Germany (supported by innovative instruments) committed to reach 0.51% ODA/GNI by 2010. It also agreed to spend half of these increases in sub-Saharan Africa. In absolute figures, this would mean an increase in ODA to the region from €1.879 billion ($2.617 billion) in 2004 to €5 billion ($6.963 billion) in 2010.

2009 SNAPSHOT

In order to be on a straight path towards its 2010 target, Germany would have needed to increase 2009 ODA to sub-Saharan Africa by €1.229 billion ($1.712 billion). Net of bilateral debt relief, the actual 2009 increases amounted to €56 million ($79 million), an increase of 2%.

Although this report is focused primarily on the G8's commitment to sub-Saharan Africa, these increases occur in the context of global ODA fluctuations. Net of bilateral debt relief, Germany increased its global ODA in 2009 by €573 million ($798 million), an increase of 7% from 2008.

MEETING THE 2010 COMMITMENT

Between 2004 and 2009, Germany's ODA to sub-Saharan Africa, net of bilateral debt relief, increased by 38%, or €719 million ($1.001 billion). In the same period, its global ODA increased by 56%, or €3.082 billion ($4.292 billion). This means that during this time 23% of the total increases in Germany's global ODA were directed to sub-Saharan Africa. Germany's ODA/GNI increased from 0.26% in 2004 to 0.35% in 2009.

In order to reach its Gleneagles target, Germany will need to increase ODA to sub-Saharan Africa by €2.402 billion ($3.345 billion). However, ONE estimates that in 2010 its ODA will increase by €63 million ($88 million).

ITALY

2004-09 INCREASE:
-€169m (-$235m)

% PROMISED INCREASES ACHIEVED BY 2009: **-6%**

2004-2010 EXPECTED INCREASE:
-€235m (-$169m)

% OF PROMISED INCREASES EXPECTED BY 2010: **-6%**

OVERALL ASSESSMENT ON ODA

In 2009, the year of its G8 presidency, Italy's ODA to sub-Saharan Africa fell by €238 million ($331 million). Since Gleneagles, Italy has cut ODA to the region by €169 million ($235 million). This means that it has delivered -6% of its commitment. Italy is not expected to salvage this situation in 2010. ONE estimates 2010 levels of ODA to be the same as those in 2009. Further, there is little evidence of a proposed recovery plan to re-establish progress towards a new global target of 0.51% by 2013.

ITALY'S COMMITMENT

Italy committed to reach at least 0.51% ODA/GNI by 2010 and 0.7% by 2015. This promise was made as part of the 2005 EU development assistance pledge, which also stipulated that 50% of these increases would be directed to sub-Saharan Africa. In absolute figures, this is a commitment to increase ODA to the region from €1.000 billion ($1.392 billion) in 2004 to €3.838 billion ($5.345 billion) in 2010.

2009 SNAPSHOT

In order to be on a straight path towards its 2010 target, Italy would need to increase its ODA to sub-Saharan Africa by €1.385 billion ($1.928 billion). However, between 2008 and 2009, its ODA to the region, net of debt relief, actually decreased by €238 million ($331 million) – a fall of 22%.

Although this report is focused primarily on the G8's commitment to sub-Saharan Africa, these decreases occur in the context of global ODA decreases. Net of debt relief, Italy reduced its global ODA by €583 million ($812 million) between 2008 and 2009 – a decrease of 21%. Italy's ODA/GNI fell from 0.18% in 2008 to 0.15% in 2009.

MEETING THE 2010 COMMITMENT

Between 2004 and 2009, Italy's ODA to sub-Saharan Africa decreased by €169 million ($235 million). In the same period, its global ODA decreased by €332 million ($462 million), or 13%. This means that 51% of the decreases in global ODA from 2004 to 2009 came from assistance meant for sub-Saharan Africa.

In order to be on track to meet the 2010 target, Italy would need to increase its ODA to the region by €3.007 billion ($4.188 billion). ONE estimates that its ODA to the region will remain unchanged in 2010.

JAPAN

2004-09 INCREASE: **¥129bn** ($1.376bn)

% PROMISED INCREASES ACHIEVED BY 2009: **85%**

2004-2010 EXPECTED INCREASE: **¥175bn** ($1.874m)

% OF PROMISED INCREASES EXPECTED BY 2010: **149%**

OVERALL ASSESSMENT ON ODA

Japan has almost reached its 2010 commitments to sub-Saharan Africa (made at Gleneagles and the Fourth Tokyo International Conference on African Development – TICAD IV – in May 2008). In 2009 it increased its total ODA to the region by ¥32 billion ($341 million). ONE estimates that Japan will increase ODA to the region by an additional ¥46 billion ($498 million) in 2010, meaning that it will have met 149% of the bilateral increases it promised for 2010, and will have surpassed its 2012 target this year.

Despite setting weak targets, Japan's ODA increases to sub-Saharan Africa in recent years (¥129 billion/$1.376 billion since 2004) demonstrate a growing commitment to poverty reduction in the region. Japan should solidify this commitment in 2010 by setting a transparent, ambitious target for future ODA increases that includes both bilateral and multilateral spending.

JAPAN'S COMMITMENT

In 2005, Japan committed to increase its ODA volume by ¥1.1 trillion ($10 billion) within five years. It also committed to double its ODA to sub-Saharan Africa within three years. It met its target for the region in May 2008, and made a new, similarly unambitious commitment to double bilateral ODA to sub-Saharan Africa, net of bilateral debt relief, by 2012.Based on this new commitment, using a straight-line trajectory from 2007 to 2012, Japan's target for bilateral ODA to sub-Saharan Africa in 2010 is ¥133 billion ($1.422 billion).

2009 SNAPSHOT

Japan is on track to achieve its very modest 2012 commitment. In 2009, it increased its total ODA (net of bilateral debt relief) to sub-Saharan Africa by ¥32 billion ($341 million), or 13%. Although bilateral ODA to the region, net of debt relief, decreased by ¥12 billion ($131 million) in 2009, multilateral ODA increased by ¥44 billion ($472 million).

Although this report is focused primarily on the G8's commitment to sub-Saharan Africa, these increases occur in the context of global ODA fluctuations. Net of bilateral debt relief, Japan increased its global ODA by ¥74 billion ($792 million) in 2009, a 9% increase.

MEETING THE 2010 COMMITMENT

Between 2004 and 2009, Japan's total ODA to sub-Saharan Africa, net of bilateral debt relief, increased by 83%, or ¥$129 billion ($1.376 billion). Over the same period, its global ODA decreased by ¥7 billion ($75 million), or 1%. This means that increases for sub-Saharan Africa were made despite decreases in other regions. In 2009, Japan's ODA/GNI ratio was 0.18%, the same as in 2004, despite decreases in 2007 and 2008.

In 2009, Japan achieved 85% of its bilateral 2010 target. To meet this target, Japan needs to increase its bilateral ODA by ¥13 billion (135 million). ONE estimates that in 2010 its bilateral ODA to the region will increase by ¥54 billion ($576 million), to total ¥174 billion ($1.863 billion). This means that Japan would have met 149% of its promised bilateral increases.

UK

2004-09 INCREASE:
£975m ($1.524bn)

% PROMISED INCREASES ACHIEVED BY 2009: **41%**

2004-2010 EXPECTED INCREASE:
£2.210bn ($3.452bn)

% OF PROMISED INCREASES EXPECTED BY 2010: **93%**

OVERALL ASSESSMENT ON ODA

Since hosting the Gleneagles Summit in 2005, the UK has been a leader in delivering on its commitments, and last year reached its target to double bilateral ODA to sub-Saharan Africa.[10] Despite a large increase in global ODA in 2009 that raised the UK's ODA to 0.51% of GNI, ODA for the region increased by only £240 million ($375 million). While still a significant increase, this was lower than expected and represented only one-fifth of the UK's global increase. Large volumes of 2009 bilateral assistance are yet to be allocated and may alter the final figures once reported. If so, ONE estimates that the UK has fallen just short of its 2009 target to be on track. An ambitious projected increase of £1.2 billion ($1.9 billion) for 2010 over the preliminary 2009 figures would, if delivered, enable it to meet 93% of the increases it promised at Gleneagles. A 2010 increase of this size would be greater than its £975 million ($1.52 billion) increase between 2004 and 2009.

In addition to its ambitious commitments, the UK deserves great credit for maintaining its budget projections during the economic crisis. Increases in the 2009 budget, reconfirmed in 2010, put it on target to be the first G8 country to meet the UN goal of spending 0.7% of national income in ODA.[11]

UK'S COMMITMENT

The UK committed to double its bilateral spending to sub-Saharan Africa between 2003–04 and 2007–08. It also pledged to reach 0.7% ODA/GNI by 2013. Its commitment was made as part of the 2005 EU commitment on development assistance, which stipulated that 50% of these increases would be directed to sub-Saharan Africa. In absolute figures, this is a commitment to increase ODA to the region from £1.570 billion ($2.453 billion) in 2004 to £3.955 billion ($6.177 billion) in 2010.

2009 SNAPSHOT

In order to be on a straight path towards its 2010 target, the UK would have needed to increase its 2009 ODA to sub-Saharan Africa by £890 million ($1.39 billion). Net of bilateral debt relief, its actual increases to the region were £240 million ($375 million). These figures are expected to increase once all bilateral assistance is allocated by region.

Although this report is focused primarily on the G8's commitments to sub-Saharan Africa, increases occur in the context of fluctuations in global ODA. Net of bilateral debt relief, the UK increased its global ODA by £1.209 billion ($1.888 billion) from 2008 to 2009, or 20%. Sub-Saharan Africa accounted for 20% of these increases. Between 2008 and 2009, the UK's ODA/GNI ratio increased from 0.41% to 0.51%.

MEETING THE 2010 COMMITMENT

Between 2004 and 2008, the UK's ODA to sub-Saharan Africa (net of bilateral debt relief) increased by 62%, or £975 million ($1.524 billion). In the same period, its global ODA increased by 67%, or £2.952 billion ($4.611 billion). This means that 33% of the increases in the UK's global ODA during this period were directed to sub-Saharan Africa.

In order to reach its 2010 target, the UK needs to increase ODA to sub-Saharan Africa by £1.409 billion ($2.201 billion). ONE estimates that ODA to the region is set to increase by £1.234 billion ($1.928 billion). This means that the UK would have met 93% of its committed target increases for the region.

US

2004-09 INCREASE:
$3.784bn

% PROMISED INCREASES ACHIEVED BY 2009: **111%**

2004-2010 EXPECTED INCREASE:
$5.384bn

% OF PROMISED INCREASES EXPECTED BY 2010: **158%**

OVERALL ASSESSMENT ON ODA

In 2009, US development assistance to sub-Saharan Africa rose by 14% ($1.12 billion). With this increase, the US exceeded its Gleneagles commitment one year in advance of the target. In 2010, ONE estimates that the US will increase ODA to the region by an additional $1.6 billion, meaning that it will have delivered 158% ($5.384 billion) of the increases it promised at Gleneagles.

Despite its relatively smaller commitment in 2005, the US has made the largest ODA increases by volume to sub-Saharan Africa among the G8. Although it has already committed to double foreign assistance by 2015, this commitment is expected to be met relatively easily given US interests in both sub-Saharan Africa and strategic states. In the years ahead, the US should set a new ODA commitment (including an ambitious target for sub-Saharan Africa) as part of a comprehensive national strategy on global development.

US'S COMMITMENT

The US committed to double ODA to sub-Saharan Africa between 2004 and 2010. In absolute figures, this is a commitment to increase ODA to the region from $4.4 billion in 2004 to $8.8 billion in 2010.[12]

2009 SNAPSHOT

In order to be on a straight path towards its 2010 target, the US needed to increase ODA to sub-Saharan Africa by $374 million. In 2009, it committed three times that amount – an increase of $1.12 billion, the second largest year-on-year growth after 2008. This allowed the US to meet its 2010 target a year early. Bilateral spending in 2009 grew by $791 million, or 12%, while multilateral disbursements rose by $329 million, or 22%.

This report is focused primarily on the G8's commitments to sub-Saharan Africa, but increases occur in the context of fluctuations in global ODA. Net of bilateral debt relief, the US increased its global ODA by 6% in 2009, from $26.963 billion to $28.475 billion. Sub-Saharan Africa accounted for 74% of the global growth. Between 2008 and 2009, the US's ODA/GNI ratio increased from 0.18% to 0.2%.

MEETING THE 2010 COMMITMENT

The US met its 2010 target in 2009, one year ahead of the commitment. ONE estimates that US ODA to sub-Saharan Africa will increase by $1.6 billion in 2010. This means that it would have delivered 158% of the increases it promised at Gleneagles.

FINANCING MECHANISMS

INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA)

IDA is the concessional lending arm of the World Bank, providing low-interest loans and grants to developing countries. It emphasises food security, particularly through agricultural development, as well as regional integration and infrastructure initiatives. In light of the food and financial crises, several new financing mechanisms have been developed at the World Bank of relevance to IDA-supported countries. The Global Food Response Programme (GFRP), created in 2008, will provide a total of $2 billion to help feed the most vulnerable groups (such as women and children), distribute nutritional supplements and meet expenses of food imports and seed purchases for the new season. As of April 2010, $884 million had been disbursed.[13]

To address the financial crisis, IDA has also frontloaded parts of its financing and has made additional funding available for the most desperate countries.

IDA's last replenishment (IDA15) took place in 2007. At this meeting, donors provided a record $41.6 billion for IDA initiatives in 2008–11. In 2009, IDA commitments increased from $11.2 billion to $14 billion, but disbursements remained static at approximately $9.2 billion. The sixteenth IDA replenishment (IDA16) is now underway. This replenishment round will fund IDA's activities from 2012 to 2015 – a final push towards achieving the Millennium Development Goals. The next IDA meeting will take place in June 2010.

In addition to discussing financing of IDA, the donor and NGO community will address IDA reform throughout these negotiations. Key issues on the table include IDA's effectiveness in certain sectors (such as health), climate change, gender, governance/corruption, increased commitment to monitoring and evaluation, and board representation.

AFRICAN DEVELOPMENT BANK (AFDB) AND THE AFRICAN DEVELOPMENT FUND (ADF)

The African Development Bank Group consists of two parts: the African Development Bank (AfDB), which provides 'hard' lending to qualified countries, and the African Development Fund (ADF), which both provides low-interest loans and grants to 40 least-developed countries (LDCs) in Africa and prioritises topics that other financing mechanisms often do not address. The ADF is financed by 26 donors, and funds infrastructure, governance and regional integration projects in Africa.

The ADF is funded through replenishment rounds, where donors commit funding for a three-year cycle. The ADF completed its eleventh replenishment in 2007, with a record $8.9 billion pledged for 2008–10. This included initiatives focused on governance, infrastructure, regional integration and assistance for fragile states. The twelfth ADF replenishment (ADF-12) had its initial meeting in October 2009, and a second ADF-12 consultation was held in Cape Town in February 2010. A third meeting was scheduled for May 27-28, 2010.

In order to address the global financial crisis in 2009, the AfDB frontloaded its commitments, created mechanisms to release additional resources and expedited transfers to eligible countries. These initiatives resulted in the AfDB depleting its resources much faster than expected. In order to now replenish its funding, maintain its AAA rating and increase its lending to low-income countries, the AfDB is seeking a General Capital Increase (GCI) or a replenishment of its capital base.

For this GCI (the first in over ten years), the AfDB is calling for an increase of 200%. The Bank's Governors Consultative Committee (GCC) met on 23 April 2010 and agreed to recommend the increase to the institution's Board of Governors. A final decision was expected at the annual meetings in late May. In addition, the GCC recommended specific reforms to help improve the Bank's risk management capacity, business processes, human resources and results management framework. Key reforms will also focus on providing net income transfers from the AfDB to the ADF in order to provide further support to low-income countries.

GLOBAL FUND TO FIGHT AIDS, TUBERCULOSIS AND MALARIA

Established in 2002, the Global Fund to Fight AIDS, Tuberculosis and Malaria (the Global Fund) provides predictable, coordinated funding from a variety of donors to address these three preventable diseases in developing countries. It currently channels two-thirds of its international financing to fight TB and malaria and one-fifth of its international financing to fight HIV/AIDS. Since its inception, the Global Fund has disbursed $10 billion across 140 countries. By the end of 2009, it had put 2.5 million people on antiretroviral therapy (ART), 790,000 HIV-positive pregnant women on treatment to prevent mother-to-child transmission and 6 million people on DOTS treatment for TB, and had provided 104 million insecticide-treated bednets and 108 million treatments to help fight malaria.

As a demand-driven mechanism, the Global Fund holds regular voluntary replenishment meetings for donors. At these meetings, donors exchange views on the operations and effectiveness of the organisation, consider funding needs and arrive at a consensus on contributions. In 2009, the Global Fund faced its first-ever funding gap between approved proposals from recipient countries and the financing anticipated from donors. Having addressed that shortfall in part by asking programmes to make efficiency cuts, the Global Fund now finds itself in a similarly challenging position for the 2011–13 voluntary replenishment.

The Global Fund has released three scenarios for its 2011–13 funding needs: $13 billion, $17 billion and $20 billion; $8.5 billion has already been approved and does not constitute new grants. With $20 billion, the Global Fund could significantly scale up current investments and potentially end malaria deaths and mother-to-child transmission of HIV. $17 billion would allow for a scale-up comparable to previous years, minus the achievement of several important health milestones. $13 billion would not allow any kind of programming increase, despite the demonstrated need.

To reduce the costs and improve the efficiency of grants, the Global Fund has initiated a number of measures, including the voluntary pooled procurement (VPP) mechanism and the Affordable Medicines Facility for Malaria (AMFm), both of which were launched in the spring of 2009. The VPP aims to influence price, quality and supply through bulk purchasing of first- and second-line antiretrovirals (ARVs), artemesinin-based combination therapy drugs (ACTs) to treat malaria and insecticide-treated bed-nets. The AMFm was designed to reduce the price of ACT for malaria by first negotiating with drug manufacturers and then subsidising part of the remaining cost through co-payments. It also supports the proper use of effective ACTs. Thanks in part to the AMFm, the price of ACTs is expected to drop from $11 to less than $1 per treatment – comparable to other, less effective drugs on the market such as chloroquine.

THE GLOBAL ALLIANCE FOR VACCINES AND IMMUNISATIONS (GAVI)

The Global Alliance for Vaccines and Immunisations (GAVI) was created in 2000 to complement and strengthen existing immunisation programmes. GAVI works to ensure that critical vaccines – both new ones and those that are not widely accessible in the developing world – are delivered in a timely manner and at an affordable price. GAVI also helps ensure that recipient countries are properly equipped to deliver the vaccines. GAVI works in 70 of the poorest countries around the world.

Pooled purchasing has helped GAVI to increase the supply and lower the prices of certain vaccines for low-income countries. To help guarantee a market for vaccine manufacturers, GAVI aggregates the demand of low-income countries and also ensures the availability of long-term, sustainable financial support. In addition, it provides time-limited funding (usually over five years) for the supply of vaccines and other forms of support to strengthen country health systems and immunisation services.

GAVI resources have also been used to accelerate the development and introduction of vaccines against rotavirus and pneumococcal disease. These two diseases are the biggest killers of children worldwide. Over the next six years, GAVI estimates that it will vaccinate 110 million children against pneumococcal disease and 58 million children against rotavirus. Combined, this will prevent 11 million cases of the diseases and prevent more than 1 million deaths.

In 2010 – for the first time – GAVI is actively engaging in a replenishment process with donors. It needs $7 billion between 2010 and 2015 (an average of $1.17 billion annually), and estimates that this funding will save a total of 4.2 million lives. GAVI has already secured $2.7 billion through long-term donor commitments, but $4.3 billion (an average of $720 million annually) is still needed. In order to roll out the pneumococcal and rotavirus vaccines, new and existing donors will need to scale up their annual contributions, as the current contributions ($350 million annually) will not meet these costs.

GLOBAL AGRICULTURE AND FOOD SECURITY PROGRAMME (GAFSP)

The Global Agriculture and Food Security Programme (GAFSP) is a multilateral food security trust fund. It was first called for at the 2009 Pittsburgh G20 meeting as a complement to the L'Aquila Food Security Initiative proposed at the 2009 G8 summit. The fund is independently governed by donors and recipients and includes civil society representation. It is administered by the World Bank, but mirrors the principles of the L'Aquila Food Security Initiative and serves to finance developing countries' vetted agriculture plans through predictable, long-term and well-coordinated financing.

GAFSP focuses on three major areas of agricultural development: agricultural productivity, linking farmers to markets, and technical assistance and capacity-building. GAFSP will also provide financing for small and medium-sized agribusinesses to help bring smallholder farmers into the local and global value chains.

As of April 2010, five donors had made GAFSP commitments: the US ($475 million), Canada ($230 million), Spain ($95 million), South Korea ($50 million) and the Bill and Melinda Gates Foundation ($30 million). This brings GAFSP's total funding to just under $900 million. The US and Canada both pledged new money that was not previously in the pipeline for agriculture or food security. While it is unclear whether the funding from Spain and South Korea is also new, it is encouraging to see these two donors step up with new multilateral contributions.

INNOVATIVE FINANCING

External resources are only one stream of resources for development – the other two being domestic resources and private capital mobilised through investment and trade. Within the category of external resources, there is growing realisation that innovative financing must play an increasingly prominent role. Public financing from external donors is too reliant on the political and economic realities of the Western world to deliver the predictable resources needed. In the wake of the worst global financial crisis since the 1930s and the growing threat of climate change, this situation has only worsened.

Innovative financing, although relatively new, has already generated billions of dollars for development –particularly for health-related investments. This section examines some of the key mechanisms that have emerged to help build significant new resources for Africa's development.

UNITAID AND MASSIVEGOOD

UNITAID provides long-term, sustainable and predictable finance for drugs to fight HIV/AIDS, malaria and tuberculosis. It was founded in 2006 by Brazil, Chile, France, Norway, the UK and the Gates Foundation. As of 2010, there are 29 participating countries.

One of UNITAID's primary financing mechanisms is a $2 levy on airline tickets for flights departing from participating countries. UNITAID uses these funds to negotiate better terms, speedier delivery and new products with partners who purchase and distribute drugs. For example, working with the Clinton HIV/AIDS Initiative (CHAI), UNITAD has negotiated a price reduction for second-line drugs from $315 to $159 per year and a 60% price cut for key paediatric HIV treatment, and has urged the introduction of 11 new and more effective paediatric formulations. UNITAD also supports the efforts of the WHO Prequalification Programme, the Stop TB Partnership and the Fund for Innovative New Diagnostics (FIND) to accelerate development of new ways to diagnose TB.

To date, UNITAID has raised $1.4 billion and disbursed $1 billion. The balance currently sits with the WHO to help ensure long-term drug provision.

In early 2010, MassiveGood was launched in the US as a way to extend the UNITAID concept to non-participating countries. In this version, people are encouraged to voluntarily make a $2 contribution every time they buy a plane ticket, reserve a hotel room or rent a car.

THE INTERNATIONAL FINANCE FACILITY FOR IMMUNISATION

The IFFIm was launched in 2006 by the UK's then Chancellor Gordon Brown. This mechanism uses financial markets to convert future aid flows into immediate resources for GAVI and for vaccines. This frontloading was achieved by securing legally binding 10–20 year pledges from donors to sell bonds on the capital markets with competitive interest rates.

The IFFIm is supported by France, Italy, Norway, Spain, Sweden, the UK and South Africa. These countries have collectively pledged $5.3 billion over 20 years. The Netherlands joined this group in 2009, committing roughly $100 million over seven years. The IFFIm converts these pledges into cash resources by issuing bonds in the capital markets. These bonds then produce a return that is used to support GAVI's immunisation efforts. In total, bond offerings have raised more than $2 billion, which has been contributed to GAVI's programmes. A total anticipated IFFIm disbursement of $4 billion by 2015 is expected to protect more than 500 million children through immunisation.

ADVANCED MARKET COMMITMENTS

AMCs incentivise companies to invest in manufacturing and supplying vaccines for diseases prevalent in developing countries that would otherwise be neglected due to the lack of a viable market. Donors help purchase vaccines once they are produced at a price that allows drug companies to recoup research and development costs. Companies then supply their vaccines at a heavily reduced price.

In June 2009, a pilot AMC was launched to help speed up the development and availability of the pneumococcal vaccine. While a vaccine was available in the West, the drug was far too expensive for developing countries to purchase. Furthermore, the strain of the virus found in the developing world required further research to ensure the most effective treatment. The UK, Italy, Canada, Russia, Norway and the Gates Foundation agreed to provide $1.5 billion for the AMC, which will be disbursed through the World Bank and UNICEF. GlaxoSmithKline and Pfizer Inc. will supply the pneumococcal vaccines, which should be distributed before the end of 2010. The initial vaccine will cost $7 per dose, and the AMC will pay for half the cost. Once the $1.5 billion pledge is exhausted, the companies have committed to supply the vaccine for a maximum price of $3.50 for the next ten years. This represents a 95% reduction from current prices in developed countries.

While AMCs have focused exclusively on the health sector to date, they are now being seen as a potential model for a number of other products in several additional sectors.

PRODUCT (RED)

(RED), launched in January 2006, works to raise awareness and money for the Global Fund to Fight AIDS, Tuberculosis and Malaria. It forms partnerships with established consumer brands, which agree to contribute a portion of their profits from each (RED) item sold. (RED) has so far formed product partnerships with American Express, Apple, Bugaboo, Converse, Dell, Emporio Armani, Gap, Hallmark, Nike, Shazam, Starbucks and Microsoft Windows, as well as 'special edition' partnerships with a number of other companies. In 2009, (RED) launched a concert series called (RED)NIGHTS, and in 2010 it hosted a special Valentine's Day initiative in the UK called FLOWE(RED).

The purchase of (RED) products has generated over $140 million for the Global Fund. 100% of (RED) money is allocated to one of the Global Fund (RED) grants in Ghana, Lesotho, Rwanda, South Africa, Swaziland and Zambia. More than 5 million people have benefited from HIV/AIDS programmes supported by (RED) and the Global Fund. To date, (RED) money has helped provide 145,000 people with ARV treatment, 84,000 HIV-positive pregnant women with preventative ART and 4.8 million people with HIV/AIDS counselling and testing.

DEBT2HEALTH

Debt2Health is an initiative designed to transfer debt payments into health investments through the Global Fund. Creditors agree to write off portions of their claims provided that the recipient country invests a pre-agreed percentage of its debt into approved Global Fund programmes. The counterpart payment can be a one-time payment or consist of instalments that correspond to the debt service payments.

Germany was the first Debt2Health creditor, with a $290.2 million commitment for 2008–10. The first three-party agreement was between Germany, Indonesia and the Global Fund for the conversion of $72.6 million, which will go towards HIV services and public health interventions in the country. A similar partnership has been agreed between Germany and Pakistan. Talks are ongoing with other creditors to form the next wave of partnerships.

HIGH LEVEL ADVISORY GROUP ON CLIMATE CHANGE FINANCING

The Copenhagen Accord, signed by over 110 countries in December 2009, agreed that $100 billion would be raised anually by 2020 to help developing countries adapt to the effects of climate change. The UN Secretary-General assembled a High Level Advisory Group to produce recommendations on how to mobilise funding. The Group, co-chaired by Meles Zenawi and Gordon Brown, will present its recommendations prior to the 2010 COP16 climate summit in Cancun. Other members of the working group include Larry Summers, Nick Stern, Trevor Manual, Christine Lagarde and Donald Kaberuka.

Key to reaching the $100 billion target will be an innovative financing component. Initial ideas have included authorising use of the IMF's Special Drawing Rights, new levies on aviation and shipping, financial sector taxation, carbon certificates and carbon trading schemes.

EFFECTIVENESS AND QUALITY OF ODA

In March 2005, more than 150 donors, multilateral organisations and developing countries signed the Paris Declaration on Aid Effectiveness, an agreement to improve and monitor the quality of development assistance. The signatories agreed to monitor progress against specific indicators of aid quality, most with a 2010 deadline.

In addition, the Paris Declaration Survey proposed three high-level policy recommendations to accelerate efforts to improve aid effectiveness:[14]

IMPROVE COUNTRY SYSTEMS TO MANAGE DEVELOPMENT FINANCE

To increase efficiency and improve alignment with recipient countries' development agendas, both ODA and domestically raised resources should be managed by the same set of country-level, public finance and expenditure management systems. Both donors and developing countries should work to strengthen these systems.

IMPROVE ACCOUNTABILITY OF DEVELOPMENT RESOURCES

Recipient governments should be held accountable by their parliaments and citizens on how they use external and domestic development resources. In addition, both donors and recipients should be held accountable to their commitments to improve aid quality.

HARMONISE AID DELIVERY AND MONITORING SYSTEMS TO REDUCE COORDINATION BURDEN

The transfer of development assistance from donors to recipient countries often leads to high transaction costs, in lost time and money for both donors and developing countries. Delivering aid through country systems and joint donor approaches can help reduce these transaction costs and increase the impact of resources.

In mid-2005 at the Gleneagles summit, G8 leaders reiterated their support for the Paris Declaration by agreeing to 'implement and be monitored on all commitments made in the Paris Declaration on aid effectiveness, including enhancing efforts to untie aid; disbursing aid in a timely and predictable fashion, through partner country systems where possible'.[15]

Progress on the Paris Declaration principles was reviewed in September 2008 at the Third High-Level Forum on Aid Effectiveness in Accra. The Forum concluded that, while significant advances had been achieved (particularly by recipient country governments), overall progress had not been sufficient and a major push was needed to meet the goals by 2010. Forum participants concluded that 'a more vigorous, imaginative, and concerted approach' was needed from both donors and developing countries.[16] With the Accra Agenda for Action (AAA), signatories agreed to a set of reforms that would tackle the policy objectives agreed to in the Paris Declaration. While the AAA 'encouraged' donors to prepare plans for acting on these reforms, it was not a mandatory requirement.

In 2008 and 2009, several G8 donors – including Canada, Germany, Italy and the UK – prepared action plans to meet their Accra aid effectiveness commitments. This year, many of these plans are being updated and strengthened. France, Japan and the US are either still developing their action plans or revising strategic frameworks that embrace these effectiveness principles.

While these plans include time-specific goals, data that can be used to evaluate progress over the past year are limited. In early 2010, the DAC compiled self-assessments from 23 DAC members and observers regarding progress on the Accra commitments. These reports provided some insight, but the real measure of members' actions will not be documented until next year when the DAC Working Committee on Aid Effectiveness releases official survey results. Consequently, this year's DATA Report includes results from the DAC's 2008 Survey. New analysis compiled by the Capacity Building Project (CBP) at Debt Relief International and notable trends are also included. The DAC Working Committee on Aid Effectiveness will conduct another survey of performance, the results of which will indicate the degree of success of donors in meeting aid effectiveness targets by 2010. This survey, however, will not be published until 2011.

Taking this into consideration, this report focuses on five reform areas included in the Accra Agenda for Action:[17]

- TRANSPARENCY AND REPORTING
- PREDICTABILITY OF AID, INCLUDING COUNTRY PROGRAMMABLE AID (A NEW MEASURE ADDED TO THIS YEAR'S REPORT)
- USE OF RECIPIENT COUNTRY NATIONAL SYSTEMS
- UNTYING OF ODA AND LOCAL COMPETITIVE PROCUREMENT
- GRANT/LOAN MIX OF ODA (ALSO NEW TO THE 2010 DATA REPORT)

While not exhaustive of the efforts needed to implement the Paris Declaration and Accra Agenda, these five areas are critical to the overall agenda.

TRANSPARENCY AND REPORTING

Accurate and timely reporting of ODA transfers greatly helps improve aid effectiveness by clarifying the amount of resources provided, how these resources are spent and the results they are intended to achieve. This can help ensure that developing countries are able to plan strategically, donors are able to coordinate with each other and beneficiaries are able to monitor and plan ahead. Transparency and reporting can also help citizens in donor and developing countries hold their governments accountable for how development resources are allocated and invested.

The extent to which ODA is accurately recorded in developing countries' annual budgets is an important gauge of transparency and reporting. ONE's DATA Report uses two indicators to measure improvements on transparency and reporting:

- The percentage of total ODA specifically directed to the recipient government that is recorded in the recipient country's estimates of external aid flows;
- The percentage of total ODA to a recipient country (to both government and non-government sectors) that is recorded in the recipient country's budget.

New data for 2009–10 suggest that donors have made little progress in recording ODA in recipients' budgets. The UK – as the best performer in this category – showed a marked improvement, while the US – which lags on this indicator – slid even further behind.

NEW INITIATIVES FOR AID TRANSPARENCY

INTERNATIONAL AID TRANSPARENCY INITIATIVE

The International Aid Transparency Initiative (IATI), which is supported by 12 donor governments, five multilateral institutions and one private foundation, aims to increase access to development assistance information and to make aid more effective. The Initiative was launched in Accra at the September 2008 High Level Forum on Aid Effectiveness.

The current 18 donor members are Australia, Denmark, the European Commission, Finland, GAVI, Germany, the William and Flora Hewlett Foundation, Ireland, the Netherlands, New Zealand, Norway, Spain, Sweden, Switzerland, the UK, UNDP, the World Bank and the Asian Development Bank. Thirteen developing countries have also endorsed IATI and a number of other donors are actively participating in the process.

In 2009 IATI conducted 14 consultations with partner countries and civil society. Its aim is to reach an agreement by March 2011 on a code of conduct for signatories, as well as a common standard, format and definition for the publication of aid information.

PUBLISH WHAT YOU FUND

Publish What You Fund is a global campaign that aims to provide a platform for enhanced aid transparency. Formed by global civil society groups in September 2008 at Accra, the group includes organisations that work on aid effectiveness, governance, integrity and access to government information.

Publish What You Fund is based on four principles, which are designed to be signed by all public and private bodies engaged in aid funding and delivery, including donors (public or private), NGOs and contractors:

- Information on aid should be published proactively – an organisation should tell people what it is they are doing, when, and how.
- Information on aid should be timely, accessible and comparable – the information should be provided in a format that is useful.
- Everyone can request and receive information on aid processes – ensure that everyone is able to access the information as and when they wish.
- The right of access to information about aid should be promoted – an organisation should actively promote the fact that people have this right.

Along with Tiri, UKAN, Accessinfo and ActionAid, ONE was a member of the initial group of organisations that launched the campaign on 1 September 2008 in Accra at the global CSO meeting on Aid Effectiveness.

PREDICTABILITY

Predictable aid flows can help developing countries to better budget and plan for their development priorities over a longer time horizon, often enabling them to more effectively pursue medium- to long-term growth strategies and investments that require multiple years to show impact, such as strengthening institutions and infrastructure. Erratic aid flows, on the other hand, can make it difficult for countries to align ODA transfers with their own expenditures and can reduce the impact of aid investments. The indicators used by the 2010 DATA Report to monitor predictability are:

- A comparison of ODA scheduled by donors for disbursement with disbursements recorded by the recipient government;
- The percentage of pledges which materialise as disbursements in the year they are scheduled (from a recipient perspective);
- The percentage of donor commitments with a clear disbursement timetable;
- The percentage of commitments made on a multi-year basis (three years or more);
- The percentage of gross disbursements of Country Programmable Aid (CPA)

Included for the first time in the DATA Report, CPA is a relatively new means of measuring aid predictability. Defined by the OECD as 'core' development assistance, CPA is ODA that qualifies as budget support, sector-wide programme support or various forms of project and programme support that partner countries are able to implement themselves.[18] CPA is calculated by subtracting aid that is unpredictable by nature: debt relief, humanitarian aid, ODA that is spent within the donor country (administration costs, student and refugee costs), food aid and funding to national or international NGOs.

Over the past year, all G8 members backtracked on the proportion of commitments to be disbursed in the year scheduled, with Canada and the US falling back the most. On the other hand, nearly every donor improved in the area of multi-year commitments, particularly France and the UK. The DAC continues to note that serious challenges remain to improving the timeliness of aid information in order to allow recipient governments to budget and plan more efficiently. Several donors say that they are addressing this problem through support to IATI. Of the G8, only Germany and the UK currently contribute to the organisation.[19]

The proportion of annual ODA disbursed by G7 members as CPA for sub-Saharan Africa has increased in recent years – from 42% in 2004 to 59% in 2008 – while the absolute value of CPA has grown by $4.1 billion, or 63%. The percentage of CPA for every G7 country, except Germany, grew between 2004 and 2008. France, Italy and Japan recorded the largest gains. In absolute terms, all G7 members increased CPA amounts, with Canada, France, Japan and the US making the most significant advances.

USE OF NATIONAL SYSTEMS

Utilising national fiduciary mechanisms can help encourage sustainable development programmes by strengthening local capacity, better aligning aid with country priorities and enhancing local ownership. By channelling resources through parallel systems, on the other hand, donors can place additional administrative and reporting burdens on developing country governments and often undermine the strength of country systems.

The use of national systems requires a strong commitment by the recipient government. It must agree to create and maintain systems that are transparent and have mechanisms in place to combat corruption at all levels. When signing the Paris Declaration, developing countries pledged to improve their systems, and donors agreed to utilise these local systems as much as possible. The indicators ONE's DATA Report uses to assess the use of national systems are:

- The percentage of recipient government sector ODA that uses (i) the recipient countries' public financial management systems and (ii) local procurement systems;
- The average time it takes to complete procurement procedures carried out by or required by the donor.

New data indicate that in the past year there has been little change on the time it took to complete procurement procedures: three G7 members shortened the time slightly while four lengthened the process. According to a DAC assessment, donors remain committed to increasing their use of country systems, though they begin at very different starting points. The UK, for example, says it has already met the Accra target of channelling 50% of government-to-government aid through country systems. Others, however, are still identifying obstacles or issuing guidance on how to improve.[20]

UNTYING OF ODA AND LOCAL COMPETITIVE PROCUREMENT

Tied aid – or aid that requires purchases from the donor country or from a specified group of countries – significantly erodes the value of development assistance and drives up the cost of many goods and services. In 2001, major donors agreed to untie ODA. This agreement occurred just around the time that an OECD study found that tied aid caused beneficiaries to lose 20–30% of the value of aid.[21] Momentum continued with the Paris Declaration and the Accra Action Agenda, and since then notable progress has been made: untied assistance had increased from 40% in the mid-1980s to 70% by 2005–07.[22] However, these pledges have excluded two key types of ODA: food assistance and technical cooperation. The agreements have also failed to include quantitative targets or clear timelines.

The indicators the DATA Report uses to assess untied aid and the use of local competitive procurement are:

- The percentage of bilateral tied ODA reported to the DAC (though this excludes food aid and technical assistance);

- The percentage of ODA that is subject to local competitive bidding in the host country (including technical assistance and food aid).

A recent DAC analysis on tied aid trends offered some promising results: 81% of ODA in 2008 was untied. The analysis found that Canada, France, Germany and the UK had either fully or almost fully untied their ODA (or had a clear plan in place to do so). Meanwhile, the US and Japan have made less progress and also continue to hold different interpretations of the Accra commitment.[23] This leaves Italy as the only G7 country still to tie a large portion of its ODA – with no plan in place to change this practice.[24] An independent evaluation also cautioned that while DAC donors had made considerable progress in untying their development assistance, 'some have done little more than nominally untying their aid in a legal or regulatory sense'.[25]

ODA LOANS AND GRANTS

Whether development assistance is extended as a grant or as a loan can also be a key determinant of aid quality and effectiveness. In order to qualify as ODA under DAC rules, assistance must have a 'grant component' of at least 25%. Since 1978, DAC guidelines have actually called for donors to pursue an average grant element of 86%.[26] Following the 1980s Latin American debt crisis and the 1990s debt relief campaign, several donors decided to completely end the use of loans in development assistance and make all transfers in the form of grants. In 2000, an influential US commission examining the role of International Financial Institutions (IFIs) concluded that 'outright grants rather than loans provide a realistic vehicle for poverty alleviation'. The commission recommended that multilateral development banks replace loans and loan guarantees for infrastructure and social service projects in poor countries with grants.[27] It is critical that donors take measures to avoid a new debt crisis – particularly during the global financial crisis – by maximising the use of grant assistance.

G7 countries appear to fall into three categories regarding their grant/loans allocation to sub-Saharan Africa. Canada and the US extend virtually 100% of ODA as grants. Germany and the UK disburse most of their development assistance in the form of grants – around 94% in 2008. France, Italy and Japan, however, provide a much larger amount of ODA as loans.

The following pages detail the country findings on ODA effectiveness, based on the five indicators described above.

CANADA

Overall, Canada scores well on predictability – although its performance on the percentage of ODA delivered on schedule fell slightly in 2009. In terms of gross disbursement shares to sub-Saharan Africa, Canadian CPA led all other G7 countries in 2008 (its 82% level was down just 1% from the previous year). The absolute value of Canadian CPA also increased by nearly 50% between 2007 and 2008, marking a positive change.

Canada also improved on showing its ODA in national budgets, but still remains below the level it maintained at the time of the 2005 Paris Declaration. It saw substantial increases in its use of country public financial management systems and reduced delays in the completion of procurement procedures. Canada also significantly increased its proportion of bilateral untied aid – and pledged to untie all ODA by 2012–13, including food aid starting in 2008. It further improved on the percentage of ODA that goes through competitive local procurement. Once again, in 2008 Canada provided none of its ODA in the form of loans.

The Canadian International Development Agency (CIDA) also crafted an Aid Effectiveness Action Plan for 2009–12. The plan includes time-bound actions and targets around seven goals – focus, efficiency, accountability, predictability, alignment, partnerships and fragile states.

FRANCE

France falls in the middle of the G7 performance on most aid effectiveness measures. Aid predictability – an area where it has been weak in the past – improved in 2009, with a significant increase in the amount of three-year commitments pledged. France's CPA to sub-Saharan Africa grew slightly to 59%, although its absolute volume of CPA fell by 13% between 2006–08.

France continued to score well on showing ODA on its budgets. The percentage of ODA subject to competitive local procurement, however, fell in 2009, suggesting a larger number of contracts for French suppliers.

Of particular concern in 2008 was the sharp spike in the number of French ODA loans to the region. The percentage went from 8.2% in 2007 to 14.1% in 2008, following a consistent five-year trend. The level of French tied aid also rose in 2008 to 15%, higher than the 2006–08 average of 11%.

France has not issued an Aid Effectiveness Action Plan.

GERMANY

There were few changes in Germany's aid effectiveness performance in 2009. Transparency and predictability scores were largely the same, although modest improvements were made in the areas of working with national systems and local competitive procurement. German CPA increased by $176 million in 2008 – or 20% – but declined as a proportion of total ODA to sub-Saharan Africa, from 43% to 38%. The number of German loans disbursed to sub-Saharan Africa remained relatively low, at 6% of total bilateral ODA, but German tied aid rose slightly, from an average of 19% in 2006–08 to 23% in 2008.

The German Plan of Operations for aid effectiveness, issued in April 2009, sets out an aggressive action agenda across seven areas: ownership and alignment; partner-led donor coordination; predictability and transparency; accountability; fragile states; dialogue with 'anchor' and middle-income countries; and monitoring. The Plan of Operations also includes specific timeframes. Germany reports that it is developing plans for using country systems and that it has current capacity to provide information on three-year expenditures, although it hopes to aim for three-to-five-year plans.

ITALY

Italy's weak performance on aid effectiveness continues. Most significantly, the percentage of aid subject to local competitive procurement dropped by half in 2009, totalling just 20.5%. This is by far the lowest level among the G7. In addition, delays in completing procurement procedures increased last year. While the percentage of three-year ODA commitments improved slightly to 14.8%, Italy still remains well behind other G7 donors in this category. Yet in 2005 Italy had higher multi-year commitments than any G7 country – 87.5%. Italy's proportion of CPA to sub-Saharan Africa also fell in 2008, from 74% in 2007 to 67% – and the absolute value of CPA remained flat at $257 million. On a more positive note, gross disbursements of 2008 ODA loans declined from 22.6% to 14.1% of the total. Italy also reduced its tied aid level to 21% from a 2006–08 average of 24%.

In 2009, Italy issued an Aid Effectiveness Action Plan that created 12 thematic working groups on areas including policy coherence, country planning, fragile states, evaluation and untied aid. Italy further reports that it has created an Aid Effectiveness Marker, which will allow it to assess whether programmes and projects align with Paris and Accra aid effectiveness principles. According to the Italian government, Italy is taking steps to improve transparency and accountability practices, the results of which will be presented at the G8 summit in Muskoka this summer.

JAPAN

Japan's performance on aid effectiveness measures changed little in the past year – except in two areas. There were small decreases in the percentage of Japanese ODA shown on country budgets, in the portion of disbursements that appeared in the scheduled year and in the amount of commitments made on a multi-year basis. Japan continued to improve, however, on the portion of ODA that is subject to competitive local procurement – a trend observed for the past several years. However, Japan still remains one of the G7's weakest performers on this measure. The amount of CPA provided by Japan surged in 2008 to 73%, roughly double the average of the four previous years. The absolute value of CPA also rose by 17%. Yet ODA extended on a loan basis shot up in 2008, growing from 9.6% of total ODA to sub-Saharan Africa to 24.7%. This made Japan's ODA loan percentage by far the largest among any DAC country. Its 2008 tied aid remained roughly the same; at 3%, it is one of the lowest among G7 donors.

Japan has not issued an Accra Action Plan. The country reports, however, that it has met the Accra targets for using country systems and is now producing rolling three-to-five-year expenditure plans on the Foreign Ministry website.

UK

The UK continued to lead all other G7 countries on aid effectiveness, even strengthening its position in two categories. The percentage of British ODA subject to competitive local procurement increased from a robust 89.3% to 95.1%. The proportion of three-year commitments grew significantly to 80%, far outpacing any other G7 donor. The proportion of UK CPA to sub-Saharan Africa also increased, from 61% in 2007 to 73% in 2008, and the absolute value of CPA disbursements grew by 21% over 2007 levels. The UK cut the number of ODA loans in half in 2008, dropping the loan proportion from 12.2% to 5.9% of the total. In 2008, the UK also continued its practice of untying all ODA.

In July 2009, the Department for International Development (DFID) issued its aid effectiveness action plan, which identifies three post-Accra priorities: improve predictability of ODA; enhance aid transparency so that all government-to-government support is shown on partner country budgets; and increase the use of mutual accountability at the country level.

US

The US's performance contained both progress and disappointment in terms of aid effectiveness. The percentage of US aid subject to competitive local procurement spiked sharply, growing from 37% to 62.5%. This placed the US among the top performers of the G7. Multi-year commitments also improved to 44.8%. Although US CPA as a proportion of ODA to sub-Saharan Africa fell slightly to 55% from 57% in 2007, the absolute amount grew by 42% – or $1.1 billion over the amount disbursed in 2007. The US also continues to disburse ODA almost exclusively in the form of grants. In fact, in 2008 it issued no loans at all. While the amount of US tied aid declined in 2008 to 27%, it still remains high relative to other G7 donors.

On a less positive note, the proportion of commitments delivered on time declined from 68.3% to 62.5% – a low mark when compared with others. The percentage of ODA shown on the budget also dropped to 28.5%, the lowest within the G7.

Although the US has not issued an aid effectiveness action plan, two initiatives currently underway signal positive change. The Presidential Study Directive on Global Development – led by the White House – will provide, according to US officials, a framework for the first ever US national strategy on global development. The Quadrennial Diplomacy and Development Review, launched by the Department of State and USAID, is meant to enhance US diplomatic and development activities. Congress has also introduced legislation to increase transparency and accountability in US foreign aid programmes. ONE strongly encourages the Administration to be guided by aid effectiveness principles and to work with Congress to enact appropriate legislation.

APPENDIX 1

THE TABLE BELOW SHOWS THE INFORMATION THAT ONE HAS COLLECTED ON THE EFFECTIVENESS OF ODA.

	TRANSPARENCY AND REPORTING		**PREDICTABILITY**			
	DAC/PD	CBP	DAC/PD	CBP	CBP	CBP
	MATCH BETWEEN GOVERNMENT BUDGET ESTIMATES AND ODA DISBURSEMENTS BY DONORS FOR THE GOVERNMENT SECTOR (2008)	% OF TOTAL ODA TO COUNTRY SHOWN ON BUDGET (IE MEASURED INCLUDING ODA TO NGOS) (2009/10)	SHORT TERM: DISBURSEMENTS RECORDED BY GOVERNMENT AS % OF ODA SCHEDULED FOR DISBURSEMENT (2008)	SHORT TERM: PLEDGES FULFILLED: % OF COMMITMENTS WHICH MATERIALISE AS DISBURSEMENTS IN SCHEDULED YEAR (2009/10)	SHORT TERM: % OF COMMITMENTS WITH CLEAR DISBURSEMENT TIMETABLE (2009/10)	MEDIUM TERM: % OF COMMITMENTS MADE ON MULTI-YEAR BASIS (3 YEARS OR MORE) (2009/10)
	CRITERION 1	CRITERION 2	CRITERION 1	CRITERION 2	CRITERION 3	CRITERION 4
CANADA	**80.27%**	**36.8%**	**75.94%**	**75.0%**	**72.8%**	**54.2%**
FRANCE	**74.40%**	**56.5%**	**56.74%**	**75.0%**	**70.0%**	**43.5%**
GERMANY	**84.23%**	**42.0%**	**69.01%**	**83.5%**	**78.8%**	**55.3%**
ITALY	**30.49%**	**52.0%**	**52.62%**	**47.8%**	**57.0%**	**14.8%**
JAPAN	**77.97%**	**45.8%**	**75.63%**	**81.8%**	**81.3%**	**34.0%**
UK	**91.13%**	**75.0%**	**83.74%**	**82.0%**	**90.0%**	**80.0%**
US	**100.35%**	**28.5%**	**53.8%**	**62.5%**	**80.0%**	**44.8%**

WORKING WITH NATIONAL SYSTEMS			TIED ODA AND LOCAL COMPETITIVE PROCUREMENT	
DAC/PD	DAC/PD	CBP	DAC 2008	CBP
% OF ODA FOR GOVERNMENT SECTORS THAT USES COUNTRY PUBLIC FINANCE SYSTEMS (2008)	% OF ODA FOR GOVERNMENT SECTORS THAT USES COUNTRY PROCUREMENT SYSTEMS (2008)	DELAYS (IN MONTHS) OF DONOR'S FUNDS TO COMPLETE PROCUREMENT PROCEDURES (2009/10)	TIED ODA AS % OF BILATERAL ODA, EXCLUDING ADMINISTRATIVE COSTS	% OF ODA SUBJECT TO COMPETITIVE LOCAL PROCUREMENT, INCLUDING TECHNICAL ASSISTANCE AND FOOD AID
CRITERION 1	CRITERION 2	CRITERION 3	CRITERION 1	CRITERION 2
74.71%	38.77%	4.8	20%	68.0%
39.93%	59.30%	6.9	15%	45.5%
40.21%	59.69%	5.5	23%	45.8%
18.41%	52.22%	7.7	21%	20.5%
61.68%	60.95%	6.5	3%	32.0%
77.38%	68.28%	3.6	0%	95.1%
3.39%	4.70%	6.2	27%	62.5%

APPENDIX 2

COUNTRY PROGRAMMABLE AID TO SUB-SAHARAN AFRICA ($ MILLIONS 2009 CONSTANT PRICES)

	2004	2005	2006	2007	2008
CANADA	500	543	516	628	938
FRANCE	1,411	1,380	2,116	1,977	1,834
GERMANY	902	818	832	905	1,082
ITALY	180	246	241	257	257
JAPAN	501	626	739	958	1,116
UK	1,233	1,258	1,456	1,337	1,621
US	1,825	1,845	2,232	2,677	3,812

APPENDIX 3

COUNTRY PROGRAMMABLE AID AS % OF GROSS DISBURSEMENTS TO SUB-SAHARAN AFRICA

	2004	2005	2006	2007	2008
CANADA	69%	71%	59%	83%	82%
FRANCE	32%	25%	35%	57%	59%
GERMANY	60%	26%	20%	43%	38%
ITALY	45%	23%	17%	74%	67%
JAPAN	22%	28%	19%	39%	73%
UK	56%	35%	29%	61%	73%
US	46%	41%	37%	57%	55%
TOTAL G7	**42%**	**32%**	**30%**	**54%**	**59%**

APPENDIX 4

GROSS LOANS AS % OF GROSS BILATERAL DISBURSEMENTS TO SUB-SAHARAN AFRICA

	2004	2005	2006	2007	2008
CANADA	0.0%	0.0%	0.0%	0.0%	0.0%
FRANCE	5.8%	6.6%	8.1%	8.2%	14.3%
GERMANY	6.7%	2.3%	1.8%	5.7%	6.0%
ITALY	5.2%	13.1%	7.4%	22.6%	14.1%
JAPAN	2.7%	25.9%	4.4%	9.6%	24.7%
UK	6.7%	2.7%	1.5%	12.2%	5.9%
US	1.7%	0.3%	1.3%	0.1%	0.0%
TOTAL G7	**4.3%**	**5.8%**	**3.6%**	**6.2%**	**6.4%**

DEBT

In order to alleviate unsustainable debt burdens on some of the world's poorest countries, over the past decade the G8 have worked with other donors to launch two rounds of debt cancellation. Over the years, these debt agreements have served as one of the clearest examples of a promise fulfilled and have freed up substantial resources for poverty reduction.

However, the gains delivered by these commitments are currently at risk. The G8 are off track to meet their Gleneagles commitment to provide full and timely financing to compensate the international financial institutions for Multilateral Debt Relief Initiative (MDRI) assistance. Moreover, the impact of the global economic crisis, coupled with billions of dollars in emergency lending, has increased the level of unsustainable debt for many sub-Saharan African countries. As a result, many Heavily Indebted Poor Countries (HIPCs) in Africa are in danger of reversing years of progress on debt relief and sliding back into debt distress.

THE COMMITMENT

In response to the crushing debt burdens that impede the ability of poor countries to invest in development, the global community has launched two rounds of debt cancellation for countries deemed to have the most unsustainable debt burdens. First, it established the Heavily Indebted Poor Countries (HIPC) Initiative in 1996, and reformed the effort in 1999 to provide much deeper and faster debt relief (the Enhanced HIPC Initiative). Creditors agreed to cancel more than 90% of bilateral debts and, to a lesser extent, to cancel multilateral debts. At Gleneagles in 2005, a second round of debt relief was launched to address outstanding multilateral debt. Under the Multilateral Debt Relief Initiative (MDRI), the G8 committed to 'cancel 100% of outstanding debts of eligible Heavily Indebted Poor Countries to the IMF, International Development Association and African Development Fund, and to provide additional resources to ensure that the financing capacity of the International Financing Institutions (IFIs) is not reduced'.

ONE monitors progress on both the HIPC and MDRI processes because both are central to the G8's 2005 commitment. According to the 2009 HIPC and MDRI Status of Implementation report, these two initiatives continued to deliver huge benefits for sub-Saharan African countries in 2009:

- Almost $80 billion has been cancelled for sub-Saharan African countries that have reached their 'completion point'. In addition, sub-Saharan African countries at 'decision point' no longer need to service debt worth $20 billion. In total, sub-Saharan Africa has received debt cancellation of nearly $100 billion.[1] This figure is expected to rise significantly again during 2010 as the Democratic Republic of Congo (DRC) and other HIPCs reach their completion points.

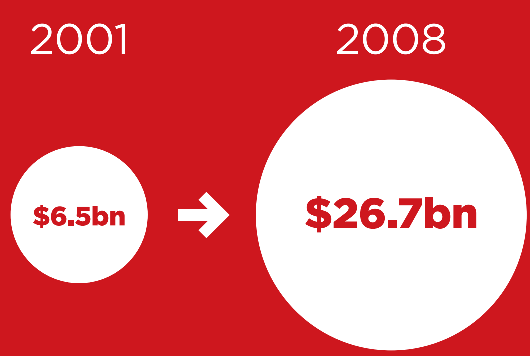
- Due to HIPC and MDRI relief, sub-Saharan African countries paid $1.5 billion less in debt service to the World Bank Group and African Development Group in 2009. The MDRI freed up approximately $470 million in debt service savings for the 22 African post-completion countries. Debt service savings due to the Enhanced HIPC Initiative totalled almost $1.1 billion for the 29 eligible African countries.[2]

- Over time, debt service savings have translated into increased spending by sub-Saharan African countries on social sectors such as health and education. Between 2001 and 2008, post-decision point countries increased poverty-reducing expenditures by roughly 2% of GDP, on average, while debt service obligations declined by the same order of magnitude.[3]

PROGRESS TOWARDS DEBT CANCELLATION

$100bn

Total debt stock reduction of sub-Saharan African post decision point countries – $80 billion to countries at completion point and $20 billion to countries at decision point.



Increase in poverty-reducing expenditure by post-decision point HIPCS between 2001 and 2008.

WHICH AFRICAN COUNTRIES ARE IN WHICH PHASE OF DEBT CANCELLATION?

FIGURE 1

PRE-DECISION POINT
(4 COUNTRIES)

HAVE BEEN ACCEPTED FOR PARTICIPATION BUT HAVE NOT YET FULFILLED OBLIGATIONS NECESSARY TO ACCESS DEBT RELIEF (DECISION POINT) OR COMPREHENSIVE DEBT STOCK FORGIVENESS (COMPLETION POINT).

1 COMOROS
2 ERITREA
3 SOMALIA
4 SUDAN

DECISION POINT
(7 COUNTRIES)

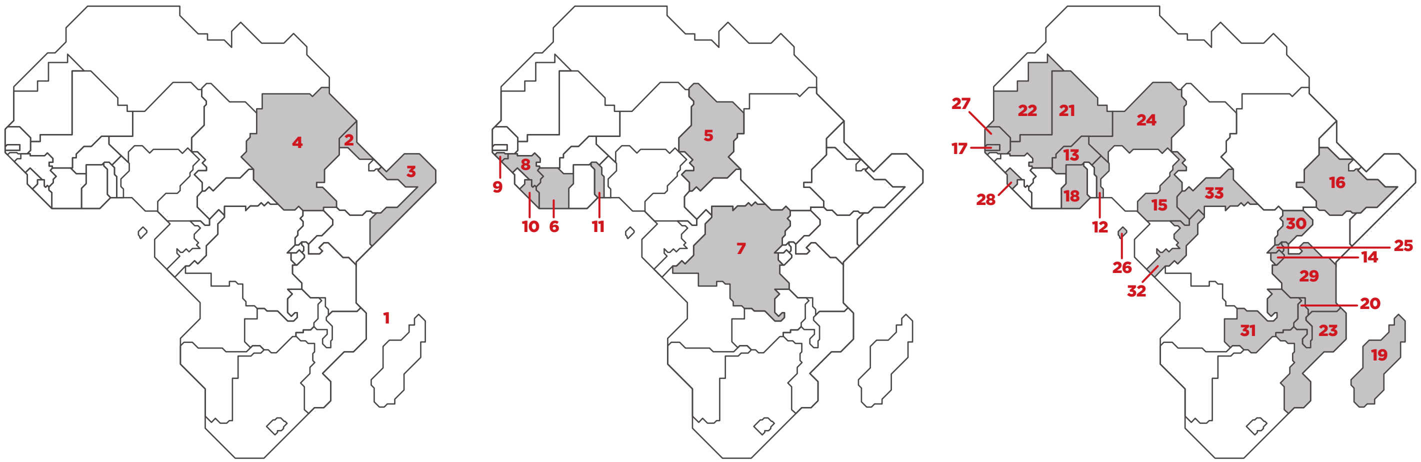
HAVE SET UP A POVERTY REDUCTION STRATEGY AND HAVE ESTABLISHED A TRACK RECORD OF MACROECONOMIC STABILITY. THESE COUNTRIES RECEIVE INTERIM DEBT RELIEF SERVICES.

5 CHAD 6 CÔTE D'IVOIRE
7 DEMOCRATIC REPUBLIC OF CONGO
8 GUINEA 9 GUINEA-BISSAU
10 LIBERIA 11 TOGO

COMPLETION POINT
(22 COUNTRIES)

HAVE MAINTAINED MACROECONOMIC STABILITY, CARRIED OUT STRUCTURAL REFORMS PRESCRIBED BY THE IMF AND HAVE IMPLEMENTED THE POVERTY REDUCTION STRATEGY SATISFACTORILY. AT COMPLETION POINT, QUALIFYING DEBT UNDER BOTH HIPC AND MDRI ARE IRREVOCABLY CANCELLED.

12 BENIN 13 BURKINA FASO
14 BURUNDI 15 CAMEROON
16 ETHIOPIA 17 THE GAMBIA
18 GHANA 19 MADAGASCAR
20 MALAWI 21 MALI 22 MAURITANIA
23 MOZAMBIQUE 24 NIGER
25 RWANDA 26 SÃO TOMÉ & PRINCIPE 27 SENEGAL
28 SIERRA LEONE 29 TANZANIA
30 UGANDA 31 ZAMBIA
32 REPUBLIC OF CONGO
33 CENTRAL AFRICAN REPUBLIC



COUNTRY PROGRESS 2009–10
HIPC AND MDRI RELIEF

CENTRAL AFRICAN REPUBLIC REACHES COMPLETION POINT AND RECEIVES $866 MILLION IN IRREVOCABLE DEBT RELIEF

On 30 June 2009, the Central African Republic (CAR) reached its HIPC completion point, which cancelled $578 million of debt stock under HIPC and $288 million under MDRI, for a total of $866 million. This will free up approximately $12 million a year between 2010 and 2020 for priority government programmes, such as health and education. The CAR successfully completed the relevant HIPC performance triggers, including improving government transparency and public debt management systems, reforming the forestry and mining sectors, improving education and health sector programmes, and reforming the civil service. As part of these reforms, the government has hired and placed 850 new teachers in 483 primary schools across the country. It has also distributed over 650,000 insecticide-treated bed nets, including in areas affected by ongoing conflict.

As of June 2009, creditors holding roughly 80% of the CAR's external debt had agreed to participate in the HIPC process. Taiwan, which holds roughly 11% of CAR's HIPC-eligible debt, has not committed to provide debt relief. China cancelled two loans in 2007, but it still holds roughly 2% of the CAR's HIPC-eligible debt.

SOURCE: CENTRAL AFRICAN REPUBLIC: ENHANCED HEAVILY INDEBTED POOR COUNTRIES (HIPC) INITIATIVE COMPLETION POINT DOCUMENT AND MULTILATERAL DEBT RELIEF INITIATIVE (MDRI), JUNE 2009.

REPUBLIC OF CONGO RECEIVES $5.3 BILLION IN DEBT RELIEF AFTER REACHING COMPLETION POINT

On 28 January 2010, the Republic of Congo reached its HIPC completion point. This cancelled $5.1 billion in debt stock from the IMF, World Bank, ADB and other creditors and an additional $177 million under MDRI, for a total of $5.3 billion. In 2010 alone, HIPC and MDRI relief will free up over $440 million for government spending on other activities, such as social programmes. According to the IMF and the World Bank, the Republic of Congo satisfactorily achieved all of its required performance triggers, including a track record of implementation in public investment management, procurement, anti-corruption and oil sector management. In addition, it implemented significant reforms to its health and education sectors, including hiring more than 2,000 new teachers, increasing the government budget for distributing medicines and increasing the number of HIV/AIDS testing centres throughout the country.

Going forward, the Republic of Congo will have to deal with its large commercial debt obligations – some of which are now held by so-called vulture funds. Three commercial creditors (Groupe Antoine Tabet, Berrebi and Commisimpex) have pursued lawsuits in France totalling over $830 million in claims against the Republic of Congo. These commercial claims and lawsuits could substantially undercut the country's significant HIPC and MDRI relief.

SOURCE: REPUBLIC OF CONGO: ENHANCED HEAVILY INDEBTED POOR COUNTRIES (HIPC) INITIATIVE COMPLETION POINT DOCUMENT AND MULTILATERAL DEBT RELIEF INITIATIVE (MDRI), JANUARY 2009.

PROGRESS TOWARDS MEETING DEBT CANCELLATION COMMITMENTS

Donor governments have agreed to provide full and timely compensation on a dollar-for-dollar basis to the International Development Association (IDA) and the African Development Fund (AfDF) to offset loan repayments foregone due to MDRI debt cancellation. Because IDA and the AfDF rely on loan repayments to finance a portion of their future assistance programmes, this commitment is critical to preserving gross assistance volumes for all low-income countries. In operational terms, IDA and the AfDF match these expected loan repayments to new loan and grant disbursement profiles – which typically occur over a 9–10 year period. In other words, they provide new assistance now based upon firm donor contributions (called 'unqualified' contributions) promised over the life of the respective loan or grant. To preserve this so-called Advance Commitment Authority, donors must provide firm MDRI contribution commitments on a rolling ten-year basis (consistent with the 9–10 year disbursement profile). Without such commitments, IDA and the AfDF are forced to withhold new loan and grant commitments commensurate with the MDRI shortfall. This report monitors whether the G8 donors are fulfilling this critical commitment.

For the purposes of evaluating progress, ONE relies upon the cost estimates and donor contribution figures provided by IDA.[4] MDRI figures for the AfDF are not available. According to IDA, the G8 have failed to provide full, firm MDRI contribution commitments over the next decade (FY2009–19). Several G8 members have met their promises – namely Canada, Germany, Russia and the UK. However, the G8 collectively have a shortfall of over $2.9 billion for this period – despite some members committing more than their proportionate share (Canada and Russia). The US and Japan are the furthest behind, with shortfalls of nearly $1.9 billion and $1.1 billion respectively. France and Italy have MDRI financing shortfalls of $131 million and $364 million respectively.

National budgeting systems have contributed to some countries' non-performance. For example, US and Japanese budget rules require that their legislative bodies fully appropriate funds before they can provide firm commitments to IDA and the AfDF. This means they would be forced to pay the projected MDRI costs for the next decade upfront.

Less important for immediate operational terms, donors also provide commitments to offset MDRI costs over the remainder of the initiative (through 2044 for IDA and through 2054 for the AfDF). Given this long time span, IDA and the AfDf have requested that donors provide softer contribution commitments (called 'qualified' commitments). These commitments require additional action by respective national legislative bodies (i.e. actual budgetary appropriations). Collectively, the G8 are largely on track to provide qualified commitments to these institutions. Only France and Italy have shortfalls in qualified commitments, of $153 million and $98 million respectively. This combined shortfall is equal to less than 1% of the G8's total MDRI commitments to IDA.

FIGURE 2 5

G8 QUALIFIED AND UNQUALIFIED CONTRIBUTION COMMITMENTS TO IDA ($ MILLIONS)

	SHARE	FIRM FINANCING RECEIVED	AMOUNT REQUIRED THROUGH 2019	SURPLUS (SHORTFALL) IN TOTAL CONTRIBUTIONS THROUGH 2019	QUALIFIED RECEIVED	TOTAL RECEIVED	TARGET CONTRIBUTION THROUGH 2044	SURPLUS (SHORTFALL) IN TOTAL CONTRIBUTIONS THROUGH 2019
CANADA	3.90%	872.82	411.34	461.48	594.10	1,466.92	1,466.92	0
FRANCE	6.16%	517.48	648.5	(131.02)	1,949.86	2,467.34	2,314.22	153.12
GERMANY	9.87%	1,036.20	1,036.20	0	2,672.68	3,708.88	3,708.88	0
ITALY	3.95%	51.89	416.05	(364.16	1,531.49	1,583.38	1,485.12	98.26
JAPAN	13.17%	331.5	1,391.91	(1,060.41)	4,615.89	4,947.39	4,947.39	0
RUSSIA	0.09%	33.39	9.53	23.86	–	33.39	33.85	(0.46)
UK	13.83%	1,463.17	1,463.17	0.00	3,730.94	5,194.11	5,194.11	0
US	20.30%	334.21	2,191.58	(1,857.37)	7,289.15	7,623.36	7,623.36	0
TOTAL	71.27%	4,640.66	7,568.28	(2,927.62)	22,384.11	27,024.77	26,773.85	250.92

SOURCE: IDA 15 MID-TERM REVIEW DISCUSSION PAPER (2009) 'MDRI FINANCING STATUS: OPTIONS FOR ADDRESSING A POSSIBLE DONOR FINANCING SHORTFALL'

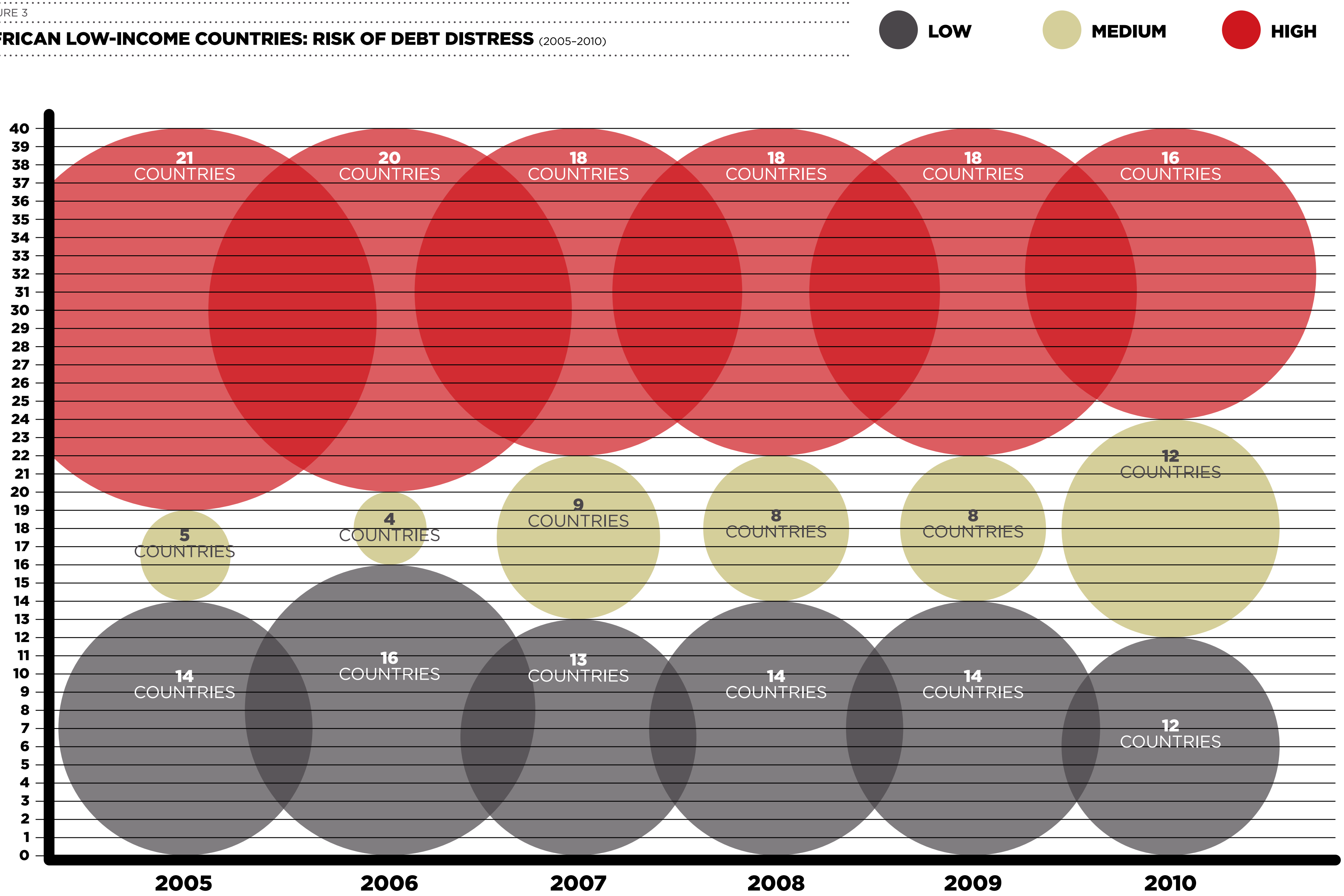
NEW CHALLENGES

LONG-TERM DEBT SUSTAINABILITY OUTLOOK

Many countries in sub-Saharan Africa continue to face significant debt vulnerabilities and risk of debt distress, even after receiving substantial HIPC/MDRI debt relief in recent years. The global economic crisis has only exacerbated these vulnerabilities. According to the IMF and the World Bank, 28 African low-income countries are now rated as having a 'high' or 'moderate' risk of experiencing debt distress – more than when the MDRI agreement was reached at the Gleneagles Summit in 2005. Moreover, 13 sub-Saharan African countries that have reached their HIPC completion point and received billions of dollars in debt relief are again at 'high' or 'moderate' risk of experiencing debt distress in the future. This essentially means that the debt sustainability situation for more than half of African countries has not improved despite tens of billions of dollars in debt relief. There are a number of reasons for this (as outlined on the following pages), and the G8 and other donors have an important role to play in addressing this continued vulnerability. Clearly, some countries continue to make progress, such as the Central African Republic, Chad and Rwanda. However, the overall picture looks increasingly bleak for the African debt situation.

FIGURE 3

AFRICAN LOW-INCOME COUNTRIES: RISK OF DEBT DISTRESS (2005-2010)



SOURCE: IMF AND WORLD BANK DEBT SUSTAINABILITY ASSESSMENTS

KEY FACTORS AFFECTING DEBT SUSTAINABILITY

A number of factors had an impact on debt sustainability for sub-Saharan African countries in 2009, including:

FALLING COMMODITY PRICES AND EXPORT VOLUMES

In 2009, global prices for energy and metals declined by 37% and 28% respectively.[6] Many sub-Saharan African economies are heavily dependent on extractive industry exports (i.e. oil, gold, copper) to industrialised countries in Europe, North America and East Asia. The global crisis has reduced both demand and prices for these exports. As a result, countries in the region have been hit by reduced economic growth and by job losses, as well as by a deterioration of their external indebtedness ratios (debt is measured against national exports and GDP).

EMERGENCY IMF LENDING

The economic downturn reduced African governments' revenues at the same time as their citizens' needs increased dramatically. As a result, many countries borrowed substantial sums to finance stimulus programmes and social safety net programmes. The IMF provided $2.6 billion in new loan disbursements to African countries in 2009.[7] Of this, nearly $1.4 billion was provided in new loans to completion point HIPCs. Although this borrowing was important for offsetting the impact of the global crisis, it has also increased the indebtedness levels of many countries.

FRONTLOADED WORLD BANK FUNDING

To help address the global financial crisis, IDA has provided $21 billion in assistance for poor countries since July 2008. While it has provided some of this funding in the form of grants, overall lending volumes have been very large. This assistance has helped to maintain or increase spending on social safety nets and sectors such as health and education. However, these new IDA loans have also contributed to a deterioration of African countries' external debt ratios.

RESURGENCE OF G8 LENDING

In recent years, several G8 donors have restarted lending programmes to poor sub-Saharan African countries. For example, the Agence Française de Développement (AFD) provided over $1.2 billion in new loans between 2007 and 2008 – of which over $810 million went to African HIPCs.[8] This likely rose again in 2009, given that France's gross bilateral loans increased by nearly 150%. In addition, the Japan International Cooperation Agency (JICA) has provided over $500 million in new loans to African countries over the past few years.[9]

DEMOCRATIC REPUBLIC OF CONGO
NEW IMF BORROWING

Following a sharp decline in commodity prices and export receipts, the Democratic Republic of Congo (DRC) was forced to approach the IMF for emergency assistance. In 2009, the IMF disbursed $276 million in new loans to the DRC.[10] By comparison, the IMF has an ongoing commitment to provide the country with roughly $320 million in debt relief under the HIPC Initiative.[11] This means that last year's new IMF loans are cancelling out the impact of HIPC debt relief projected for this year, before it has even been provided.

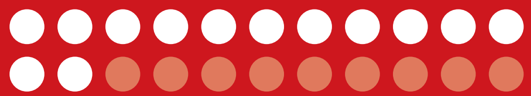
ZAMBIA
IMF LENDING CANCELLING OUT MDRI RELIEF

Due to lower copper prices and exports, Zambia was forced to borrow roughly $240 million from the IMF to cover balance-of-payments needs in 2009. As Zambia received MDRI relief in 2006, including nearly $600 million from the IMF, it is alarming that it is already re-accumulating large, relatively expensive IMF loans only a few years later.

RISK OF FUTURE DEBT CRISIS

$1.2bn

Value of outstanding legal claims against HIPCs, largely as a result of vulture funds.



13 of 22 HIPC completion point countries in sub-Saharan African that are again at 'high' or 'moderate' risk of experiencing debt distress in the future.

To HIPCs in debt distress or at high risk of debt distress, IMF lending totalled $1.1 billion in 2008 and 2009, compared to $273 million in total debt relief under HIPC/MDRI.

VULTURE FUNDS

In recent years, an increasing number of 'vulture funds' have emerged to purchase the distressed commercial debt of weak debtor nations, including HIPCs, at heavily discounted prices. Vulture funds then pursue legal action against these countries to recover the full face value of the original loan plus interest and penalties accrued over the years. These vulture funds often attempt to seize debtor assets overseas to secure payment of court awards. According to the IMF and World Bank, new lawsuits were initiated last year against the DRC, Sierra Leone, Sudan and Zambia – bringing the total value of outstanding legal claims against HIPCs to $1.2 billion.[12] However, the actual figure is likely to be much higher since debtor nations are often unaware that legal proceedings have been initiated against them.

The World Bank and the AfDB have launched several programmes designed to support poor countries' efforts both to retire distressed commercial debt and defend themselves in court proceedings. In 1989, the World Bank established the IDA Debt Reduction Facility (DRF) to buy back debts owed to external, commercial creditors – at steep discounts – through grant funding to eligible governments. To date, the DRF has supported 22 buy-back operations in 21 low-income countries. These operations have removed roughly $4.5 billion of commercial debt principal and more than $3.5 billion of associated interest arrears and penalties. In this manner, the DRF plays an important role in reducing the ability of vulture funds to 'free-ride' on comprehensive debt relief for the world's poorest countries. In 2009, the AfDB created the African Legal Support Facility (ALSF) to enhance African countries' access to sound technical legal advice when dealing with debt recovery lawsuits.

G8 members have issued a number of statements denouncing the predatory behavior of vulture funds. For example, the UK has enacted legislation preventing vulture funds from using its court system to pursue litigation against poor debtor nations, and the US Congress is currently considering legislation that would limit vulture funds' potential lawsuit awards. While these actions will help to discourage some vulture fund activity, in other countries less progress has been made. For example, four cases have been brought in France against the Republic of Congo and the DRC, totalling almost $950 million.

BEYOND 2010

EXTEND HIPC ELIGIBILITY TO ADDITIONAL POOR COUNTRIES

To date, debt cancellation initiatives have not covered enough poor countries. In 2004, World Bank and IMF shareholders closed the list of HIPC-eligible countries. Some countries with unsustainable debt levels (such as Kenya and Lesotho) were not 'grandfathered' for eligibility at that time. The G8 should press the World Bank and the IMF to create explicit, ring-fenced exceptions to ensure that additional needy countries receive HIPC and MDRI relief in a timely manner – as has recently been pushed through for Haiti. For example, although Zimbabwe is not currently in a position to work through an HIPC process or warrant debt cancellation, if the country ever develops a functional government it will need strong G8 political and financial leadership to help resolve its debt crisis.

ACCELERATE THE DEBT RELIEF PROCESS

Many countries struggle to move from decision point to completion point. The current decision point countries, for example, have spent more than five years on average at this stage.[13] Development partners should ensure that each country's agreed-upon 'performance triggers' for reaching completion point are achievable and sensibly tailored to the country's needs. In this manner, creditors should ensure that all decision point countries are quickly moved to completion point once they meet agreed standards, unless they have severe governance problems.

IMPROVE MDRI FINANCING COMMITMENTS TO THE IFIS

The G8 have made substantial progress since Gleneagles towards fulfilling their debt commitments. However, several G8 donors have fallen short of their compensatory financing commitments to IDA and the AfDF. These countries must take aggressive corrective action to uphold the IFIs' financial integrity and ability to provide new assistance. Moreover, all G8 donors need to continue to provide compensatory financing on a rolling ten-year basis.

PRIORITISE GRANTS OVER LOANS TO HIPCS

G8 members that have restarted lending to poor countries should continue to prioritise grants in their support to HIPCS, especially for investments in social sectors and programmes aimed at poverty reduction. G8 members that have restarted lending to poor countries should halt these programmes immediately and provide development assistance through grants. While loans may be appropriate in some circumstances, the G8 should take aggressive action to prevent yet another round of lend-and-forgive for HIPCs. Specifically, France and Japan should uphold long-term debt sustainability in HIPCs and other low-income African countries. While the IFIs have taken steps to provide more grants, overall lending volumes remain destabilising for many HIPCs. For this reason, the G8 should take further steps to increase grants for the poorest countries.

STOP VULTURE FUND ACTIVITY

The G8 should take coordinated, aggressive action to combat predatory vulture fund behaviour. This includes preventing – or at least limiting – the ability of vulture funds to pursue their punitive claims in G8 court systems. In addition, the G8 should ensure that the IDA Debt Reduction Facility and the African Legal Support Facility have all the necessary financial resources both to retire distressed commercial debt and to increase poor countries' ability to fight any resulting claims in court.

A SOVEREIGN DEBT WORK OUT MECHANISM

Governments and civil society in developing countries have long been calling for a Sovereign Debt Work-Out Mechanism. This mechanism would create an international insolvency procedure for countries, which would be similar to the arbitration panel structure of the World Trade Organization (WTO). One possible structure is a 'Fair and Transparent Arbitration Panel' – whereby both debtors and creditors would have equal representation and would be joined by an independent legal expert. This would help to ensure a timely solution for both creditors and debtors if a situation of insolvency occurs. This mechanism would also be rules-based; the panel would base its verdicts on defined rules such as a 'charter for responsible lending'. Lastly, it would create incentives for both donors and creditors to avoid imprudent lending or borrowing, as such policies would come under increased scrutiny.

TRADE AND INVESTMENT

In the world's poorest countries, trade and investment can catalyse economic growth and create opportunities that are critical to achieving long-term poverty reduction and development. While many developing countries have been able to climb their way out of poverty through new opportunities presented by the expansion of global trade, most African countries have not been able to reap these benefits.

In 2008, 1% of global trade was worth $195 billion, more than five times what sub-Saharan Africa received in development assistance that year. Capturing an additional 1% of global trade could translate into substantial gains for Africa.

THE COMMITMENT

At the 2005 Gleneagles Summit, the G8 promised to 'make trade work for Africa', a recognition of the central role that trade must play in any strategy for sustainable development. In 2009 G8 leaders again called upon the members of the WTO to 'seek an ambitious and balanced conclusion to the Doha Round', amidst the most severe financial crisis the world had experienced since the 1930s. As part of these promises, the G8 also pledged to 'put development at the heart of the negotiations', and 'build a much stronger investment climate' for Africa.

With all major economies in recession in 2009, world trade shrank by 11% in real terms from 2008 levels[1] – the biggest contraction since World War II. After five consecutive years of real GDP growth averaging 5–6%, sub-Saharan Africa's GDP growth is estimated to have slowed to just 1% in 2009.[2] In 2010 experts predict a turnaround, albeit mild, with anticipated increases in global output of 2.4%.[3] Yet the region is unlikely to rebound as quickly as more developed and emerging economies. Exports to major economies have plummeted, remittances have declined by an estimated 8%[4] and capital financial flows have nearly flatlined.

Addressing the underlying imbalances in the world trade system and investing in long-term development of the trade sector are more critical than ever for Africa to recover from the global financial crisis, meet the MDGs and build resilience to future economic shocks and market volatility. Fulfilling the G8's promises to 'make trade work for Africa' and help African countries 'build a much stronger investment climate' requires a combination of enhanced access to developed country and neighbouring markets; aid for trade to help countries address supply-side constraints and improve competitiveness, including investments in infrastructure development; increased capital investment flows; a reduction in trade-distorting agricultural subsidies in developed countries; and strengthened regional economic integration.

PROGRESS ON TRADE AND INVESTMENT

Over the past few years, Africa has made strides toward increasing trade flows, expanding exports, better utilising preference programmes and creating a more stable climate for secure investments. Between 2003 and 2007, the region's average economic growth rate was 5.7% and exports more than doubled, from $178 billion to $424 billion. Prior to the financial crisis, economic growth was expected to reach 6.7% in 2009.[5]

In many countries, the impact of the food, fuel and financial crises threaten to reduce these gains. On the positive side, rising commodity prices increased the value of trade between Africa and its trading partners, encouraged higher levels of capital investment and benefited net oil and food exporters. This growth was supported by policies to encourage trade and investment by African governments, as well as increased aid for trade from donors (which has been on a steady upward trajectory since 2002). However, rising commodity prices had a negative effect for the net food and oil importing-countries, and higher prices (especially for fuel and staple grains) offset many of these gains for the continent as a whole.

Following the food and fuel crises of 2008, the global economy went into recession. Credit markets tightened, trade slowed and declining global demand reduced most commodity prices, including exports from sub-Saharan Africa. By the end of 2009, the region's terms of trade had fallen by 16.4%, compared with a global decline of 11.4%.[6] Its exports to the rest of the world dropped 30% in value from 2008 to 2009.[7] Import volumes of the G7 countries also fell, ranging from a 17.1% decline in Japan to 8.9% in Germany.[8] Exports from sub-Saharan Africa to the US alone dropped by nearly 50%.[9]

According to the IMF, sub-Saharan Africa has been the hardest hit by declining capital flows to emerging economies. With lower remittances, tightened global credit, flatlining capital flows and lower commodity prices, the region's economic growth fell to 4.9% in 2008,[10] and UNCTAD projects a further drop to 1% in 2009.[11] Although FDI increased nearly ten-fold from 2000 to 2008 and remittances more than quadrupled over the same period, data for 2009 show steep declines. FDI is projected to fall by 36.2% between 2008 and 2009, from $87.6 billion to $55.9 billion.[12] According to the

$30bn

$10bn

Potential increase in intra-African trade through a full operational Trans-African Highway Network.

World Bank, remittances for sub-Saharan Africa will also fall by up to $2 billion between 2009 and 2010.

While the G8 leaders are not solely to blame for the impacts of the financial crisis, along with other WTO members they have offered little more than rhetoric over the years about the importance of reaching a global trade deal and supporting market-driven policies that benefit Africa. To deliver on their Gleneagles commitments to trade and investment, the G8 must accelerate their efforts to expand market access, reduce harmful agricultural subsidies, enhance aid for trade, increase investments and facilitate regional trade.

MARKET ACCESS

In order to increase its share of global trade, Africa must not only have the ability to export more commodities, but also to diversify exports into value-added products such as processed foods, apparel and other manufactured goods and services. Historically, Africa's ability to export these goods has been hampered by high tariffs and restrictive tariff rate quotas, particularly on key products in which Africa maintains a comparative advantage. While some progress has been made, such as 100% duty-free and quota-free (DFQF) access for Least Developed Countries under Europe's Everything but Arms (EBA) preferential trade programme, much is left to be done in other key export markets. Additionally, preferential access programmes across the G8 and other donor countries need to be simplified and harmonised to facilitate greater participation across all developed countries, while linking these programmes to capacity-building initiatives that can respond to market needs and demands.

At the 2008 Hokkaido Summit, G8 countries reaffirmed their commitment to the 'facilitation of free and open trade through the multilateral trade system with due consideration of the African situation'. The G8 also reiterated that they were 'fully committed to provide duty-free and quota-free market access for at least 97% of products originating from LDCs', as agreed at the 2005 Hong Kong Ministerial. At L'Aquila, little mention was made of the importance of improving trade with LDCs through preference programmes. Only a commitment 'to maintain and promote open markets and reject all protectionist measures in trade and investment' was stated. Since Gleneagles, the focus has also shifted from improving trade for Africa to LDCs.

All G7 countries have preference programmes or agreements in place that allow some African products duty-free access to their markets. These programmes have achieved some notable successes in recent years. Under the African Growth and Opportunity Act (AGOA), US imports increased by 27.8% to $86.1 billion between 2007 and 2008. However, the overwhelming share of this increase – 79.5% – was due to crude oil imports, suggesting that non-oil exporting countries have not been able to take full advantage of AGOA benefits.[13]

Canada, Japan and the EU have all met the 97% Hong Kong commitment. Canada and Japan have reached 97% and 98% respectively and, with full liberalisation of the rice and sugar markets in 2009, the EU now provides 100% DFQF imports for all LDCs. The EU's EBA initiative grants 48 LDCs DFQF access for everything but arms and ammunition. EU imports under EBA increased by about 25% from €4.3 billion ($5.9 billion) in 2007 to €5.8 billion ($8.05 billion) in 2008.[14] However, since the implementation has been gradual, thus far the impacts have been minimal.

The US gives duty-free (but not quota-free) access on 98% of tariff lines to 26 African LDCs. For 15 Asian LDCs, only 83% of lines are duty-free, since they are excluded from textile and apparel preferences.

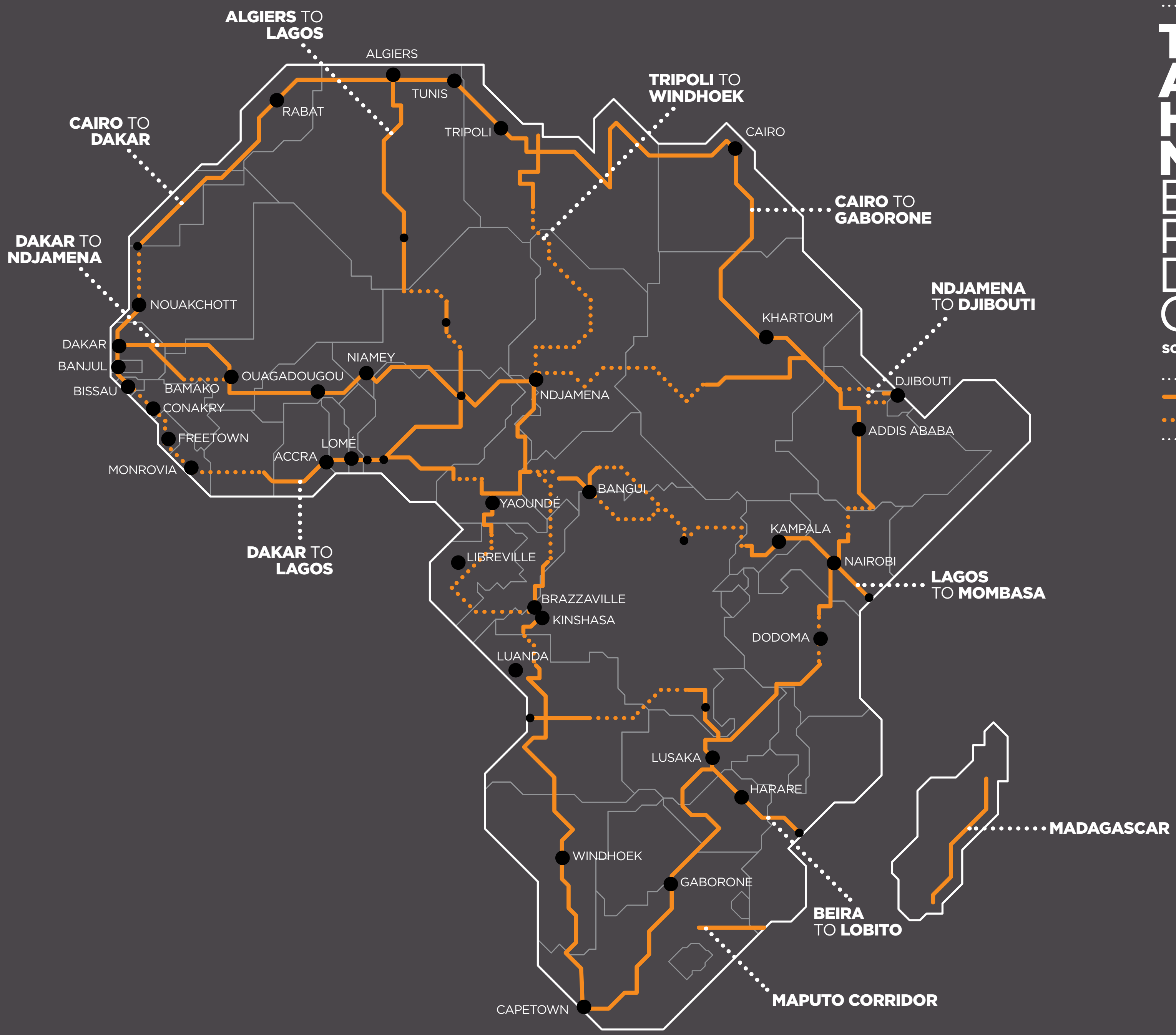
Meeting the Hong Kong target may be of minimal help to beneficiary countries, because many of the tariff lines most important to developing country producers can be excluded in the scope of the non-liberalised 3%.

FIGURE 1

TRANS-AFRICAN HIGHWAY NETWORK EXISTING AND PROPOSED DEVELOPMENT CORRIDORS

SOURCE: AFDB GROUP

PAVED
UNPAVED



PROGRESS ON REGIONAL INTEGRATION

There is growing recognition that regional integration is critical to improving sub-Saharan Africa's competitiveness in the global economy. Regional trade is especially important to the 15 landlocked countries in Africa where high transport costs, cumbersome customs and border crossing procedures and tariffs often present high barriers to intra-regional trade. For all countries, increasing regional trade provides an opportunity to boost export earnings and increase employment and incomes. Enhanced regional trade may also help reduce vulnerability to external shocks and expand opportunities for increased information sharing, knowledge spill-overs and pooling of resources that can help achieve economies of scale and attract investment.

Currently, only 10% of Africa's trade is among African countries, compared with European intra-regional trade, which accounts for 74% of total EU trade.[15] A number of African countries have committed to promoting regional integration by creating regional economic communities (RECs). The East Africa Community (EAC), the Southern African Development Community (SADC), the Economic Community of Western States (ECOWAS) and the Common Market for Eastern and Southern Africa (COMESA) are all committed to creating free trade areas, with some aiming to eventually create a full common market. However, RECs face many 'soft' and 'hard' challenges. 'Soft' challenges, such as overlapping memberships and mandates, underdeveloped financial markets and poorly harmonised policies and procedures, alongside the lack of 'hard' physical infrastructure, prevent the RECs from reaching their full potential for regional integration.

Nevertheless, in recent years pan-African initiatives of the African Union (AU) and NEPAD and public-private partnerships through 'development corridors' have created new momentum within Africa for greater integration and investment. There are 26 identified 'corridors' across the African continent that – with sufficient investment – could significantly improve its inadequate systems of roads, ports, railways and airports, through a process of 'densifying' existing infrastructure. The development corridors movement is African-born, and envisions connecting large stretches of the continent's interior and rural areas to create opportunities for increasing trade, employment and income. Examples include a Central Corridor linking Tanzania, Rwanda, Burundi and eventually the Democratic Republic of the Congo (DRC); the Beira and Nacala Corridors in Mozambique; the North–South Corridor from the southern end of the DRC and northern Zambia to the port of Dar es Salaam and to South Africa; and the Chirundu One Step Border Post project. These projects are designed to simplify and harmonise requirements across countries and greatly reduce transportation time and costs.

Although preference programmes are steps in the right direction, they have limitations. These programmes exclude products with the greatest export potential for developing countries, are complex, difficult to navigate and require periodic renewal, which can make long-term investment unattractive and undermine regional integration. Many export markets important to Africa's growth and development, such as agriculture and textiles, are still heavily protected – and the highest tariffs are usually concentrated on the products in which developing countries have the greatest advantage. Complex rules of origin (the rules governing where and how a product is made), can also prevent poor countries from using preference programmes to their full extent. Furthermore, as many of these programmes apply only to African countries classified as LDCs, this approach excludes key regional economic powerhouses such as Nigeria, South Africa, Ghana and Kenya, where economic growth could spur progress in smaller countries by feeding into cross-border supply chains and reaping other advantages of regional integration. Making trade preference programmes permanent and predictable, with simplified and harmonised rules, would not only improve utilisation but also foster a better investment climate for longer-term growth.

Preference erosion continues to be a limiting factor for Africa's growth and competitiveness. Bilateral and regional trade agreements erode preference margins in the absence of a global trade deal as markets are selectively liberalised. There are currently 195 bilateral and regional trade agreements in force, nearly half of which have been signed since the launch of the Doha Development Agenda (DDA) in November 2001. As more bilateral and regional trade agreements emerge, Africa's ability to trade in global markets may be further challenged. Competition from emerging economies and the expansion of preference programmes to non-African LDCs have also hurt Africa's market shares in comparison with stronger exporters from other regions, and moving to 100% DFQF for all LDCs would also negatively affect Africa's attractiveness as a supplier in some key markets.

As a result, more must be done to improve the competitiveness of African LDCs to ensure that gains are not lost. While safeguards for African countries might be considered in the short term, strengthening Africa's long-term competitiveness within and outside the continent will require additional measures, such as more targeted and meaningful aid for trade, prioritisation of infrastructure improvements and trade facilitation.

STATUS OF EPA NEGOTIATIONS

Unlike preference programmes, which do not require reciprocity, Economic Partnership Agreements (EPAs) are two-way deals that require African countries to open up their markets in return for better access to EU markets. There are concerns that EPAs will undermine Africa's production and development by forcing African markets to open too widely and too quickly. In addition, EPA negotiations allow regional groups to excude up to 20% of 'sensitive' tariff lines. There is no requirement that the various regional groups coordinate these exclusions, so while the EPAs could facilitate trade inside regional blocs and within Europe, inter-bloc trade could become more difficult.

To date, no EPAs have been signed with any African region. Despite efforts to reach an EPA with the West African region by the end of 2009, negotiations are still ongoing, with hopes of completion during 2010. Other regions, such as the East and Southern African Development Communities (EAC and SADC), have also faced multiple stumbling blocks.

The EU has signed interim agreements with individual countries and smaller regional blocs in Africa to serve as a stepping-stone towards full regional EPAs. Although Interim and Framework EPAs (IEPAs and FEPAs) allow extended preferential access to EU markets while full EPAs are being negotiated, they also undermine Africa's own regional integration efforts. For example, the Southern African Customs Union (SACU), the oldest customs union in the world, is currently divided. Three countries (Botswana, Lesotho and Swaziland) signed an interim agreement with the European Commission (EC) in June 2009, one country (Namibia) refused to do so and another one (South Africa) applied for a separate trade agreement with the EU.

This division contradicts the EPA's fundamental objective of building upon and reinforcing regional integration. Similar concerns are being raised in East Africa. Although the process began in 2007, the EAC has yet to agree to a FEPA. Several EAC partners are concerned that a FEPA would lock them into a favoured trade deal with the EU and undermine enhanced integration through a regional free trade area that would bring together three blocs: COMESA, SAC and the EAC. As a result, Kenya has considered breaking ranks with the rest of the EAC. As the only non-LDC in the group, a failure to reach a deal threatens Kenya's preferential market access since it is not entitled to benefits under the EBA programme. Currently, the EU is demanding that a specific timetable for an IEPA be established, noting that the current situation is 'untenable'. The EAC has requested stronger commitments on development assistance, enabling EAC countries to trade more with the EU, before signing any agreement that puts members' existing preferential access to EU markets at risk.

$219bn

Collective spending on agricultural subsidies by Canada, the EU, Japan and the US in 2008, eight times the amount of ODA from the G8 to sub-Saharan Africa that same year.

AGRICULTURAL SUBSIDIES

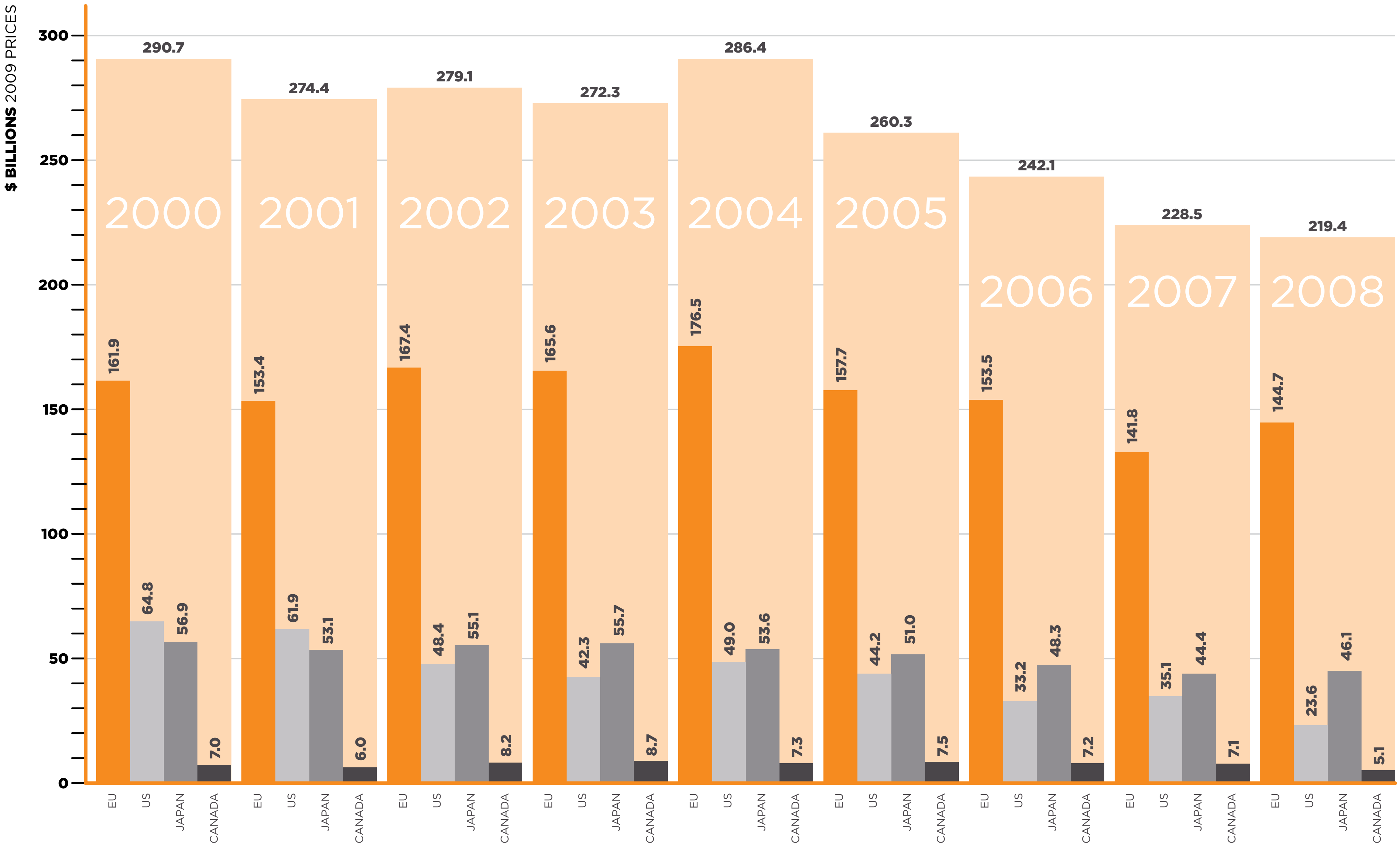
Subsidies give farmers in developed countries an advantage in the cost of production, allowing them to charge an artificially lower price for products that compete in the global market. This practice has a three-fold effect: lower global market prices, floods of cheap imports that cause local prices to drop and discourage local production, and unfair competition against third party exporters. This market distortion happens primarily in commodities such as cotton, rice, vegetables and other agricultural products, of which many African producers depend for their livelihoods.

At Gleneagles and throughout the DDA, the G8 countries committed to reduce or eliminate all forms of agricultural support that distort trade. However, the Hong Kong Ministerial Conference in December 2005 only agreed to eliminate export subsidies by 2013. Unfortunately, this left unfinished the more challenging task of reducing production and price-contingent subsidies and tariff barriers. At the 2008 Hokkaido Summit, G8 countries pledged that they would 'continue to promote the development of open and efficient agricultural and food markets', but the L'Aquila Summit barely addressed the issue.

G7 countries have not taken any steps to reduce subsidies in their agricultural sectors and remain among the largest subsidisers in the world, particularly during the global recession. While spending declined somewhat between 2004 and 2008, due to rising global food prices and subsidy programmes that work inversely with market prices, WTO members have made no substantive changes to their farm support programmes. The OECD estimates that Canada, the EU, Japan and the US collectively spent $219.4 billion in subsidies in 2008.[16] This amount is more than two-and-a-half times the G7's collective spending on total ODA (excluding debt relief) and almost eight times the amount they spent in sub-Saharan Africa in 2009.

FIGURE 2

G7 AGRICULTURAL SUBSIDIES



SOURCE: STATISTICS FROM OECD DATABASE, PRODUCER SUPPORT ESTIMATE IN $ BILLIONS, 2009 PRICES.

Two of the biggest subsidisers are the EU and the US. The EU's Common Agricultural Policy (CAP) provides generous subsidies to EU farmers and cost $75 billion in 2009, nearly equivalent to half of the entire EU budget.[17] Adding in the approximated cost of tariffs, which do not show up on budget sheets, the OECD estimates that a more accurate figure for total farmer support is nearly double that amount. While 2009 figures are not yet available, total EU support to farmers in 2008 was $144.7 billion. Although the EU has added 12 new members (many with large agricultural economies) since the last serious CAP reforms were undertaken in 2003, these are still some of the most generous subsidies in the world.

The sheer cost of the CAP will factor most heavily in the ongoing EU 2014–20 budget debate. Incoming Agriculture Commissioner Dacian Ciolos intends to defend the CAP budget and also make it more equitable for member states. Jose Manuel Barroso, EU Commission President, sees greater prospects in fostering 'green' energy investments in wind and solar projects to meet the EU's climate goals and create more jobs. While the large CAP budget is an obvious place to seek funding for such initiatives, many of Brussels' old habits – such as the €600 million spent to raise internal dairy prices last year – are not expected to be abandoned very easily.

When the US Farm Bill (the law that determines spending levels on agricultural subsidies, amongst other programmes) expired in 2008, there was an opportunity to reform US market-distorting subsidy programmes and other policies inconsistent with WTO membership. However, the $307 billion, five-year Farm Bill that passed in 2008 further exacerbated trade distortions in a number of programmes. For example, the limits on the most trade-distorting of all US subsidy programmes were eliminated, payment limitations to individual farmers were expanded, rules were softened (making them easier to evade) and new crops were added to programmes.

In his address to Congress on 24 February 2009, President Obama pledged to gradually phase out direct payments to domestic farmers. He followed this with a proposal to phase out direct subsidies to farms with sales greater than $500,000 in the FY2010 budget request. However, due to strong opposition in Congress and from the US farm lobby, this reform was not adopted in the final FY2010 budget. Again in the FY2011 budget request, President Obama sought to reduce the cap on direct payments by 25% and to tighten eligibility criteria by reducing income limits for farm and non-farm income by $250,000 each. However, prospects for reform remain elusive, especially as staunch supporters of the status quo hold the chairmanships of the powerful agricultural committees in both houses of Congress.

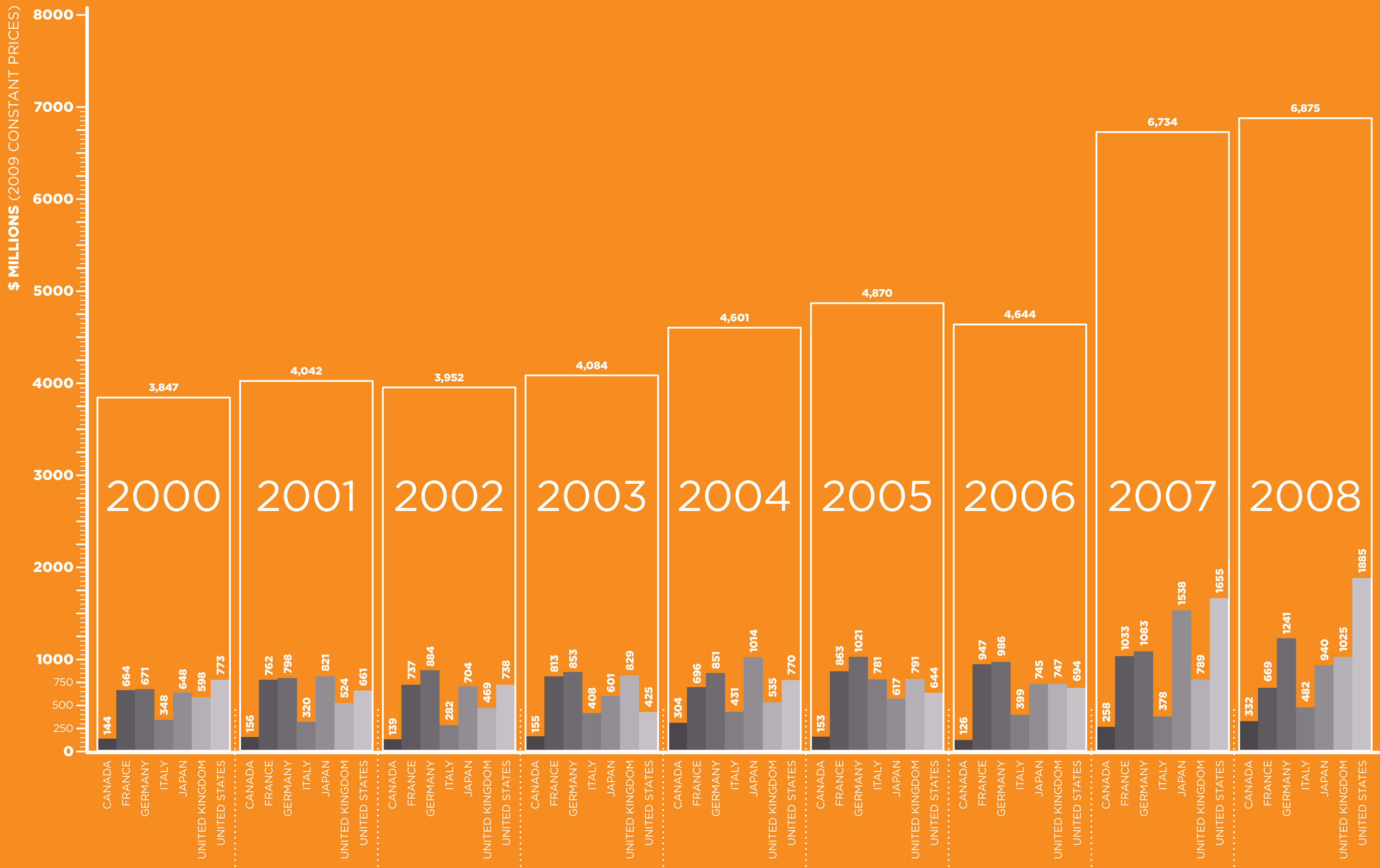
AID FOR TRADE

In addition to being limited by the trade policies of its trading partners, sub-Saharan Africa's exporters are also constrained in their ability to produce and deliver goods demanded by the global market. To overcome these challenges, Africa needs support to reduce supply-side constraints (including financial and technical assistance for the development of basic and value chain infrastructure, from roads to cold storage systems to electricity generation and telecommunications systems); assistance in modernising customs and tax systems; and adjustment costs to compensate for losses incurred through the implementation of trade reforms. Aid for trade should also aim to build capacity to help African countries move up the value chain by producing higher-value goods and developing different sectors of their economies, such as building service industries.

At the 2005 Hong Kong Ministerial and at every G8 summit since 2005, developed countries have reiterated their commitment to scale up aid for trade for all developing countries to $4 billion by 2010. Commitments and disbursements are continuously revised as more data become available, but current DAC estimates show that the G7 had already met this commitment before it was pledged. Total G7 aid for trade spending in 2005 is now recorded at $4.9 billion, and it reached $6.9 billion by 2008. The majority of this increase came in the last two years.

FIGURE 3

G7 AID FOR TRADE FOR SUB-SAHARAN AFRICA (BILATERAL AND MULTILATERAL)



10X

Increase in FDI to sub-Saharan African between 2000 and 2008, from $6.7 billion to $66 billion.

30%

Drop in Africa's exports between 2008 and 2009, largely a result of the global financial crisis.

Reliable cost estimates of total aid for trade needs are not available, but needs for infrastructure in Africa alone far exceed the 2005 pledge and existing commitments. In 2005, the Commission for Africa reported that the continent needed at least $10 billion annually from donors to meet its infrastructure needs. Most recently, the Africa Infrastructure Country Diagnostic, a multi-stakeholder effort amongst multilateral and bilateral aid agencies as well as African institutions such as the AU, put the figure at $25 billion per year for 10 years to reach rural Africa in a way meaningful enough to improve food security, reduce poverty and reach the MDGs. Africa's infrastructure needs for information and communication technologies, irrigation, transportation and power, particularly in rural areas, are great. Only one-third of rural Africans – who account for about 75% of the population – have access to an all-season road, for instance.

Comparing G7 aid for trade commitments with infrastructure need estimates of $25 billion, there is a shortfall in funding of at least $18.1 billion. Investments in aid for trade and infrastructure come from a multitude of donors and responsibility for the shortfall does not rest entirely with the G8 countries. In order to meet these needs, the private sector must be involved in a meaningful way, and funding must be better coordinated.

PROGRESS ON INCREASING INVESTMENT

The 2005 Gleneagles Communiqué stated that in order to attract more private investment, including foreign direct investment (FDI), 'African countries need to build a much stronger investment climate. [The G8] will help them to do so'. From Hokkaido to the G7 Finance Ministers meeting in London to the L'Aquila Summit and the G20 meeting in Pittsburgh in September 2009, the G8 have repeatedly stressed the importance of investing in Africa's future, applauding themselves for the gains that have been achieved in FDI in Africa since 2000. Indeed, FDI from all sources increased from $6.7 billion in 2000 to $66 billion in 2008.

But these achievements were short-lived. As previously noted, FDI and other capital flows to the region dropped by half in 2009 compared with 2008. To improve the investment climate, the G8 had previously committed to encourage investment, enterprise development and innovation through supporting the African Union/New Partnership for Africa's Development (AU/NEPAD) Investment Climate Facility for Africa (ICF), Enhanced Private Sector Assistance with the African Development Bank (AfDB) and the Foreign Investment Advisory Service of the International Finance Corporation (IFC), a lending arm of the World Bank.

To improve infrastructure development, the G8 committed to continue to build an infrastructure consortium involving the AU/NEPAD, the World Bank and the AfDB and to support the capacity-building of small- and medium-sized enterprises, including support for the African Enterprise Challenge Fund. The L'Aquila G8 Leaders' Declaration simply 'commend[ed] the work of the Investment Climate Facility (ICF) for Africa as a model of African-led reform ... [and] welcome[d] progress made by the Infrastructure Consortium for Africa (ICA), the EU-Africa Infrastructure Trust Fund as well as bilateral financing initiatives'. However, it did not make any new commitments to increasing investment in the continent or to improving the climate for attracting greater investment.

INVESTMENT CLIMATE

Private investment in business innovation and trade facilitation has been taking root across Africa. The AU/NEPAD ICF is a major initiative to support investment climate reform in Africa. Endorsed by the Commission for Africa in 2005, it is currently active in 11 African countries and is working on four pan-African projects and four special initiatives. The ICF focuses on eight priority areas, including business registration and licensing, taxation and customs, property rights and contract enforcement, land registration and power sector support. The Africa Enterprise Challenge Fund (AECF) is a $50–$100 million private sector fund designed to encourage private sector companies to compete for investment support in new and innovative business plans, particularly in the areas of agri-business and rural financial services. To date, the AECF has already awarded funding to 29 projects worth $26 million, improving small and medium-sized enterprises in agri-business across the continent. The ICF works along similar lines across sub-Saharan Africa to tackle particular challenges where the commitment to and conditions for successful improvements in the investment climate are optimal.

INFRASTRUCTURE

Ahead of the G20 Meeting in Pittsburgh in 2009, the AfDB, the EC and the World Bank called on development partners to support harmonised spending and interventions around strategic areas of alignment with proven high impact, such as the development of regional infrastructure (power corridors, power networks and ICT, maintenance of existing assets and enhanced policy, regulatory and administrative frameworks. In addition to committing to increase aid levels towards these objectives, the three institutions also endorsed the ICA as the platform for donor coordination of infrastructure investments. In addition, in response to the global financial crisis, the EC increased the size of the EU–Africa Infrastructure Trust Fund, contributing €200 million ($277 million) for 2009–10, doubling its existing contribution and calling on all member states to join the effort, with the goal of raising €500 million ($694 million). If this is achieved, the Commission will leverage €2.5 billion ($3.47 billion) in soft loans to support infrastructure investment.

One critical source of financing for infrastructure in Africa is the African Development Bank Group. The Group includes the African Development Bank (AfDB), which provides 'hard' lending to qualified countries, and the African Development Fund (AfDF) which provides concessional finance to low-income countries. The Group funds infrastructure, governance and regional integration projects in Africa. In order to address the global financial crisis in 2009, the AfDB frontloaded its commitments and expedited transfers to eligible countries. These initiatives resulted in the bank depleting its resources much faster than expected. Shareholders have agreed to a 200% capital increase for the AfDB and must also follow through on a robust replenishment for the AfDF in 2010.

THE INFRASTRUCTURE CONSORTIUM FOR AFRICA

The ICA, launched in 2005, aims to build an international consortium of donors, development banks and private sector actors to catalyse financing for infrastructure investment. According to the most recent information available, the ICA received up to $40 billion in external financing for infrastructure in 2007. While commitments to Africa's infrastructure are normally measured by the OECD, a growing share of the region's infrastructure finance is coming from non-traditional donors such as China, India and Arab nations, whose contributions were estimated in 2007 at $5.2 billion, $700 million and $2.6 billion respectively. Nevertheless, continued, coordinated and strategic financing from G8 countries remains crucial. Africa's current infrastructure needs are estimated at $25 billion, to be sustained over 10 years, in order to make a meaningful contribution to growth and poverty reduction.

BEYOND 2010

Five years after Gleneagles, the G8's promises to complete an ambitious, balanced global trade deal by improving market access for the world's poorest countries, reducing trade-distorting subsidies and increasing aid for trade appear to be mere rhetoric. G8 progress on these promises is scant and Africa continues to miss out on opportunities to achieve greater growth and development through trade and investment. Without substantial action by all WTO members to conclude an ambitious Doha Development Agenda (DDA) that puts development at its core, the gains made in trade over the past decade will be lost and the region's efforts to achieve the MDGs will be further undermined.

In lieu of progress through the DDA, developed countries should each agree to implement a set of rules and policies to improve the trade and investment climate in Africa, through significant progress on the reduction of agricultural subsidies in developed countries; an expansion of market access for goods from African countries, as well as improved preferential trade programmes that focus on simplification and harmonisation; a renewed financial commitment towards aid for trade; and support for developing countries to improve their investment climate to leverage foreign and domestic private investment. In order for the G8 to live up to their commitments at Gleneagles and subsequent summits, they must accelerate progress in the following areas:

MARKET ACCESS

- Trade flows with African countries have slowed dramatically. To reach previous levels of annual growth that were nearing 7%, trade flows must be resumed and all developed countries must avoid adopting protectionist measures.

- Preferential trade programmes help to integrate poor countries into the global market, but could be much more effective. To improve preference programmes, donors must expand them to all African countries, cover all products (especially in the agriculture and textile sectors) and make efforts to ensure that they are permanent and predictable, with simplified and harmonised eligibility rules that make it easier for African exporters to sell their products into all developed countries.

- Expanding preferential access to all LDCs will hurt African market shares once they have to compete with stronger exporters. Safeguards including more meaningful aid for trade, prioritisation of infrastructure and trade facilitation should be implemented to prevent preference erosion for African LDCs and to improve Africa's long-term competitiveness.

SUBSIDIES

- Trade-distorting subsidies prevent African countries from maximising the gains from trade, particularly in sectors in which they maintain a competitive advantage. The G8 must prioritise the elimination of these subsidies on crops that Africa produces, such as cotton, rice and sugar, with or without a conclusion to the DDA. The G8 must also eliminate all export subsidies by 2013 and, through the upcoming EU budget debate, reduce overall CAP subsidies and redirect spending into growth, development and carbon-mitigating investments that do not compete with African exports.

AID FOR TRADE AND INFRASTRUCTURE

- Aid for trade financing is essential to increasing Africa's ability to trade. G8 leaders must substantially increase the G8 aid for trade pledge so that annual aid for trade reaches at least the estimated requirement of $25 billion for Africa's infrastructure needs. Additional financing will be required to fund other aid for trade needs, such as technical assistance and capacity-building for developing communications systems and modernising customs and tax systems. Aid for trade should also be directed to facilitate economic integration and to promote regional trade in Africa.

- Aid for trade should also be directed to facilitate economic integration and to promote regional trade in Africa by fully financing and utilising African-led institutions such as the African Development Bank Group, through both a full replenishment for the ADF and a 200% capital increase for the AfDB.

INVESTMENT

- Creating a more conducive climate for investment is not only a G8 promise, but a necessary foundation for improving trade and growth on the continent. Investment flows in infrastructure and regional integration must be increased to at least their 2008 levels and must leverage additional finance from private investors. As regional integration is key to Africa's growth, more attention and investment should be directed towards African-led initiatives such as the development corridors and the AU/NEPAD Climate Investment Facility.

INVESTING IN PEOPLE

When the G8 made their commitment at Gleneagles to double ODA to sub-Saharan Africa, they also committed to making sure that their financial inputs would achieve a series of development outcomes in priority areas such as health, education, water and sanitation and agriculture.

This chapter measures progress since Gleneagles in these four sectors and the G8's contribution towards that progress. African leaders have also made commitments to prioritise each of the sectors that were outlined at Gleneagles. With only five years left to achieve the Millennium Development Goals, it is critical that both the G8 and African governments follow through on their commitments to development.

HEALTH

THE COMMITMENT

The 2005 Gleneagles Communiqué included a strong emphasis on improving global health, with a specific focus on HIV/AIDS, tuberculosis, malaria and basic health care. Since then, health has been a consistent focus at summits and the G8's rhetoric has broadened to incorporate strengthening of health systems, health worker training and control of neglected tropical diseases (NTDs) as additional priorities. At the 2009 summit in L'Aquila G8 leaders reaffirmed commitments made at previous summits, but did not announce any new targeted health commitments.

G8 commitments on global health that are monitored in this report include pledges to:

- Pursue all necessary efforts to scale up towards the goal of universal access to comprehensive HIV/AIDS prevention, treatment, care and support programmes by 2010;

- Help to meet the needs of the Stop TB Partnership, which aims to cut TB deaths in half by 2015 (from a 1990 baseline);

- Continue to expand access to long-lasting insecticide-treated bednets to prevent transmission of malaria, with a goal of providing 100 million nets through bilateral and multilateral assistance by the end of 2010;

- Reach 85% coverage of prevention and treatment for malaria in high-burden countries to achieve a 50% reduction in malaria-related deaths;

- Maintain or increase financial contributions to support the Global Polio Eradication Initiative (GPEI) and encourage other public and private donors to do the same;

- Support the control or elimination of neglected tropical diseases; and reach at least 75% of the people affected by certain NTDs in the highest-burden countries;

- Work with other donors to replenish the Global Fund to Fight AIDS, Tuberculosis and Malaria and provide long-term predictable funding based on ambitious but realistic demand-driven targets;

- Support comprehensive approaches to address the strengthening of health systems, and work to increase health workforce coverage towards the WHO minimum threshold of 2.3 health workers per 1,000 people; and

- Ensure that by 2015 all children have access to basic health care to reduce mortality among those most at risk of dying from preventable causes, particularly women and children.

In addition to the above, the G8 set a five-year timeframe to deliver $60 billion for infectious diseases and health systems at both the Heiligendamm and Hokkaido summits. ONE has chosen not to monitor this commitment because it is less ambitious than the G8's previous health pledges. Achieving the health outcomes to which the G8 have committed on HIV/AIDS, TB, malaria, polio, NTDs and health systems will require more than $60 billion in health spending over the next few years. Though a comprehensive costing is not available, a rough estimate of the needs for HIV/AIDS, malaria, polio, maternal, newborn and child health, tuberculosis and health systems would total $29.5 billion in 2010 alone.[1]

ONE interprets the G8's commitments to mean that each donor will provide its proportionate share of funding to achieve each of the health commitments listed above. This chapter monitors progress on the outcomes achieved through G8 commitments and overall health ODA from each donor country.

FIGURE 1

HEALTH ODA TO SUB-SAHARAN AFRICA (2000-2008)

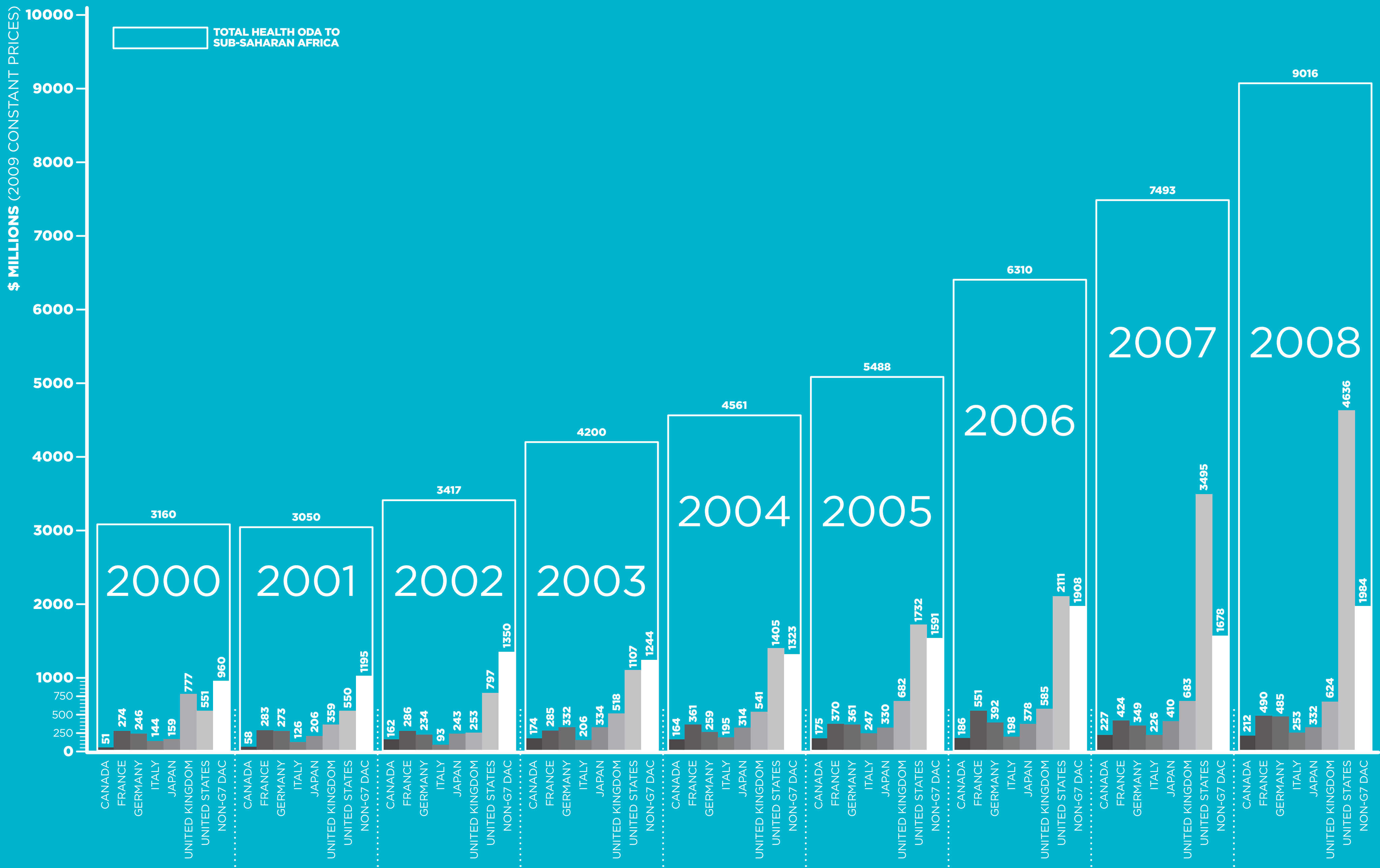


FIGURE 2

G7 AND DAC ODA FOR HEALTH IN SUB-SAHARAN AFRICA, 2004–08 ($ MILLIONS, 2009 PRICES)

	2004	2005	2006	2007	2008	2004–2008 CHANGE
CANADA	164	175	186	227	212	47
FRANCE	361	370	551	424	490	130
GERMANY	259	361	392	349	485	225
ITALY	195	247	198	226	253	58
JAPAN	314	330	378	410	332	18
UK	541	682	585	683	624	84
US	1,405	1,732	2,111	3,495	4,636	3,231
G7	**3,238**	**3,897**	**4,402**	**5,815**	**7,032**	**3,794**
NON-G7 DAC	**1,323**	**1,591**	**1,908**	**1,678**	**1,984**	**661**
DAC	**4,561**	**5,488**	**6,310**	**7,493**	**9,016**	**4,455**

PROGRESS SINCE GLENEAGLES

In the past decade, efforts by the G8, other donors and African governments have helped to significantly scale up access to life-saving interventions such as antiretroviral therapy (ART), insecticide-treated bed-nets and vaccines; they have also helped to almost eradicate devastating diseases such as polio and Guinea worm. However, health systems in sub-Saharan Africa remain extremely weak and the region lags far behind in prevention, treatment and care efforts, particularly with respect to TB and maternal, newborn and child health. Below is a summary of progress towards the health-focused commitments made by the G8.

HIV/AIDS

SCALE UP TOWARDS THE GOAL OF UNIVERSAL ACCESS TO COMPREHENSIVE HIV/AIDS PREVENTION, TREATMENT, CARE AND SUPPORT PROGRAMMES BY 2010

While increases in access to treatment for people living with AIDS have improved health and reduced mortality over the past five years, progress in preventing the spread of the disease has been much more limited. Access to ART (including new antiretrovirals (ARVs) with improved efficacy and reduced side-effects) in low- and middle-income countries increased ten-fold between 2003 and 2008.[2] By the end of 2008, 4 million people worldwide were on ARVs – up from just 400,000 in 2003.[3] Globally, coverage for ARV prophylaxis to prevent mother-to-child transmission (MTCT) of HIV rose from 10% in 2004 to 45% in 2008,[4] and by 2015 the Global Fund and other organisations estimate that vertical transmission from mother to child could be eliminated if efforts continue to be scaled up.[5] Despite this progress, an estimated 1.9 million new cases of HIV were diagnosed in 2008 in sub-Saharan Africa,[6] outpacing the roughly 800,000 people that were newly placed on treatment in the region that year.[7] With more than half of the global population in need of treatment still not receiving it, the world is far from reaching the target of universal access to treatment and comprehensive care by 2010. It has also become clear that an increased focus on HIV prevention is needed during the next five years.[8]

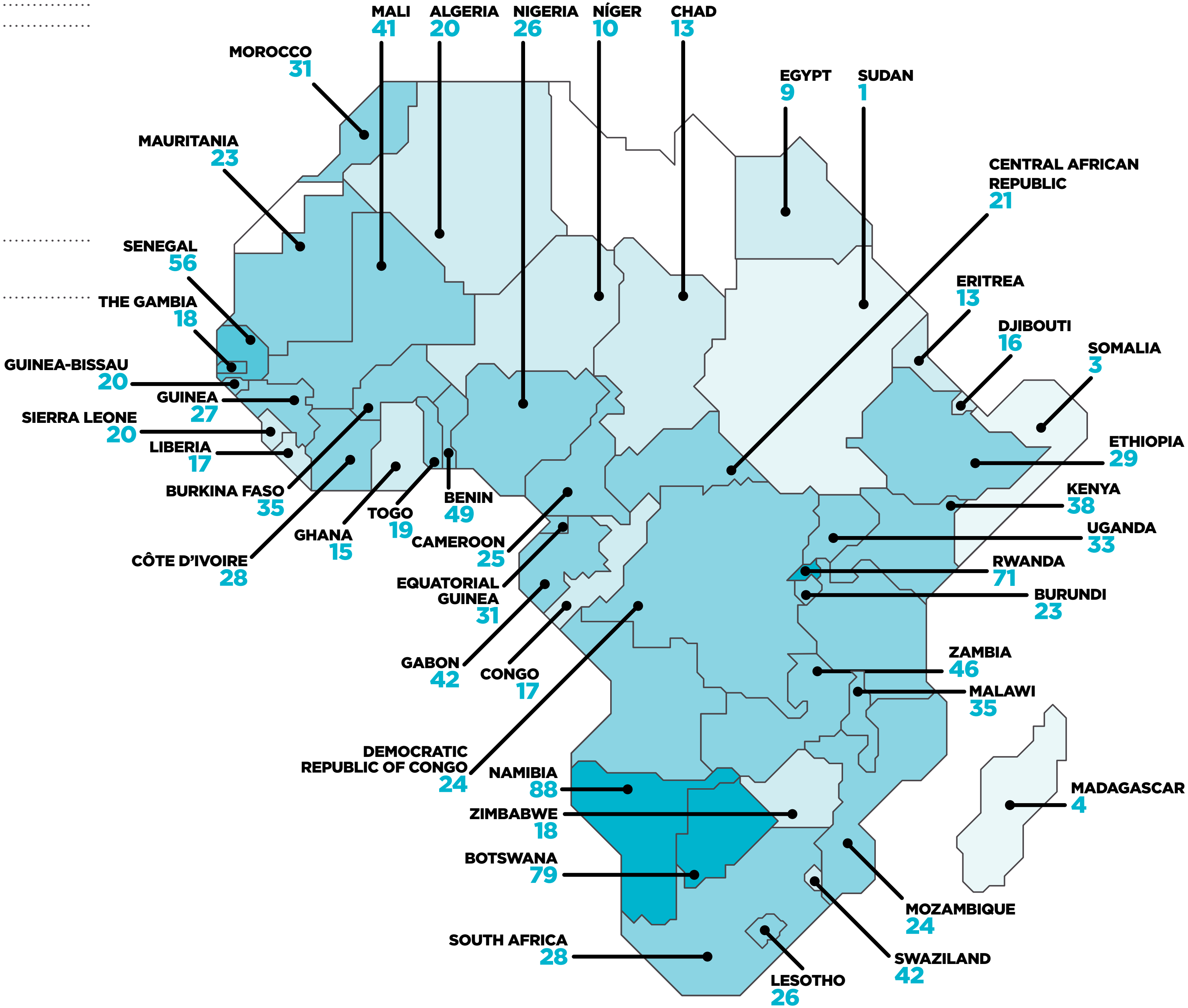
FIGURE 3

MAPPING PROGRESS TOWARDS UNIVERSAL ACCESS

PERCENTAGE HAVING ACCESS BY COUNTRY

5% 20% 50% 70% 100%

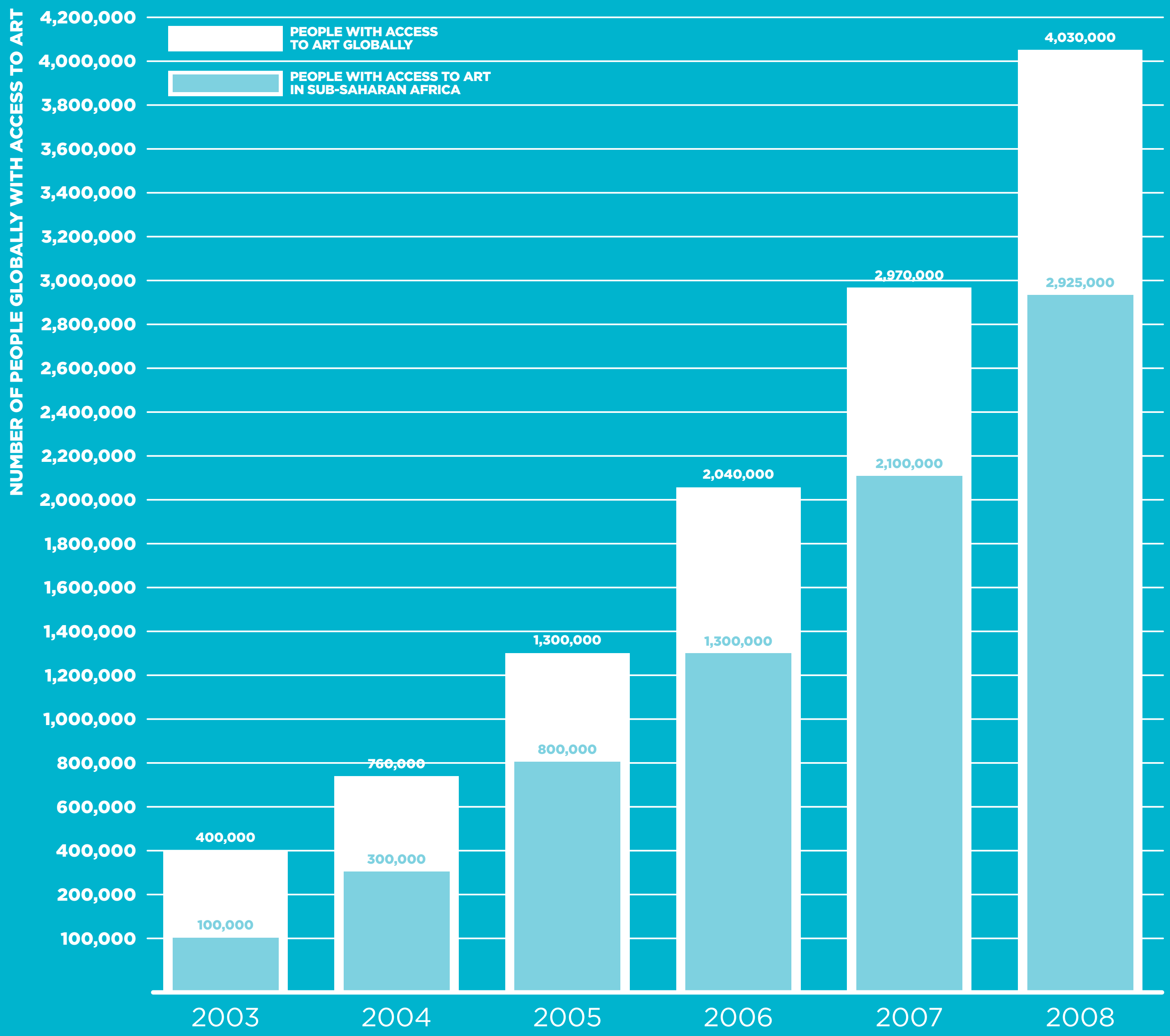
ESTIMATED PERCENTAGE OF PEOPLE RECEIVING ANTIRETROVIRAL THERAPY WHO NEED IT, WITH NEED ESTIMATES BASED ON 2008 WHO RECOMMENDATIONS FOR ART INITIATION WITH A CD4 THRESHOLD OF 200 CELLS/MM3



SOURCE:
WWW.UNAIDS.ORG/EN/KNOWLEDGECENTRE/HIVDATA/MAPPING_PROGRESS.ASP

FIGURE 4

GLOBAL PROGRESS IN ANTIRETROVIRAL TREATMENT ACCESS



TUBERCULOSIS

SUPPORT THE STOP TB PARTNERSHIP, WHICH AIMS TO CUT TB DEATHS IN HALF BY 2015

Through the Global Plan to Stop TB, the international community has identified clear steps forward, particularly with respect to detecting TB cases for treatment.[9] Among patients diagnosed with TB in 2007, 87% were successfully treated, mainly through directly observed therapy short-course (DOTS) treatment, marking the first time that the target of 85% had been exceeded at a global level.[10] However, the threat of multi-drug-resistant (MDR) and extensively drug-resistant (XDR) TB is growing. In addition, TB/HIV services are lacking in areas with high prevalence rates of HIV (creating substantial challenges to health systems and TB control efforts). In sub-Saharan Africa, TB control efforts still lag far behind the rest of the world and the WHO has said that the lack of progress in combating TB in the region is the main obstacle to achieving global TB goals.[11] Very few African countries, apart from South Africa, have any capacity to diagnose MDR-TB or XDR-TB.[12] Research and development for new and more effective diagnostics, drugs and vaccines are needed to improve case detection and to facilitate treatment to slow the transmission of TB.

MALARIA

EXPAND ACCESS TO LONG-LASTING INSECTICIDE-TREATED BED-NETS, WITH A GOAL OF PROVIDING 100 MILLION NETS BY THE END OF 2010.

ENABLE THE COUNTRIES IN AFRICA WITH THE HIGHEST PREVALENCE OF MALARIA TO REACH AT LEAST 85% COVERAGE WITH EFFECTIVE PREVENTION AND TREATMENT MEASURES AND TO ACHIEVE A 50% REDUCTION IN MALARIA-RELATED DEATHS

The world has surpassed the G8's goal for bed-net delivery by 2010 and has made impressive progress towards indoor residual spraying coverage. Although data on bed-net distribution through 2010 are not yet available, between 2007 and 2009 more than 200 million insecticide-treated nets (ITNs) were delivered,[13] far surpassing the commitment to deliver 100 million nets by 2010. In 2008, 31% of African households were estimated to own at least one ITN, and household ITN ownership reached more than 50% in 13 high-burden African countries.[14] However, ownership does not necessarily correlate with proper usage, and just 24% of children under age five (the primary target age group) were reported as sleeping under an ITN in 2008.[15] Malaria treatment coverage is also low; the proportion of children in need who receive artemisinin-based combination therapy (ACT) is below 15% in most high-burden countries.[16] In Ethiopia, Eritrea, Rwanda, Zambia and Zanzibar, where high proportions of the population have access to bed-nets and treatment, recorded cases and deaths due to malaria have fallen by 50%.[17]

POLIO

MAINTAIN OR INCREASE FINANCIAL CONTRIBUTIONS TO SUPPORT THE GLOBAL POLIO ERADICATION INITIATIVE (GPEI)

Polio is nearing global eradication; the number of global polio cases in November and December 2009 were the lowest for those months in recorded history.[18] There were an estimated 1,606 cases of poliovirus in total in 2009; roughly 78% of these occurred in the four remaining polio-endemic countries: Afghanistan, Pakistan, India and Nigeria.[19] While outbreaks continue to occur (in 2009 poliovirus from Nigeria spread to more than 15 African countries that had previously been considered polio-free), country response times have improved dramatically and by April 2010 nine of these countries had halted their outbreaks.[20] The GPEI has developed a Strategic Plan for 2010–12 and is working to implement a final push towards eradication.

NEGLECTED TROPICAL DISEASES (NTDs)

SUPPORT THE CONTROL OR ELIMINATION OF NTDs; REACH AT LEAST 75% OF THE PEOPLE AFFECTED BY CERTAIN NTDs IN THE HIGHEST-BURDEN COUNTRIES

Reinvigorated advocacy and treatment efforts have enabled progress in the control of NTDs, but control has been achieved to varying degrees of success depending on region, country and disease. For some, there is widespread success – Guinea worm stands to be eradicated, for example. For others, including the seven most common NTDs, cost-effective treatment exists, but the distribution of those drugs varies widely. In 2008 some countries – such as Rwanda, Burundi, Burkina Faso and Uganda – reached 70% of those suffering helminth infection with treatment but in 18 other countries across Africa, fewer than 20% received treatment.[21] Over 90% of the world's schistosomiasis (bilharzia) cases occur in Africa and only an estimated 1–2% of those in need of treatment currently receive it.[22] Other NTDs, including African trypanosomiasis (sleeping sickness) and Buruli ulcer, lack sufficient control tools and therefore increased research efforts are needed.

GLOBAL FUND REPLENISHMENT

WORK WITH OTHER DONORS TO REPLENISH THE GLOBAL FUND TO FIGHT AIDS, TUBERCULOSIS AND MALARIA

Working across 140 countries, the Global Fund has distributed 104 million bed-nets and supported ART for 2.5 million people with HIV/AIDS. It has also supported the detection and treatment of 6 million cases of TB (48% of the 2009 international target) using DOTS.[23] According to the Global Fund, its programmes have saved an estimated 4.9 million lives since 2002 and have also helped to improve overall health and reduce disease prevalence rates.[24] In November 2009, the Global Fund's Board approved 90 Round 9 disease proposals in 69 different countries, representing a total of $2.38 billion for the first two years. In order to continue funding for successful programmes and to match increasing demand for new, effective programmes, the Global Fund will enter a new replenishment period in 2010, with estimated funding scenarios ranging from $13–20 billion globally over the next three years.[25]

HEALTH SYSTEMS STRENGTHENING

SUPPORT COMPREHENSIVE APPROACHES TO ADDRESS THE STRENGTHENING OF HEALTH SYSTEMS, AND WORK TO INCREASE HEALTH WORKFORCE COVERAGE TOWARDS 2.3 HEALTH WORKERS PER 1,000 PEOPLE

African countries still lack the basic health care workforce needed to address their massive disease burdens. In 2006, the World Health Report identified 57 countries, 38 of them in sub-Saharan Africa,[26] that had below the minimum WHO-recommended level of 2.3 doctors, nurses and midwives per 1,000 people.[27] A more recent study forecasted that 31 countries in Africa (of 39 reviewed) will experience a shortage of approximately 800,000 health professionals (including doctors, nurses and midwives) by 2015.[28] In recent years, major infectious disease programmes have directed increased attention and resources towards expanding the number of trained healthcare workers. PEPFAR, for example, has begun to implement the target mandated by the US Congress of training and supporting the retention of at least 140,000 new health workers, and in 2009 the Global Fund, GAVI and the World Bank announced the launch of a joint platform to improve health systems. In order to fully address the human resource deficiencies in health, investments are needed to train new health workers and ensure that they are retained for basic health needs as well as infectious diseases.

MATERNAL AND CHILD HEALTH

ENSURE THAT BY 2015 ALL CHILDREN HAVE ACCESS TO BASIC HEALTH CARE TO REDUCE MORTALITY AMONG THOSE MOST AT RISK FROM DYING FROM PREVENTABLE CAUSES, PARTICULARLY WOMEN AND CHILDREN

MATERNAL HEALTH

Although new data are limited and existing data can be difficult to measure,[29] maternal mortality remains the furthest off track of the MDGs.[30] Globally, at least 342,900[31] women die each year in childbirth, and more than half of these deaths occur in sub-Saharan Africa.[32] Sub-Saharan Africa and South Asia lag behind other regions on coverage of skilled attendance at delivery, which is a major factor in the survival of mothers and children during childbirth. In the period 2000–06, only 43% of births in sub-Saharan Africa were attended by skilled health personnel.[33]

CHILD HEALTH

Child mortality rates continue to decline on average across sub-Saharan Africa.[34] Increased access to vaccines (made available through GAVI and other mechanisms) has averted more than 5 million child deaths since 2000.[35] Along with other interventions, more widespread vaccination has helped to halve global child mortality in less than 50 years. In 1960, roughly 20 million children under five died each year;[36] by 2008, that figure had dropped to approximately 8.8 million children.[37] Still, in 2008 half of the 8.8 million under-five deaths occurred in sub-Saharan Africa.[38] Five preventable and treatable diseases – pneumonia, diarrhoea, malaria, measles and AIDS – account for half of all under-five deaths.[39]

NTDs: THE FORGOTTEN SCOURGES

1 in 6 people worldwide is infected with one or more neglected tropical disease (NTD).

50¢

The cost of treating an individual for the seven most common NTDs for a year.

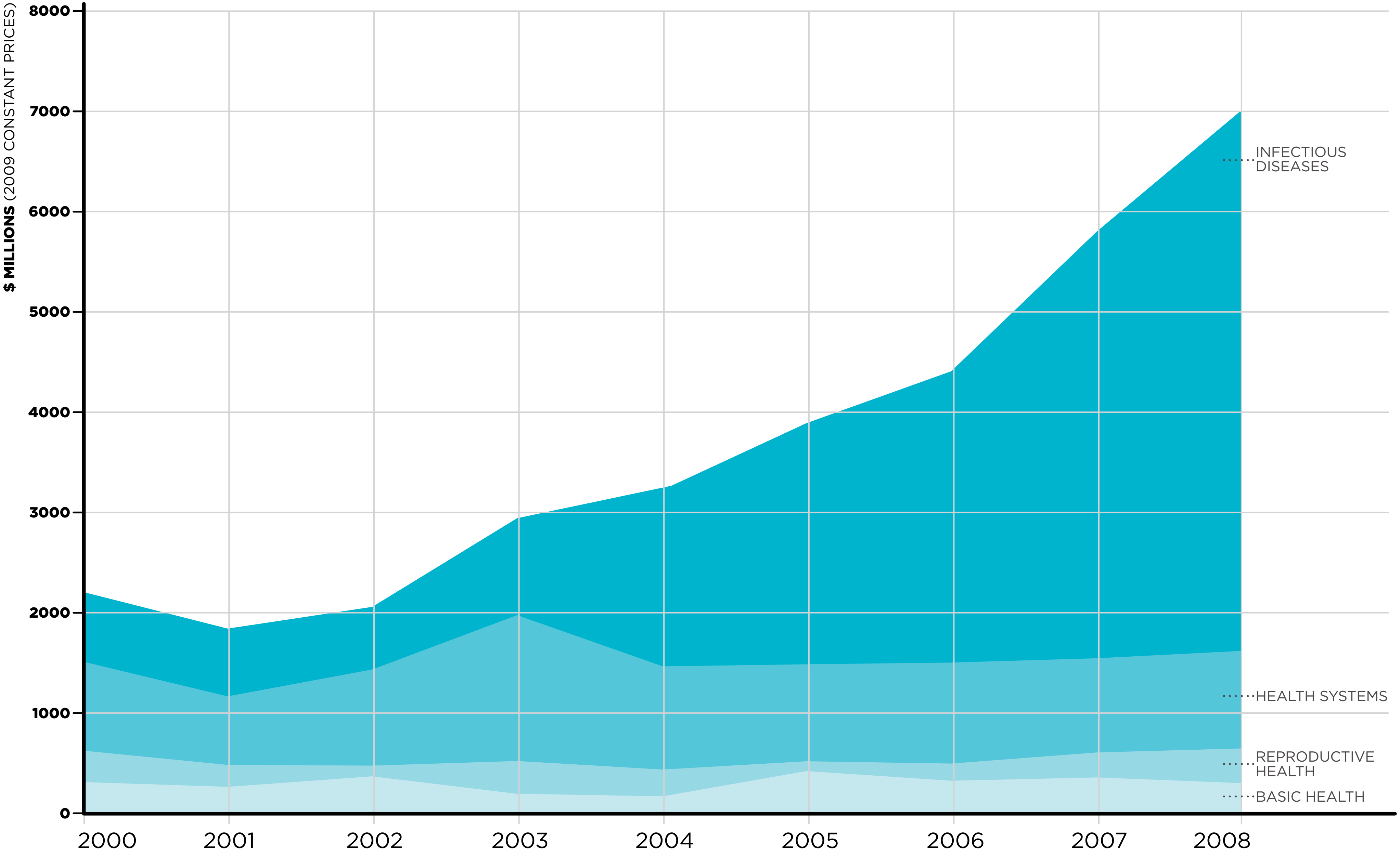
PROGRESS ON POLIO ERADICATION

4

The number of countries that remain endemic for polio, of which only one is in Africa (Nigeria).

FIGURE 5

G7'S BILATERAL AND MULTILATERAL FUNDING TO HEALTH CATEGORIES (2000–2008)



G7 ODA FOR HEALTH

Many of the accomplishments outlined above were achieved with support from G7 donors, who more than doubled their total health spending in sub-Saharan Africa after Gleneagles, from $3.2 billion in 2004 to $7 billion in 2008. The G7 have signalled that health spending is a clear priority within their overall investments in Africa. G7 donors' health commitments as a percentage of their total commitments to sub-Saharan Africa grew from 11.6% in 2006 to 22.1% in 2008. The US has demonstrated critical leadership on this front by increasing its own commitments to health in the region by 230% (compared with a G7 average of 117%), leading the way in the advances against infectious diseases since Gleneagles.

The G7's $7 billion commitment in 2008 is a $1.2 billion increase over 2007 levels. As Figure 5 shows, the vast majority (76.9%) of G7 commitments to health in 2008 were focused on infectious diseases, a trend driven by contributions from the US. Funding for other major health categories – including reproductive health (5.2%), basic health (4.2%) and health systems (13.6%) – has remained virtually flat since 2004 despite large increases in health ODA overall.

BEYOND 2010

In the years ahead, the G8 and other donors should work with African countries to accelerate progress against infectious diseases by following through on existing commitments to HIV/AIDS, TB, malaria, polio and NTDs. In order to sustain these initiatives and address broader health goals, they also need to balance these efforts with a more comprehensive approach towards health that emphasises outcomes as opposed to inputs; enhances the long-term sustainability of health programmes through investments in local capacity and support for African health priorities; and strengthens work around maternal and child health. ONE's recommendations for G8 countries' future commitments to health include:

CONTINUE TO FIGHT INFECTIOUS DISEASES WITH AN EMPHASIS ON OUTCOMES

Progress against infectious diseases across sub-Saharan Africa could stall or even reverse without continued investments, especially for diseases such as polio and Guinea worm where global eradication is close to being achieved. Similarly, although progress against HIV/AIDS, TB and malaria has been remarkable over the past decade, the world is far from reaching the targets set for these diseases and obstacles such as drug resistance will only make this work more challenging in the years ahead.

Future donor commitments on infectious diseases should reflect a transition from an emergency response to an approach that works in collaboration with national leadership and invests in the long-term sustainability of programmes. As part of this shift, indicators of progress should expand to include longer-term outcomes such as deaths averted, training of new healthcare workers and reductions in disease prevalence, in addition to inputs such as access to ARV treatment and insecticide-treated bed nets.

DEVELOP STRONGER COMMITMENTS ON CHILD, MATERNAL AND REPRODUCTIVE HEALTH

While G8 leaders have committed to specific targets for reducing infectious diseases, they have not established similar goals for improving the health of children and mothers. Maternal mortality rates remain stubbornly high, while 8.8 million children die before the age of five each year. In addition, countries in sub-Saharan Africa have some of the lowest usage levels of modern contraceptives.[40] The issue is on the agenda of both the 2010 G8 Summit and the 2010 African Union Summit. In 2010 and beyond, leaders must commit to ambitious targets with measurable outcomes focused on improving overall health for African mothers and their families. They must also develop a concrete framework through which to work in conjunction with national strategies to achieve these outcomes.

GAVI & GLOBAL FUND: MULTILATERAL LEVERAGE

257 million

The number of children immunised with GAVI-supported vaccines since 2000.

108 million

The number of malaria treatments delivered with Global Fund financial support since 2003.

790,000

The number of HIV-positive pregnant women who have received PMTCT services through Global Fund-supported programmes.

CHANGE THE APPROACH FROM 'EMERGENCY' RESOURCES FOR HEALTH TO SUSTAINABLE CAPACITY-BUILDING

In 2008, G7 investments for prevention, treatment and control of infectious diseases accounted for nearly 77% of total health ODA to Africa, while funds for health systems were just below 14%. Investments in disease-specific efforts have jumpstarted critical life-saving efforts over the past decade, but in the coming years donors must strike a better balance in funding to ensure that systems are in place to both facilitate the delivery of such interventions and improve health more broadly. In particular, progress in maternal and child health will depend on enhanced capacity. Whenever possible, investments in health systems should aim to strengthen local capacity and delivery systems, as opposed to creating parallel structures. Key outcomes of health systems strengthening should include empowered ministries of health, improved access to technology (including refrigeration, electricity, diagnostics and laboratories) and increased human capacity (doctors, nurses, community health workers and other health personnel).

FULLY FUND KEY MULTILATERAL MECHANISMS

Particularly during this time of global fiscal restraint, multilateral mechanisms offer donor countries an opportunity to leverage their investments to achieve greater collective health outcomes than they would achieve individually, while also allowing for greater country input and management. The Global Fund and GAVI are two mechanisms that have demonstrated tremendous success and are continuing to improve their approach and increase efficiency. 2010 marks the beginning of a replenishment period for the Global Fund, during which robust new pledges will enable it to maintain successful programmes and meet the demand for new ones. Similarly, GAVI is moving towards a model that better ensures long-term and predictable funding. Full financial support this year will allow GAVI to introduce new vaccines for pneumonia and rotavirus, the two leading disease killers of children under five. Increased contributions will have a direct impact on the success of both mechanisms in the coming years.

Other multilateral mechanisms, including (but not limited to) the GPEI and UNICEF, play critical roles in improving global health and also require robust financial contributions in order to achieve polio eradication and vaccination targets.

Fully financing multilateral mechanisms may require new and non-traditional sources of funding. The emergence of innovative financing mechanisms for health, including Advanced Market Commitments (AMCs), the International Finance Facility for Immunisation (IFFIm), UNITAID, (RED) and others is welcome. Donors should continue to encourage and facilitate such innovation to unlock potential new streams of funding in the coming years.

PUSH FOR BETTER HEALTH DATA

The challenge of outdated information is not unique to health, but without clear and universally understood data, it is difficult to measure progress and adjust donor efforts to increase efficiency and efficacy. In particular, official data on the global health workforce has not been updated in years, which poses a substantial obstacle for nuanced programmatic decisions in the field. Improved data collection and analysis will also help to ensure that financiers and recipients are accountable for the vast sums of money being invested in health. Such an effort should include investments in monitoring and evaluation capacity at the local, regional and global levels; at the same time, better coordination and streamlining of donor reporting requirements would allow recipient countries to focus the majority of their time and resources on programmes. Some efforts to improve health data are underway – including work by the WHO and others to strengthen the global evidence base on human resources for health[41] – but much work remains to be done on this issue in the years ahead.

EDUCATION

THE COMMITMENT

At the 2005 Gleneagles Summit, the G8 reiterated their commitment to the MDG of ensuring that all children are able to complete a full course of primary education by 2015 (also known as universal primary education, or UPE). They also pledged to bolster African efforts towards achieving this goal, specifically through support of the Education for All Fast Track Initiative (FTI).

At the 2007, 2008 and 2009 summits, the G8 reiterated their support of the FTI and also pledged to fill the financing gaps faced by FTI-endorsed countries. At the 2009 summit in L'Aquila, the G8 also committed to 'pursue funding' to fill the financing gaps faced by the FTI's multilateral funds.

To track the G8's progress towards meeting their education commitment, ONE monitors progress towards the goal of UPE and measures each country's contribution towards delivering the financing required to achieve UPE in sub-Saharan Africa by 2010. In its 2010 Global Monitoring Report, UNESCO revised its estimates on the financing gap for basic education to reflect the increased resources needed to provide an education for marginalised children, who make up the majority of the out-of-school population globally. The external financing gap for sub-Saharan African countries to reach UPE is now estimated to be $6.8 billion annually (in 2009 prices).[42] The G8 share of this figure (based on collective gross national income) was $2.7 billion in 2008 and will need to rise to $5.3 billion by 2010.

The Gleneagles commitment was robust in that it set the MDG as a target and also emphasised country ownership by pledging to support African education plans through the FTI. However, the lack of an explicit financial commitment, deadlines, interim targets and other accountability measures meant that implementation on this commitment has been slow and uneven. In addition, subsequent pledges to fill the gaps faced by FTI-endorsed countries, while commendable, were less ambitious than the original commitment because the FTI covers only a fraction of the total efforts needed to meet UPE.

FIGURE 6

G7 AND DAC ODA FOR PRIMARY EDUCATION IN SUB-SAHARAN AFRICA, 2004–08 ($ MILLIONS, 2009 PRICES)

	2004	2005	2006	2007	2008	2004–2008 CHANGE
CANADA	131	110	181	88	108	-23
FRANCE	170	61	134	193	252	82
GERMANY	47	165	72	187	160	113
ITALY	33	79	28	23	84	51
JAPAN	145	134	151	170	100	-45
UK	192	308	696	269	128	-64
US	198	151	163	224	292	94
G7	**916**	**1,008**	**1,426**	**1,154**	**1,124**	**208**
NON-G7 DAC	**401**	**520**	**714**	**589**	**492**	**90**
DAC	**1,318**	**1,528**	**2,140**	**1,743**	**1,616**	**298**

PROGRESS SINCE GLENEAGLES

Reaching UPE by 2015 requires progress on two fronts – enrolment and completion. Although progress on enrolment in recent years has been positive, with headline figures increasing annually, completion rates and overall measures of quality have not kept pace.

ENROLMENT

Efforts to eliminate school fees and other barriers to education led to an increase in enrolment in sub-Saharan Africa from 58% in 1999 to 74% in 2007, the most rapid increase of any region.[43] Madagascar, Tanzania and Zambia have achieved enrolment ratios above 90%.[44] Despite these results, enrolling the 32 million children who are still out of school in sub-Saharan Africa promises to be much more difficult, because the majority of them are marginalised children (such as young girls, children in rural areas or fragile states, and children with disabilities).

COMPLETION

Progress on improving primary school completion rates in sub-Saharan Africa has been much slower than the improvements in enrolment. Although the proportion of children completing primary school in the region increased from 53% to 63% between 1999 and 2007, this increase did not keep pace with enrolment growth. This reflects the reality that, while many more children are entering the school system, millions are still dropping out of school early and failing to complete a full cycle.[45] Related to this slow increase in completion rates is the region's poor performance on key measurements of education quality, which indicate that many children who do enrol in school are not leaving with even basic reading and maths competency. Regional assessments from Malawi, Namibia and Zambia, for example, found that over 70% of grade 6 students in each country had not achieved basic maths competency.[46] In many countries, a lack of trained teachers and adequate supplies is not only making learning extremely difficult but also failing to motivate students to complete a full cycle of school.

G7 ODA FOR EDUCATION

Although development assistance for primary education from the G7 increased substantially in the year following Gleneagles to peak at a total of $1.4 billion in 2006, levels have since been falling. In 2008, the G7 committed $1.1 billion to primary education in sub-Saharan Africa, a decrease of $30 million from 2007. These levels fall far short of the $2.7 billion the G7 would have had to contribute to meet their proportionate share of the UPE goal for the region, making it very difficult to scale up by 2010 to meet the Gleneagles commitment. In 2008, France and Canada came closest to meeting their proportionate share of UPE financing.

In addition to a decrease in volume, the G7's prioritisation of sub-Saharan Africa in education spending has also declined since 2006. In 2008, the allocation of total global ODA spent on primary education that was directed to the region fell to 36%, the lowest level in the past decade, from a high of 60% in 2006. This shift has been driven largely by the US, which is the biggest funder of basic education globally but which has shifted its spending to regions outside sub-Saharan Africa in the past five years.

FIGURE 7

SUB-SAHARAN AFRICA'S PROGRESS TOWARDS UNIVERSAL PRIMARY EDUCATION

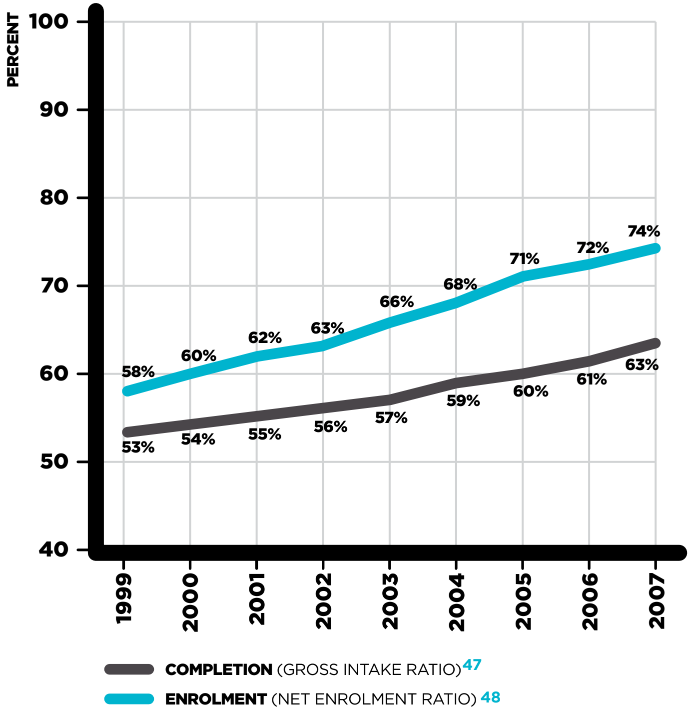
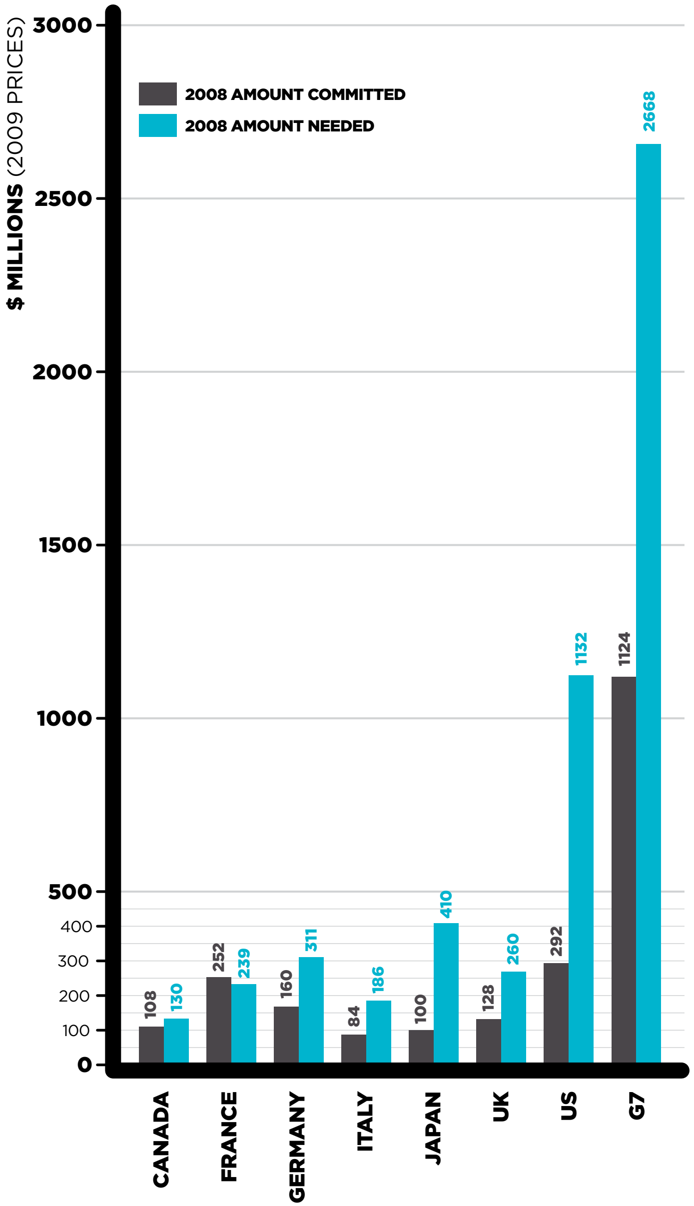


FIGURE 8

2008 ACTUAL COMMITMENT TO PRIMARY EDUCATION COMPARED WITH TARGET



WHO IS STILL OUT OF SCHOOL?

72 million

Children are out of school around the world.

44%

of these children live in sub-Saharan Africa.

54%

of these children are girls.

35%

of these children live in countries affected by conflict.

PROGRESS TOWARDS UPE

42 million

Children who were newly enrolled in school in sub-Saharan Africa between 1999 and 2007 thanks to savings from debt relief, development assistance for education and prioritisation by African governments.

1.2 million

Additional teachers are needed in sub-Saharan Africa to achieve UPE by 2015.

Benin, Madagascar, Tanzania and Zambia are on track to reach UPE by 2015.

BEYOND 2010

Sustaining and accelerating progress towards UPE will require a revitalised effort on the part of donors and developing countries over the next five years. The 1Goal Campaign around the World Cup in South Africa could serve as a critical vehicle to mobilise popular support for education around the world. Donors and developing countries both need to use the momentum generated in 2010 as an opportunity to reinvigorate their commitments to global education. Specifically, the G8 and other donors should do the following:

INCREASE THE FOCUS ON QUALITY, COMPLETION AND SECONDARY SCHOOL

In 2010, education stakeholders need to reposition quality, primary school completion and enrolment in secondary school at the centre of the broader education agenda. Targeted efforts need to be made to recruit and retain trained teachers; improve learning through investments in the educational environment and inputs such as textbooks; and monitor and evaluate learning outcomes through classroom-based assessments, as well as national and regional testing. To incentivise primary school completion and increase enrolment in secondary school, developing countries and donors should take a fresh look at the barriers to secondary school, including fees, opportunity costs, distance to schools and socio-cultural barriers, especially for girls, and ensure that these are addressed in national education plans as the demand for secondary education grows. In addition, community involvement and ownership in the education sector needs to increase to help ensure long-term sustainability and accountability for results. Donor partners need to support country efforts to improve quality and completion, and focus on ensuring long-term and predictable development assistance to enable countries to meet recurrent costs such as teacher salaries, which make up 70–80% of education budgets in most developing countries.

SUPPORT THE LAUNCH OF A NEW AND IMPROVED FTI TO FULLY SUPPORT NATIONAL EDUCATION PLANS

Improving quality and completion and reaching marginalised children will demand strong partnerships among developing countries, donor governments and civil society. An enhanced FTI partnership is critical to this process. In 2010, the FTI will be undergoing a wide range of necessary reforms, including greater independence and capacity for the FTI Secretariat, more representation and participation by developing countries at the global and local levels, improved monitoring and evaluation and an expanded focus on fragile states. The quick implementation of a comprehensive set of reforms is critical to ensuring that the FTI is equipped to help countries leverage new resources and implement the policy changes needed to reach UPE by 2015. It is imperative that the G8 and other donors not only support a bold reform agenda, but also fulfil their responsibility within the partnership by taking on a strong leadership role in the implementation of reforms.

MOBILISE NEW FINANCING FOR EDUCATION

The recommendations above will demand an increase of resources from both developing country governments and donor countries. One of the major shortcomings of the Gleneagles commitment on education was the lack of a concrete financial target for achieving UPE. After Gleneagles, subsequent communiqués made commendable pledges to support FTI-endorsed countries and the FTI’s multilateral funds, but these represent only a small fraction of the financing needed to reach UPE by 2015. This year’s 'Global Monitoring Report' from UNESCO determined that the amount of resources needed to reach the EFA goals has been 'systematically underestimated' over the past decade and that reaching marginalised children who are still out of primary school will require proactive, targeted policies and additional resources.[49] New estimates are that sub-Saharan Africa is facing a $6.8 billion annual external financing gap in meeting UPE, with most of the increase reflecting the additional resources needed to reach marginalised children.[50] Although the FTI has been instrumental in improving donor coordination and national education plans of low-income countries, it has not fulfilled its core mission to leverage increased funding for endorsed countries. It is critical that in 2010, along with robust reform of the FTI, both donors and developing countries set out new commitments to mobilise resources for education, as well as explore innovative, multilateral and private sector vehicles available to increase financing beyond the scope of the current framework.

AGRICULTURE

THE COMMITMENT

Although G8 communiqués from 2005 to 2007 recognised the importance of supporting increased agricultural productivity in Africa, there were no concrete commitments until 2008 and 2009. At the 2008 summit in Hokkaido, G8 countries reiterated individual commitments from earlier in the year to direct $10 billion in funding to address the global food crisis, and also committed to reversing the decline in funding in the agriculture sector.

In 2009 in L'Aquila, the G8 and other donors committed to provide $20 billion (since revised to $22 billion) over three years for the L'Aquila Food Security Initiative. Through the initiative, donors committed to develop and fund comprehensive food security plans and encourage donor coordination, together with support for country-led processes including initiatives such as the Comprehensive Africa Agriculture Development Programme (CAADP), a focus on smallholder and women farmers, and the use of multilateral institutions whenever possible.

ONE interprets the 2009 commitment to mean that the G8 and other donors will deliver $22 billion in funding for global food security initiatives over three years. If these new resources are mobilised and applied strategically and in accordance with the principles laid out in L'Aquila, this investment will assist in revitalising the agriculture sector in developing countries, and will help developing countries better feed themselves, increase incomes and generate widespread economic growth. However, in order to ensure long-term, sustainable global food security and to reduce the number of people living in hunger and poverty, donors will need to make further long-term commitments to support agriculture and food security.

The L'Aquila pledge represents the most robust commitment to agriculture, but because the most recent development assistance data are from 2008 (and do not reflect 2009 commitments), the DATA Report monitors G8 progress towards fulfilling the 2008 commitment to reverse the decline in global agriculture funding and also tracks the proportion of that funding channelled towards sub-Saharan Africa.[51]

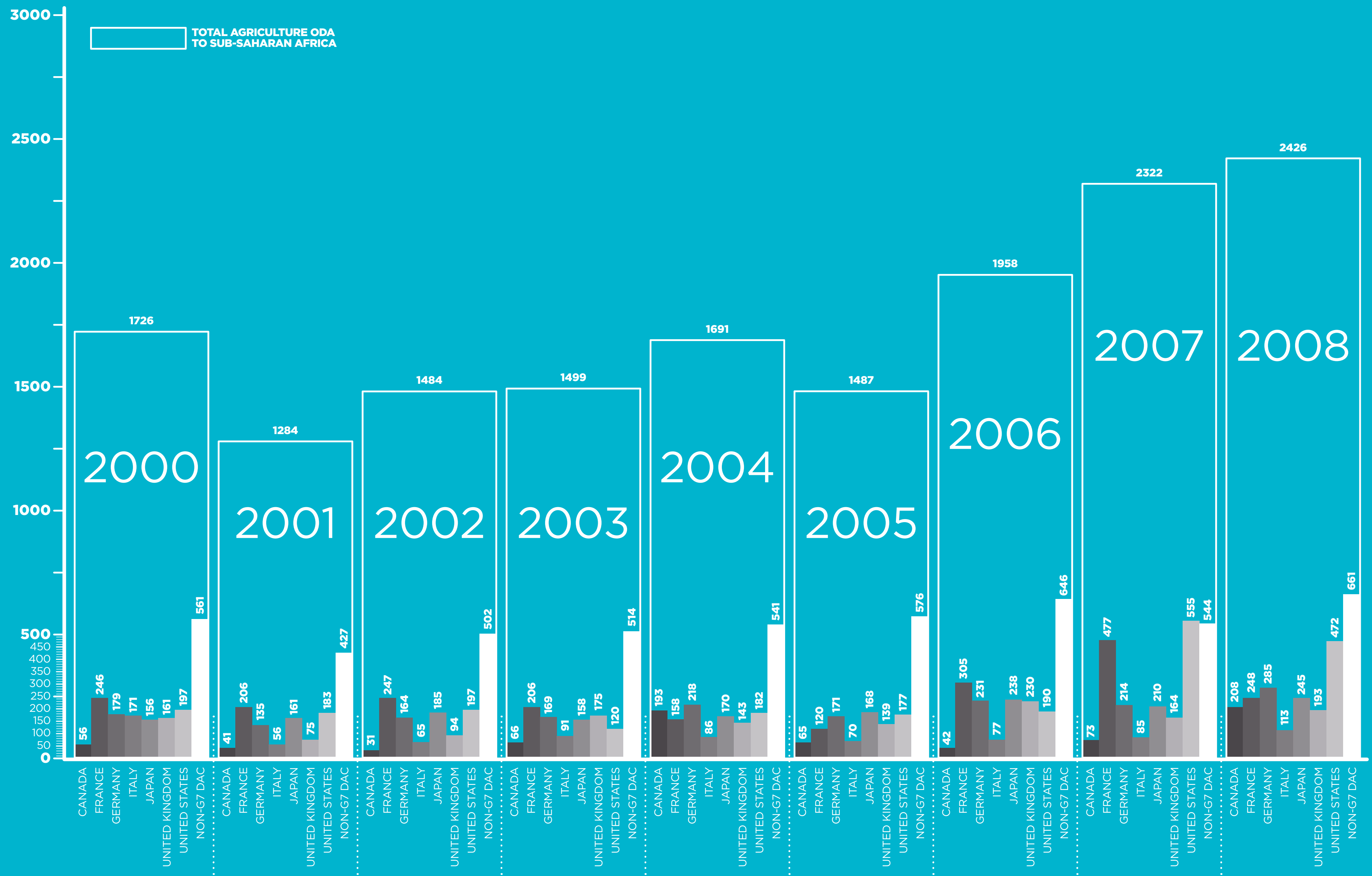
FIGURE 9

G7 AND DAC ODA FOR AGRICULTURE IN SUB-SAHARAN AFRICA, 2004–08 ($ MILLIONS, 2009 PRICES)[52]

	2004	2005	2006	2007	2008	2004–2008 CHANGE
CANADA	193	65	42	73	208	15
FRANCE	158	120	305	477	248	90
GERMANY	218	171	231	214	285	67
ITALY	86	70	77	85	113	27
JAPAN	170	168	238	210	245	75
UK	143	139	230	164	193	50
US	182	177	190	555	472	290
G7	**1,150**	**911**	**1,312**	**1,777**	**1,765**	**614**
NON-G7 DAC	**541**	**576**	**646**	**544**	**661**	**120**
DAC	**1,691**	**1,487**	**1,958**	**2,322**	**2,426**	**734**

FIGURE 10

AGRICULTURE ODA TO SUB-SAHARAN AFRICA (2009 PRICES)



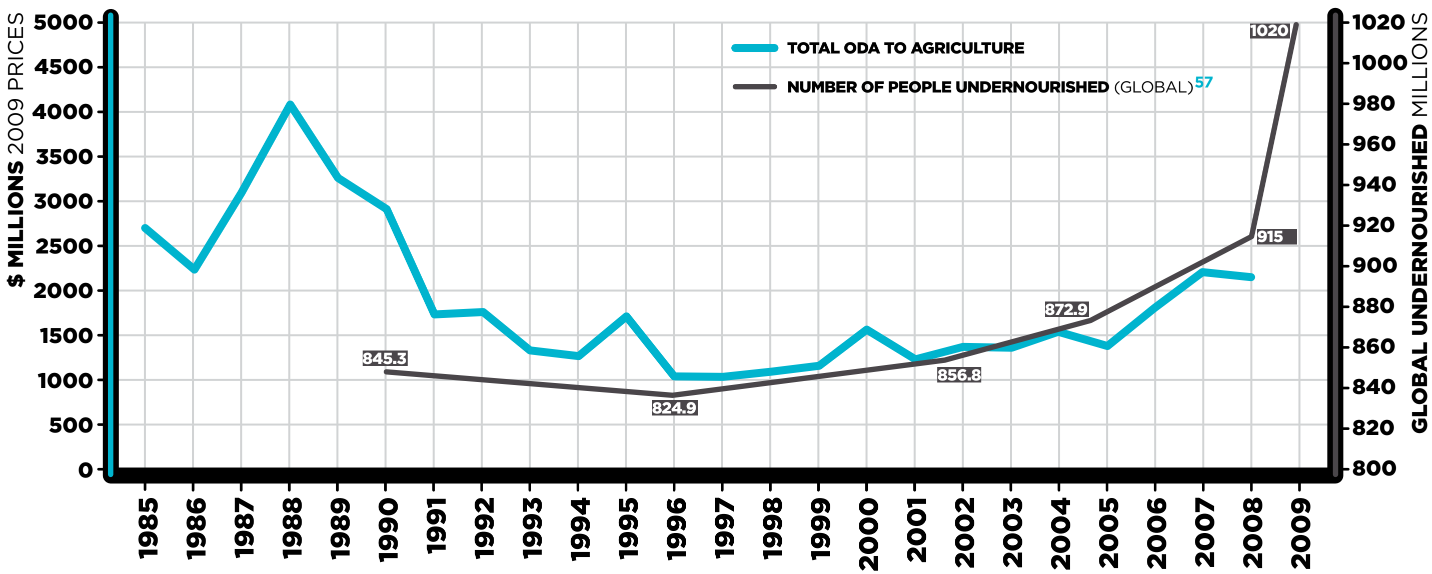
PROGRESS SINCE GLENEAGLES

Despite increased global attention, progress towards food security and poverty reduction through agriculture has been slow. Smallholder farmers, who are responsible for most food production in developing countries, still face many barriers. Insecure land tenure makes many smallholders reluctant to invest in their land. Farmers struggle to obtain credit to finance their farming and often have difficulty repaying loans if crops fail. They lack sustainable, affordable access to inputs such as improved seeds, tools and fertilisers that allow them to be productive. In addition, farmers lack access to markets in which to sell their goods. Facilitating a demand-driven process to address these challenges – one in which smallholder farmers get to be a part of designing the necessary solutions – will improve farmers' productivity, combat undernourishment and increase incomes.

Perhaps the most troubling signs of slow progress in agriculture are that the number of hungry people in sub-Saharan Africa has remained relatively unchanged and the proportion of the population in developing countries considered to be undernourished is on the rise after a 35-year decline. In 2008, approximately 32% of sub-Saharan Africa's population was undernourished – the highest of any region. This proportion has barely changed since 1990, partly due to donors' prioritisation of emergency food assistance over long-term agricultural development. These challenges came to a head during the 2008 food crisis, which caused prices of staple foods to increase by more than 80%.[53] The food crisis contributed to an increase of approximately 100 million undernourished people globally between 2008 and 2009,[54] putting the total number of undernourished people worldwide at 1.02 billion – 265 million of whom live in sub-Saharan Africa.[55] The sector's long-time neglect of the sector left developing countries ill-equipped to deal with the global food and financial crises. While investments in agriculture are on the rise and global commodity prices have since dropped, this decrease has not been reflected in local markets, where high and volatile prices still put increased pressure on poor families trying to feed themselves.[56]

FIGURE 11

ODA AND UNDERNOURISHMENT TRENDS



AGRICULTURE: CHALLENGE AND POTENTIAL

For the first time in over four decades, more than 1 billion people in the world are undernourished – almost one-sixth of humanity.[58]

In sub-Saharan Africa, agriculture employs more than 60% of the workforce, and accounts for, on average, one-third of GDP.[59]

THE CHALLENGE

<1%

The average growth in agricultural incomes in Africa over the last 25 years. This is the lowest rate in the world and less than half that of any other region.[60]

In 2008, soaring food and fuel prices pushed between 130 million and 155 million people into poverty.[61]

G7 ODA FOR AGRICULTURE

The G7 commitment was global, but this report monitors assistance to sub-Saharan Africa.[62] The proportion of G7 global assistance for agriculture steadily declined between 1985 and 2004 – falling from a high of 17% to less than 5%. As Figure 12 shows, the decline of agriculture ODA began to reverse in 2002. In that year, G7 ODA for agriculture globally was $2.8 billion; by 2008, it had risen to $5.1 billion. The increase from 2007 to 2008 was only $351 million, however, compared with almost $1.4 billion from 2006 to 2007.

ODA to sub-Saharan Africa for agriculture demonstrated similar trends. Figure 13 shows that G7 ODA for agriculture in sub-Saharan Africa has increased since 2005, but ODA for agriculture is still only 5.5% of total ODA for the region. G7 donor funding essentially flatlined between 2007 and 2008.

In nominal terms, the G7 have reversed the decline in ODA for agriculture, yet the amount currently being spent and the amount that has been pledged are far short of any plausible estimate of the need for ODA for agriculture and food security in sub-Saharan Africa.[63]

While greater funding commitments to agriculture and food security are essential, how the money is spent is equally, if not more, important. Proposed interventions must be environmentally sustainable and demand-driven and must be designed to meet the needs of the intended beneficiaries – in many cases poor, smallholder women farmers and other vulnerable groups working on marginal lands, who have largely been neglected by past interventions.

In addition to the financial pledge of 2009, the G8 have committed to pursuing a strategic global partnership for agriculture and food security. Progress towards global coordination, however, has been slow. It is still unclear, for example, how the L'Aquila Food Security Initiative will link with region-led initiatives like CAADP, and how donor countries will coordinate bilateral agricultural initiatives in-country.

FIGURE 12

GLOBAL ODA TO AGRICULTURE

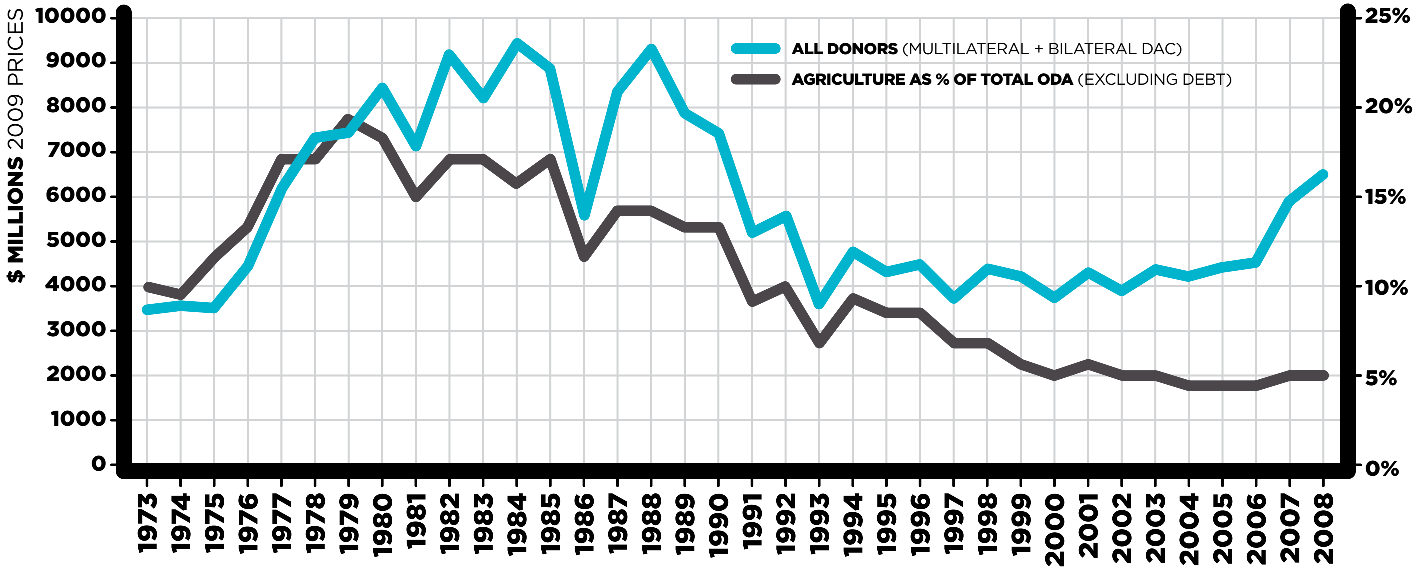
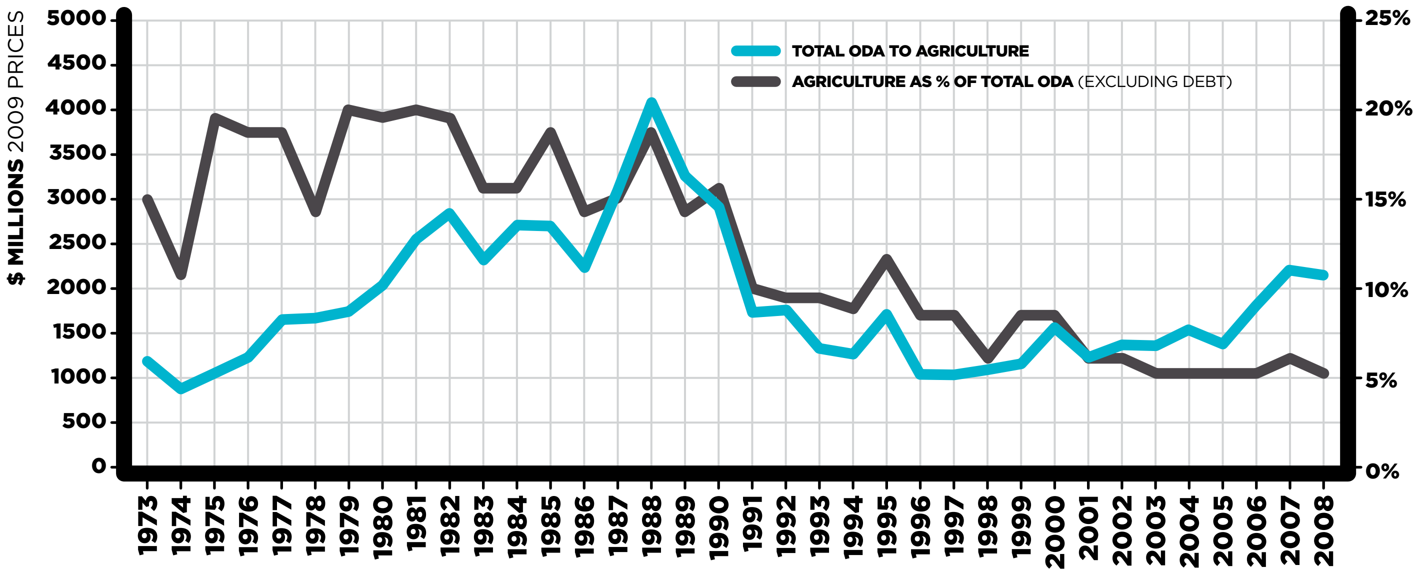


FIGURE 13

ODA TO SUB-SAHARAN AFRICAN AGRICULTURE



TARGETING WOMEN AND SMALLHOLDERS

In sub-Saharan Africa, women provide about **70%** of all agricultural labour and produce about **90%** of the food.[64]

It is estimated that 85% of farms worldwide (or 450 million farms) are less than two hectares in size, and the average farm size is getting smaller.[66]

The majority of smallholder farmers and landless farm workers live on less than $2 per day and are net buyers of food.[67]

AGRICULTURE AND CLIMATE CHANGE

Climate change will have an enormous impact on agricultural productivity in the developing world, exacerbating the challenges of food insecurity and poverty reduction. Increased temperatures will affect the well-being and growth rates of animals, plants and water supplies, and will intensify pestilence. Changes in rainfall levels and patterns affect water availability for rain-fed and irrigated crops and livestock, and will further aggravate challenges of water scarcity. Extreme weather events, which are predicted to occur more frequently and with greater intensity, threaten crop, animal and livelihood survival.

Developing countries, particularly in the southern hemisphere, will be the hardest hit. According to the Intergovernmental Panel on Climate Change (IPCC), climate change could reduce yields from rain-fed crops in parts of Africa by 50% as early as 2020, and put between 40 and 170 million more people at risk of hunger worldwide. Reduced yields, possible in up to 65 countries, could spell a decline in GDP for agriculturally-based countries of up to 16% in some cases.[68]

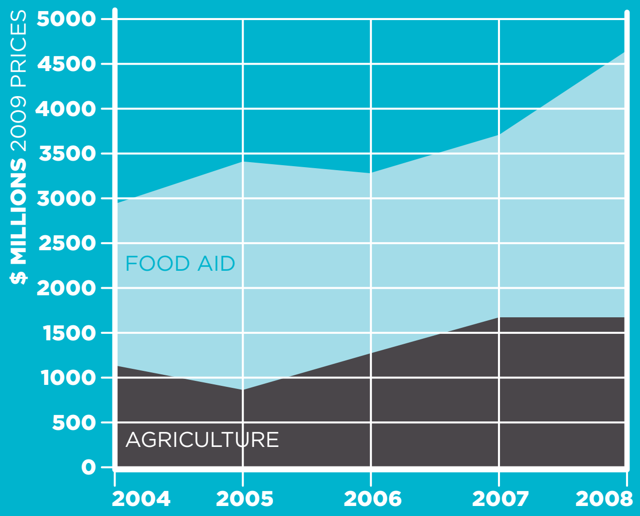
Several estimates place the funding needed to adapt to climate change and to meet food security needs in the tens of billions. The International Food Policy Research Institute (IFPRI) estimates that roughly $7 billion will be needed to offset the negative impacts of climate change on childhood nutrition, and the United Nations Framework Convention on Climate Change (UNFCC) estimates that $7 billion is required for adaptation in agriculture. However, the news is not all bad – 70% of the opportunities for avoiding dangerous climate change are in the developing world.[69]

Reducing food insecurity and poverty worldwide will require global cooperation around mitigation efforts and new and additional resources to help poor countries adapt to climate change and improve agricultural productivity.

EMERGENCY ASSISTANCE AND LONG-TERM INVESTMENTS

A large proportion of funding for food security is still delivered in the form of food aid, in both emergency and non-emergency situations. In 2008, all G8 countries increased food aid contributions in response to the global food crisis. The demand for emergency assistance remained high in 2009 and 2010. In total, G8 countries provided $3 billion in food aid in 2008, far surpassing the $1.8 billion provided for agriculture. While investments in emergency assistance are essential for meeting urgent food and nutrition needs, this funding should not come at the expense of longer-term agricultural initiatives that will enable communities to be self-sufficient and food-secure.

G7 AGRICULTURAL AND FOOD AID COMMITMENTS TO SUB-SAHARAN AFRICA: 2004-2008



The provision of emergency food aid remains complicated, especially for countries like the US where law mandates that nearly all food aid be purchased from US farms and be shipped by US shipping companies. These in-kind contributions can result in slow and inefficient delivery of assistance and can disrupt local markets. Sometimes, food items supplied are not culturally appropriate or their provision creates an unsustainable reliance on food aid. Also, failure to purchase food locally denies local agricultural producers the opportunity to earn income.

Donors are increasingly exploring more effective forms of food aid, such as local and regional purchase (LRP). The World Food Programme (WFP), for example, is supporting local farmers through the Purchase for Progress (P4P) programme and other local procurement schemes. In 2009, the WFP bought approximately 2.1 million tons of food in 75 developing countries, valued at $772 million.[70] Some European countries are also pursuing local purchase initiatives for bilateral food assistance and, if passed, the United States' 2009 Global Food Security Act could allow for local purchase of up to $500 million of emergency food assistance, if needed. Nevertheless, this is still only a fraction compared with the $2.7 billion the US spent on food aid in 2008.

BEYOND 2010

In order to achieve long-term global food security, the G8 must start by providing short-, medium- and long-term investments totalling at least $22 billion in accordance with the L'Aquila principles, which stipulate that all initiatives implemented must be country-owned, coordinated and transparent. Furthermore, L'Aquila only extends through 2011 or 2012 (depending on the country). A longer-term framework is needed to achieve meaningful change in terms of food security. Lastly, the G8 and other donors must clarify how this funding is being spent and ensure that it truly serves those at whom it is targeted. In particular, the G8 and other donors should:

DELIVER ON QUALITATIVE PRINCIPLES

The five principles outlined in L'Aquila are critical to a successful long-term plan, but they must be put into operation so that they represent more than just rhetoric. All programmes and projects financed with funding from the L'Aquila pledge must support country-owned initiatives (including CAADP), adhere to a comprehensive approach that addresses all aspects of food insecurity, require donors to work together, leverage multilateral institutions and provide multi-year project financing. Progress will also depend on how effectively, accountably and transparently funds are used, and specific attention should be given to address the needs of smallholder farmers and women and the impact of climate change on agriculture. The global community should also develop clear, comprehensive, universal metrics by which to measure the success of these initiatives and to hold themselves accountable.

FULFIL THE L'AQUILA COMMITMENT

While the most recent DAC data only cover commitments to the end of 2008, some progress has already been made towards the 2009 commitment. Some countries, like the US, have already requested budget funding that will fulfil their L'Aquila commitments. In addition, the US, Canada and the European Commission are in the process of constructing government plans to coordinate their bilateral agriculture programming and provide a policy framework for food security that will enhance cooperation on increasing farmer incomes and productivity. The US, Spain, Canada, South Korea and the Bill and Melinda Gates Foundation have also pledged funding for the global food security trust fund overseen by the World Bank, which was launched in April 2010. The Global Agriculture and Food Security Programme (GAFSP), as the fund is called, totals just under $900 million, which will be spent over three years.

Most countries, however, have yet to clarify their L'Aquila commitments, including the years of funding they will count, whether they will include money already in the pipeline for agricultural programming and how much of the pledged funding will be used for emergency assistance.

WATER AND SANITATION

THE COMMITMENT

At the 2003 G8 summit in Evian, the G8 committed to a Water Action Plan that was designed to 'give high priority in Official Development Assistance (ODA) allocation to sound water and sanitation proposals'. This plan was subsequently reaffirmed at the 2005 Gleneagles Summit, the 2008 Hokkaido Summit and the 2009 L'Aquila Summit. At L'Aquila, G8 and African leaders issued a joint statement of their intention to build a stronger partnership to support national plans for water and sanitation access in Africa. They launched the G8–Africa Partnership on Water and Sanitation, which committed to assist African countries to develop and implement national water and sanitation plans, improve donor coordination and promote aid effectiveness. While providing an important catalyst for future action, the commitment lacked implementation details or additional finance.

The MDG on water and sanitation is to reduce by half the proportion of people without sustainable access to safe drinking water and basic sanitation, which would mean reaching 75% of the global population with water and 63% of the global population with basic sanitation. Reaching these goals would require a better governance framework that could equitably and efficiently distribute water, prepare for water disasters and the impacts of climate change, and increase capacity and balance the needs of agricultural, industrial and household water users.

In the absence of quantitative targets set by the G8, ONE interprets the Evian commitment to 'give high priority' and the Gleneagles commitment to 'increase aid' to the water and sanitation sector to mean that, at a minimum, ODA for water and sanitation should remain the same proportion of development assistance as overall ODA increases. Additionally, because sub-Saharan Africa has the world's lowest rates of access to improved water and sanitation sources, the region should receive at least the same proportion of ODA that is given to water and sanitation globally. Water and sanitation comprised an average of 5.5% of global ODA from 1990–2005. Thus, for this report, ONE holds each G7 donor accountable for allocating a minimum of 5.5% of its ODA to sub-Saharan Africa to water and sanitation.

Based on this methodology, if overall ODA pledges to double foreign assistance to sub-Saharan Africa are delivered, fulfilment of the G8's water and sanitation commitment would deliver a total of $2.79 billion in 2010 for water and sanitation. At $2.79 billion, the G7 would exceed their annual share of the total financing gap for the region to meet the MDG targets on water and sanitation of $2.27 billion, as estimated by the UNDP's 2006 'Human Development Report'. However, the G7 have not reached their overall ODA goal and, therefore, even though donors have delivered 5.5% of total ODA for water and sanitation, the totals delivered are expected to fall short of the $2.27 billion needed.

FIGURE 14

G7 AND DAC ODA FOR WATER AND SANITATION IN SUB-SAHARAN AFRICA, 2004–08 ($ MILLIONS, 2009 PRICES)

	2004	2005	2006	2007	2008	2004–2008 CHANGE
CANADA	88	21	22	67	61	-28
FRANCE	224	163	329	319	312	88
GERMANY	312	284	331	401	303	-10
ITALY	89	86	77	104	154	64
JAPAN	267	158	200	285	186	-81
UK	143	132	239	258	363	220
US	133	76	87	165	576	443
G7	**1,257**	**919**	**1,285**	**1,598**	**1,954**	**697**
NON-G7 DAC	**660**	**578**	**807**	**934**	**757**	**97**
DAC	**1,917**	**1,497**	**2,091**	**2,532**	**2,711**	**794**

PROGRESS SINCE GLENEAGLES

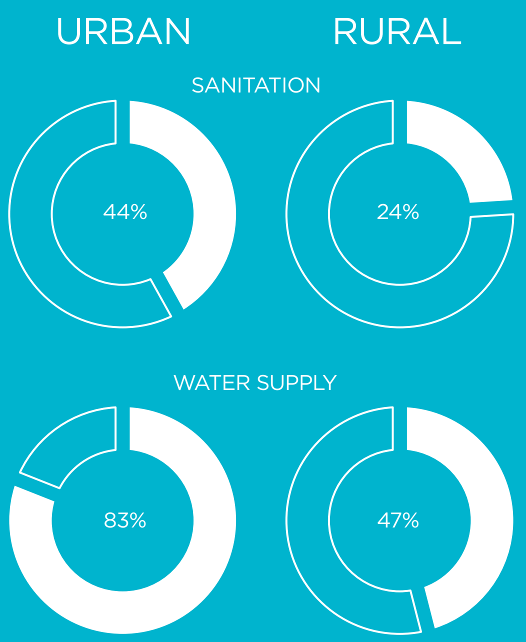
Progress towards increasing access to clean water and adequate sanitation has been positive, but slow and uneven across regions, particularly in sub-Saharan Africa. While many countries around the world are on track to meet the water and sanitation MDG targets, most African countries remain off track. In sub-Saharan Africa, the proportion of people with access to an improved water source increased from 55% to 60% between 2000 and 2008 (the most recent years for which data exist), still short of the goal of reaching 75% of people with access. Access to improved sanitation in the region reached only 31% in 2008, or less than half that needed to achieve the MDG target coverage of 63%. As a result, the world is set to miss the MDG sanitation target by over 1 billion people.[71] The consequences of this slow progress are fatal for the estimated 4,100 children worldwide who die daily from diarrhoeal diseases, which are spread by a lack of clean water and by poor sanitation and hygiene.[72]

PROGRESS IN WATER AND SANITATION

PROPORTION OF PEOPLE IN SUB-SAHARAN AFRICA WITH ACCESS TO CLEAN WATER

THE NEED FOR RURAL INVESTMENTS

Sub-Saharan Africa has a large disparity in access between urban and rural dwellers.



G7 ODA FOR WATER AND SANITATION

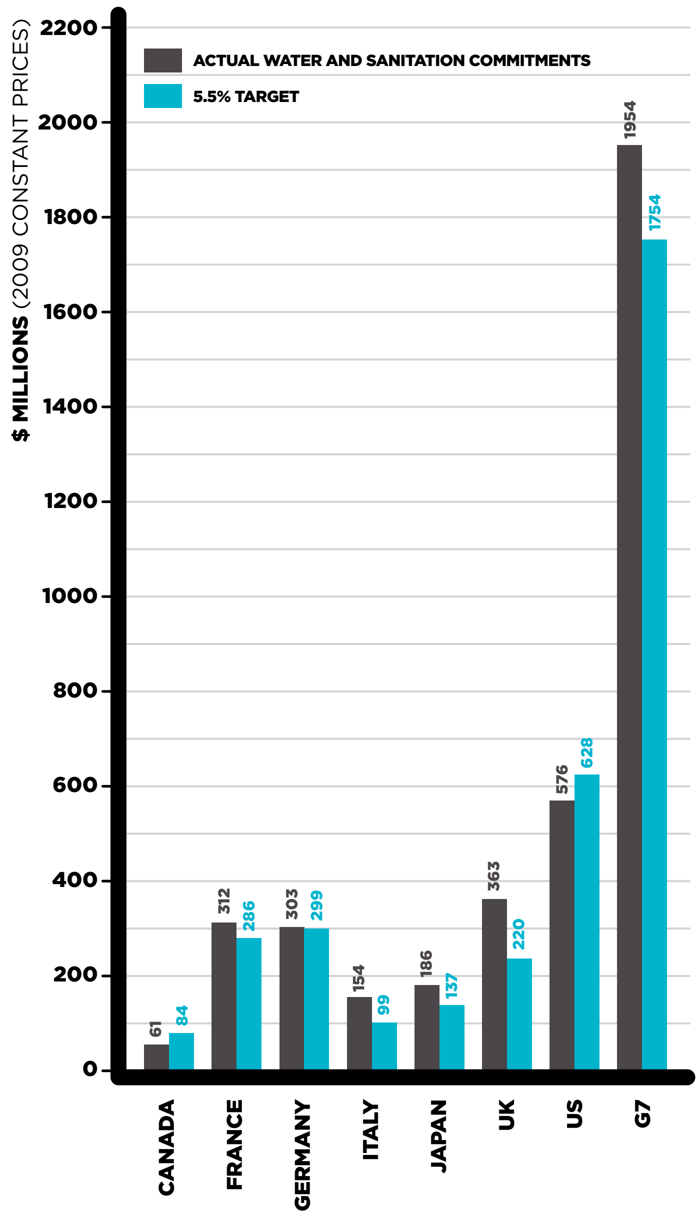
G7 donors have met their commitment as defined by ONE – to maintain 5.5% of their ODA to sub-Saharan Africa for water and sanitation. As a whole, G7 donors directed 6.1% of their ODA to sub-Saharan Africa to the water and sanitation sector in 2008. Individually, France, Germany, Italy, Japan and the UK all exceeded the 5.5% goal, while the US and Canada fell just short of it. However, as a result of overall ODA spending not increasing to the levels committed, the actual dollar amounts directed to the sector fall short of the need. G7 ODA for water and sanitation in the region rose from $1.3 billion in 2004 to $2 billion in 2008.

Furthermore, the G7 are failing to target the countries and regions with the lowest levels of access to these basic services. Cumulatively, from 2004 to 2008, none of the five countries receiving the most aid for water and sanitation was in sub-Saharan Africa.[73] In fact, the G8 Water Experts Group Report found that the proportion of resources directed to regions with critical needs (sub-Saharan Africa and South Asia) had declined since 2002.[74] The most recent data also show that sub-Saharan Africa has a large disparity in access between urban and rural dwellers: water supply coverage for urban areas is 83%, compared with just 47% in rural areas,[75] and urban sanitation coverage is 44%, compared with just 24% for rural areas.[76] In 2008, G7 development assistance for 'basic' water and sanitation projects in sub-Saharan Africa, which benefit rural populations, finally returned to 2004 levels. Further increases in basic drinking water supply and sanitation are needed in the region – large-system water and sanitation projects[77] for urban populations received $615 million more in 2008 than basic water and sanitation.

FIGURE 15

2008 ACTUAL COMMITMENTS TO WATER AND SANITATION COMPARED WITH TARGET

(BASED ON 5.5% OF COMMITMENTS)



BEYOND 2010

Access to safe water and basic sanitation is slowly increasing in sub-Saharan Africa and around the world, but donors have yet to follow through on the commitment made in L'Aquila to truly 'build a stronger partnership to support national plans for water and sanitation access in Africa'. Investments must be increased and directed toward priority areas in order to improve access and achieve the water and sanitation MDG targets, particularly in sub-Saharan Africa, which remains off-track. The G8 and other donors should focus on the following:

MAKE A COMMITMENT WITH A CLEAR TARGET

The G8 still lack a clear roadmap for achieving success on water and sanitation and their commitments lack measurable targets. The G8 should work to finance strong national plans and should provide technical assistance for the development of national plans where they do not exist. In addition, donors should make a new commitment to the sector with clear targets and timelines. Special focus should be placed on support for sub-Saharan Africa.

WORK WITH AFRICAN COUNTRIES TO ASSESS NEEDS AND MONITOR PROGRESS

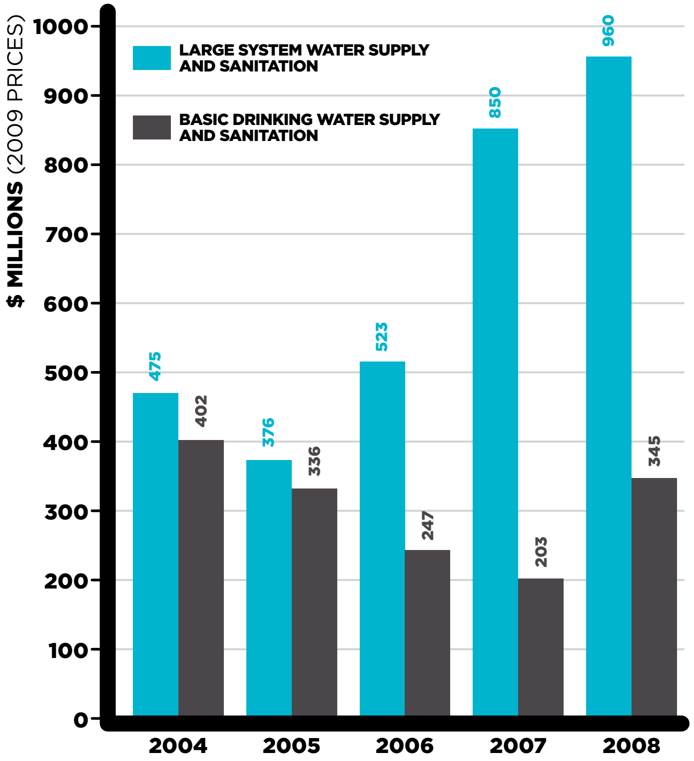
In keeping with the progress report presented at the 2009 L'Aquila Summit, and in order to assess future needs, the G8 should continue to review their progress towards implementing the Evian Water Action Plan through an annual public assessment. In order to do this, Africa's citizens need a robust G8–Africa Partnership focused on supporting national plans and the development of plans where they do not currently exist. The Partnership needs concrete plans for implementation and new financing in order to increase access to these basic services.

SUPPORT STRATEGIES FOR RURAL AREAS

The G7 have failed to adequately focus on rural areas which have the lowest water and sanitation coverage, despite the G8's promise in the 2003 Evian Water Action Plan to address 'the different needs of rural and urban populations'. The G7 can deliver on this promise by ensuring that their water and sanitation strategy focuses on the needs of rural dwellers. While investments in large systems are valuable and should continue to be increased, support for basic water and sanitation must also be elevated to close the water and sanitation access gap that exists between rural and urban dwellers.

FIGURE 16

G7 COMMITMENTS TO WATER AND SANITATION IN SUB-SAHARAN AFRICA BY CATEGORY ($ MILLIONS, 2009 PRICES)



SUMMARIES OF COUNTRY PROGRESS

CANADA

2004–09 INCREASE TO AFRICA:
CAD$595m ($522m)

% OF COMMITMENT TO AFRICA ACHIEVED BY
2009: **107**%

2004–10 EXPECTED INCREASE TO AFRICA:
CAD$948m ($831m)

% OF COMMITMENT TO AFRICA EXPECTED TO BE DELIVERED BY
2010: **170**%

2009 GLOBAL ODA:
CAD$4.523bn ($3.964bn)
(0.30% ODA/GNI EXCLUDING BILATERAL DEBT RELIEF)

WHAT IS THE DEVELOPMENT ASSISTANCE COMMITMENT?

‘Canada will double its international assistance from 2001 to 2010, with assistance to Africa doubling from budget year 2003–2004 to budget year 2008–2009.’[1]

Canada’s Gleneagles commitment was originally interpreted as a doubling of official development assistance (ODA) from a baseline of CAD$1.4 billion ($1.1 billion) in 2003/04. After Gleneagles, Canada clarified that the 2003/04 baseline was CAD$1.05 billion ($750 million), because it spent less on ODA to sub-Saharan Africa in 2003/04 than was estimated. Using this new baseline, Canada committed to increase ODA to sub-Saharan Africa to CAD$1.7 billion ($1.5 billion) in 2008/09.[2]

STATEMENT FROM HEAD OF STATE

‘Canada is a global leader and continuously demonstrates this by honouring its international commitments. The importance of accountability for promises will be a defining feature of Canada’s G8 and G20 Summit year. Budget 2010 delivers on promised resources, and the Government will ensure Canada’s contributions effectively address global challenges including the economic crisis, immediate and long-term recovery in Haiti, maternal and child health, as well as food security.’[3]

DEPARTMENT OF FINANCE, CANADA.
4 MARCH 2010

OVERALL ASSESSMENT

Canada surpassed its modest Gleneagles commitment in 2008 and remained slightly above its target in 2009. In 2009, there was a decrease of CAD$335 million ($294 million) after a large multilateral payment in the 2008 calendar year caused ODA to spike. ONE estimates that Canada will increase its ODA to sub-Saharan Africa by an additional CAD$353 million ($309 million) in 2010, meaning that it will have met 170% ($589 million) of the increases it promised at Gleneagles.

Despite Canada’s commendable performance on its Gleneagles target, the government’s decision to cap its International Assistance Envelope at 2010–11 levels for the next five years threatens to undermine its leadership on development, especially as the host of this year’s G8 and G20 meetings. In 2010, Canada should reconsider its budget decisions, set a new, more ambitious ODA target and lead the G8 in the development of a robust post-Gleneagles partnership with sub-Saharan Africa.

Within the G8, Canada has emerged as a leader in supporting basic education as well as food security. It has also made some laudable efforts to improve the effectiveness of its aid in recent years. Canada is on track to meet its commitments to cancel debt to the world’s poorest countries, but like the rest of the G8 is failing to deliver on its commitment to 'make trade work for Africa'.

FIGURE 1

CANADA'S ODA TO SUB-SAHARAN AFRICA AND 2010 TARGET

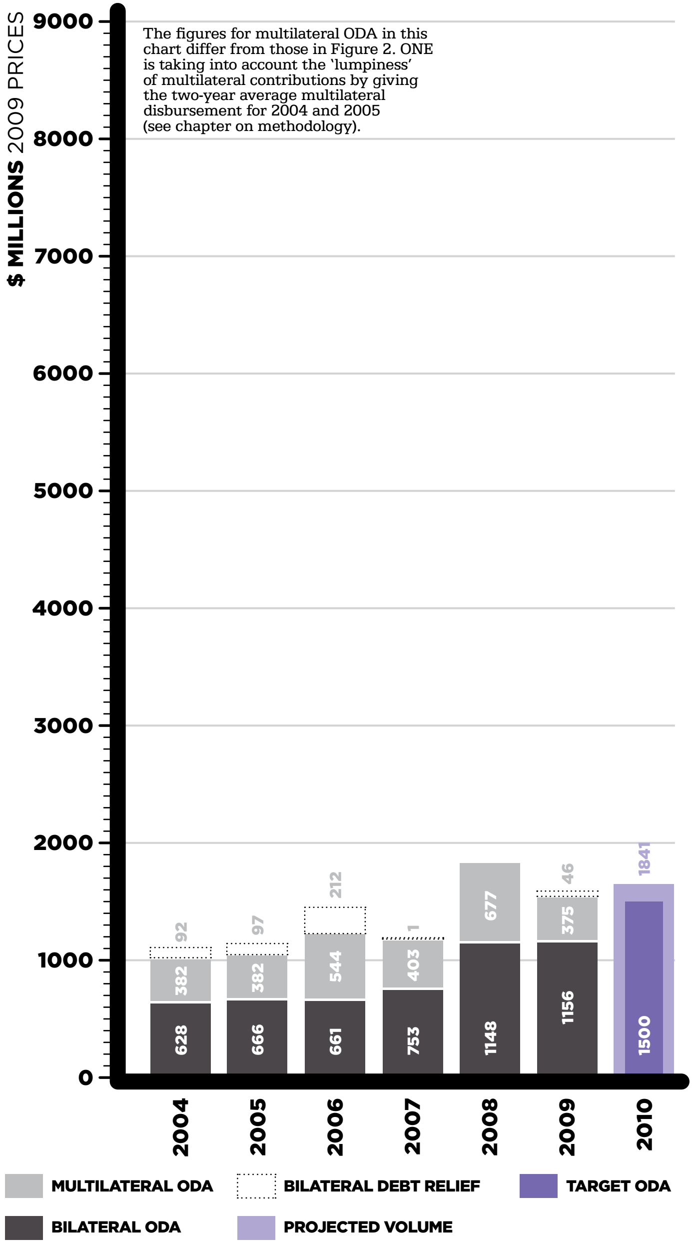


FIGURE 2

WHAT HAVE ODA FLOWS BEEN SINCE 2004?

IN $ MILLIONS 2009 PRICES (IN CAD$ MILLIONS 2009 PRICES)

	2004	2005	2006	2007	2008	2009
TOTAL GLOBAL ODA	3,303 (3,769)	4,303 (4,910)	3,851 (4,394)	3,916 (4,468)	4,432 (5,057)	4,013 (4,578)
BILATERAL DEBT RELIEF (GLOBAL)	94 (107)	521 (594)	272 (311)	14 (16)	132 (151)	48 (55)
TOTAL GLOBAL ODA (NET OF BILATERAL DEBT RELIEF)	**3,209** (3,661)	**3,782** (4,316)	**3,579** (4,084)	**3,902** (4,452)	**4,300** (4,906)	**3,964** (4,523)
GLOBAL ODA/GNI (NET OF BILATERAL DEBT RELIEF)	**0.26%**	**0.30%**	**0.27%**	**0.29%**	**0.32%**	**0.30%**
TOTAL SSA ODA	1,038 (1,184)	1,209 (1,379)	1,417 (1,617)	1,157 (1,320)	1,825 (2,083)	1,578 (1,800)
BILATERAL DEBT RELIEF (SUB-SAHARAN AFRICA)	92 (105)	97 (110)	212 (242)	1 (1)	0 (0)	46 (53)
MULTILATERAL ODA TO SUB-SAHARAN AFRICA	318 (362)	446 (509)	544 (621)	403 (459)	677 (773)	375 (428)
BILATERAL ODA TO SSA (NET OF BILATERAL DEBT RELIEF)	628 (716)	666 (760)	661 (754)	753 (859)	1,148 (1,310)	1,156 (1,319)
TOTAL SUB-SAHARAN AFRICA ODA (NET OF BILATERAL DEBT RELIEF)	**945** (1,079)	**1,112** (1,269)	**1,205** (1,375)	**1,156** (1,319)	**1,825** (2,083)	**1,532** (1,748)
SSA ODA/GNI (NET OF BILATERAL DEBT RELIEF)	**0.08%**	**0.09%**	**0.09%**	**0.09%**	**0.13%**	**0.12%**

PROGRESS IN 2004–09

2009 ODA: **CAD$1.748bn** ($1.532bn)
2008–09 INCREASE:
-CAD$335m (-$294m)
2004–09 INCREASE: **CAD$595m** ($522m)
2010 TARGET: **CAD$1.71bn** ($1.5bn)

Canada met its Gleneagles commitment to double ODA to CAD$1.71 billion ($1.5 billion) to sub-Saharan Africa, after a significant increase in 2008 pushed levels to CAD$2.083 billion ($1.825 billion). The 2008 figure was especially high because two payments to IDA fell within that same calendar year. As a result of the 2008 figure surging, the 2009 figure necessarily dropped in comparison. Net of bilateral debt relief, ODA to sub-Saharan Africa fell in 2009 by CAD$335 million ($294 million), a decrease of 16%. Much of this change resulted from an anticipated drop of CAD$345 million ($302 million) in 2009 multilateral spending. Bilateral spending increased only slightly by CAD$9 million ($8 million) in 2009.

Since 2004, Canada has increased ODA to sub-Saharan Africa by CAD$595 million ($522 million), an increase of 52%. Within this increase, bilateral ODA (net of bilateral debt relief) in the region increased by CAD$603 million ($529 million), while net multilateral ODA decreased by CAD$8 million ($7 million).

Although the DATA Report is focused primarily on the G8's commitments to sub-Saharan Africa, increases in ODA to the region occur in the context of fluctuations in global ODA. Canada's global ODA increased by CAD$699 million ($613 million) between 2004 and 2009 to reach a total of CAD$4.523 billion ($3.964 billion), or 0.3% ODA/GNI in 2009, an 18% increase.[4] ODA to sub-Saharan Africa made up 85% of this global increase.

MEETING THE 2010 COMMITMENT

ESTIMATED INCREASE 2009–10:
CAD$353m ($309m)

% OF COMMITMENT EXPECTED
TO BE DELIVERED BY 2010: **170%**

ONE estimates that ODA to the region will increase by CAD$353 million ($309 million) in 2010, to a total of CAD$2.101 billion ($1.841billion). ONE has derived this estimate by comparing past ODA trends with Canada's projected increase in its International Assistance Envelope (IAE) for 2009–10, then measuring the proportion of IAE that has historically been allocated to global ODA and the proportion of global ODA that has been directed towards sub-Saharan Africa. ONE encourages Canada to report ODA projections in its future budgets to increase the transparency and predictability of its ODA.

EFFECTIVENESS AND QUALITY OF CANADA'S DEVELOPMENT ASSISTANCE

Overall, Canada scores well on predictability, although its performance on the percentage of pledged ODA fulfilled in the scheduled year slipped somewhat in 2009. The absolute volume of Canadian CPA[5] increased by nearly 50% between 2007 and 2008, representing a very positive movement. Because gross disbursements increased by roughly 50% as well, the ratio of total Canadian CPA remained at 82% (from 83% the previous year). Still, this ratio is the highest amongst the G7.

While Canada performed better in the past year on the amount of its ODA shown on national budgets, it remains below the level it maintained at the time of the Paris Declaration in 2005. Notable improvements in the effectiveness of its aid have been seen in the substantial increase in its use of country public financial management systems and in reduced delays in the completion of procurement procedures. Canada also significantly increased the proportion of its bilateral aid that is untied. Particular credit is due for its decision to fully untie its food aid, and it has pledged to untie all ODA by 2012–13. Canada further improved its performance during the past year on the percentage of ODA that goes through competitive local procurement. Following the pattern of the past several years, Canada did not provide any ODA in 2008 as loans.

The Canadian International Development Agency (CIDA)'s Aid Effectiveness Action Plan for 2009–12 includes time-bound actions and targets around seven goals: focus, efficiency, accountability, predictability, alignment, partnerships and fragile states.

IS CANADA DOING ITS PART TO MEET THE G8'S SECTORAL COMMITMENTS?

Canada has shown leadership in prioritising primary education in its ODA to sub-Saharan Africa. It has consistently dedicated a significant proportion of its education ODA in the region to primary education (averaging 55% annually since 2004). More recently, it has emerged as one of the few G8 countries to clarify its L'Aquila commitment on food security to include $1.18 billion by 2011. It made a contribution of $230 million at the launch of the Global Agriculture and Food Security Programme (GAFSP), a new trust fund administered by the World Bank.

This section details Canada's performance and efforts in relation to each of the G8's sectoral commitments that ONE monitors. It also discusses recent changes and relevant developments in Canada's ODA, as they pertain to these sectors. OECD DAC numbers used in this section are from 2008 data on commitments, the most recent available figures.

ONE categorises Canada as being ON track or OFF track to meet its commitments on debt and trade, and provides a progress report on The country's investments in health, education, agriculture and water and sanitation.

ON TRACK

DEBT

- Along with other G8 countries, Canada agreed to cancel 100% of qualified debts for the poorest countries, first through the HIPC Initiative and later through the MDRI process.
- An important measure of progress on debt is the extent to which donors fulfil their commitments to compensate the IFIs for lost reflows as a result of debt service cancellation. Canada is on track with such commitments. In total, Canada has made pledges to cover the cost of MDRI cancellation worth $1.467 billion through 2044. To date, it has provided IDA with an 'unqualified' commitment of $873 million through 2026 – more than is required to meet its share of near- and medium-term MDRI costs.
- Canada has cancelled 100% of bilateral debt owed by completion point HIPCs. This includes 100% of its post cut-off date commercial debt.

OFF TRACK

TRADE AND INVESTMENT

- According to the OECD, in 2008 Canada spent approximately $5.1 billion in subsidies for its agriculture sector and another $2.2 billion on market price support or trade-distorting tariffs and quotas that protect Canadian agriculture but do not show up as budget expenditure. Although farm subsidies have been declining since 2004 when measured in current prices, Canada still has not meaningfully reformed its farm support programmes.
- Canada offers duty-free and quota-free access for all goods except dairy and poultry to all LDCs, but not to all African countries.
- Canada's aid for trade contribution was approximately $332 million in 2008, an increase from $258 million in 2007.
- In 2005, the Canada Investment Fund for Africa (CIFA) was established, with funding from the Canadian government. CIFA was a $212 million fund charged with investing across Africa, with a particular focus on financial services, consumer businesses, natural resources and telecommunications. This project has recently been completed.

PROGRESS REPORT

AGRICULTURE

- After a decline in funding for agriculture in sub-Saharan Africa from 2004 to 2006, Canada provided $208 million in 2008, an increase of 186% over 2007. This exceeded its previous recent funding peak for agriculture in the region of $193 million in 2004.

- In 2008, Canada provided $238 million for food aid to sub-Saharan Africa, a 131% increase over 2007 levels. Food aid levels have been slowly increasing from an all-time low of $39,451 in 2005.

- From 2004 to 2008, Canada's commitment to sub-Saharan African agriculture increased by only 8%. At the same time, its food aid contributions increased by 487%.

- Canada has announced a $1.18 billion commitment to the L'Aquila Food Security Initiative, to be delivered by 2011. According to the Canadian government, this commitment provides $600 million in new money.

- Canada has recently completed a government strategy to effectively implement its food security initiatives. The strategy will focus on food aid and nutrition, sustainable agricultural development and research and development.

- Canada also committed $230 million to the Global Agriculture and Food Security Programme (GAFSP), a new food security trust fund called for at the 2009 G8 and G20 meetings and administered by the World Bank. The fund will finance medium- and long-term agricultural development initiatives in developing countries, focusing on increasing agricultural productivity, linking farmers to markets and providing technical assistance and capacity-building.

EDUCATION

- Canada has been a strong supporter of universal primary education (UPE) in sub-Saharan Africa since Gleneagles, and it has consistently prioritised both primary education and the region in its spending on the sector. Annually since Gleneagles, Canada has spent an average of 55% of its UPE commitments in sub-Saharan Africa between 2004-08.

- With commitments for UPE in sub-Saharan Africa reaching $108 million in 2008 (up from $88 million in 2007), Canada came close to meeting its proportionate share of UPE financing.

HEALTH

- Total health commitments for sub-Saharan Africa in 2008 totalled $212 million; these commitments were down roughly $15 million from 2007, but still represent a net increase of $47 million over 2004 levels. Of the $212 million in 2008, Canada committed $45 million (21.1%) to basic health, $104 million (49.2%) to infectious diseases, $57 million (27.0%) to health systems and $6 million (2.6%) to reproductive health.

- Canada contributed $149 million in direct contributions to the Global Alliance for Vaccines and Immunisation (GAVI) between 2002 and 2006, and also committed $200 million in 2007 to launch the first Advance Market Commitment (AMC) to help speed the development and availability of pneumococcal vaccines.

- CIDA has committed CAD$450 million ($394 million) between 2006 and 2016 to the Africa Health Systems Initiative (AHSI) to support African-led efforts to strengthen health systems, with a special focus on human resources for health. To date, Canada has contributed CAD$142.3 million for the 2006–10 period. As part of the AHSI, Canada has committed CAD$105 million to CIDA's Catalytic Initiative to Save a Million Lives.

- Canada pledged $141.7 million for 2009 and $140.1 million for 2010 to the Global Fund to Fight AIDS, Tuberculosis and Malaria.

- Canada has contributed a total of $272.25 million to the Global Polio Eradication Initiative (GPEI) since 1985, including a 2009 contribution of $29.27 million and a 2010 contribution of $29.18 million.

- As President of the G8, Canada has committed to 'champion a major initiative to improve the health of women and children in the world's poorest regions'.

WATER AND SANITATION

- Even as the share of Canadian ODA directed to water and sanitation dropped, the absolute volume of aid remained relatively steady at $61 million in 2008 – down just $6 million from 2007 spending levels. Both of the past two years represent a near tripling of the $22 million that Canada contributed in 2006.

- In the absence of a robust G8 commitment on water and sanitation, the DATA Report interprets the Gleneagles pledge to 'give high priority in ODA allocation' to water and sanitation to mean that a donor should direct 5.5% of its ODA to sub-Saharan Africa to the sector. In 2008, Canada directed $61 million to water and sanitation in sub-Saharan Africa, representing 3.95% of its total ODA to the region, and falling short of the 5.5% target. This was a drop from the 6.2% contributed to the sector in 2007 and represented the lowest percentage among G8 donors.

LOOKING AHEAD

Despite a modest commitment at Gleneagles, Canada's performance on meeting and exceeding its ODA target offers a model of accountability in this critical year of review for the G8. Over the past few years, Canada's investments in basic education, food security and aid effectiveness have also provided leadership and have delivered impressive results in key areas of international development.

Beyond its delivery of past promises, Canada's credibility as the G8 president and this summer's G20 host also rests on its ambition in looking ahead. 2010 is a year for the G8 to assess progress made since 2005 and to map out the future of a post-Gleneagles partnership with sub-Saharan Africa. Despite being the host in this critical year, Canada has not set a new target for increasing development assistance and, furthermore, has announced that ODA will be flatlined at 2010–11 levels for the next five years.[6] Despite a strong legacy of prioritising sub-Saharan Africa that dates back to the 2002 G8 summit in Kananaskis – which launched the New Economic Partnership for African Development (NEPAD) and the Africa Action Plan – Canada's relationship with sub-Saharan Africa is currently uncertain.

Last year CIDA announced that the number of Canada's bilateral focus countries would be reduced, with only seven sub-Saharan African countries appearing on the list of 20. The lack of transparency in this decision-making process, coupled with a lack of clarity about future spending plans in the region (both multilateral and bilateral), has made Canada vulnerable to criticism that it is abandoning sub-Saharan Africa.

Given its G8 presidency and its long-term credibility as a leader in global development, in 2010 Canada should set a timetable to increase ODA to 0.7% of GNI over the next ten years, with interim targets and a clear allocation for sub-Saharan Africa. In addition, Prime Minister Harper should use the G8 presidency to ensure that development and accountability are absorbed into the G20 agenda. He should also use the opportunity to outline Canada's vision for a new partnership with Africa that incorporates all of Canada's tools of engagement – including ODA, trade and investment – to guide the rest of the G8 and other donors ahead of the Millennium Development Goal Review at the UN summit in September.

FRANCE

2004–09 INCREASE TO AFRICA:
€1.385bn ($1.929bn)

% OF COMMITMENT TO AFRICA ACHIEVED BY
2009: **37**%

2004–10 EXPECTED INCREASE TO AFRICA:
€937m ($1.304bn)
(INCREASE ODA/GNI: 0.04%)

% OF COMMITMENT TO AFRICA EXPECTED TO BE DELIVERED BY
2010: **25**%

2009 GLOBAL ODA:
€8.342bn ($11.616bn)
(0.43% ODA/GNI EXCLUDING BILATERAL DEBT RELIEF)

WHAT IS THE DEVELOPMENT ASSISTANCE COMMITMENT?

At the Gleneagles Summit, France committed to reach at least 0.51% of its GNI as ODA by 2010 and 0.7% by 2012 (later adjusted to 2015). This promise was made as part of the 2005 EU commitment on development assistance. The EU commitment stipulated that 50% of the increases in global ODA would be directed to sub-Saharan Africa, but France committed to spending 66% of all bilateral ODA in the region and 50% of all multilateral ODA.

In order to reach this Gleneagles commitment, France would need to increase ODA to sub-Saharan Africa from €2.234 billion ($3.111 billion) in 2004 to €5.939 billion ($8.271 billion) in 2010. As a percentage of GNI, this is the largest commitment amongst the G7 (0.3%), and the second highest in volume terms (after the US).

STATEMENT FROM HEAD OF STATE

'Europe will meet the 0.7% target in 2015. This is a major political choice, it's a unanimous political choice and I ask the countries here today which aren't from the European continent to understand that, given our social, economic, financial and political difficulties, this choice is a fundamental one.'

PRESIDENT **NICOLAS SARKOZY**
NOVEMBER 2008, SPEAKING AT THE DOHA FINANCING FOR DEVELOPMENT CONFERENCE AS PRESIDENT OF THE EU

OVERALL ASSESSMENT

France's development assistance to sub-Saharan Africa grew substantially in 2009 with an increase of €853 million ($1.19 billion). This was a welcome change after last year's decrease, and greater than what was projected in the French budget. It was not enough, however, to put France on track to deliver its Gleneagles commitments. French budget documents indicate that 2010 ODA will be lower than what was reported to the DAC for 2009. Based on these figures, ONE estimates that France's ODA to sub-Saharan Africa in 2010 will fall by €448 million ($624 million), meaning that it will meet 25% of the increases it promised at Gleneagles. This projection is based on the most recent budget data available. France's ODA in 2010 may ultimately be higher than projected if IMF contributions remain high and if France continues to channel its ODA through loans rather than grants.

France must be commended for its ambitious Gleneagles commitment, which was the largest of the G7 as a proportion of GNI and the second largest in volume, and which focused a higher proportion of resources on sub-Saharan Africa than the rest of the EU. Although France's commitments will extend beyond 2010, with a goal of reaching 0.7% ODA/GNI in 2015, it has no budget increases planned until at least 2012.

France remains one of the core donors to the Global Fund to Fight AIDS, Tuberculosis and Malaria. In addition, its increase in health commitments to sub-Saharan Africa in 2008 was driven largely by increased investment in health systems. Support for primary education has grown consistently since 2005, and assistance for sub-Saharan Africa accounted for 59% of global primary education commitments in 2008. However, France is not on track to meet its commitments to cancel debt to the world's poorest countries (and may even be exacerbating debt portfolios by focusing assistance on loans rather than grants), and like the rest of the G8 is failing to deliver on its commitment to 'make trade work for Africa'.

FIGURE 1

FRANCE'S ODA TO SUB-SAHARAN AFRICA AND 2010 TARGET

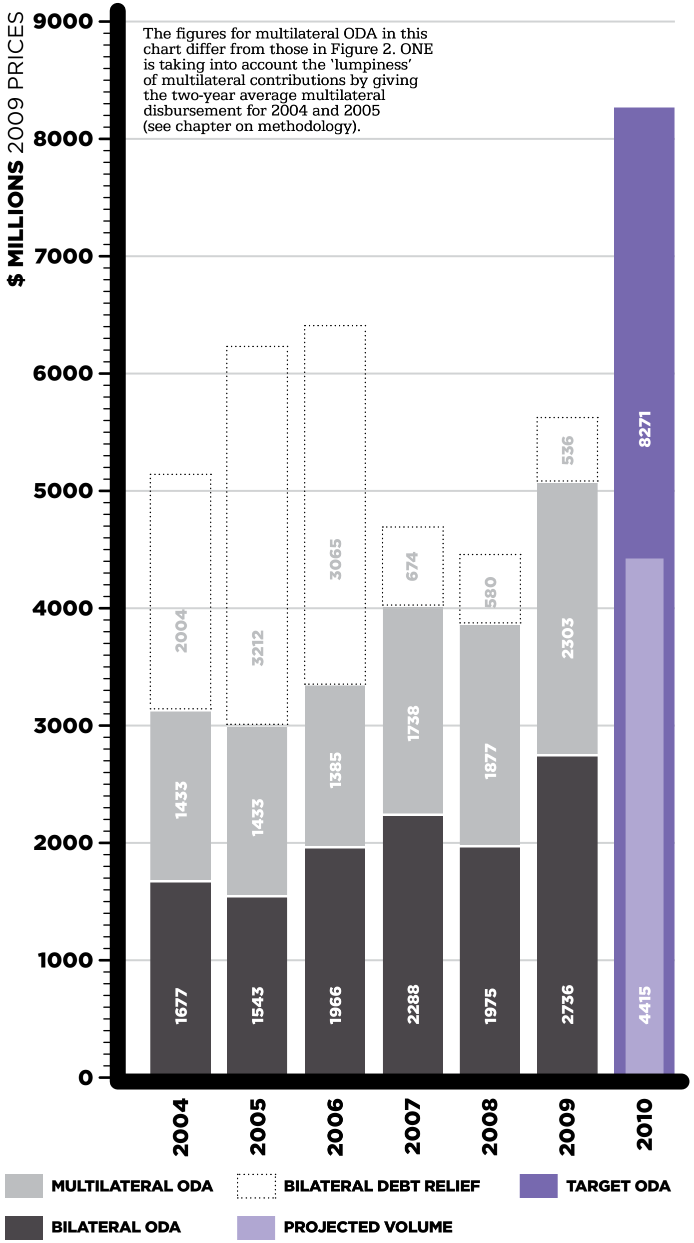


FIGURE 2

WHAT HAVE ODA FLOWS BEEN SINCE 2004?

IN $ MILLIONS 2009 PRICES (IN € MILLIONS 2009 PRICES)

	2004	2005	2006	2007	2008	2009
TOTAL GLOBAL ODA	10,526 (7,558)	12,204 (8,763)	12,476 (8,959)	10,405 (7,472)	10,638 (7,639)	12,431 (8,927)
BILATERAL DEBT RELIEF (GLOBAL)	2,247 (1,613)	4,229 (3,037)	4,293 (3,083)	1,618 (1,162)	996 (715)	814 (585)
TOTAL GLOBAL ODA (NET OF BILATERAL DEBT RELIEF)	**8,279** (5,945)	**7,974** (5,726)	**8,184** (5,877)	**8,787** (6,310)	**9,642** (6,924)	**11,616** (8,342)
GLOBAL ODA/GNI (NET OF BILATERAL DEBT RELIEF)	**0.32%**	**0.31%**	**0.31%**	**0.32%**	**0.35%**	**0.43%**
TOTAL SSA ODA	5,107 (3,667)	6,196 (4,449)	6,416 (4,607)	4,701 (3,376)	4,432 (3,183)	5,575 (4,003)
BILATERAL DEBT RELIEF (SUB-SAHARAN AFRICA)	2,004 (1,439)	3,212 (2,306)	3,065 (2,201)	674 (484)	580 (417)	536 (385)
MULTILATERAL ODA TO SUB-SAHARAN AFRICA	1,425 (1,023)	1,442 (1,035)	1,385 (995)	1,738 (1,248)	1,877 (1,348)	2,303 (1,654)
BILATERAL ODA TO SSA (NET OF BILATERAL DEBT RELIEF)	1,677 (1,205)	1,543 (1,108)	1,966 (1,412)	2,288 (1,643)	1,975 (1,418)	2,736 (1,965)
TOTAL SUB-SAHARAN AFRICA ODA (NET OF BILATERAL DEBT RELIEF)	**3,102** (2,228)	**2,984** (2,143)	**3,351** (2,406)	**4,027** (2,892)	**3,852** (2,766)	**5,039** (3,619)
SSA ODA/GNI (NET OF BILATERAL DEBT RELIEF)	**0.12%**	**0.12%**	**0.13%**	**0.15%**	**0.14%**	**0.19%**

PROGRESS IN 2004–09

2009 ODA: **€3.619bn** ($5.039bn)
2008–09 INCREASE: **€853m** ($1.187bn)
2004–09 INCREASE: **€1.385bn** ($1.929bn)
2010 TARGET: **€5.939bn** ($8.271bn)

France's ODA, net of bilateral debt relief, to sub-Saharan Africa increased by €853 million ($1.187 billion), or 31%. Bilateral spending increased by €547 million ($761 million) from 2008 levels, with increases of €306 million ($426 million) in multilateral assistance to the region. However, because of poor delivery in 2008, these increases were not sufficient to pull aid levels on track to reach France's 2010 target. In order to have been on a straight-line trajectory to meet its 2010 target, France would have needed to increase ODA to sub-Saharan Africa by €1.587 billion ($2.209 billion).

Over the past five years since the Gleneagles commitments were made, France has delivered a total increase of €1.385 billion ($1.929 billion), compared with the €2.119 billion ($2.951 billion) required to meet ONE's interim target. Within this, bilateral ODA, net of bilateral debt relief, increased by €760 million ($1.059 billion), while multilateral ODA increased by €625 million ($870 million).

Although the DATA Report is focused primarily on the G8's commitments to sub-Saharan Africa, increases in ODA to the region occur in the context of fluctuations in global ODA. Since 2004, France's global ODA, net of bilateral debt relief, has increased by €2.475 billion ($3.446 billion), or 42%. Its global ODA, net of bilateral debt relief, increased substantially by €1.418 billion ($1.975 billion) from 2008 to 2009, an increase of 20%. France's global ODA increases through 2009 have brought its ODA/GNI ratio to 0.43%.[1]

MEETING THE 2010 COMMITMENT

INCREASE NEEDED 2009–10:
€2.321bn ($3.231bn)

ESTIMATED INCREASE 2009–10:
-€448m (-$624m)

% OF COMMITMENT EXPECTED TO BE DELIVERED BY 2010: **25%**

France's commitment to sub-Saharan Africa is due in 2010. In order to reach this target, ONE estimates that France needs to increase its ODA to the region by €2.321 billion ($3.231 billion), net of bilateral debt relief. If met, this level of spending would represent an increase of 64% over 2009 levels.

In its 2010 Document de Politique Transversale (DPT),[2] France's projected development assistance is outlined in detail for the three-year period 2009–11. The French Finance Minister has stated that, in order to get the country's finances back into shape, there will be no significant budget increases until after 2012. The DPT projects that France's global ODA, net of bilateral debt relief, will fall to €7.374 billion in 2010, and €7.313 billion in 2011.

Although an estimate of the exact portion that will be allocated to sub-Saharan Africa is not available, ONE estimates, based on an average of allocations since 2007, that France's overall ODA to sub-Saharan Africa will be approximately 43% of its global ODA, or €3.17 billion ($4.415 billion) in 2010. Given the scale of ODA reported to the DAC in 2009, this actually represents a decrease of €448 million ($624 million) from 2009. If delivered, France will have met 25% of its committed increases to sub-Saharan Africa.

There are indications that, as in 2009, French ODA in 2010 will be higher than that outlined by the DPT, largely due to higher IMF Poverty Reduction and Growth Trust Fund contributions and higher lending from the Agence Française de Développement (AFD). This means that France may, in total, meet more than 25% of its promised increases. However, revised figures for 2010 are currently unavailable.

EFFECTIVENESS AND QUALITY OF FRANCE'S DEVELOPMENT ASSISTANCE

Relative to other G7 donors, France scores in the middle on most measurements of aid effectiveness. Predictability of aid, an area where French ODA has been weak in the past, strengthened in 2009 with a significant increase in the number of commitments made on a three year or more basis. France also continued to score well on the degree with which its ODA was shown on country budgets. The percentage of ODA subject to competitive local procurement, however, fell back in 2009, suggesting a higher number of contracts going to French suppliers. France has not issued an Aid Effectiveness Action Plan post-Accra.

While the proportion of French ODA in the form of Country Programmable Aid (CPA)[3] to sub-Saharan Africa over the past several years has increased sharply, it is due largely to the decline of debt relief over the past two years.[4] In absolute terms, CPA to the region has declined for two consecutive years, from a high of $2.1 billion in 2006 to $1.83 billion in 2008. The proportion of French ODA to sub-Saharan Africa delivered as loans spiked in 2008. This is set to rise given that, globally, gross bilateral loans increased by almost 150% in 2009, while bilateral grants actually fell by 2%. Globally loans in 2009 constituted 41% of gross bilateral ODA, up from 24% in 2008. This is the second highest proportion after Japan. It represents a significant shift in the composition of French aid and raises concerns about a potential new debt crisis. France should not continue to rely on loans to increase its ODA budget.

IS FRANCE DOING ITS PART TO MEET THE G8'S SECTORAL COMMITMENTS?

France remains one of the core donors to the Global Fund to Fight AIDS, Tuberculosis and Malaria. In addition its increase in health commitments to sub-Saharan Africa in 2008 was driven largely by increased investment in health systems. Support for primary education has grown consistently since 2005, and assistance for sub-Saharan Africa accounted for 59% of global primary education commitments in 2008. While France has cancelled all bilateral debt owed by completion point HIPCs, it has not, unlike other G7 members, cancelled its post-cut-off date commercial debt nor has it made financial commitments to cover multilateral debt relief fully. France, together with its EU counterparts, remains off-track on trade. Its strong opposition to any reform of EU agricultural subsidies, in particular, is obstructing progress towards fairer trade relations with Africa.

This section details France's performance and efforts in relation to each of the G8's sectoral commitments that ONE monitors. It also discusses recent changes and relevant developments in France's ODA, as they pertain to these sectors. OECD DAC numbers used in this section are from 2008 data on commitments, the most recent available figures.

ONE categorises France as being ON track or OFF track to meet its commitments on debt and trade, and provides a progress report on The country's investments in health, education, agriculture and water and sanitation.

OFF TRACK

DEBT

- Along with other G8 countries, France agreed to cancel 100% of qualified debts for the poorest countries, first through the HIPC Initiative and later through the MDRI process.

- An important measure of progress on debt is the extent to which donors fulfil their commitments to compensate the IFIs for lost reflows as a result of debt service cancellation. France is off track with such commitments. To date, France has provided IDA with an 'unqualified' commitment of $517 million through 2019 to offset MDRI costs – leaving a shortfall of $131 million. In total, France has made 'qualified' pledges to cover the cost of MDRI cancellation worth $2.467 billion through 2044 – more than is required to meet its share of long-term required contributions.

- France has cancelled 100% of bilateral debt owed by completion point HIPCs, with one important exception: it has not cancelled its post-cut-off date commercial debt. As a result, it has not delivered as much as other G8 countries.

- France has restarted lending programmes for African countries, including HIPCs. It is expected to provide several billion dollars worth of new loans in 2009. This lending will contribute to worsened external debt outlooks for the African countries concerned.

TRADE AND INVESTMENT

- France is represented in the Doha Development Agenda and Economic Partnership Agreement (EPA) negotiations by the European Union. Sensitivities in the agricultural sector, combined with market opening interests in the manufactured goods and services sectors, continue to impede progress.

- As of October 2009, LDCs receive 100% duty-free/quota-free access to the EU market through the Everything But Arms (EBA) programme. However, this programme does not cover all African countries and has been criticised for maintaining complicated rules of origin that make it difficult for poor countries to utilise.

- Towards the end of 2007, the EU initiated interim EPAs with 18 African countries, as the original programme that provided special market access expired at the end of 2007. These deals provide duty-free access to the EU market and improved rules of origin in some export sectors, in exchange for African countries opening their markets to EU products over time.

- In 2005, at the WTO Ministerial meeting in Hong Kong, the EU pledged to increase aid for trade to all developing countries by €2 billion ($2.5 billion) per year by 2010. According to OECD figures, while France's aid for trade contributions have been increasing since 2005, in 2008 contributions decreased from just over $1 billion in 2007 to $969 million.

- The EU provides the largest agricultural subsidies in total and on a per farm basis. In 2008 it spent an estimated $145 billion on agricultural subsidies, including $52 billion in market price support. France is the only net beneficiary of the Common Agricultural Policy amongst the G7, meaning that it receives more than it contributes to the EU budget. In 2008, France contributed approximately €8.7 billion to the EU for agriculture and received €9.66 billion from the CAP. France has historically opposed even modest reforms to the CAP.

PROGRESS REPORT

WATER AND SANITATION

- The DATA Report interprets the G8 commitment on water and sanitation to mean that a donor should direct 5.5% of its ODA to sub-Saharan Africa to the sector. In 2008, France spent $312 million on the sector in sub-Saharan Africa, accounting for 6% of its total ODA to the region, exceeding the 5.5% ODA target.

- France's performance, while still meeting the 5.5% target, is down slightly from its 2007 contribution, by $6 million.

AGRICULTURE

- While France reversed the agriculture funding decline with a 202% increase for sub-Saharan Africa between 2004 and 2007, its contribution to agriculture in the region decreased in 2008 by $229 million, a decline of 48%.

- In 2008 France provided $105 million for food aid in sub-Saharan Africa, an increase of $18 million from 2007.

- It is reported, but unconfirmed, that France has pledged €1.6 billion ($2.3 billion) for the L'Aquila Food Security Initiative, but the country has yet to officially announce a commitment. It is unclear whether this will include emergency assistance, or how much of it will be new money.

EDUCATION

- France's commitments to UPE in sub-Saharan Africa have increased steadily over the past five years, from $61 million in 2005 to $252 million in 2008. For the past three years, France has prioritised sub-Saharan Africa in its global spending on UPE, with 59% going to the region in 2008.

- France still spends a large portion (48% in 2008) of its education commitments on higher and advanced education, which includes imputed student costs that do not directly support national education sector objectives.[5]

- In 2008, France committed to provide 8 million children with an education as part of a partnership with the UK and the Fédération Internationale de Football Association (FIFA). France's commitments to UPE in sub-Saharan Africa increased between 2007 and 2008, from $193 million to $252 million.

HEALTH

- Total health sector commitments for sub-Saharan Africa in 2008 totalled $490 million; these commitments were up roughly $66 million from 2007 and up $130 million since 2004. Of that $490 million in 2008, France committed $41 million (8.4%) to basic health, $268 million (54.7%) to infectious diseases, $177 million (36.2%) to health systems and $3 million (0.7%) to reproductive health. Much of France's increased total commitment to health came through greater investments in health systems, from $96 million in 2007 to $177 million in 2008.

- France contributed roughly $19 million in core funding to the Global Alliance for Vaccines and Immunisation (GAVI) between 2004 and 2006, as well as roughly $1.74 billion over 20 years (beginning 2006) to the International Finance Facility for Immunisation (IFFIm).

- France pledged $415.3 million for 2009 and $415.7 million for 2010 to the Global Fund to Fight AIDS, Tuberculosis and Malaria, making it the second largest donor. First Lady Carla Bruni-Sarkozy continues to play a key leadership role in advocacy for the Global Fund, particularly around prevention of mother-to-child transmission of HIV (PMTCT) efforts.

- Since 2003, France has contributed a total of $39.27 million to the Global Polio Eradication Initiative (GPEI). While it did not make a commitment in 2007, 2008 or 2010, it contributed $2.65 million in 2009.

LOOKING AHEAD

France is a country with deep links to the African continent and 2010, the 50th anniversary of the independence of most former African colonies from France, is a potent year for the country to take dynamic action to bolster its credibility on the continent. The France–Africa summit from 31 May to 1 June, is a key moment for such action to be taken.

With current ODA levels at 0.43% of GNI (0.46% when including bilateral debt relief), it would not seem impossible for France to meet its European commitment of 0.51% in global ODA by 2010. But current budget plans suggest that both global ODA and ODA to Africa will fall this year. Emergency efforts are required to reverse this. Establishing a clear timetable for meeting France's ODA commitment to Africa would be a fitting way to mark this historic year.

The France–Africa summit is also an important moment to reflect on the quality of France's relationship with Africa in broader policy terms. France should take this opportunity to adopt a clear plan to ensure that all its policies towards Africa are focused on the single clear goal of poverty reduction.

Looking further ahead, in 2011 France, as chair of the G8 and G20, has a critical role to play. President Sarkozy should make clear as soon as possible that he will make the achievement of the MDGs, especially in Africa, a central theme of these summits.

GERMANY

2004–09 INCREASE TO AFRICA:
€719m ($1.001bn)

% OF COMMITMENT TO AFRICA ACHIEVED BY
2009: **23**%

2004–10 EXPECTED INCREASE TO AFRICA:
€782m ($1.089bn)
(INCREASE ODA/GNI: 0.026%)

% OF COMMITMENT TO AFRICA EXPECTED TO BE DELIVERED BY
2010: **25**%

2009 GLOBAL ODA:
€8.541bn ($11.894bn)
(0.35% ODA/GNI EXCLUDING BILATERAL DEBT RELIEF)

WHAT IS THE DEVELOPMENT ASSISTANCE COMMITMENT?

‘Germany (supported by innovative instruments) has undertaken to reach 0.51 per cent ODA/GNI in 2010 and 0.7 per cent ODA/GNI in 2015.’

In addition, the EU collectively committed to spend half of the increase in ODA between now and 2015 in sub-Saharan Africa. For the purposes of calculating target ODA increases to the region, this commitment (reiterated in the Gleneagles Communiqué) is taken to be valid for single member states such as Germany.

Germany’s ODA to sub-Saharan Africa would need to increase from €1.879 billion ($2.617 billion) in 2004 to €5 billion ($6.963 billion) in 2010 in order to meet this commitment.

STATEMENT FROM HEAD OF STATE

‘Development cooperation remains a priority for the new government. I explicitly renew our statement that reaching the Millennium Development Goals in Africa is an obligation for us. We stick to the goal to spend 0.7% of GNI for development policy by 2015. This is a moral task.’

CHANCELLOR **MERKEL**
10 NOVEMBER 2009

OVERALL ASSESSMENT

In 2009 German ODA to sub-Saharan Africa increased by only €56m ($79m) – the smallest increase since the Gleneagles summit – despite efforts to increase both global ODA and allocations to the region in the 2009 budget. ONE estimates that Germany will increase its ODA to sub-Saharan Africa by €63 million ($88 million) in 2010, meaning that it will have met 25% (€782 million/$1.089 billion) of the increases it promised at Gleneagles.

Despite modest increases delivered in 2009 and projected for 2010, Germany’s original Gleneagles commitment was ambitious and its increase in ODA of €719 million ($1.001 billion) to sub-Saharan Africa since 2004 is commendable. In 2010 and beyond, Germany needs to accelerate momentum to reach its global 2015 commitment, with clear targets for the region.

Within the G8, Germany has been a steady supporter of water and sanitation in sub-Saharan Africa. It has also emerged as a leader in generating funding from innovative financing mechanisms, including being the first country to direct financing from the sales of CO_2 emission certificates to development. Germany remains an average performer on the effectiveness of its development assistance. It is on track to meet its commitments to cancel debt to the world’s poorest countries, but like the rest of the G8 is failing to deliver on its commitment to 'make trade work for Africa'.

FIGURE 1

GERMANY'S ODA TO SUB-SAHARAN AFRICA AND 2010 TARGET

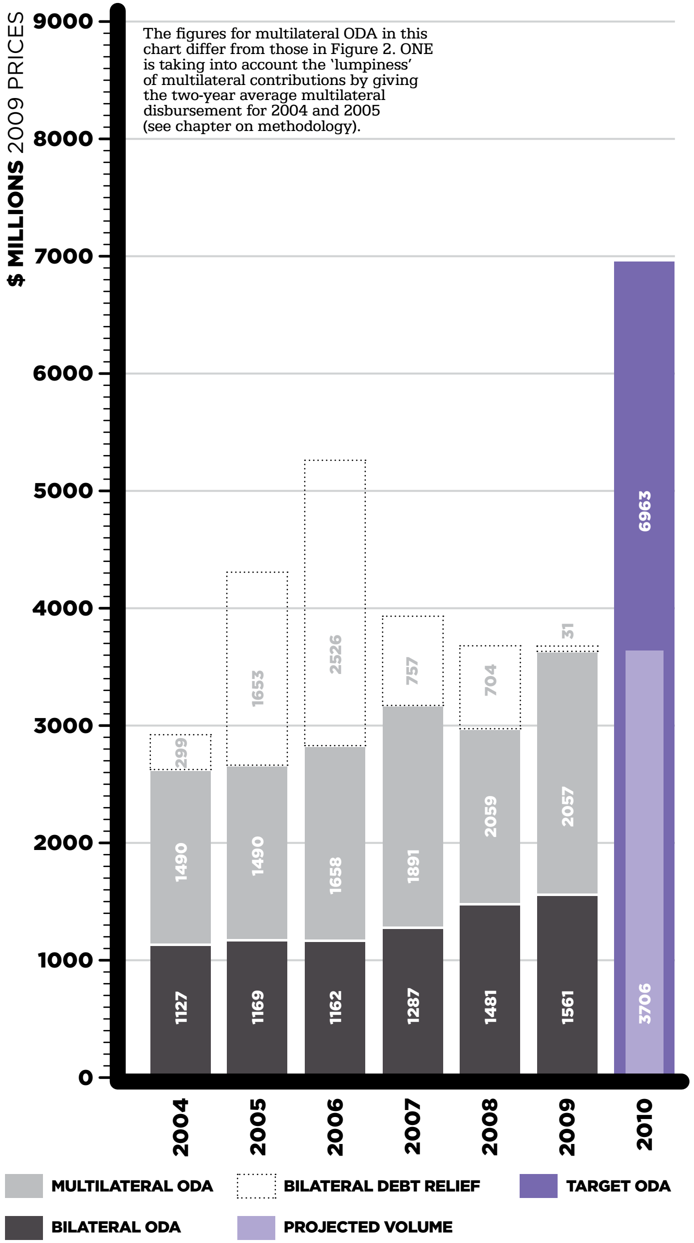


FIGURE 2

WHAT HAVE ODA FLOWS BEEN SINCE 2004?

IN $ MILLIONS 2009 PRICES (IN € MILLIONS 2009 PRICES)

	2004	2005	2006	2007	2008	2009
TOTAL GLOBAL ODA	8,922 (6,407)	11,857 (8,514)	12,088 (8,680)	12,809 (9,198)	13,623 (9,783)	11,982 (8,605)
BILATERAL DEBT RELIEF (GLOBAL)	672 (482)	4095 (2,941)	3176 (2,281)	2988 (2,146)	2527 (1,814)	89 (64)
TOTAL GLOBAL ODA (NET OF BILATERAL DEBT RELIEF)	**8,250** (5,925)	**7,761** (5,573)	**8,912** (6,400)	**9,821** (7,052)	**11,096** (7,968)	**11,894** (8,541)
GLOBAL ODA/GNI (NET OF BILATERAL DEBT RELIEF)	**0.26%**	**0.24%**	**0.26%**	**0.28%**	**0.31%**	**0.35%**
TOTAL SSA ODA	3,281 (2,356)	3,947 (2,835)	5,347 (3,840)	3,936 (2,826)	4,243 (3,047)	3,649 (2,620)
BILATERAL DEBT RELIEF (SUB-SAHARAN AFRICA)	299 (215)	1,653 (1,187)	2,526 (1.814)	757 (544)	704 (505)	31 (22)
MULTILATERAL ODA TO SUB-SAHARAN AFRICA	1,854 (1,332)	1,125 (808)	1,658 (1,191)	1,891 (1,358)	2,059 (1,478)	2,057 (1,477)
BILATERAL ODA TO SSA (NET OF BILATERAL DEBT RELIEF)	1,127 (809)	1,169 (840)	1,162 (835)	1,287 (925)	1,481 (1,064)	1,561 (1,121)
TOTAL SUB-SAHARAN AFRICA ODA (NET OF BILATERAL DEBT RELIEF)	**2,981** (2,141)	**2,295** (1,648)	**2,821** (2,025)	**3,179** (2,283)	**3,540** (2,542)	**3,618** (2,598)
SSA ODA/GNI (NET OF BILATERAL DEBT RELIEF)	**0.09%**	**0.07%**	**0.08%**	**0.09%**	**0.10%**	**0.11%**

PROGRESS IN 2004–09

2009 ODA: **€2.598bn** ($3.618bn)
2008–09 INCREASE: **€56m** ($79m)
2004–09 INCREASE: **€719m** ($1.001bn)
2010 TARGET: **€5bn** ($6.963bn)

Excluding bilateral debt relief, Germany increased ODA to sub-Saharan Africa by €56m ($79m) from 2008 to 2009. Bilateral ODA, net of bilateral debt relief, increased by 5%, or €58 million ($80 million), while multilateral ODA dropped slightly by €1.2 million ($1.7 million), or less than 1%. ONE estimates that, to be on track to meet its 2010 target, Germany should have increased ODA to the region by €1.229 billion ($1.712 billion) in 2009.

Between 2004 and 2009, Germany increased its ODA to sub-Saharan Africa, net of bilateral debt relief, by €719 million ($1.001 billion), an increase of 38%. Within this increase, bilateral spending rose by €312 million ($434 million), while multilateral spending rose by €407 million ($567 million).

Although the DATA Report is focused primarily on the G8's commitments to sub-Saharan Africa, increases in ODA to the region occur in the context of fluctuations in global ODA. Germany's global ODA increased by €3.082 billion ($4.292 billion) between 2004 and 2009 to reach a total of €8.541 billion ($11.894 billion), or 0.35% ODA/GNI in 2009.[1] ODA to sub-Saharan Africa made up 23% of the global increase between 2004 and 2009.

MEETING THE 2010 COMMITMENT

INCREASE NEEDED 2009–10:
€2.402bn ($3.345bn)

ESTIMATED INCREASE 2009–10:
€63m ($88m)

% OF COMMITMENT EXPECTED TO BE DELIVERED BY 2010: **25%**

In order to be on track to reach its Gleneagles target at the end of 2010, Germany would need to increase ODA to sub-Saharan Africa by €2.402 billion ($3.345 billion). However, ONE estimates that its ODA to the region is set to increase by only €63 million ($88 million).

The ODA-relevant part of the Federal Ministry of Economic Cooperation and Development (BMZ) budget increased by €258 million ($359 million) in 2010. Unlike in former years, other line ministries did not see increases in their funds for development cooperation. In spite of this disappointingly low increase, ONE estimates that Germany's global ODA, net of bilateral debt relief, will increase by €758 million ($1.056 billion) in 2010. This is mainly due to the fact that the loan contract for Germany's contribution to the Clean Technology Fund was signed in 2010. The increases in the regular budget will mostly be used to intensify cooperation with Afghanistan, and sub-Saharan Africa is not a main beneficiary of the Clean Technology Fund. In total, ONE estimates that German ODA to sub-Saharan Africa will increase by €63 million ($88 million) in 2010 – representing only 8% of the global increase.

EFFECTIVENESS AND QUALITY OF GERMANY'S DEVELOPMENT ASSISTANCE

Germany's performance on the aid effectiveness measures used by ONE has not changed much over the past year. Transparency/reporting and predictability scores were largely the same, although modest improvements were made in the areas of working with national systems and local competitive procurement. ODA provided as Country Programmable Aid (CPA)[2] declined from 43% to 38% as a proportion of total ODA to sub-Saharan Africa in 2008. German loans disbursed to the region in 2008 remained relatively low at 6% of total bilateral ODA, slightly higher than the previous year. German tied aid rose somewhat in 2008, to 23% from an average of 20% in 2006–08.

Germany's Plan of Operations for aid effectiveness, issued in April 2009, set out an aggressive action agenda across seven areas: ownership and alignment; partner-led donor coordination; predictability and transparency; accountability; fragile states; dialogue with 'anchor' and middle-income countries; and monitoring. The Plan of Operations includes specific target dates by which to launch or complete actions, many of which are underway at this time. Germany reports that it is developing plans for using country systems and that it has current capacity to provide information on three-year expenditures, although the aim is for three-to-five-year expenditure plans on a rolling basis.

IS GERMANY DOING ITS PART TO MEET THE G8'S SECTORAL COMMITMENTS?

Since 2004, Germany has provided leadership in water and sanitation and in supporting innovative financing mechanisms. In 2008, it generated its first development assistance resources from innovative financing through the sale of CO_2 certificates, which could become a large source of future development assistance flows.

This section details Germany's performance and efforts in relation to each of the G8's sectoral commitments that ONE monitors. It also discusses recent changes and relevant developments in Germany's ODA, as they pertain to these sectors. OECD DAC numbers used in this section are from 2008 data on commitments, the most recent available figures.

ONE categorises Germany as being ON track or OFF track to meet its commitments on debt and trade, and provides a progress report on Germany's investments in health, education, agriculture and water and sanitation.

ON TRACK

DEBT

- Along with other G8 countries, Germany agreed to cancel 100% of qualified debts for the poorest countries, first through the HIPC Initiative and later through the MDRI process.

- An important measure of progress on debt is the extent to which donors fulfil their commitments to compensate the IFIs for lost reflows as a result of debt service cancellation. Germany is on track with such commitments. In total, it has made pledges to cover the cost of MDRI cancellation worth $3.709 billion through to 2044, which fully meets it share of long-term contributions required. To date, Germany has provided IDA with an 'unqualified' commitment of $1.036 billion through to 2019, which meets it share of near- and medium-term costs.

- Germany has cancelled 100% of bilateral debt owed by completion point HIPCs. This includes 100% of its post-cut-off date commercial debt.

OFF TRACK

TRADE AND INVESTMENT

- Germany is represented in the Doha Development Agenda and Economic Partnership Agreement (EPA) negotiations by the European Union. Sensitivities in the agricultural sector, combined with market opening interests in the manufactured goods and services sectors, continue to impede progress.

- As of October 2009, LDCs receive 100% duty-free/quota-free access to the EU market through the Everything But Arms (EBA) programme. However, this programme does not cover all African countries and has been criticised for maintaining complicated rules of origin that make it difficult for poor countries to utilise.

- Towards the end of 2007, the EU initiated interim Economic Partnership Agreements (EPAs) with 18 African countries, as the original programme that provided special market access expired at the end of that year. These deals provide duty-free access to the EU market and improved rules of origin in some export sectors, in exchange for African countries opening their markets to EU products over time.

- In 2005, at the WTO Ministerial meeting in Hong Kong, the EU pledged to increase aid for trade to all developing countries by €2 billion ($2.5 billion) per year by 2010. In 2008 the German contribution to aid for trade reported to the OECD DAC was just over $1.2 billion, up from $1.08 billion in 2007.

- Germany also holds a strategic facility (the Monterrey Fund) amounting to €9 million ($14 million), which is focused on incorporating trade into existing bilateral projects and programmes.

- The EU provides the largest agricultural subsidies in total and on a per farm basis. In 2008 it spent an estimated $145 billion on agricultural subsidies, including $52 billion in (trade-distorting) market price support. In 2008, Germany contributed approximately €10.75 billion to the CAP and received about €6.5 billion in return - making Germany the largest net contributor to the CAP of all EU G7 members. As the largest absolute contributor to the EU Budget and the third largest CAP beneficiary, Germany has a lot of influence in the upcoming EU Budget negotiations. The official German position articulated in the Budget Review consultation emphasised the need to reform the CAP with a view to creating jobs, enhancing competitiveness and promoting sustainable land use alongside reducing price supports and production quotas.

PROGRESS REPORT

AGRICULTURE

- In 2008, Germany provided $285 million for agriculture in sub-Saharan Africa, a 33% increase from 2007.

- Germany also provided $143 million for sub-Saharan African food aid in 2008, an increase of 12% from 2007. Its funding for agriculture in the region from 2004 to 2008 increased by 31%, whereas emergency food assistance increased by 47%.

- In 2009, Germany pledged $1 billion annually over three years (2010–12) for the L'Aquila Food Security Initiative, which is expected to include $300 million in new money. Funding for food aid will be in addition to this $1 billion pledge.

EDUCATION

- After reaching a peak of $187 million in 2007, Germany's commitments to universal primary education (UPE) in sub-Saharan Africa fell to $160 million in 2008. Despite this decrease, the total is still triple the amount committed pre-Gleneagles. In 2008 Germany directed 38% of its total UPE commitments to the region.

- Germany still spends the majority of its education funding on higher education (which includes imputed student costs). Higher education accounted for 59% of Germany's education commitments in 2008.

WATER AND SANITATION

- While still meeting the target, Germany's commitments of $303 million in 2008 reflected a $99 million decrease from 2007, when it directed 9.1% of its ODA to sub-Saharan Africa to this sector.

- In the absence of a robust G8 commitment on water and sanitation, the DATA Report interprets the Gleneagles pledge to 'give high priority in ODA allocation' to water and sanitation to mean that a donor should direct 5.5% of its ODA to the region to this sector. With 5.56% of its total ODA to sub-Saharan Africa going to the water and sanitation sector in 2008, Germany is just meeting the Gleneagles target.

HEALTH

- Total health sector commitments for sub-Saharan Africa in 2008 totalled $485 million; these commitments were up roughly $135 million from 2007 and up $225 million since 2004. This substantial increase came through increased commitments to infectious diseases and reproductive health, while basic health and health systems commitments remained relatively stable. Of the $485 million in 2008, Germany committed $32 million (6.6%) to basic health, $255 million (52.7%) to infectious diseases, $151 million (31.1%) to health systems and $47 million (9.7%) to reproductive health.

- Germany contributed roughly $17 million in core funding to the Global Alliance for Vaccines and Immunisation (GAVI) between 2006 and 2009.

- Germany pledged $271.4 million for 2009 and $277.2 million for 2010 to the Global Fund to Fight AIDS, Tuberculosis and Malaria.

- Germany has pledged and contributed a total of $378.77 million to the Global Polio Eradication Initiative (GPEI) since 1985, including a 2009 contribution of $155.06 million, a 2010 contribution of $6.22 million and a 2011 pledge of $2.79 million.

LOOKING AHEAD

Germany's ODA increases in fiscal year 2010 are expected to be significantly lower than in preceding years and will set the country further off track in meeting its ambitious 2010 targets. This creates a problem of credibility for the country in 2010, the target year for delivering on the Gleneagles commitments.

More than ever before, the 2011 budget will be a litmus test of Germany's seriousness in the fight against extreme poverty. The new government has shown a strong commitment to improving the effectiveness of aid by streamlining German implementation agencies. Germany's DAC peer review, which will be published later in 2010, offers a tremendous opportunity to accelerate efforts. Germany should increasingly make use of country systems. In addition, Germany should support multilateral interventions based on performance and not on an arbitrary rule to spend at most one-third of ODA multilaterally.

In 2010, Germany will use its ODA increases mainly to intensify assistance to Afghanistan as well as to mitigate climate change. In the years ahead, these new priorities should be financed in addition to significant increases for sectors and regions traditionally receiving German development support. The new government should sharpen the orientation of Germany's ODA on poverty by refocusing its priorities on sub-Saharan Africa.

The successes of development policy in recent years show that increasing quality and quantity is a simultaneous, not consecutive, process. Germany's new coalition government should demonstrate its international responsibility by reinstating some of the laudable increases that have been made in past years. In particular, Chancellor Angela Merkel's renewed leadership will be necessary as constraints on the German budget grow in the years ahead.

ITALY

2004–09 INCREASE TO AFRICA:
-€169m (-$235m)

% OF COMMITMENT TO AFRICA ACHIEVED BY
2009: **-6**%

2004–10 EXPECTED INCREASE TO AFRICA:
-€169m (-$235m)
(INCREASE ODA/GNI: -0.011%)

% OF COMMITMENT TO AFRICA EXPECTED TO BE DELIVERED BY
2010:**-6**%

2009 GLOBAL ODA:
€2.235bn ($3.113bn)
(0.15% ODA/GNI EXCLUDING BILATERAL DEBT RELIEF)

WHAT IS THE DEVELOPMENT ASSISTANCE COMMITMENT?

At the Gleneagles Summit, Italy committed to reach at least 0.51% of its GNI as ODA by 2010 and 0.7% by 2015.[1] This promise was made as part of the 2005 EU commitment on development assistance, which also stipulated that 50% of the increases would be directed to sub-Saharan Africa.

Based on this commitment in Gleneagles, Italy should increase its ODA to sub-Saharan Africa from €1 billion ($1.392 billion) in 2004 to €3.838 billion ($5.345 billion) in 2010.

STATEMENT FROM HEAD OF STATE

'You are right: when a commitment is underwritten, then it must be kept and fulfilled. We are late, and must catch up with our pledges. I am sorry we did not respect our promises, we are sorry we reduced aid to Africa, and for this reason we have opened a debate within the government. The Finance Minister, Mr Tremonti, has pledged to bring Italy back in line with its commitments during the next three years. After the G8, with the budget for 2010, I'll work on the recovery plan to do just that. Italy will reach 0.33 by 2010, and we will get to 0.51 by 2013.'

PRIME MINISTER **SILVIO BERLUSCONI**
INTERVIEW WITH BOB GELDOF FOR LA STAMPA, JULY 2009

OVERALL ASSESSMENT

In 2009, the year of its G8 presidency, Italy's ODA to sub-Saharan Africa fell by €238 million ($331 million). Since Gleneagles, Italy has cut ODA to the region by €169 million ($235 million). This means that it has delivered -6% of its commitment. Italy is not expected to salvage this situation in 2010. ONE estimates 2010 levels of ODA to be the same as those in 2009. Further, there is little evidence of a proposed recovery plan to re-establish progress towards a new global target of 0.51% by 2013.

Italy provided leadership as the 2009 G8 host in prioritising agriculture on the G8's agenda. However, it has made minimal progress in improving its aid quality and also has not paid its 2009 commitment to the Global Fund to Fight AIDS, Tuberculosis and Malaria, raising concerns that it will become the first country to outright default on a Global Fund pledge. Italy is also not on track to meet its commitments to cancel debt to the world's poorest countries, and like the rest of the G8 is failing to deliver on its commitment to 'make trade work for Africa'.

FIGURE 1

ITALY'S ODA TO SUB-SAHARAN AFRICA AND 2010 TARGET

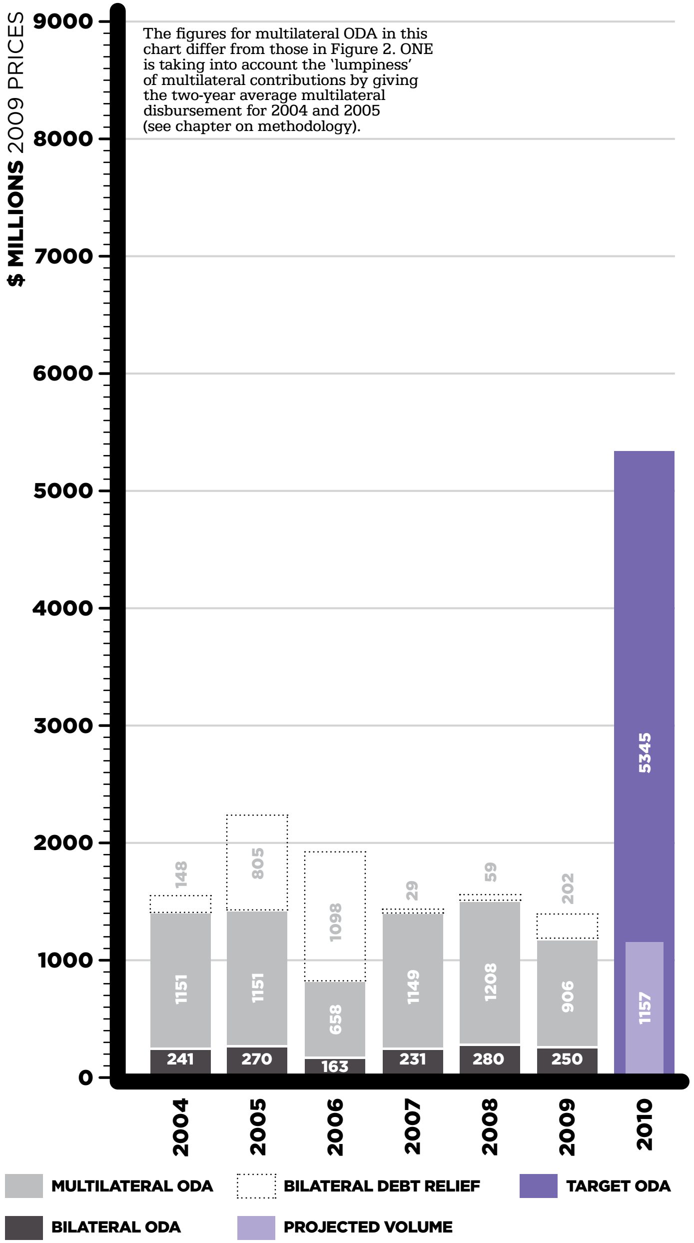


FIGURE 2

WHAT HAVE ODA FLOWS BEEN SINCE 2004?

IN $ MILLIONS 2009 PRICES (IN € MILLIONS 2009 PRICES)

	2004	2005	2006	2007	2008	2009
TOTAL GLOBAL ODA	3,094 (2,222)	6,268 (4,501)	4,359 (3,130)	4,256 (3,056)	4,808 (3,343)	3,314 (2,380)
BILATERAL DEBT RELIEF (GLOBAL)	148 (106)	2,068 (1,485)	1,920 (1,379)	611 (439)	880 (632)	201 (145)
TOTAL GLOBAL ODA (NET OF BILATERAL DEBT RELIEF)	**2,946** (2,116)	**4,199** (3,016)	**2,438** (1,751)	**3,645** (2,618)	**3,928** (2,821)	**3,113** (2,235)
GLOBAL ODA/GNI (NET OF BILATERAL DEBT RELIEF)	**0.14%**	**0.19%**	**0.11%**	**0.16%**	**0.18%**	**0.15%**
TOTAL SSA ODA	1,105 (793)	2,662 (1,912)	1,920 (1,378)	1,410 (1,012)	1,547 (1,111)	1,358 (975)
BILATERAL DEBT RELIEF (SUB-SAHARAN AFRICA)	148 (106)	805 (578)	1,098 (788)	29 (21)	59 (42)	202 (145)
MULTILATERAL ODA TO SUB-SAHARAN AFRICA	716 (514)	1,586 (1,139)	658 (473)	1,149 (825)	1,208 (868)	906 (651)
BILATERAL ODA TO SSA (NET OF BILATERAL DEBT RELIEF)	241 (173)	270 (194)	163 (117)	231 (166)	280 (201)	250 (180)
TOTAL SUB-SAHARAN AFRICA ODA (NET OF BILATERAL DEBT RELIEF)	**957** (687)	**1,856** (1,333)	**822** (590)	**1,380** (991)	**1,488** (1,069)	**1,157** (831)
SSA ODA/GNI (NET OF BILATERAL DEBT RELIEF)	**0.05%**	**0.09%**	**0.04%**	**0.06%**	**0.07%**	**0.06%**

PROGRESS IN 2004–09

2009 ODA: **€831m** ($1.157bn)
2008–09 INCREASE: **-€238m** (-$331m)
2004–09 INCREASE: **-€169m** (-$235m)
2010 TARGET: **€3.838bn** ($5.345bn)

Following its poor performance in 2008, Italy's aid to sub-Saharan Africa declined in 2009. In order to have been on a straight-line trajectory to meet its 2010 target, Italy would have needed to increase ODA to the region by €1.385 billion ($1.928 billion) between 2008 and 2009. Instead, assistance to the region declined by €238 million ($331 million) to €831 million ($1.157 billion) – a decrease of 22%. Bilateral ODA, which made up 21.6% of total ODA to the region in 2009, fell from €201 million ($280 million) in 2008 to €180 million ($250 million) in 2009. Multilateral ODA to the region fell even more substantially, by €217 million ($302 million). This means that Italy must increase its assistance by €3.007 billion ($4.188 billion) in 2010 to achieve its Gleneagles commitment.

Since Italy made its ODA commitment to sub-Saharan Africa in 2004, its ODA to the region has actually declined. Over the past five years, its commitments to the region, net of bilateral debt relief, have decreased by €169 million ($235 million). Within this figure, bilateral ODA has increased by €6 million ($9 million), while multilateral ODA has fallen by €175 million ($244 million). In total, Italy has thus far delivered -6% of its commited increases to the region.

Italy's poor progress in ODA to sub-Saharan Africa was similarly reflected in its global ODA figures. From 2008 to 2009, global ODA saw a decrease of 21%, or €585 million ($815 million). Between 2004 and 2009, global ODA decreased by 13% or €335 million ($466 million). By 2009, Italy's total global ODA was €2.235 billion ($3.113 billion), or 0.15% ODA/GNI.[2]

MEETING THE 2010 COMMITMENT

INCREASE NEEDED 2009–10:
€3.007bn ($4.188bn)

ESTIMATED INCREASE 2009–10:
€0m ($0m)

% OF COMMITMENT EXPECTED TO BE DELIVERED BY 2010: **-6%**

To reach its 2010 target, Italy needs to increase its ODA to the region in 2010 by €3.007 billion ($4.188 billion), net of bilateral debt relief. Eessentially, Italy would need to deliver its entire Gleneagles commitment plus make up the deficit from the 2004 figures – all in one year.

ONE estimates, however, that Italy's ODA to the region, net of bilateral debt relief, will remain largely unchanged from 2009 levels. This means that its development assistance to the region in 2010 will be lower than it was in 2004. Italy will have met approximately -6% of the increases it promised at Gleneagles.

EFFECTIVENESS AND QUALITY OF ITALY'S DEVELOPMENT ASSISTANCE

Italy's weak performance on aid effectiveness measures, noted in last year's DATA Report, continued in 2009. Most significantly, the percentage of aid subject to local competitive procurement declined by half to 20.5%, by far the lowest level among the G7. In addition, delays in completing procurement procedures grew last year. While the percentage of ODA commitments made on the basis of three years or more improved slightly, at 14.8% Italy remained far behind other G7 donors in this category. It is noteworthy that in 2005 Italy had committed the highest level on a multi-year basis – 87.5% – of any G7 country. Italy's percentage of Country Programmable Aid (CPA) to sub-Saharan Africa also fell in 2008, from 74% to 67%.[3] Gross disbursements of ODA loans in 2008 declined from 22.6% to 14.1%, a more positive development in Italy's performance. It also reduced its levels of tied aid to 21% from an average of 24% in 2006–08.

Italy issued an Aid Effectiveness Action Plan in July 2009, creating 12 thematic working groups on areas including policy coherence, country planning, fragile states, evaluation and untied aid. It further reports that it has created an Aid Effectiveness Marker against which it will be able to assess whether programmes and projects align with Paris and Accra aid effectiveness principles. According to the Italian government, Italy is taking steps to improve transparency and accountability practices, the results of which will be presented at the G8 summit in Muskoka this summer.

IS ITALY DOING ITS PART TO MEET THE G8'S SECTORAL COMMITMENTS?

Italy's sectoral contributions remain a concern in a number of areas. While Italy's development assistance for agriculture in sub-Saharan Africa has increased since 2005, it remains the lowest contributor among the G7. Similarly, increasing levels of support for primary education in the region in 2008 have not been sufficient for Italy to meet its proportionate share, and Italy is in danger of becoming the first country to default on a pledge to the Global Fund.

This section details Italy's performance and efforts in relation to each of the G8's sectoral commitments that ONE monitors. It also discusses recent changes and relevant developments in Italy's ODA, as they pertain to these sectors. OECD DAC numbers used in this section are from 2008 data on commitments, the most recent available figures.

ONE categorises Italy as being ON track or OFF track to meet its commitments on debt and trade, and provides a progress report on Italy's investments in health, education, agriculture and water and sanitation.

OFF TRACK

DEBT

- Along with other G8 countries, Italy agreed to cancel 100% of qualified debts for the poorest countries, first through the HIPC Initiative and later through the MDRI process.

- An important measure of progress on debt is the extent to which donors fulfil their commitments to compensate the IFIs for lost reflows as a result of debt service cancellation. Italy is off track with such commitments. To date, Italy has provided IDA with an 'unqualified' commitment of $52 million through 2019 to offset MDRI costs – leaving a shortfall of $364 million compared with its total required near- and medium-term contributions. In total, Italy has made 'qualified' pledges to cover the cost of multilateral debt cancellation worth $1.531 billion through 2044 – more than is required to meet its share of long-term required contributions.

- Italy has cancelled 100% of bilateral debt owed by completion point HIPCs. This includes 100% of its post cut-off date commercial debt.

TRADE AND INVESTMENT

- Italy is represented in the Doha Development Agenda and Economic Partnership Agreement (EPA) negotiations by the European Union. Sensitivities in the agricultural sector, combined with market opening interests in the manufactured goods and services sectors, continue to impede progress.

- As of October 2009, LDCs receive 100% duty-free/quota-free access to the EU market through the Everything But Arms (EBA) programme. However, this programme does not cover all African countries and has been criticised for maintaining complicated rules of origin that make it difficult for poor countries to utilise.

- Towards the end of 2007, the EU initiated interim Economic Partnership Agreements (EPAs) with 18 African countries, as the original programme that provided special market access expired at the end of 2007. These deals provide duty-free access to the EU market and improved rules of origin in some export sectors, in exchange for African countries opening their markets to EU products over time.

- In 2005, at the WTO Ministerial meeting in Hong Kong, the EU pledged to increase aid for trade to all developing countries by €2 billion ($2.5 billion) per year by 2010. In 2008 the Italian bilateral contribution to aid for trade was $103 million, up from $39 million in 2007. Multilateral contributions reached $379 million, bringing Italy's total aid for trade contribution to $482 million. While this was an increase of $103 million over 2007, Italy is still one of the lowest G8 contributors.

- The EU provides the largest subsidies in total and on a per farm basis. In 2008 the EU spent an estimated $145 billion on agricultural subsidies, including $52 billion in market price support. In 2008, Italy contributed approximately €7.3 billion to the EU agriculture budget and received about €6.2 billion in return. As a net contributor to the CAP, Italy has generally been in favour of moving to a system of co-financing, whereby greater shares of subsidies will come from national rather than EU budgets. Nevertheless, this move would only change which budgets finance EU agricultural subsidies, freeing up EU funds for other priorities, and would not actually reform EU subsidy programmes.

PROGRESS REPORT

AGRICULTURE

- Even prior to the Hokkaido commitment to reverse its funding decline, Italy fulfilled its agriculture commitment, with small increases to sub-Saharan Africa from 2005 to 2008 totalling a 62% increase. Italy, however, is still the smallest contributor to agriculture in the region.

- Italy also provided $88 million for food aid to sub-Saharan Africa in 2008, an increase of $38 million over 2007 spending levels.

- Italy hosted the 2009 G8 Summit, where it encouraged the G8 to make a substantial commitment to global food security. It pledged $450 million over three years for the L'Aquila Food Security Initiative, and committed to deliver $300 million in the first year. It is unclear how much of this is new money, and what kind of programmes it will fund.

WATER AND SANITATION

- Italy's ODA for water and sanitation in sub-Saharan Africa increased by $50 million in 2008 over 2007 levels.

- In the absence of a robust G8 commitment on water and sanitation, the DATA Report interprets the Gleneagles pledge to 'give high priority in ODA allocation' to water and sanitation to mean that a donor should direct 5.5% of its ODA to sub-Saharan Africa to the sector. By directing 8.6% of its ODA to the region to this sector in 2008, Italy is technically exceeding the ODA target. However, Italy's weak ODA levels artificially inflate its performance in this sector, as the percentage is based on total ODA to sub-Saharan Africa. In order to make real progress in this sector, Italy must increase overall ODA levels and increase spending on water and sanitation in proportion to those overall increases. It must also work with partners to create a more meaningful collective commitment on water and sanitation.

EDUCATION

- Italy's commitments to primary education increased from $23 million in 2007 to $84 million in 2008. Despite the increase, Italy is still not meeting its proportionate share towards reaching universal primary education (UPE), and its contributions to the G8's overall efforts on global education remain minimal.

- Italy spent a large proportion of its primary education funding in sub-Saharan Africa, an increase from 43% in 2006 to 74% in 2008.

HEALTH

- Health sector commitments for sub-Saharan Africa in 2008 totalled $253 million; these commitments were up roughly $27 million from 2007 and up $58 million since 2004. Of the $253 million in 2008, Italy committed $20 million (7.8%) to basic health, $122 million (48.4%) to infectious diseases, $109 million (43.2%) to health systems and $2 million (0.6%) to reproductive health. Italy's commitments decreased for every sub-sector within health, except for a significant increase in health systems, from $52 million in 2007 to $109 million in 2008.

- Italy is one of the largest contributors to GAVI's innovative financing schemes, although it has not yet contributed to GAVI core funding. Its contributions include roughly $600 million over 20 years (beginning in 2006) to the International Finance Facility for Immunisation (IFFIm) and an additional $635 million in 2007 to launch the first Advance Market Commitment (AMC) to help speed up the development and availability of pneumococcal vaccines.

- Italy pledged $177.1 million for 2009 and $177.1 million for 2010 to the Global Fund. Italy has not paid its 2009 commitment, raising concerns that it will become the first country to outright default on a pledge to the Global Fund.

- Italy has contributed a total of $36.92 million to the Global Polio Eradication Initiative (GPEI) since 1985, including a 2008 contribution of $11.95 million and a 2009 contribution of $2.09 million. It has not made a commitment to GPEI for 2010.

LOOKING AHEAD

Italy's abysmal performance in 2009 occurred while the country was under close international scrutiny as President of the G8, which culminated with the L'Aquila Summit. At the summit, President Berlusconi reiterated his pledge towards the Gleneagles target. In an exclusive interview with ONE's Bob Geldof on 5 July 2009, he also committed to achieving – admittedly belatedly – a figure of 0.51% of GNI by 2013, and sketching a 'recovery plan'. However, evidence of implementation of this plan is yet to be seen.

It is unfortunate that there was nothing in the aftermath of the summit that could justify any optimism with respect to the radical change of direction and pace needed in Italy's ODA contributions. On the contrary, its 2010 budget does not contain any provision that would markedly alter this stagnating trajectory, leaving the country far from achieving the goals it claims to be committed to. Further, Italy's poor performance has hindered the EU from reaching its collective 0.56% target for 2010 and brought the G7 performance on ODA from 75% down to 61%.

Although it is clear that Italy will miss the 2010 targets by a wide margin, it is essential that it launches an immediate convergence programme – a Gleneagles recovery package – in order to recover from its unacceptably low current levels of aid delivery. In the absence of such visible effort, there is no other solution than for Italy's peers to exclude it from the G8, given its by now unmistakable lack of commitment to – and its effective 'free-riding' on – the jointly agreed international development goals.

JAPAN

2004–09 INCREASE TO AFRICA:
¥129bn ($1.376bn)

% OF COMMITMENT TO AFRICA ACHIEVED BY
2009: **85%**

2004–10 EXPECTED INCREASE TO AFRICA:
¥175bn ($1.874bn)

% OF COMMITMENT TO AFRICA EXPECTED TO BE DELIVERED BY
2010: **149%**

2009 GLOBAL ODA:
¥885bn ($9.477bn)
(0.18% ODA/GNI EXCLUDING BILATERAL DEBT RELIEF)

WHAT IS THE DEVELOPMENT ASSISTANCE COMMITMENT?

In 2005 Japan stated that it intended to increase its global ODA volume by $10 billion (¥1.1 trillion) in aggregate over the next five years, and committed to double its ODA to sub-Saharan Africa over the following three years. In May 2008, Japan made a new commitment to double bilateral ODA to sub-Saharan Africa, net of bilateral debt relief, by 2012.

Based on this commitment, using a straight-line trajectory from 2007 to 2012, Japan's ODA target for 2010 (the deadline for the collective G8 Gleneagles commitment to sub-Saharan Africa), is ¥133 billion ($1.422 billion) for bilateral ODA, excluding bilateral debt relief.

STATEMENT FROM HEAD OF STATE

'Let us create a society in which children around the world no longer lose their lives to starvation, infectious disease, armed conflict or landmines. As a responsibility of the international community, we must secure for the world's children lives in which everyone can drink clean water, be free from discrimination and prejudice, enjoy protection of human rights and receive basic education.'

PRIME MINISTER **YUKIO HATOYAMA** 29 JANUARY 2010
SPEAKING AT THE 174TH SESSION OF THE DIET

'The people in Africa and elsewhere in the developing world who suffer from hunger and poverty [...] what assistance can Japan provide to support the lives of such people? [...] Japan will assist efforts to overcome various hardships and to rebuild countries, listening also to views which are only quietly expressed in the international community and collaborating closely with the UN and other international organisations and the major countries concerned.'

FOREIGN MINISTER **KATSUYA OKADA** 29 JANUARY 2010
SPEAKING AT THE 174TH SESSION OF THE DIET

OVERALL ASSESSMENT

Japan has almost reached its 2010 commitments to sub-Saharan Africa (made at Gleneagles and the Fourth Tokyo International Conference on African Development – TICAD IV – in May 2008). In 2009 it increased its total ODA to the region by ¥32 billion ($341 million). ONE estimates that Japan will increase ODA to the region by an additional ¥46 billion ($498 million) in 2010, meaning that it will have met 149% of the bilateral increases it promised for 2010, and will have surpassed its 2012 target this year.

Despite setting weak targets, Japan's ODA increases to sub-Saharan Africa in recent years (¥129 billion/$1.376 billion since 2004) demonstrate a growing commitment to poverty reduction in the region. Japan should solidify this commitment in 2010 by setting a transparent, ambitious target for future ODA increases that includes both bilateral and multilateral spending.

Within the G8, Japan has been a leader in providing technical assistance and support for water and sanitation improvements in the region. It has also been a consistent supporter of the Global Fund, providing $846.5 million between 2001 and 2008, the fourth largest contribution among single country donors. However, Japan is not on track to meet its commitments to cancel debt to the world's poorest countries, and like the rest of the G8 is failing to deliver on its commitment to 'make trade work for Africa'.

FIGURE 1

JAPAN'S ODA TO SUB-SAHARAN AFRICA AND 2010 TARGET

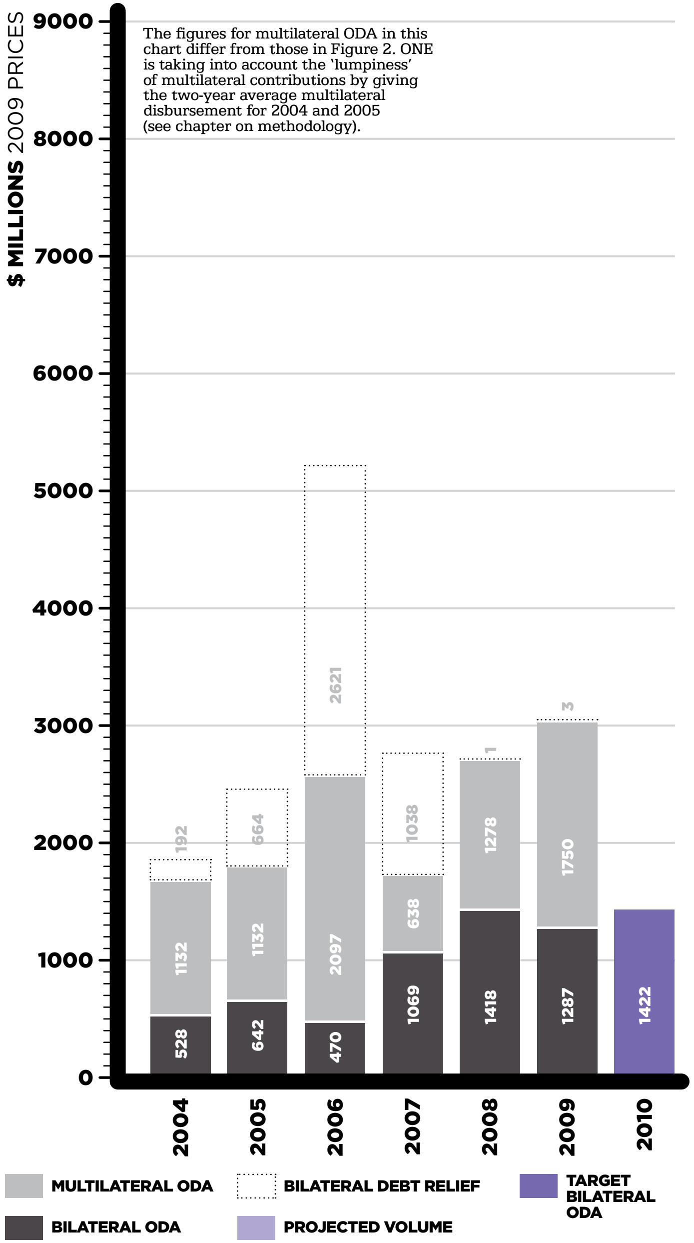


FIGURE 2

WHAT HAVE ODA FLOWS BEEN SINCE 2004?

IN $ MILLIONS 2009 PRICES (IN ¥ BILLIONS 2009 PRICES)

	2004	2005	2006	2007	2008	2009
TOTAL GLOBAL ODA	9,950 (929)	15,092 (1,410)	13,660 (1,276)	9,596 (896)	10,614 (991)	9,480 (885)
BILATERAL DEBT RELIEF (GLOBAL)	298 (28)	5,170 (483)	3948 (369)	2001 (187)	1,929 (180)	3 (0)
TOTAL GLOBAL ODA (NET OF BILATERAL DEBT RELIEF)	**9,652** (902)	**9,923** (927)	**9,712** (907)	**7,595** (709)	**8,685** (811)	**9,477** (885)
GLOBAL ODA/GNI (NET OF BILATERAL DEBT RELIEF)	**0.18%**	**0.18%**	**0.18%**	**0.13%**	**0.16%**	**0.18%**
TOTAL SSA ODA	1,804 (169)	2,487 (232)	5,188 (485)	2,745 (256)	2,696 (252)	3,040 (284)
BILATERAL DEBT RELIEF (SUB-SAHARAN AFRICA)	192 (18)	664 (62)	2,621 (245)	1,038 (97)	1 (0)	3 (0)
MULTILATERAL ODA TO SUB-SAHARAN AFRICA	1,084 (101)	1,181 (110)	2,097 (196)	638 (60)	1,278 (119)	1,750 (163)
BILATERAL ODA TO SSA (NET OF BILATERAL DEBT RELIEF)	528 (49)	642 (60)	470 (44)	1,069 (100)	1,418 (132)	1,287 (120)
TOTAL SUB-SAHARAN AFRICA ODA (NET OF BILATERAL DEBT RELIEF)	**1,612** (151)	**1,823** (170)	**2,567** (240)	**1,707** (159)	**2,696** (252)	**3,037** (284)
SSA ODA/GNI (NET OF BILATERAL DEBT RELIEF)	**0.03%**	**0.03%**	**0.05%**	**0.03%**	**0.05%**	**0.06%**

PROGRESS IN 2004–09

2009 ODA: **¥284bn** ($3.037bn)
2008–09 INCREASE: **¥32bn** ($341m)
2004–09 INCREASE: **¥129bn** ($1.376bn)
2010 TARGET: **¥133bn** ($1.422bn)

Japan's TICAD IV bilateral commitment was for all of Africa (as opposed to only the sub-Saharan region) and was based on a doubling of bilateral spending. By 2008, Japan had nearly met its bilateral target for 2010 of ¥133 billion ($1.422 billion) (derived by ONE) through disbursements to sub-Saharan Africa alone, and was on track to meet its 2012 commitment. Japan also committed to increase disbursements to the African Development Bank (AfDB) to ¥14 billion ($140 billion) in current prices by 2012. ONE estimates that its 2009 disbursements to the regional bank reached $180 million, surpassing this target.

Since 2004, Japan has increased ODA to sub-Saharan Africa by ¥129 billion ($1.376 billion), an increase of 83%. Within this increase, bilateral ODA (net of bilateral debt relief) increased by ¥71 billion ($759 million), while multilateral ODA increased by ¥58 billion ($618 million). In total, Japan has thus far delivered 85% of its committed bilateral increases to the region. It is important to note that Japan would also be on track if its TICAD IV commitment had included a doubling of multilateral, as well as bilateral, ODA to sub-Saharan Africa.

Although the DATA Report is focused primarily on the G8's commitments to sub-Saharan Africa, increases in ODA to the region occur in the context of fluctuations in global ODA. Japan's global ODA decreased by ¥7 billion ($75 million) between 2004 and 2009, to reach a total of ¥885 billion ($9.477 billion) or 0.18% ODA/GNI in 2009.[1] This meant that increases for sub-Saharan Africa were made despite cuts in ODA to other regions.

MEETING THE 2010 COMMITMENT

BILATERAL INCREASE NEEDED 2009–10:
¥13bn ($135m)

ESTIMATED BILATERAL INCREASE 2009–10:
¥54bn ($576m)

% OF COMMITMENT EXPECTED
TO BE DELIVERED BY 2010: **149%**

Japan is on track to meet its commitment to double bilateral ODA to sub-Saharan Africa by 2012, and as of 2009, has almost already met the derived target for 2010. The commitment takes the annual average of bilateral ODA, net of bilateral debt relief, between 2003 and 2007, in addition to a small disbursement to the AfDB as the baseline, and commits to double that total to derive a 2012 target of ¥168 billion ($1.8 billion). ONE estimates that a straight-line trajectory between this baseline and this target means that Japan would need to spend ¥133 billion ($1.422 billion) in bilateral ODA in 2010 in order to be on track. Japan's only multilateral commitment specifically to Africa is small: to increase disbursements to the AfDB $120 million to $140 million by 2012.

Japan's draft 2010 Project Budget estimates ¥1.14 trillion ($12.2 billion) in net global development assistance, excluding debt relief, of which net bilateral assistance is ¥765 billion ($8.2 billion). Although an estimate of the exact proportion that will be allocated to sub-Saharan Africa is not available, ONE estimates, based on previous allocation patterns, that Japan's bilateral ODA to the region will be 23% of its global bilateral assistance, or ¥174 billion ($1.863 billion). This means that Japan's assistance to sub-Saharan Africa alone will have surpassed ONE's derived 2010 Africa target by delivering 149% of the necessary increases between 2004 and 2010. Japan will also surpass its 2012 bilateral target this year.

EFFECTIVENESS AND QUALITY OF JAPAN'S DEVELOPMENT ASSISTANCE

Except in two areas, Japan's performance on aid effectiveness measures used by ONE has changed little in the past year. There were small decreases in the percentage of Japanese ODA shown on country budgets, in the portion of disbursements that appeared in the scheduled year and in the amount of commitments made on a multi-year basis. Japan continued to improve, however, on the portion of ODA that is subject to competitive local procurement, a trend observed for the past several years. Nevertheless, Japan is one of the weakest performers on this measure among its G7 peers. The amount of Country Programmable Aid (CPA) it provided surged in 2008 to 73%, roughly double the average of the four previous years.[2] ODA extended on a loan basis shot up in 2008, growing from 9.6% of total ODA to the region to 24.7%. Japan's ODA loan percentage was by far the largest among any DAC country. Japanese tied aid in 2008 remained roughly the same as in previous years, and at 3% is one of the lowest among G7 donors.

Japan has not issued an Accra Action Plan. It reports, however, that it has met the Accra targets for using country systems, and in July 2009 it began to produce rolling three- to five-year expenditure plans that are posted on the Foreign Ministry website.

IS JAPAN DOING ITS PART TO MEET THE G8'S SECTORAL COMMITMENTS?

Japan has performed consistently well on delivering its water and sanitation commitment and has been a strong supporter of the Global Fund since it was established. Although Japan has promoted trade and investment in sub-Saharan Africa through commitments to increase FDI, sensitivities in its agricultural sector, combined with market-opening interests in manufactured goods, continue to impede the region's growth and potential for development through trade.

This section details Japan's performance and efforts in relation to each of the G8's sectoral commitments that ONE monitors. It also discusses recent changes and relevant developments in Japan's ODA, as they pertain to these sectors. OECD DAC numbers used in this section are from 2008 data on commitments, the most recent available figures.

ONE categorises Japan as being ON track or OFF track to meet its commitments on debt and trade, and provides a progress report on Japan's investments in health, education, agriculture and water and sanitation.

PROGRESS REPORT

WATER AND SANITATION

- Japan's ODA for water and sanitation in sub-Saharan Africa decreased by $99 million in 2008 from 2007 levels.

- In the absence of a robust G8 commitment on water and sanitation, the DATA Report interprets the Gleneagles pledge to 'give high priority in ODA allocation' to water and sanitation to mean that a donor should direct 5.5% of its ODA to sub-Saharan Africa to the sector. With 7.4% of its ODA to the region going to this sector ($186 million), Japan is exceeding the ODA target.

AGRICULTURE

- Japan's funding for agriculture in sub-Saharan Africa has fluctuated, registering both small increases and decreases since 2004. It provided $245 million for agriculture in the region in 2008, an increase of approximately 17% over 2007 levels.

- In 2008 Japan provided $204 million for food aid in sub-Saharan Africa, an increase of 19% over 2007.

- While increases in agriculture funding have been unsteady, from 2004 to 2008 Japan increased its contributions to agriculture in the region by 44%. Within this same timeframe, however, funding for food aid in the region increased by 358%.

- At the G8 L'Aquila Summit last year, Japan committed to provide at least $3 billion over the three years from 2010 to 2012 in areas related to agriculture, including the development of infrastructure. It is unclear whether this figure includes emergency assistance, and how much of it will be new money.

- At TICAD IV, Japan announced plans to assist Africa's agricultural productivity improvements. In particular, it said that it would assist Africa to double rice production within ten years (in order to achieve this, Japan announced that it would provide ODA loans of up to $4 billion, with a special focus on infrastructure and agricultural development).

EDUCATION

- Japan has made minimal contributions to G8 efforts towards universal primary education (UPE) in recent years. In 2008, the Japanese contribution to UPE in sub-Saharan Africa was $100 million, the lowest level in seven years. In 2008, the region's share of Japan's global UPE commitments was 24%, down from 59% in 2006 and 53% in 2007.

HEALTH

- Health sector commitments for sub-Saharan Africa in 2008 totalled $332 million; these commitments were down roughly $78 million from 2007 and were up only $18 million since 2004. Of that $332 million in 2008, Japan committed $34 million (10.2%) to basic health, $194 million (58.4%) to infectious diseases, $88 million (26.5%) to health systems and $16 million (4.9%) to reproductive health.

- Japan pledged $194.4 million for 2009 and $247 million for 2010 to the Global Fund to Fight AIDS, Tuberculosis and Malaria.

- Japan is the only G8 country that does not currently support the Global Alliance for Vaccines and Immunisation (GAVI).

- Japan has contributed a total of $367.6 million to the Global Polio Eradication Initiative (GPEI) since 1985, including a 2009 contribution of $21.44 million and a 2010 contribution of $0.2 million.

OFF TRACK

DEBT

- Along with other G8 countries, Japan agreed to cancel 100% of qualified debts for the poorest countries, first through the HIPC Initiative and later through the MDRI process.

- An important measure of progress on debt is the extent to which donors fulfil their commitments to compensate the IFIs for lost reflows as a result of debt service cancellation. Japan is off track with such commitments. To date, Japan has provided IDA with an 'unqualified' commitment of $331 million through 2019 to offset MDRI costs – leaving a shortfall of $1.06 billion. In total, Japan has made 'qualified' pledges to cover the cost of multilateral debt cancellation worth $4.947 billion through 2044, which fully meets it share of long-term required contribution commitments.

- Japan has cancelled 100% of bilateral debt owed by completion point HIPCs, with one important exception: it has not cancelled its post cut-off date commercial debt. As a result, it has not delivered as much as other G8 countries.

- Japan has also restarted lending programmes for African countries, including HIPCs. It has provided over $500 million in new lending over the past few years. This lending will contribute to worsened external debt outlooks for respective African countries.

TRADE AND INVESTMENT

- Japan is a key participant in the WTO Doha negotiations and is seeking reductions in tariffs on agricultural and manufactured goods, in exchange for cuts to its own subsidies and tariffs. Japan is one of the largest subsidisers, providing $46.1 billion in direct subsidies and $39.1 billion in market price support in 2008. Japan heavily protects its markets for rice, sugar and dairy – products in which many developing countries have great export potential.

- Japan provides duty-free/quota-free access to Least Developed Countries (LDCs) on 98% of tariff lines, but excludes 80% of tariff lines for agricultural and fish products. This programme also excludes non-LDC African countries.

- Japan committed at the 2005 WTO Ministerial in Hong Kong to spend $10 billion on aid for trade for all developing countries. In 2007, Japan provided $1.5 billion in aid for trade to sub-Saharan Africa, but this level dropped to less than $1 billion in 2008.

- At TICAD IV in May 2008, Japan announced its decision to create a facility within the Japan Bank for International Cooperation (JBIC) for investment in Africa. Financial assistance for Africa, including this facility, will be on a scale of $2.5 billion over the next five years (as part of the goal to double FDI from the Japanese private sector to Africa, to $3.4 billion by the end of 2012). This is twice the amount of total FDI flows from Japan to Africa during the past five years (2003–07) or twice the size of the Japanese FDI stock in Africa in 2007.[3]

LOOKING AHEAD

After five decades of virtually uninterrupted rule by the Liberal Democratic Party (LDP), in 2009 Japan saw the beginning of a new political era with the election of Democratic Party of Japan (DPJ) president Yukio Hatoyama as Prime Minister. With a new government in place, Japan has the opportunity to revitalise its relationship with sub-Saharan Africa and to reposition development in Africa as a cornerstone of Japanese foreign policy. Development is one of five priority issues for Japanese Foreign Minister Katsuya Okada. Japan intends to announce a package of policies to promote the Millennium Development Goals (MDGs) in September 2010, with a focus on health and education. It is not yet clear if this will include the necessary new resources.

In 2010 Japan should set a new, more ambitious ODA commitment that includes a transparent baseline, target and allocation for sub-Saharan Africa, and encompasses both bilateral and multilateral spending. As part of this commitment, Japan should continue to increase its support for effective multilateral mechanisms, including the Global Fund, the GAVI Alliance (to which at present it is not a donor) and the new Global Agriculture and Food Security Programme (GAFSP) administered by the World Bank. Investing in multilateral mechanisms enables donors like Japan to leverage their contributions for maximum impact. In addition, Japan should explore new ways to support sustainable development on the continent by enhancing its traditional areas of expertise, such as technical assistance, and applying these to emerging priorities in sub-Saharan Africa, such as adaptation efforts and improving health data.

Finally, in the context of a changing global architecture and the elevation of the G20, Japan's role as a regional leader has gained new relevance. Japan should continue to encourage emerging donors like China and South Korea to increase and improve their engagement in Africa, and should continue to host Trilateral Policy Consultations to enhance the partnership between Asia and sub-Saharan Africa.

RUSSIA

The Gleneagles commitment to increase development assistance to sub-Saharan Africa did not include a Russian contribution. Russia is one of the largest economies in the world and a significant donor to the republics of the former Soviet Union (Commonwealth of Independent States – CIS), but is not yet a member of the OECD or the DAC (though official meetings to advance its accession are underway). Therefore, throughout this report, ONE does not hold Russia accountable for the financing targets set by the G8 at Gleneagles in 2005. However, Russia plays an important role in setting policies that have an impact on the G8’s overall commitments to sub-Saharan Africa, and the nation is undergoing a transition from recipient of development assistance to international donor and active member of multilateral organisations. For these reasons, Russia’s individual development commitments are important and are tracked in this report.

WHAT IS THE COMMITMENT?

Russia made the following commitments on debt relief at Gleneagles in 2005:

‘Russia has cancelled and committed to cancel $11.3 billion worth of debts owed by African countries, including $2.2 billion of debt relief to the HIPC Initiative. On top of this, Russia is considering writing off the entire stock of HIPC countries’ debts on non-ODA loans. This will add $750 million to those countries’ debt relief.’

This commitment was updated at the 2006 St. Petersburg Summit:

‘Russia and the World Bank agreed to collaborate in developing a debt-for-development swap for channeling $250 million freed up from debt service to high-priority development actions in sub-Saharan Africa.’

In the annex to the St. Petersburg Update on Africa, Russia also made the following specific commitments to Africa:

- ‘Russia will join forces with the World Bank in the fight against malaria in sub-Saharan Africa, and will support the World Bank-led Booster Programme for Malaria Control, which aims to achieve tangible results by 2010.’
- ‘Russia has doubled its pledge to the Global Fund to Fight AIDS, Tuberculosis and Malaria to $40 million. It also intends to reimburse the Global Fund, up to 2010, nearly $270 million which was distributed to fund projects in the Russian Federation.’
- ‘Russia has committed to contribute $18 million to the Global Polio Eradication Initiative.’

No new commitments were made at the 2007, 2008 or 2009 G8 Summits.

DEVELOPMENT ASSISTANCE

As Russia did not make an ODA commitment to Africa at Gleneagles, this chapter does not hold it accountable for ODA levels to the continent. However, in 2007 Russia passed a law that committed it to raising global ODA levels to $400–$500 million per year in the short term, with a longer-term goal of scaling up development assistance to reach 0.7% of its gross national income.[1] Russian Deputy Finance Minister Sergey Storchak said in 2007 that he expected to reach the short-term target within four to five years (2011–12).[2] Until Russia becomes a member of the DAC, progress against this target is difficult to measure. Russia formally opened discussions for joining the OECD in late June 2009 by submitting an 'Initial Memorandum' on its position as it relates to the policy standards and practices required for membership of the organisation.[3] Russia will now go through a detailed review by OECD committees covering most areas of government, including corporate governance and anti-corruption, investment, competition, labour policy and the environment. This process will reveal Russia’s compliance with more than 200 OECD legal standards.

In lieu of ODA figures as reported by the OECD, ONE tracks certain Russian development assistance activities as reported by financing mechanisms and the government itself, recognising that funding levels reported by the Russian government cannot be verified and are not comparable with DAC figures.

According to reports by the Russian government regarding global ODA, '… federal budget funds allocated by Russia to developing countries in 2009 on a bilateral and multilateral basis, which are classified by the OECD Development Assistance Committee as Official Development Assistance, amounted to about $800 million vs. $220 million allocated a year earlier'.[4]

As reported by its government, Russia is exceeding the $400–$500 million per year target for global ODA, as committed to in 2007.

DEBT

- Russia has provided IDA with an 'unqualified' commitment of $33.39 million to offset foregone reflows due to MDRI. This exceeds its share of costs for the 2010 to 2019 period, which is $9.53 million.[5]

- Russia has cancelled 100% of its commercial debt owed by completion point HIPCs. This amounts to 100% of its post cut-off date commercial debt. Russia did not have any concessional loan claims against completion point HIPCs.[6]

TRADE AND INVESTMENT

- Russia's total trade volume with Africa rose to $8.2 billion in 2008.[7]

HEALTH

- As reported by its government, Russia's global health investment totaled $118 million in 2007 and over $152.3 in 2008.[8]

- Russia has contributed a total of $251 million to the Global Fund since its inception. In 2007, Russia announced that it would reimburse the Global Fund for grant financing it had received to date; at the time this totaled $270 million, but the figure has been adjusted downward to $217 million in more recent G8 documents. Russia has met this target, but remains a net beneficiary of Global Fund financing by $69.6 million, having received a total of $320.6 million to date.

- Russia has been a consistent supporter of the Global Polio Eradication Initiative, contributing $3 million in 2006, $3 million in 2007, $9 million in 2008 and $5 million in 2009.[9]

- In addition to Russia's support of long-lasting insecticide treated nets through the Global Fund, Russia's 2008 contribution to the World Bank Malaria Booster Programme directed $1.5 million for nets in Zambia.[10]

- In 2010, Russia will begin to contribute $8 million a year for 10 years to support the Advanced Market Commitment against pneumococcal disease.[11]

EDUCATION

- From 2000 to 2007, Russia committed $759.5 million to sector-wide education, and an additional $4.2 million specifically to basic education.

- Russia committed $10.2 million to the Education for All FTI Catalytic Fund during the period 2004-2009.[12]

AGRICULTURE

- Between January 2008 and July 2009, Russia committed $103 million to support global food security, $73 million of which has been disbursed so far.[13]

LOOKING AHEAD

Russia is emerging as an international donor, as well as a growing partner within multilateral institutions, like the United Nations, and with the world's developing countries. For instance, First Deputy Minister of Foreign Affairs Andrey Denisov met with UNDP officials in December 2009 to discuss Russia's move from a country that receives technical assistance to one that assists others.[14] Last year, President Dmitry Medvedev stated, 'In the 1990s, we gave less attention to faraway continents such as Africa and Latin America, but now, it is our obligation to do so. These nations are kindred spirits, and we have indeed provided them with aid.'[15] President Medvedev has signalled growing interest in creating business links and opportunities with the African continent, rather than relying solely upon traditional aid flows.

Importantly, Russia is beginning to take some of the steps necessary to ensure that its development aid is tracked, coordinated and managed well. The World Bank has noted Russia's growing support of the poorest countries, and is currently providing it with assistance in the design and implementation of its global development aid agenda.[16] Additionally, a recently established Russian government agency, the Russian Federal Agency for CIS Affairs and International Humanitarian Cooperation (RosCooperation), has been working with USAID implementing partners to share best practices in development assistance.[17]

UNITED KINGDOM

2004–09 INCREASE TO AFRICA:
£975m ($1.524bn)

% OF COMMITMENT TO AFRICA ACHIEVED BY 2009: **41**%

THIS PERCENTAGE IS LIKELY TO INCREASE ONCE UNALLOCATED BILATERAL ASSISTANCE IS REPORTED TO THE DAC. ONE ESTIMATES, BASED ON AVAILABLE DATA, THAT AT LEAST £332 MILLION ($519 MILLION) IN ADDITIONAL UNALLOCATED ODA MAY BE ALLOCATED TO SUB-SAHARAN AFRICA. IF SO, THIS WOULD BRING THE UK TO JUST SHORT OF ITS 2009 INTERIM TARGET

2004–10 EXPECTED INCREASE TO AFRICA:
£2.21bn ($3.452bn)
(INCREASE ODA/GNI: 0.145%)

% OF COMMITMENT TO AFRICA EXPECTED TO BE DELIVERED BY 2010: **93**%

2009 GLOBAL ODA:
£7.329bn ($11.448bn)
(0.51% ODA/GNI EXCLUDING BILATERAL DEBT RELIEF)

WHAT IS THE DEVELOPMENT ASSISTANCE COMMITMENT?

At the Gleneagles Summit, the UK committed 'to double its bilateral spending in Africa between [the financial years] 2003/04 and 2007/08'. It also 'announced a timetable to reach 0.7% ODA/GNI by 2013'. The UK's commitment was made as part of the 2005 EU commitment on development assistance, which stipulated that 50% of the increases would be directed to sub-Saharan Africa. In 2007 the UK established annual budgetary spending plans for global ODA, reaching £9.1 billion by 2010/11.[1]

To meet this commitment, the UK would need to increase ODA to sub-Saharan Africa from £1.57 billion ($2.453 billion) in 2004 to £3.955 billion ($6.177 million) in 2010.

STATEMENT FROM HEAD OF STATE

'I can confirm today that, even while others may use this financial crisis as an excuse to retreat from their promises to the poorest, nothing will divert the United Kingdom from keeping to our commitments to the Millennium Development Goals and to our promises of development and aid.'

GORDON BROWN 31 MARCH 2009
SPEECH AT ST. PAUL'S CATHEDRAL, LONDON[2]

'Britain has a moral responsibility to help the world's poorest people. This is about the kind of country we want to be... That's why the Conservatives are committed to increasing the amount of aid we give to the poorest countries to 0.7% of national income by 2013.'

DAVID CAMERON 29 MARCH 2010
'ON THE RECORD' VIDEO FOR ONE VOTE 2010[3]

OVERALL ASSESSMENT

Since hosting the Gleneagles Summit in 2005, the UK has been a leader in delivering on its commitments, and last year reached its target to double bilateral ODA to sub-Saharan Africa.[4] Despite a large increase in global ODA in 2009 that raised the UK's ODA to 0.51% of GNI, ODA for the region increased by only £240 million ($375 million). While still a significant increase, this was lower than expected and represented only one-fifth of the UK's global increase. Large volumes of 2009 bilateral assistance are yet to be allocated and may alter the final figures once reported. If so, ONE estimates that the UK has fallen just short of its 2009 target to be on track. An ambitious projected increase of £1.2 billion ($1.9 billion) for 2010 over the preliminary 2009 figures would, if delivered, enable it to meet 93% of the increases it promised at Gleneagles. A 2010 increase of this size would be greater than its £975 million ($1.52 billion) increase between 2004 and 2009.

In addition to its ambitious commitments, the UK deserves great credit for maintaining its budget projections during the economic crisis. Increases in the 2009 budget, reconfirmed in 2010, put it on target to be the first G8 country to meet the UN goal of spending 0.7% of national income in ODA.[5]

The UK continues to deliver large volumes of budget support, being the second largest country contributor to sub-Saharan Africa through this channel in 2008. Global education also remains a priority, with a new pledge to increase support for the sector by £1 billion ($1.56 billion) annually between 2010/11 and 2015/16, half of which will go to Africa. The UK has also responded to the international call for efforts to support agricultural development, pledging $1.8 billion over three years for the L'Aquila Food Security Initiative. The UK continues to be a leader on aid effectiveness within the G8 and is also on track to meet its commitments to cancel debt to the world's poorest countries. However, like the rest of the G8, the UK is failing to deliver on its commitment to 'make trade work for Africa'.

FIGURE 1

UK ODA TO SUB-SAHARAN AFRICA AND 2010 TARGET

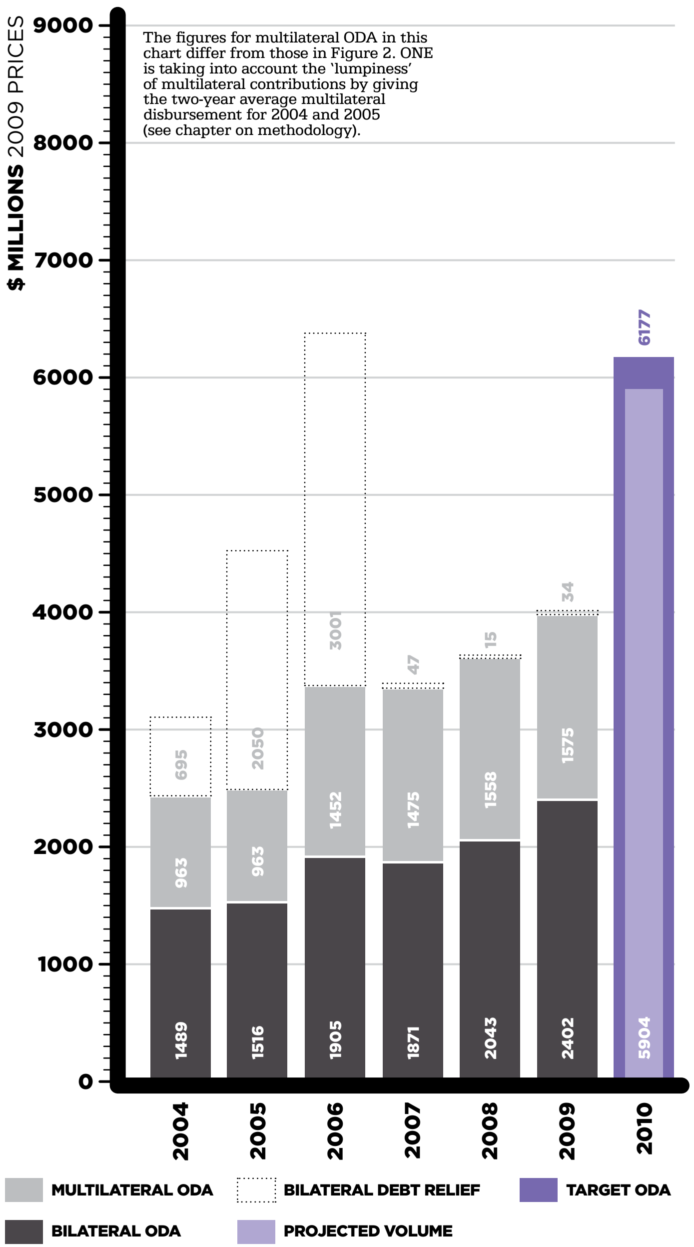


FIGURE 2

WHAT HAVE ODA FLOWS BEEN SINCE 2004?

IN $ MILLIONS 2009 PRICES (IN £ MILLIONS 2009 PRICES)

	2004	2005	2006	2007	2008	2009
TOTAL GLOBAL ODA	7,568 (4,845)	10,189 (6,523)	11,326 (7,251)	8,002 (5,123)	10,039 (6,427)	11,505 (7,365)
BILATERAL DEBT RELIEF (GLOBAL)	744 (477)	3,321 (2,126)	3,184 (2,039)	57 (36)	480 (307)	57 (37)
TOTAL GLOBAL ODA (NET OF BILATERAL DEBT RELIEF)	**6,824** (4,368)	**6,868** (4,397)	**8,142** (5,212)	**7,945** (5,087)	**9,560** (6,120)	**11,448** (7,329)
GLOBAL ODA/GNI (NET OF BILATERAL DEBT RELIEF)	**0.33%**	**0.32%**	**0.37%**	**0.35%**	**0.41%**	**0.51%**
TOTAL SSA ODA	3,090 (1,978)	4,587 (2,936)	6,358 (4,071)	3,393 (2,172)	3,616 (2,315)	4,010 (2,567)
BILATERAL DEBT RELIEF (SUB-SAHARAN AFRICA)	695 (445)	2,050 (1,312)	3,001 (1,921)	47 (30)	15 (9)	34 (22)
MULTILATERAL ODA TO SUB-SAHARAN AFRICA	906 (580)	1,021 (654)	1,452 (930)	1,475 (944)	1,558 (998)	1,575 (1,008)
BILATERAL ODA TO SSA (NET OF BILATERAL DEBT RELIEF)	1,489 (953)	1,516 (971)	1,905 (1,219)	1,871 (1,198)	2,043 (1,308)	2,402 (1,538)
TOTAL SUB-SAHARAN AFRICA ODA (NET OF BILATERAL DEBT RELIEF)	**2,395** (1,533)	**2,537** (1,624)	**3,357** (2,149)	**3,346** (2,142)	**3,601** (2,305)	**3,976** (2,546)
SSA ODA/GNI (NET OF BILATERAL DEBT RELIEF)	**0.11%**	**0.12%**	**0.15%**	**0.15%**	**0.15%**	**0.18%**

PROGRESS IN 2004–09

2009 ODA: **£2.546bn** ($3.976bn)
2008–09 INCREASE: **£240m** ($375m)
2004–09 INCREASE: **£975m** ($1.524bn)
2010 TARGET: **£3.955bn** ($6.177bn)

The UK met its 2007/08 commitment to double bilateral ODA to sub-Saharan Africa. The 2009/10 budget, reiterated this year, committed to another historic increase in global ODA, putting the UK on target to be the first G8 country to meet the UN goal of spending 0.7% of national income on ODA. The budget also includes strong increases for sub-Saharan Africa through 2010, with the UK coming close to its Gleneagles promise to the continent.

Based on an interim target calculated by ONE, the UK needed to increase ODA to sub-Saharan Africa by £890 million ($1.39 billion) from 2008 to 2009.[6] In 2009, UK ODA to the region, as reported to the DAC, net of bilateral debt relief, increased by only £240 million ($375 million). This increase represented only 20% of global ODA increases over the period. Bilateral spending increased by £230 million ($359 million) over 2008 levels, while multilateral spending increased slightly by £11 million ($16 million). However, in addition, £1.9 billion ($3 billion) of UK 2009 bilateral development assistance is yet to be allocated regionally. ONE estimates, based on available data, that at least £332 million ($519 million) of this may be allocated to sub-Saharan Africa. If so, this would bring the UK to just short of its 2009 interim target.

In total, since 2004, the UK has delivered a total increase of £975 million ($1.52 billion), compared with the £1.63 billion ($2.54 billion) required to meet ONE's interim target. During this period, bilateral ODA increased by £584 million ($912 million) and multilateral ODA increased by £391 million ($611 million). In total, the UK has delivered 41% of its committed increases as of the end of 2009 (based on DAC data).

Though the DATA Report is focused primarily on the G8's commitments to sub-Saharan Africa, increases in ODA to the region occur in the context of fluctuations in global ODA. Since 2004, the UK's global ODA, net of bilateral debt relief, has increased by £2.95 billion ($4.61 billion). Its global ODA, net of bilateral debt relief, increased substantially by £1.21 billion ($1.89 billion) from 2008 to 2009, an increase of 20%. The UK's global ODA increases through 2009 have brought the country's ODA/GNI ratio to 0.51%,[7] putting it well on track to deliver – and surpass – its global interim target in 2010.[8]

MEETING THE 2010 COMMITMENT

INCREASE NEEDED 2009–10:
£1.409bn ($2.201bn)

ESTIMATED INCREASE 2009–10:
£1.234bn ($1.928bn)

% OF COMMITMENT EXPECTED TO BE DELIVERED BY 2010: **93%**

Based on the annual targets set in the 2007 Comprehensive Spending Review (CSR) and the increase delivered to date (as reported to the DAC), ONE estimates that the UK now needs to increase ODA to the region by £1.409 billion ($2.201 billion) in order to meet this commitment. Once finalised DAC data are released, ONE expects the 2009 figure to rise which would mean that a smaller increase would be needed. Nevertheless, the one-year increase required would still represent roughly the same amount as had been mobilised over the past four years combined.

The CSR provides firm three-year spending commitments, including spending levels on overall development assistance. An increase of 73% in global ODA, including a 46% increase in the budget of the Department for International Development (DFID), is planned for the four-year period from 2007/08 to 2010/11, although these increases will be backloaded to the final years. The UK translates these figures into global ODA levels of £7.477 billion ($11.679 billion) in 2009/10 and £9.14 billion ($14.277 billion) in the 2010/11 budget. The most recent budget released by the UK in April 2010 reconfirmed that these targets would not be undermined due to the economic recession.[9]

DFID has announced a 2010 budget of £3.275 billion ($5.116 billion) for sub-Saharan Africa (adjusted for calendar years).[10] Combined with non-DFID ODA, ONE estimates that if these budget allocations are delivered, the UK's 2010 total ODA to the region will be £3.78 billion ($5.904 billion). This is an increase of £1.234 billion ($1.928 billion). With such levels, the UK would meet 93% of its committed target increases for sub-Saharan Africa.

EFFECTIVENESS AND QUALITY OF UK DEVELOPMENT ASSISTANCE

The UK has continued to maintain the strongest record on aid effectiveness of any G7 nation, a position that was strengthened in two categories over the past year. The percentage of British ODA subject to competitive local procurement increased from an already robust level of 89.3% to 95.1%. The proportion of commitments made on a basis of three years or more also grew significantly to 80%, far outpacing any other G7 donor. The proportion of UK ODA to sub-Saharan Africa disbursed as Country Programmable Aid (CPA)[11] also increased in 2008 to 73%, compared with 61% the previous year. The UK cut in half the amount of ODA loans disbursed to the region in 2008, dropping the loan proportion from 12.2% to 5.9%. In 2008, it continued its practice of untying all ODA.

In its aid effectiveness action plan issued in July 2009, DFID identified three post-Accra priorities: improve predictability of ODA; enhance the transparency of aid so that all government-to-government support is shown on partner country budgets; and increase the use of mutual accountability at the country level.

IS THE UK DOING ITS PART TO MEET THE G8'S SECTORAL COMMITMENTS?

The UK has consistently supported universal primary education (UPE), contributing nearly 70% of its global UPE ODA to sub-Saharan Africa between 2005 and 2008. Annual disbursements to education are expected to rise to £1 billion per annum by 2010/11, half of which will go to Africa. Commitments to agriculture returned to an upward trend in 2008, and are expected to rise following the UK's 2009 pledge of $1.8 billion to the L'Aquila Food Security Initiative. The UK remains one of the largest contributors of general budget support to the region, committing $766 million directly to African governments through bilateral and multilateral channels.

This section details the UK's performance and efforts in relation to each of the G8's sectoral commitments that ONE monitors. It also discusses recent changes and relevant developments in the UK's ODA, as they pertain to these sectors. OECD DAC numbers used in this section are from 2008 data on commitments, the most recent available figures.

ONE categorises the UK as being ON track or OFF track to meet its commitments on debt and trade, and provides a progress report on the UK's investments in health, education, agriculture and water and sanitation.

ON TRACK

DEBT

- Along with other G8 countries, the UK agreed to cancel 100% of qualified debts for the poorest countries, first through the HIPC Initiative and later through the MDRI process.

- An important measure of progress on debt is the extent to which donors fulfil their commitments to compensate the IFIs for lost reflows as a result of debt service cancellation. The UK is on track with such commitments. In total, it has made pledges to cover the cost of MDRI cancellation worth $5.194 billion through 2044, which fully meets its share of long-term required contributions. To date, the UK has provided IDA with an 'unqualified' commitment of $1.463 billion through 2019, which meets it share of near- and medium-term costs.

- The UK has cancelled 100% of bilateral debt owed by completion point HIPCs. This includes 100% of its post cut-off date commercial debt.

OFF TRACK

TRADE AND INVESTMENT

- The UK is represented in the Doha Development Agenda and Economic Partnership Agreement (EPA) negotiations by the European Union. Sensitivities in the agricultural sector, combined with market opening interests in the manufactured goods and services sectors, continue to impede progress.

- As of October 2009, LDCs receive 100% duty-free/quota-free access to the EU market through the Everything But Arms (EBA) programme. However, this programme does not cover all African countries and has been criticised for maintaining complicated rules of origin that make it difficult for poor countries to utilise.

- Towards the end of 2007, the EU initiated interim EPAs with 18 African countries, as the original programme that provided special market access expired at the end of 2007. These deals provide duty-free access to the EU market and improved rules of origin in some export sectors, in exchange for African countries opening their markets to EU products over time.

- In 2005, at the WTO Ministerial meeting in Hong Kong, the EU pledged to increase aid for trade to all developing countries by €2 billion ($2.5 billion) per year by 2010. In 2008 the UK bilateral contribution to aid for trade was $317 million. Multilateral contributions reached $708 million, bringing the UK's total aid for trade contribution to slightly more than €1 billion. This was an increase of €236 million over 2007, making the UK the third largest G7 contributor to aid for trade.

- The EU provides the largest subsidies in total and on a per farm basis. In 2008 the EU spent an estimated $145 billion on agricultural subsidies, including $52 billion in market price support. In 2008, the UK contributed approximately €4.9 billion to the EU agriculture budget and received about €4 billion in return. As a net contributor to the CAP, the UK has generally been in favour of moving to a system of co-financing, whereby greater shares of subsidies would come from national rather than EU budgets. Within the EU, the UK has also generally been favourable towards CAP reform.

PROGRESS REPORT

WATER AND SANITATION

- The UK's ODA for water and sanitation in sub-Saharan Africa increased by $104 million in 2008 over 2007 levels.

- In the absence of a robust G8 commitment on water and sanitation, the DATA Report interprets the Gleneagles pledge to 'give high priority in ODA allocation' to water and sanitation to mean that a donor should direct 5.5% of its ODA to sub-Saharan Africa to the sector. In 2008, the UK spent $363 million, 9.1% of its total ODA to the region, on water and sanitation. The UK is comfortably exceeding the ODA target for this sector.

AGRICULTURE

- After a decrease in agriculture funding for sub-Saharan Africa in 2007, UK ODA for agriculture in the region increased by approximately $29 million in 2008, an 18% increase.

- In 2008 the UK also provided $169 million for food aid in sub-Saharan Africa, an increase of 63% from 2007.

- In 2009, the UK pledged $1.8 billion over three years for the L'Aquila Food Security Initiative focusing on agriculture, rural development and development-oriented food aid programmes. While this pledge is not inclusive of humanitarian and emergency food assistance, the UK has yet to clarify how much of it will be new funding. be new funding.

EDUCATION

- The UK has been a leader in efforts to achieve universal primary education (UPE) in the years since Gleneagles. In 2008 it announced that it would provide 8 million children with an education as part of a partnership with France and the Fédération Internationale de Football Association (FIFA), and in 2010 then Prime Minister Gordon Brown attended the launch of the 1Goal Campaign which aims to make Education for All the lasting legacy of the 2010 football World Cup in South Africa.

- From a peak of $696 million in 2006, commitments from the UK fell to $269 million in 2007 and then to $128 million in 2008, falling below the country's proportionate share of UPE for the first time since Gleneagles. However, increased contributions through the Fast Track Initiative will not show up in these figures. The UK has consistently prioritised spending on UPE within its overall support for the education sector, contributing nearly 70% of its global UPE ODA to sub-Saharan Africa on average annually between 2005 and 2008.

- The UK has committed to scaling up global education assistance to £1 billion ($1.56 billion) per annum between 2010/11 and 2015/16. Half of this is expected to go to Africa. 70% of the bilateral assistance (£570 million/ $890 million) will be dedicated to basic education.

HEALTH

- The UK's total health sector commitments for sub-Saharan Africa in 2008 amounted to $624 million; these commitments were down roughly $59 million from 2007. Of the $624 million, the UK committed $48 million (7.7%) to basic health, $366 million (58.6%) to infectious diseases, $199 million (31.9%) to health systems and $11 million (1.8%) to reproductive health. In 2007 and in many other years before that, the UK had invested the highest percentage of funding into health systems of all G7 countries; in 2008, however, it cut commitments on health systems by more than half, while nearly doubling its commitment to infectious diseases.

- The UK has been a core contributor to all aspects of the Global Alliance for Vaccines and Immunisation (GAVI)'s work. This includes $122 million in core funding to GAVI between 2000 and 2007, roughly $2.58 billion over 20 years (beginning in 2006) to the International Finance Facility for Immunisation (IFFIm) and roughly $485 million to launch the first Advance Market Commitment (AMC) to help speed up the development and availability of pneumococcal vaccines. In September 2009, it also announced an extension to the IFFIm specifically for health systems strengthening over 10 years, worth £250 million (roughly $380 million).

- The UK pledged $185.8 million for 2009, $263.7 million for 2010 and an additional £670 million (roughly $1.036 billion) from 2011 to 2015 to the Global Fund to Fight AIDS, TB and Malaria – provided the Fund is receiving good quality demand, is performing well and is demonstrating sustainable impact.

- The UK has pledged and contributed a total of $897.89 million to the Global Polio Eradication Initiative (GPEI) since 1985, including a 2009 contribution of $37.72 million and a 2010 contribution of $38.4 million. It has also pledged an additional $23.04 million in 2010 and $30.72 million in 2012.

- In 2008, the UK committed £50 million (roughly $75.9 million) to the control of neglected tropical diseases (NTDs) over the following five years, including £10 million ($15.18 million) in December 2009.

LOOKING AHEAD

ONE looks forward to seeing the new UK government continue to show international leadership on development with regard to meeting development assistance promises, particularly to sub-Saharan Africa, and also on governance, investment and accountability reform at forthcoming G8/G20 meetings, September's UN MDG Summit and within the EU.

Domestically, the Strategic Defence Review and Comprehensive Spending Review (CSR) will set the framework for the UK's approach to international development for the coming years. The Strategic Defence review must reinforce DFID's role as the world's most respected bilateral aid agency and must reconfirm the commitment to put poverty reduction at the heart of development spending. All political parties included commitments in their manifestos to introduce legislation that would place a legal duty on the government to ensure that the UK spends 0.7% of GNI on overseas assistance from 2013. Passing of such legislation should be prioritised and reflected in the detail of the CSR. A renewed commitment specifically to sub Saharan Africa is required in 2010.

UNITED STATES

2004–09 INCREASE TO AFRICA:
$3.784bn

% OF COMMITMENT TO AFRICA ACHIEVED BY
2009: **111**%

2004–10 EXPECTED INCREASE TO AFRICA:
$5.384bn

% OF COMMITMENT TO AFRICA EXPECTED TO BE DELIVERED BY
2010: **158**%

2009 GLOBAL ODA:
$28.475bn
(0.20% ODA/GNI EXCLUDING BILATERAL DEBT RELIEF)

WHAT IS THE DEVELOPMENT ASSISTANCE COMMITMENT?

At the Gleneagles Summit, the US committed 'to double aid to sub-Saharan Africa between 2004 and 2010. It has launched the Millennium Challenge Account, with the aim of providing $5 billion a year, the $15 billion Emergency Plan for AIDS Relief, an initiative to address Humanitarian Emergencies in Africa of more than $2 billion in 2005 and a new $1.2 billion malaria initiative. The US will continue to work to prevent and mitigate conflict, including through the five-year, $600 million Global Peace Operations Initiative.'[1]

Later in 2005, the US clarified that it committed to increase ODA to sub-Saharan Africa from $4.4 billion in 2004 to $8.8 billion in 2010.

STATEMENT FROM HEAD OF STATE

'The first four years of my administration, we doubled our assistance to Africa. At the G8 summit in 2005, I promised our assistance to Africa would double once again by 2010. I made a promise to the people. People expect us to deliver on that promise, and I expect Congress to help. We must not short change these efforts.'

PRESIDENT **GEORGE W. BUSH** 31 MAY 2007
SPEAKING AT THE UNITED STATES GLOBAL LEADERSHIP COUNCIL IN WASHINGTON, D.C.

'As for America and the West, our commitment must be measured by more than just the dollars we spend. I've pledged substantial increases in our foreign assistance, which is in Africa's interests and America's interests. But the true sign of success is not whether we are a source of perpetual aid that helps people scrape by -- it's whether we are partners in building the capacity for transformational change.'

PRESIDENT **BARACK OBAMA** 11 JULY 2009
ACCRA, GHANA

OVERALL ASSESSMENT

In 2009, US development assistance to sub-Saharan Africa rose by 14% ($1.12 billion). With this increase, the US exceeded its Gleneagles commitment one year in advance of the target. In 2010, ONE estimates that the US will increase ODA to the region by an additional $1.6 billion, meaning that it will have delivered 158% ($5.384 billion) of the increases it promised at Gleneagles.

Despite its relatively smaller commitment in 2005, the US has made the largest ODA increases by volume to sub-Saharan Africa among the G8. Although it has already committed to double foreign assistance by 2015, this commitment is expected to be met relatively easily given US interests in both sub-Saharan Africa and strategic states. In the years ahead, the US should set a new ODA commitment (including an ambitious target for sub-Saharan Africa) as part of a comprehensive national strategy on global development.

The US remains a clear leader on global health programmes and has maintained a solid record on investments in agriculture. Recent appropriations and proposed budgets for other development sectors are likely to deliver higher ODA disbursements in the future. At present, the US remains below a proportionate share in some sectors, especially in education. It has also performed poorly on most aid effectiveness indicators measured in this report. As the Obama Administration moves forward on two new strategy and operational initiatives (one led by the White House and one by the State Department/USAID) there is hope that aid effectiveness will be improved. The US is also off track to meet its commitments to cancel debt to the world's poorest countries, and like the rest of the G8 is failing to deliver on its commitment to 'make trade work for Africa'.

FIGURE 1

US ODA TO SUB-SAHARAN AFRICA AND 2010 TARGET

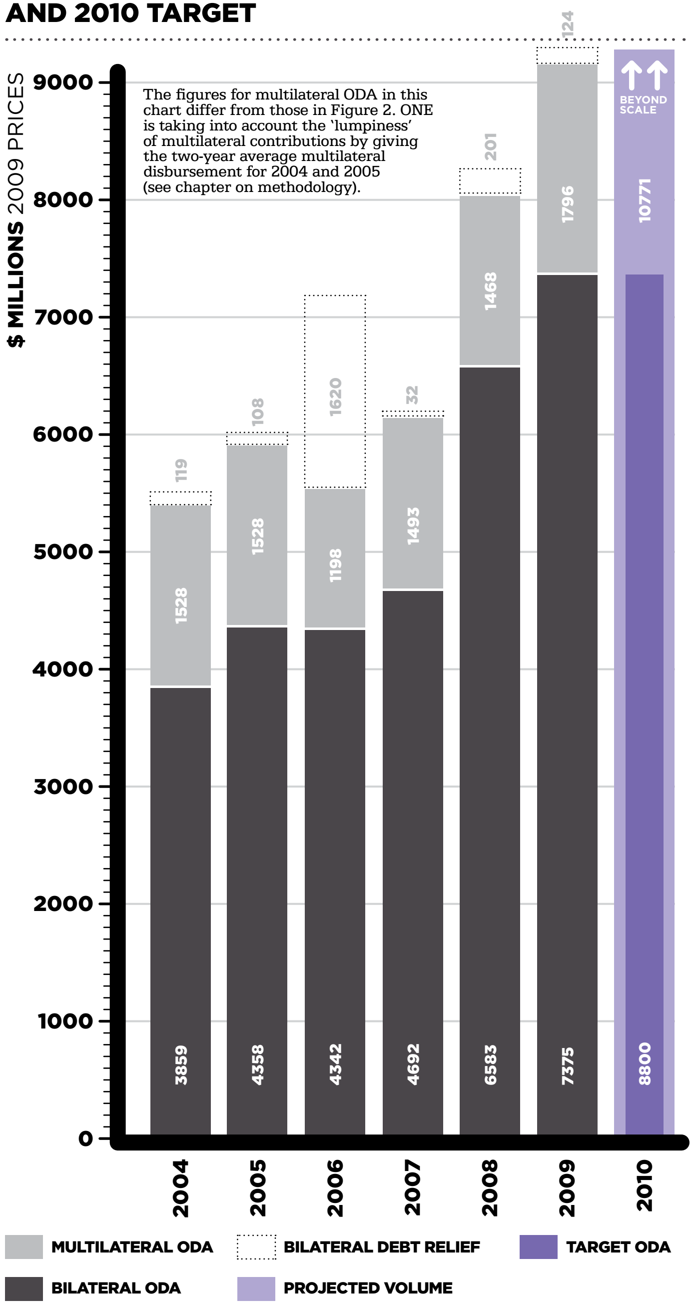


FIGURE 2

WHAT HAVE ODA FLOWS BEEN SINCE 2004?

IN $ MILLIONS 2009 PRICES

	2004	2005	2006	2007	2008	2009
TOTAL GLOBAL ODA	22,371	30,690	25,038	22,536	27,184	28,665
BILATERAL DEBT RELIEF (GLOBAL)	197	4,503	1,794	107	221	190
TOTAL GLOBAL ODA (NET OF BILATERAL DEBT RELIEF)	**22,174**	**26,187**	**23,244**	**22,429**	**26,963**	**28,475**
GLOBAL ODA/GNI (NET OF BILATERAL DEBT RELIEF)	**0.17%**	**0.19%**	**0.16%**	**0.16%**	**0.18%**	**0.20%**
TOTAL SSA ODA	5,853	5,647	7,159	6,218	8,253	9,295
BILATERAL DEBT RELIEF (SUB-SAHARAN AFRICA)	119	108	1,620	32	201	124
MULTILATERAL ODA TO SUB-SAHARAN AFRICA	1,874	1,181	1,198	1,493	1,468	1,796
BILATERAL ODA TO SSA (NET OF BILATERAL DEBT RELIEF)	3,859	4,358	4,342	4,692	6,583	7,375
TOTAL SUB-SAHARAN AFRICA ODA (NET OF BILATERAL DEBT RELIEF)	**5,734***	**5,539**	**5,540**	**6,186**	**8,051**	**9,171**
SSA ODA/GNI (NET OF BILATERAL DEBT RELIEF)	**0.04%**	**0.04%**	**0.04%**	**0.04%**	**0.06%**	**0.06%**

* Note: At the time of Gleneagles, the US had reported preliminary 2004 ODA to sub-Saharan Africa of $4.4 billion (in 2004 prices). Subsequently, it revised final 2004 ODA levels to the region upward to $5.1 billion (in 2004 prices), which, when calculated in 2009 prices, is $5.734 billion, net of bilateral debt relief.

PROGRESS IN 2004–09

2009 ODA: **$9.171bn**
2008–09 INCREASE: **$1.12bn**
2004–09 INCREASE: **$3.784bn**
2010 TARGET: **$8.8bn**

In 2009, the US achieved its ODA commitment to sub-Saharan Africa, surpassing the $8.8 billion pledged at Gleneagles. The $1.12 billion increase over the 2008 level was the second largest year-on-year growth since 2005, surpassed only by a $1.87 billion rise last year. The continuing increase was driven by the scale-up in disbursements from HIV/AIDS programmes in the region, by rising emergency food and refugee assistance and by higher disbursements to the World Bank's International Development Association (IDA). Bilateral spending grew by $791 million, or 12%, while multilateral disbursements rose by $329 million, or 22%. The $1.12 billion total for sub-Saharan Africa was about three times the amount the US needed in 2009 to stay on track to meet its 2010 target, based on a straight-line trajectory.[2]

Since 2004, the US has increased ODA to sub-Saharan Africa by $3.784 billion, an increase of 70%. Within this increase, bilateral spending in the region increased by $3.515 billion, while multilateral spending increased by $269 million.

The strong performance by the US on ODA to sub-Saharan Africa occurred in a year when US global ODA, net of bilateral debt relief, increased by 6%, from $26.963 billion to $28.475 billion (0.2% ODA/GNI).[3] The higher growth in ODA for sub-Saharan Africa, relative to global ODA, also came in a year in which levels of ODA to key strategic countries were mixed. In 2009, US bilateral ODA to Iraq fell for a second consecutive year, by $593 million or 21%, while disbursements to Afghanistan rose by $846 million, or 40%.

MEETING THE 2010 COMMITMENT

ESTIMATED INCREASE 2009–10:
$1.6bn

% OF COMMITMENT EXPECTED
TO BE DELIVERED BY 2010: **158%**

The US met its Gleneagles commitment a year early – in 2009 – and estimates for 2010 ODA disbursements to sub-Saharan Africa will push its contribution further beyond the $8.8 billion pledge, possibly to as much as $10.77 billion.

US appropriations for ODA programmes have been increasing for several years, although until 2008 disbursements of these sums had been slower than expected. The pace of disbursements picked up considerably in 2008 and 2009, a trend likely to continue in 2010. Global health programmes in particular, both in sub-Saharan Africa and globally, appear to maintain robust pipelines, and will be responsible for much of the increase projected for 2010. Food security and agriculture investments are also on the rise, adding to the total for next year. At this point, it appears that emergency food aid will decline in 2010, measured against a particularly large disbursement amount in 2009, although unforeseen contingencies later in the year could alter this scenario.

EFFECTIVENESS AND QUALITY OF US DEVELOPMENT ASSISTANCE

The US has maintained a relatively weak score on aid effectiveness measures in the past, and revised data this year reflect both progress and disappointment. The percentage of US aid subject to competitive local procurement spiked sharply, growing from quite a low figure of 37% to 62.5%, placing it among the leading G7 members on this measure. Commitments made on a multi-year basis also improved during 2009 to 44.8%. Although US ODA to sub-Saharan Africa provided as Country Programmable Aid (CPA)[4] fell slightly to 55%, the absolute amount grew significantly by $1.1 billion, and is now roughly double the total disbursed in 2004. As has been the case for many years, the US disburses ODA almost exclusively in the form of grants, with only negligible amounts provided as loans. US tied aid further declined in 2008 to 27%, compared with the 2006–08 average of 37%, but it remains high relative to other G7 donors.

On a less positive note, the proportion of commitments delivered in the scheduled year fell to 62.5% from an already low mark, relative to others, of 68.3%. The percentage of ODA shown on country budgets also dropped to 28.5%, the lowest within the G7.

Although the US has not issued an aid effectiveness action plan, two initiatives currently underway offer promise that new and better aid effectiveness standards will emerge in the coming months. The White House-led Presidential Study Directive on Global Development is expected to provide a framework for the first ever US national strategy on global development. The Quadrennial Diplomacy and Development Review, launched by the Department of State and USAID, is an exercise to put in place enhanced operational mechanisms for undertaking US diplomatic and development activities. Congress has also introduced legislation to increase transparency and accountability in US foreign aid programmes.

IS THE US DOING ITS PART TO MEET THE G8'S SECTORAL COMMITMENTS?

During the past year, the US has continued to prioritise global health and to increase funding levels for agriculture, as well as for water and sanitation. In 2008, US health commitments grew by 32.6% compared with 2007. In 2009 the Obama Administration announced a new $63 billion, six-year Global Health Initiative, indicating a continuing pipeline of health investments. Although US commitments for agriculture in sub-Saharan Africa fell 15% in 2008, more recent actions suggest a sharp increase for subsequent years. President Obama's FY2011 budget calls for $1.644 billion for food security investments, an 85% increase over current amounts. If enacted, this will fulfil the $3.5 billion L'Aquila pledge made last year. US commitments in water and sanitation for sub-Saharan Africa grew significantly in 2008, to 5.1% of total commitments to the region, nearly reaching the 5.5% G8 target.

Despite positive indications in recent appropriations, the US remained off-track in other sectors for 2008, in particular education. US commitments to primary education totalled only slightly more than one-quarter of the level necessary to meet the country's proportionate share to achieve universal primary education.

This section details US performance and efforts in relation to each of the G8's sectoral commitments that ONE monitors. It also discusses recent changes and relevant developments in US ODA, as they pertain to these sectors. OECD DAC numbers used in this section are from 2008 data on commitments, the most recent available figures.

ONE categorises the US as being ON TRACK or OFF TRACK to meet its commitments on debt and trade, and provides a progress report on US investments in health, education, agriculture and water and sanitation.

OFF TRACK

DEBT

- Along with other G8 countries, the US agreed to cancel 100% of qualified debts for the poorest countries, first through the HIPC Initiative and later through the MDRI process.
- An important measure of progress on debt is the extent to which donors fulfil their commitments to compensate the IFIs for lost reflows as a result of debt service repayment cancellation. The US is off track with such commitments.
- To date, the US has provided IDA with an 'unqualified' commitment of $334 million through 2019 to offset MDRI costs – leaving a shortfall of $1.857 billion. The US has made pledges to cover the cost of MDRI cancellation worth $7.623 billion through 2044, which fully meets its share of long-term required contributions.
- The US has cancelled 100% of bilateral debt owed by completion point HIPCs. This includes 100% of its post-cut-off date commercial debt.

TRADE AND INVESTMENT

- Even though absolute subsidies have come down in recent years due to higher than average global commodity prices, the 2008 Farm Bill actually became more trade-distorting than its predecessor, curtailing the US negotiating mandate at the WTO and being a major factor in preventing the conclusion of the Doha Development Agenda (DDA).
- In 2008, the OECD estimated that the US spent $23.6 billion in subsidies and $828 million in the form of tariffs and quotas to protect its dairy and sugar industries.
- The African Growth and Opportunity Act (AGOA) provides duty-free, but not quota-free, access on 98% of US tariff lines for 39 African countries. In 2008, US imports under AGOA were $66.3 billion, 29.8% more than in 2007.[7] Nevertheless, some key African exports, such as sugar and peanuts, are limited by quotas and high tariffs. While the US reports that product utilisation is diversifying, petroleum products still remain the largest imports under the programme.
- At the 2005 WTO Ministerial Conference in Hong Kong, the US announced that it would double its contributions to global aid for trade, from $1.3 billion in 2005 to $2.7 billion by 2010. According to OECD estimates, aid for trade funding reached just $1.9 billion in 2008, up from $1.7 billion in 2007. The Millennium Challenge Corporation, which provides assistance in trade-related activities such as infrastructure development, has become a significant channel for US aid for trade funding for certain countries.
- In FY2008, the US announced the creation of several investment funds for Africa, supported by the Overseas Private Investment Corporation (OPIC) and mobilising over $1.6 billion in investment capital for the region.

PROGRESS REPORT

AGRICULTURE

- The US fulfilled the Hokkaido commitment before it was even made, reversing the decline in funding with a large increase for sub-Saharan African agriculture ($365 million, or 192%) in 2007. In 2008, however, the US provided approximately $472 million for agriculture in sub-Saharan Africa, a decrease of 15% from 2007.

- In 2008 the US also provided approximately $2 billion for emergency food assistance in the region, an increase of almost 50% over 2007 funding levels. The US is by far the largest contributor of food aid globally.

- At the 2009 G8 meeting, the US pledged $3.5 billion over three years for the L'Aquila Food Security Initiative, including an estimated $500 million in new bilateral funding that will primarily target smallholder farmers.

- The President's FY2011 budget request includes $1.644 billion for global hunger and food security initiatives, excluding Afghanistan and Pakistan. This request, if fully funded, coupled with funding from the FY2009 and FY2010 budgets, will enable the US to fulfil its 2009 L'Aquila commitment. The US is in the process of constructing a comprehensive global hunger and food security strategy, which,was set to be unveiled just days after this report was sent to the printer. If implemented effectively, this strategy would put the US on track to assist women and smallholder farmers in 20 priority countries, 12 of which are in Africa.

- The US has also committed $408 million to the Global Agriculture and Food Security Programme (GAFSP), a new food security trust fund called for at the 2009 G8 and G20 meetings and administered by the World Bank. The GAFSP fund will finance medium- and long-term agricultural development initiatives in developing countries, focusing on raising agricultural productivity, linking farmers to markets and providing technical assistance and capacity-building.

WATER AND SANITATION

- In 2008, the US increased its annual contribution to sub-Saharan Africa's water and sanitation sector by an impressive $412 million, more than tripling its 2007 contribution of $165 million.

- In the absence of a robust G8 commitment on water and sanitation, the DATA Report interprets the Gleneagles pledge to 'give high priority in ODA allocation' to water and sanitation to mean that a donor should direct 5.5% of its ODA to sub-Saharan Africa to the sector. In 2008, the US made a significant contribution to the sector (the highest in terms of volume among G8 countries), directing $576 million (5.1% of total ODA to sub-Saharan Africa) to water and sanitation in the region. This represents a large increase from 2007, when 1.9% of its ODA to the region was directed to the sector. The US is just shy of meeting the 5.5% ODA target.

EDUCATION

- US commitments towards universal primary education (UPE) in sub-Saharan Africa have grown slowly since 2005, increasing from $151 million to $292 million in 2008. This still fell short of what it needed to deliver in 2008 ($1.132 billion) to meet a proportionate share of financing required to achieve UPE in the region by 2015.

- Despite an increase in volume, the proportion of total US commitments to UPE that are directed to sub-Saharan Africa has fallen consistently over recent years, from a high of 58% in 2001 and 2002 to only 27% in 2008. A major factor in this trend has been the significant growth of basic education resources for strategic countries such as Afghanistan, Pakistan and others in the Middle East.

- On the presidential campaign trail, then candidate Barack Obama made a commitment to capitalise a $2 billion Global Education Fund, a pledge that has not yet been fulfilled. For FY2011, President Obama is seeking $843 million for basic education, a 9% cut from existing levels. Most of the reduction, however, is the result of lower amounts for Pakistan. The sub-Saharan African portion would be essentially flat.

HEALTH

- The US gives the largest share of its ODA to sub-Saharan Africa to health; health commitments for the region in 2008 totalled $4.636 billion, which represented 40.6% of all US commitments to the region in that year. The US's 2008 commitments were up roughly $1.141 billion from 2007, and were up $3.231 billion since 2004. Of the $4.636 billion in 2008, the US committed $4.101 billion (88.5%) to infectious diseases, $76 million (1.6%) to basic health, $177 million (3.8%) to health systems and $282 million (6.1%) to reproductive health.

- To date, the US has contributed $569 million in core funding to the Global Alliance for Vaccines and Immunisation (GAVI), including $78 million in FY2010.

- The US pledged $1 billion for 2009 and $1.05 billion for 2010 to the Global Fund to Fight AIDS, Tuberculosis and Malaria. In 2008, its contribution represented approximately 26% of all contributions to the Global Fund – a percentage still far below the 33% permitted by Congress, but far higher than any other donor.

- The US has pledged and contributed a total of $1.853 billion to the Global Polio Eradication Initiative (GPEI), including a 2009 contribution of $133.2 million and a 2010 contribution of $90 million. It has also pledged $70 million in both 2011 and 2012.

- President Obama's FY2011 budget requests a total of $8.534 billion (up from $7.829 billion in FY2010) for the Global Health Initiative, which was launched with the aim of directing $63 billion over six years (FY2009–14) to develop an integrated and comprehensive global health strategy. The Global Health Initiative builds on previous US leadership in the fight against infectious diseases, and includes an emphasis on broader global health challenges, including child and maternal health, family planning and neglected tropical diseases.

LOOKING AHEAD

Despite small increases in ODA to sub-Saharan Africa during the two years following Gleneagles, the strong growth in 2008 and 2009 has pushed the US's contributions higher than the pledge made in 2005. With a robust pipeline for 2010, the US is almost certainly positioned to go well beyond its commitment to double ODA to the region.

The commitments and policies made in the first year of the Obama Administration further reinforce the prospects that US development assistance to sub-Saharan Africa will continue to rise at least for several years beyond 2010. President Obama has said that he will double foreign aid by 2015 – a pledge that, if fulfilled, will begin to appear in ODA disbursements after 2010. How much of this increase will be directed to sub-Saharan Africa, however, remains uncertain. The region will certainly benefit from two new initiatives for global health and food security, but part of the doubling track for foreign aid assumes significant increases for development investments in Afghanistan, Pakistan and other strategic countries. An Administration clarification of what the 'doubling of aid' pledge means specifically for sub-Saharan Africa would be helpful.

A serious challenge to Administration proposals to increase US ODA globally and in sub-Saharan Africa will be its ability to convince Congress to support higher spending at a time of unprecedented budget deficits. At the same time that President Obama proposed to freeze most domestic spending for FY2011, he requested a $5.2 billion increase, or 15%, for US foreign assistance. Sub-Saharan Africa, however, would not be the principal beneficiary of these additional resources, with development assistance projected to grow by $470 million, or 6.7%.

If President Obama is able to build Congressional support for his health and food security initiatives, as well as support robust replenishments for several multilateral institutions, including the African Development Bank and the Global Fund, US ODA to sub-Saharan Africa should continue to grow beyond the timeframe of the Gleneagles pledge.

SUMMARIES OF PROGRESS

EU

2004–09 INCREASE TO AFRICA:
€4.399bn ($6.126bn)

% OF COMMITMENT TO AFRICA ACHIEVED BY 2009: **27**%

2004–10 EXPECTED INCREASE TO AFRICA:
€6.193bn ($8.624bn)

% OF COMMITMENT TO AFRICA EXPECTED TO BE DELIVERED BY 2010: **38**%

2009 GLOBAL ODA:
€47.119bn ($65.616bn)
(0.43% ODA/GNI EXCLUDING BILATERAL DEBT RELIEF)

WHAT IS THE DEVELOPMENT ASSISTANCE COMMITMENT?

In 2005, the EU agreed to a 'new collective target of 0.56% ODA/GNI by 2010' globally. Each EU15 country committed to reaching at least 0.51% by 2010 en route to 0.7% by 2015 at the latest. Countries that joined the EU after 2005 (the EU12) committed to more modest targets. The EU additionally committed to 'increase its financial assistance for sub-Saharan Africa and ... provide collectively at least 50% of the agreed increase of ODA resources to the continent'. The commitment was affirmed at the Gleneagles Summit later that year.

For purposes of consistency, the DATA Report primarily monitors progress against commitments for countries that submit ODA data to the OECD Development Assistance Committee (DAC). All of the EU15 members do so and are thus the group represented in this analysis. Based on the 2005 and subsequent commitments, the EU15 have committed to collectively increase ODA to Sub-Saharan Africa from €11.7 billion ($16.4 billion) in 2004 to €28.2 billion ($39.3 billion) by 2010.[1]

'Promoting development has to be part and parcel of Europe's response to global challenges. We have a chance to make this a new decade for development and I am personally committed to push this agenda at the global level during this year's G8 and G20 summits and in the UN MDG Review Meeting.'

JOSE MANUEL BARROSO
PRESIDENT OF THE EUROPEAN COMMISSION
BRUSSELS, 21 APRIL 2010 [3]

'I want Europe to remain the main and most credible leader in the fight against poverty. We have to respect our promises of more and better aid to halve poverty by 2015. The Goals are still achievable, provided there is financial effort and political will from EU Member States.'

ANDRIS PIEBALGS
EUROPEAN COMMISSIONER FOR DEVELOPMENT
BRUSSELS, 21 APRIL 2010[4]

STATEMENT FROM HEAD OF STATE

'I want this announcement today – along with the EU's agreement last month to get on track to double aid – to send a powerful European message to the G8 table about the level of European ambition in this crucial year for development. The EU is already the biggest aid donor in the world, contributing 55% of overall aid. We are already the world's biggest and most open market for developing countries. But we can and we are determined to do more.'

JOSE MANUEL BARROSO
PRESIDENT OF THE EUROPEAN COMMISSION
GLENEAGLES SUMMIT, 6 JULY 2005[2]

OVERALL ASSESSMENT

Measured as a bloc, the European Union's development assistance to sub-Saharan Africa increased by €644 million ($897 million) in 2009. Although at 4% this represented the smallest annual increase since the Gleneagles commitment was made, the EU's performance has historically been strong and it has delivered a €4.4 billion ($6.13 billion) increase since 2004. ONE estimates that the EU's ODA to sub-Saharan Africa will increase by an additional €1.794 billion ($2.499 billion) in 2010, meaning that it will meet 38% of the combined increases promised at Gleneagles.

The EU ODA targets for sub-Saharan Africa were ambitious. Combined, the EU15 represented 72% of the total commitments made to the region. Calls for interim targets to be set on the path to 0.7% of GNI globally by 2015 are commendable.

FIGURE 1

EU'S ODA TO SUB-SAHARAN AFRICA AND 2010 TARGET

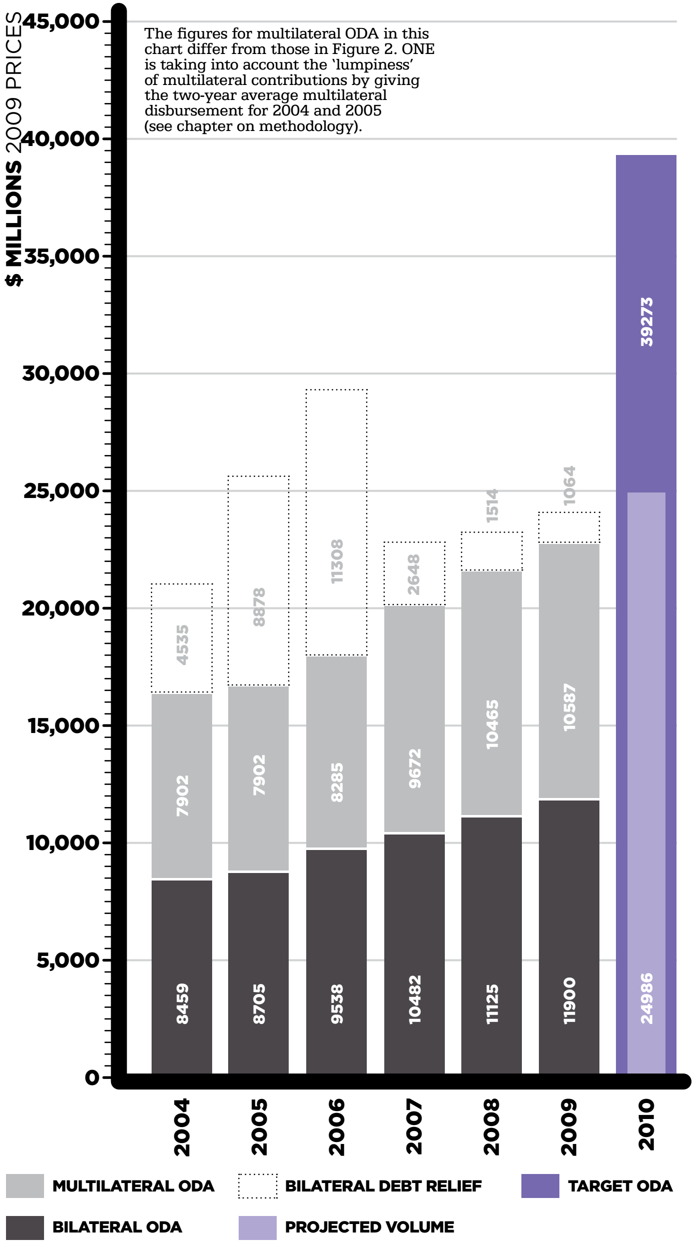


FIGURE 2

WHAT HAVE ODA FLOWS BEEN SINCE 2004?

IN $ MILLIONS 2009 PRICES (IN € MILLIONS 2009 PRICES)

	2004	2005	2006	2007	2008	2009
TOTAL GLOBAL ODA	49,983 (35,893)	63,917 (45,898)	65,264 (46,866)	61,637 (44,261)	67,471 (48,451)	67,135 (48,209)
BILATERAL DEBT RELIEF (GLOBAL)	5,583 (4,009)	16,655 (11,960)	15,328 (11,007)	7,298 (5,241)	6,239 (4,480)	1,519 (1,091)
TOTAL GLOBAL ODA (NET OF BILAT DEBT RELIEF)	**44,400** (31,883)	**47,262** (33,939)	**49,936** (35,859)	**54,338** (39,020)	**61,232** (43,971)	**65,616** (47,119)
GLOBAL ODA/GNI (NET OF BILAT DEBT RELIEF)	**0.31%**	**0.32%**	**0.33%**	**0.35%**	**0.39%**	**0.43%**
TOTAL SSA ODA	20,538 (14,748)	25,845 (18,559)	29,132 (20,919)	22,802 (16,374)	23,105 (16,592)	23,551 (16,912)
BILATERAL DEBT RELIEF (SUB-SAHARAN AFRICA)	4,535 (3,257)	8,878 (6,376)	11,308 (8,121)	2,648 (1,902)	1,514 (1,087)	1,064 (764)
MULTILATERAL ODA TO SUB-SAHARAN AFRICA	7,544 (5,417)	8,261 (5,932)	8,285 (5,949)	9,672 (6,945)	10,465 (7,515)	10,587 (7,602)
BILATERAL ODA TO SSA (NET OF BILAT DEBT RELIEF)	8,459 (6,074)	8,705 (6,251)	9,538 (6,849)	10,482 (7,527)	11,125 (7,989)	11,900 (8,545)
TOTAL SUB-SAHARAN AFRICA ODA (NET OF BILAT DEBT RELIEF)	**16,003** (11,492)	**16,966** (12,184)	**17,823** (12,799)	**20,154** (14,472)	**21,591** (15,504)	**22,487** (16,148)
SSA ODA/GNI (NET OF BILAT DEBT RELIEF)	**0.11%**	**0.11%**	**0.12%**	**0.13%**	**0.14%**	**0.15%**

PROGRESS IN 2004–09

2009 ODA: **€16.148bn** ($22.487bn)
2008–09 INCREASE: **€644m** ($897m)
2004–09 INCREASE: **€4.399m** ($6.126bn)
2010 TARGET: **€28.202bn** ($39.273bn)

In 2009, the EU15's ODA, net of bilateral debt relief, to sub-Saharan Africa increased by €644 million ($897 million), to reach €16.148 billion ($22.487 billion). In order to have been on a straight-line trajectory to meet its 2010 target, the EU would have needed to increase ODA to sub-Saharan Africa by €6.35 billion ($8.84 billion).

Collective 2009 ODA from the EU15 represented a 4% rise over 2008 levels. This reflected diverging performance across EU member states. Belgium, Greece, Ireland, Italy, the Netherlands, Portugal and Spain saw declines in total development assistance, net of bilateral debt relief, to sub-Saharan Africa in 2009 compared with 2008, with only modest increases of under 10% from Denmark, Finland, Germany and Sweden. Austria, France, Luxembourg and the UK saw increases of more than 10%. In aggregate, bilateral spending, net of debt relief, increased by €556 million ($775 million) over 2008 levels, while multilateral spending increased by only €87 million ($122 million).

Over the past five years, since the Gleneagles commitments were made, EU15 commitments to sub-Saharan Africa, net of bilateral debt relief, increased by €4.399 billion ($6.126 billion). Within this, bilateral ODA has increased by €2.471 billion ($3.441 billion), while multilateral ODA has increased by €1.928 billion ($2.685 billion).

Although the DATA Report is focused primarily on the G8's commitments to sub-Saharan Africa, increases in ODA to the region occur in the context of fluctuations in global ODA. Between 2008 and 2009, global ODA, excluding bilateral debt relief, saw an increase of 7%, outpacing increases to sub-Saharan Africa. Global ODA from the EU15 increased by €3.1 billion ($4.4 billion), to a total of €47.1 billion ($65.6 billion) or 0.43% ODA/GNI.[5] Of these increases, 20% went to sub-Saharan Africa. Between 2004 and 2009, global ODA increased by 47% or €15.14 billion ($21.08 billion).

Global ODA from the EU12 is estimated at €812 million ($1.131 billion), averaging 0.1% ODA/GNI in 2009.[6] Combined with the EU15, this generates an EU27 total of €47.9 billion ($66.7 billion). The European Commission (EC) forecasts that EU12 ODA will reach €1.012 billion ($1.409 billion) by 2010. If the EU commitment of directing half of the increases to sub-Saharan Africa is met, this will represent an additional €100 million ($139 million) going to the region by 2010.

FIGURE 3

EU15 ODA TO SUB-SAHARAN AFRICA ($ MILLIONS 2009 PRICES, NET OF BILATERAL DEBT RELIEF)

COUNTRY	2009 SSA ODA/ GNI	2009 SSA ODA	ODA TO SSA CHANGE 2008-2009	ODA TO SSA CHANGE 2004-2009	% INCREASE 2004-2009
LUXEMBOURG	0.47%	185 (133)	23 (16)	58 (42)	46%
SWEDEN	0.37%	1,513 (1,087)	34 (24)	468 (336)	45%
DENMARK	0.36%	1,161 (834)	65 (47)	162 (117)	16%
IRELAND	0.29%	530 (381)	-162 (-116)	107 (77)	25%
NETHERLANDS	0.21%	1,672 (1,200)	-339 (-244)	-291 (-209)	-15%
BELGIUM	0.21%	993 (713)	-21 (-15)	306 (220)	44%
FINLAND	0.19%	456 (328)	40 (28)	170 (122)	60%
FRANCE	0.19%	5,039 (3,619)	1,187 (853)	1,929 (1,385)	62%
UNITED KINGDOM	0.18%	3,976 (2,855)	375 (270)	1,524 (1,094)	62%
GERMANY	0.11%	3,618 (2,598)	79 (56)	1,001 (719)	38%
PORTUGAL	0.10%	230 (165)	-13 (-9)	32 (23)	16%
SPAIN	0.10%	1,482 (1,064)	-70 (-50)	742 (533)	100%
AUSTRIA	0.09%	348 (250)	63 (45)	116 (83)	50%
ITALY	0.06%	1,157 (831)	-331 (-238)	-235 (-169)	-17%
GREECE	0.04%	126 (90)	-32 (-23)	37 (27)	42%
TOTAL	**0.15%**	**22,487** (16,148)	**897** (644)	**6,126** (4,399)	**37%**

FIGURE 4

EU12 ODA (NET OF BILATERAL DEBT RELIEF)

IN $ MILLIONS 2008 PRICES (IN € MILLIONS 2009 PRICES)

COUNTRY	GLOBAL ODA	ODA/GNI
MALTA	15 (11)	0.20%
CYPRUS	40 (29)	0.17%
SLOVENIA	71 (51)	0.15%
LITHUANIA	49 (35)	0.14%
CZECH REPUBLIC	224 (161)	0.12%
ESTONIA	19 (14)	0.11%
HUNGARY	116 (83)	0.09%
POLAND	347 (249)	0.08%
ROMANIA	138 (99)	0.08%
SLOVAK REPUBLIC	74 (53)	0.08%
LATVIA	21 (15)	0.08%
BULGARIA	17 (12)	0.04%
TOTAL EU12	**1,131** (812)	**0.10%**
TOTAL EU15	**65,615** (47,119)	**0.43%**
TOTAL EU27	**66,746** (47,930)	**0.41%**

INDIVIDUAL COUNTRY PERFORMANCE

Despite the limited increase in aggregate ODA to sub-Saharan Africa, a number of EU member states continue to perform well, while others have made significant progress. Four EU countries (Austria, France, Luxembourg and the UK) have seen ODA to the region increase by over 10% compared with 2008 values. Sweden €1.087 billion ($1.51billion), the Netherlands €1.2 billion ($1.67 billion) and Denmark €834 million ($1.16 billion) outperform G7 member Italy in absolute volumes of ODA to the region, with the Netherlands and Sweden respectively exceeding and matching Canadian disbursements.

Four of the five top donors in terms of ODA/GNI are EU members (the fifth being Norway), with Denmark, Luxembourg, the Netherlands, Norway and Sweden already exceeding 0.7% ODA/GNI.

FIGURE 5

TOP SIX DONORS BY ODA/GNI 2009

2009 $ MILLIONS, NET OF BILATERAL DEBT RELIEF

COUNTRY	GLOBAL ODA	GLOBAL ODA/GNI	2010 GLOBAL TARGET	SSA ODA	SSA ODA/GNI
SWEDEN	4,526 (3,250)	1.12%	1.00%	1,513 (1,087)	0.37%
NORWAY	4,070 (2,923)	1.06%	1.00%	1,187 (852)	0.31%
LUXEMBOURG	403 (289)	1.01%	0.93%	185 (133)	0.47%
DENMARK	2,774 (1,992)	0.87%	0.80%	1,161 (834)	0.36%
NETHERLANDS	6,378 (4,580)	0.81%	0.80%	1,672 (1,200)	0.21%
FINLAND	1,286 (924)	0.54%	0.51%	456 (328)	0.19%

Other donors have not performed so well. Cuts announced by Ireland in 2009 translated into a €116 million ($162 million) decrease in ODA for sub-Saharan Africa, while aid from Greece to the region fell by €23 million ($32 million), or 21%. Spain's aid to sub-Saharan Africa fell slightly (by €50 million/$70 million), while its global levels increased.

PROJECTED FINAL PERFORMANCE AGAINST 2010 TARGET

INCREASE NEEDED 2009–10:
€12.054bn ($16,786bn)

ESTIMATED INCREASE 2009–10:
£1.794bn ($2.499bn)

% OF COMMITMENT EXPECTED TO BE DELIVERED BY 2010: **38%**

The EU15's commitment to sub-Saharan Africa is due in 2010. ONE estimates that, in order to achieve this target, the EU15 would have to increase its ODA, net of bilateral debt relief, to the region by €12.054 billion ($16.786 billion). This represents a 75% increase over 2009 levels. Current assessments suggest that ODA will increase by only €1.794 billion ($2.499 billion) in 2010, meaning that the EU will have met 38% of the increases it collectively promised at Gleneagles.

FIGURE 6

EU15 SSA ODA IN 2009 AND 2010 TARGET ($ MILLIONS 2009 PRICES, NET OF BILATERAL DEBT RELIEF)

COUNTRY	2009 ODA	2010 TARGET	INCREASE NEEDED 2009-2010	INCREASE EXPECTED 2009-2010
AUSTRIA	348 (250)	852 (612)	504 (362)	92 (66)
BELGIUM	993 (713)	1,637 (1,176)	644 (462)	423 (304)
DENMARK	1,161 (834)	944 (678)	-217 (-156)	56 (40)
FINLAND	456 (328)	457 (328)	1 (1)	32 (23)
FRANCE	**5,039 (3,619)**	**8,271 (5,939)**	**3,231 (2,321)**	**-624 (-448)**
GERMANY	**3,618 (2,598)**	**6,963 (5,000)**	**3,345 (2,402)**	**88 (63)**
GREECE	126 (90)	399 (287)	274 (196)	22 (16)
IRELAND	530 (381)	614 (441)	84 (60)	-17 (-12)
ITALY	**1,157 (831)**	**5,345 (3,838)**	**4,188 (3,007)**	**0 (0)**
LUXEMBOURG	185 (133)	155 (111)	-30 (-21)	-14 (-10)
NETHERLANDS	1,672 (1,200)	2,345 (1,684)	673 (484)	230 (165)
PORTUGAL	230 (165)	545 (392)	315 (226)	96 (69)
SPAIN	1,482 (1,064)	3,039 (2,387)	1,556 (1,118)	257 (184)
SWEDEN	1,513 (1,087)	1,528 (1,098)	15 (11)	-70 (-50)
UK	**3,976 (2,855)**	**6,177 (4,436)**	**2,201 (1,580)**	**1,928 (1,384)**
TOTAL EU15	**22,487** (16,148)	**39,273** (28,202)	**16,786** (12,054)	**2,499** (1,794)

LOOKING AHEAD

In 2005, the 27 countries of the EU committed to ambitious aid targets: 0.7% for the EU15 and 0.33% for the EU12 by 2015. Interim targets were set for 2010: 0.51% GNI for the EU15 and 0.17% for the EU12, with at least half of all new resources going to sub-Saharan Africa. Although the EU still has some way to go to meet these commitments, it remains the world's largest donor.

Spain has put development high on the agenda for its EU Presidency. The European Council meeting on 17–18 June 2010 will set the EU's position for the September MDGs Summit, and will mark the first time that the MDGs form the main point of discussion between the EU's leaders at a Summit. It is crucial that Spain, along with all member states and the EU's leadership of President Barroso, President Van Rompuy, High Representative Ashton and Commissioner Piebalgs, commit the EU to a strong plan for the MDGs and maintain their commitments on ODA and particularly on delivery to Africa.

There are important political and institutional changes taking place in the coming months that will define whether the EU can remain a global leader on development aid in the years ahead.

Firstly, a shake-up of EU foreign policy may have enormous implications for the way in which development aid is prioritised and spent. The new High Representative, Cathy Ashton, is putting in place a plan for the EU's new European External Action Service that may see the High Representative having some involvement in development policy. These changes will need very careful scrutiny to ensure that development funds remain completely focused on poverty alleviation. The EU has a strong history of keeping development policy high on the agenda, and the Brussels institutions play a vital role in trying to keep member states on track to achieve their individual and collective commitments on ODA. It is vital that changes to the institutions do not allow for any opening up whatsoever of the development budget for political ends, and that the Development Commissioner remains responsible for all aspects of development policy and budgets.

Secondly, the EU is also planning for its next Financial Perspective: the overarching multi-annual budget for EU expenditure from 2014–20. The EC and other EU institutions must achieve the following three steps with the next Financial Perspective:

- Increase the overall budget for External Actions;
- Ramp up ODA levels within that budget to help get the EU on target for its 2015 goals; and
- Ensure that the EU's commitments to Africa are met and that partnership between Europe and Africa is a key feature of the next budgetary cycle.

DEVELOPMENT ASSISTANCE COMMITTEE (DAC)

The Organisation for Economic Cooperation and Development (OECD) was originally created after the Second World War to manage the Marshall Plan for aid to Europe. In 1960, the Development Assistance Committee (DAC) was formed within the OECD to provide a forum for donor governments and multilateral organisations to coordinate their efforts and increase the effectiveness of their development assistance. The DAC is currently comprised of 24 members, including former aid recipients such as Portugal, Greece, Ireland, Spain and its newest member, South Korea. Combined, current DAC members account for approximately 90% of estimated global development assistance flows.

Because all members have agreed to a standard definition of 'official development assistance' (ODA) that allows for equal comparison across donors, the DAC is the most reliable source of internationally comparable ODA data. In addition to development assistance volumes, the DAC also monitors ODA effectiveness and provides guidance on how donors can better coordinate their efforts and implement the principles of the Paris Declaration.

DAC members are required to report their ODA flows to the DAC each year. Reporting is released in two stages. Preliminary top-line figures are usually released between late March and early April. All 2009 figures in this report are taken from the DAC's 2010 preliminary release. Final figures are released by the DAC in December, including details on the allocation of development assistance to specific recipient countries and sectors and the mechanisms through which it is delivered. All 2008 and earlier data used in this report use the DAC's final data release from December 2009. There is normally a slight difference between the preliminary and final figures.

FIGURE 1

GLOBAL ODA NET OF BILATERAL DEBT RELIEF ($ MILLIONS, 2009 PRICES)

	2004	2005	2006	2007	2008	2009	2010 TARGET[1]	CHANGE IN 2004-2009[2]	2009 GLOBAL ODA/ GNI
AUSTRALIA	1,859	1,975	2,121	2,363	2,558	2,758	3,229	899	0.29%
AUSTRIA	714	802	865	925	953	1,087	1,970	373	0.28%
BELGIUM	1,555	1,802	1,847	1,853	2,234	2,501	3,348	946	0.53%
CANADA	3,209	3,782	3,579	3,902	4,300	3,964	4,636	755	0.30%
DENMARK	2,499	2,507	2,488	2,567	2,603	2,774	2,586	275	0.87%
FINLAND	794	909	983	1,029	1,135	1,286	1,219	492	0.54%
FRANCE	8,279	7,974	8,184	8,787	9,642	11,616	13,952	3,337	0.43%
GERMANY	8,250	7,761	8,912	9,821	11,096	11,894	17,652	3,643	0.35%
GREECE	413	481	510	536	691	607	1,127	194	0.19%
IRELAND	695	803	1,091	1,153	1,233	1,000	1,088	305	0.54%
ITALY	2,946	4,199	2,438	3,645	3,928	3,113	10,729	167	0.15%
JAPAN	9,652	9,923	9,712	7,595	8,685	9,477	13,277	175	0.18%
LUXEMBOURG	315	328	344	396	395	403	378	88	1.01%
NETHERLANDS	4,849	5,660	5,935	6,077	6,612	6,378	6,306	1,530	0.81%
NEW ZEALAND	231	275	276	289	323	313	307	82	0.29%
NORWAY	3,013	3,359	3,244	3,624	3,446	4,070	3,905	1,056	1.06%
PORTUGAL	410	456	465	491	602	507	1,140	98	0.23%
SPAIN	2,970	3,138	3,886	5,122	6,318	6,474	8,009	3,504	0.45%
SWEDEN	2,887	3,573	3,847	3,992	4,232	4,526	4,138	1,639	1.12%
SWITZERLAND	1,892	1,908	1,881	1,839	1,968	2,143	1,977	250	0.44%
UK	6,824	6,868	8,142	7,945	9,560	11,448	13,627	4,624	0.51%
US	22,174	26,187	23,244	22,429	26,963	28,475	-	6,301	0.20%
TOTAL DAC	86,431	94,671	93,992	96,380	109,475	116,815	-	30,385	0.31%
G7	61,334	66,695	64,210	64,124	74,173	79,987	-	18,653	0.26%
OTHER DAC	25,096	27,976	29,782	32,256	35,301	36,828	40,727	11,731	0.55%
EU 15	44,400	47,262	49,936	54,338	61,232	65,616	87,269	21,216	0.43%

FIGURE 2

ODA TO SUB-SAHARAN AFRICA NET OF BILATERAL DEBT RELIEF ($ MILLIONS, 2009 PRICES)

	2004	2005	2006	2007	2008	2009	2010 TARGET	CHANGE IN 2004-2009[3]	2009 GLOBAL ODA/GNI
AUSTRALIA	163	164	193	193	178	232	272	69	0.02%
AUSTRIA	222	238	267	274	285	348	852	126	0.09%
BELGIUM	650	757	795	780	1,014	993	1,637	343	0.21%
CANADA	945	1,112	1,205	1,156	1,825	1,532	1,500	586	0.12%
DENMARK	1,021	1,042	1,072	1,137	1,096	1,161	944	140	0.36%
FINLAND	273	310	364	376	417	456	457	183	0.19%
FRANCE	3,102	2,984	3,351	4,027	3,852	5,039	8,271	1,937	0.19%
GERMANY	2,981	2,295	2,821	3,179	3,540	3,618	6,963	637	0.11%
GREECE	85	94	120	117	158	126	399	40	0.04%
IRELAND	416	441	572	622	692	530	614	114	0.29%
ITALY	957	1,856	822	1,380	1,488	1,157	5,345	200	0.06%
JAPAN	1,612	1,823	2,567	1,707	2,696	3,037	3,172	1,425	0.06%
LUXEMBOURG	125	134	145	156	162	185	155	61	0.47%
NETHERLANDS	1,946	2,012	1,658	1,918	2,011	1,672	2,345	275	0.21%
NEW ZEALAND	36	37	31	33	35	42	41	6	0.04%
NORWAY	1,148	1,159	1,168	1,217	1,225	1,187	1,139	40	0.31%
PORTUGAL	201	216	234	213	243	230	545	29	0.10%
SPAIN	719	766	958	1,230	1,552	1,482	3,039	763	0.10%
SWEDEN	907	1,285	1,289	1,397	1,480	1,513	1,528	606	0.37%
SWITZERLAND	470	513	528	501	517	537	508	66	0.11%
UK	2,395	2,537	3,357	3,346	3,601	3,976	6,177	1,581	0.18%
US	5,734	5,539	5,540	6,186	8,051	9,171	8,800	3,437	0.06%
TOTAL DAC	26,111	27,313	29,055	31,146	36,118	38,225	55,773	12,114	0.10%
G7	17,727	18,146	19,662	20,980	25,053	27,530	40,228	9,803	0.09%
OTHER DAC	8,384	9,167	9,393	10,166	11,066	10,695	14,476	2,311	0.16%
EU 15	16,003	16,966	17,823	20,154	21,591	22,487	39,273	6,484	0.15%

As the global development landscape evolves to include new donors and innovative ways to raise resources for development, reliable statistics are becoming even more critical. In 2010, the DAC commemorates its 50th anniversary, a perfect time to re-imagine its role in global efforts to meet aid targets and deliver sustainable results in poverty reduction.

The DAC should take steps to engage more with both the public and developing countries. As a members-only club, the DAC sets its own rules, which can often result in limited transparency and accountability in decision-making. With its potential to advance the release of donor information early and to improve forward-looking data, the DAC should embrace the International Aid Transparency Initiative (IATI) to ensure that statistics are available to developing country governments to ensure optimal delivery of aid that is received.

The DAC's lack of engagement with developing countries has meant that the wealth of statistics it gathers and reports is not fully utilised or tailored to the needs of governments and civil society in developing countries. The DAC should broaden representation within its working groups to ensure that discussions reflect the interests of developing countries as well as donor governments.

In the years ahead, the DAC should widen its strategic vision beyond a narrow focus on ODA to better evaluate its members' efforts to eliminate poverty more broadly. The DAC's Working Party on Aid Effectiveness, which includes partner countries as well as donors, is a step in the right direction.

As new forums such as the United Nations Development Cooperation Forum emerge, there will be multiple sources of development data that are increasingly inclusive, and which place greater emphasis on mutual accountability and transparency, both fundamental issues for ensuring effective assistance. The DAC should build on its expertise in ODA monitoring and reporting to embrace these issues and maintain its leadership in the evolving global development landscape.

EMERGING DONORS

As emerging economies begin to occupy a larger space in the global economy and take a seat at the table in global decision-making structures, they are also playing a more active role in sub-Saharan Africa's development through rapidly expanding relationships based on trade, investment, development assistance and loans.

Collecting and evaluating this data from emerging economies is especially challenging, as there is no standardised reporting. The data that do exist, however, reveal some clear trends on the size and scope of the burgeoning relationships between emerging economies and sub-Saharan Africa. For the first time this year, the DATA Report examines these growing relationships and offers some initial recommendations on how they can be improved and maximised in the coming years.

Emerging economies have become increasingly engaged in sub-Saharan Africa over the past two decades, deepening their economic and diplomatic ties across the region and providing larger amounts of development assistance and loans.[1]

Many of the new relationships between emerging economies and countries in sub-Saharan Africa are driven by trade and investment interests, a trend that has sparked a renewed sense of economic opportunity in the region and has contributed to the growth rates achieved in many African countries in recent years. The most recent data show that South–South foreign direct investment (FDI) tripled from $14 billion in 1995 to $47 billion in 2000, and that South–South trade accounted for more than 26% of global trade in 2008.[2] While these figures do not represent all activity on the continent, they indicate a trend of growing business and investment among emerging markets.

This chapter attempts to provide a snapshot of the current state of engagement between emerging economies and sub-Saharan Africa, in order to highlight the growing importance of these relationships. ONE has chosen to profile a handful of these countries, focusing on their activity and potential as donors rather than examining the full breadth of their trade, investment and natural resource interests across the region. As these relationships continue to expand, ONE hopes that there will be increased reporting, transparency and, ultimately, improvements in policy and coordination.

CHALLENGES

Although emerging economies are rapidly becoming key players in global development, their activities in sub-Saharan Africa are not well documented or easily monitored, making it difficult to assess their scope and to make accurate comparisons.

Evaluating official development assistance (ODA) from emerging donors is extremely challenging. The DAC provides a standard definition and criteria for what resources qualify as ODA. Non-DAC donors have no similar framework or any obligation to make their development assistance data publicly available, and the figures they do publish do not undergo the same external validation process that is applied by the DAC. These challenges are often exacerbated by the fact that many governments in emerging economies are characterised by low levels of transparency and have unreliable in-country mechanisms to collect any data that do exist. As a result, data on emerging donors' development assistance and other flows to Africa are often inconsistent and out of date when compared with those of donors that are members of the DAC (which itself is plagued by a time lag between ODA disbursements and reporting).

A lack of clarity around the details of new trade, investment and lending agreements with sub-Saharan African countries (most notably in extractive industries) has also sparked concern in recent years. As noted above, most engagement among emerging economies and countries in sub-Saharan Africa is currently based on trade, investment and informal flows of assistance, areas that have few mandatory guidelines to govern interactions. Although there are some new mechanisms dedicated to monitoring such engagement (for example, the Natural Resource Charter and the Extractive Industries Transparency Initiative), most emerging economies were not involved in establishing these initiatives and do not yet participate in them.

Challenges aside, the growing relationship between emerging economies and sub-Saharan Africa tells an interesting, dynamic story that is already helping to expand the development dialogue and redefine the global community's view of the region as a trade and investment partner.

CHINA

In recent years, intensifying relations between China and sub-Saharan Africa in the form of development assistance, loans, trade and investment have become a key source of economic and development opportunities on the continent. The impact of these financial flows has been the subject of intense debate in many development circles.

China's relationship with Africa has fundamentally changed since the turn of the century. In the 1970s and 1980s, Chinese engagement with African countries consisted primarily of infrastructure and public works projects, technical assistance and scholarships. But since 2000, China's rapidly growing economy has led the country to focus on the continent's oil and mineral resources.

This has meant that China is now Africa's third most important trading partner, after the US and France. According to the Chinese Ministry of Commerce, China's trade with Africa is estimated to be worth over $100 billion annually, a ten-fold increase over the past decade. FDI from China was estimated to account for $900 million of Africa's total FDI of $15 billion in 2004.[3]

Like those of most emerging donors, Chinese ODA figures are difficult to confirm, and lack of transparency remains a serious challenge. China's share of global development assistance remains fairly small – yet totals vary based on the source. The UN estimates that in 2006 China's total development assistance was between $1.5 billion and $2 billion.[4] The US Congressional Research Service, however, put the 2006 total at $27.5 billion (this included announced loans and other reported development assistance and economic projects). For Africa specifically the total was $9.1 billion.[5] The China Statistical Yearbook reports that the combined total aid figure for 'official budget external assistance', Chinese Export-Import Bank concessional loans and debt relief increased from $645 million in 2000 to $3 billion in 2007. Within this, Chinese aid to Africa specifically was $1.4 billion in 2007. It is projected to increase to $2.5 billion by 2009.[6]

Major increases in Chinese development assistance to Africa were catalysed by the launch of the Forum for China–Africa Cooperation (FOCAC) in 2000, a platform designed to promote economic and political cooperation. In November 2006, China announced several key development commitments before 48 African countries at the third FOCAC meeting in Beijing, including a pledge by President Hu Jintao to double aid to Africa by 2009. Although no baseline figure for this increase was clarified, officials indicated that by the end of 2008 the external assistance budget for Africa was $600 million.[7] Other pledges at the 2006 FOCAC included offers of $3 billion in preferential loans, $2 billion in export credits for 2006–09 and a $5 billion China–Africa development fund to encourage investment. China also agreed to double the number of tax-free goods imported from Africa, and to cancel all interest-free government loans owed by Heavily Indebted Poor Countries (HIPCs) and African Least Developed Countries (LDCs) that had matured by the end of 2005.

While progress on these commitments is difficult to track, observers estimate that China had delivered 90% of its commitments by September 2009 and was on course to double aid to Africa by the end of the year.[8] By December 2008, 150 of 168 interest-free loans to 32 HIPCs had been forgiven[9] and total debt relief for Africa between 2001 and 2008 stood at $3 billion.[10]

At the most recent FOCAC meeting in November 2009 (FOCAC IV), several more commitments were made to scale up assistance to Africa. These included a move towards more social sector support and additional debt relief pledges incorporating government loans to the end of 2009 owed by HIPCs and most African LDCs.

There is no stand-alone department in the Chinese government responsible for development assistance programmes. In fact, it is estimated that between 15 and 23 central agencies have some kind of role in China's foreign development assistance. However, there are several key institutions, including the State Council, which decides how much of the national budget is spent on development assistance; the Ministry of Finance, which manages multilateral development assistance through international financial institutions (IFIs); the Ministry of Commerce, which manages foreign aid programmes; the Export-Import Bank, which administers concessional loan finance; the Ministry of Foreign Affairs, which manages humanitarian aid and helps ensure that development assistance decisions are consistent with foreign policy; and the local embassies, which determine the development assistance needs of recipient countries.

SOUTH KOREA

ONE applauds South Korea's decision to join the DAC and looks forward to monitoring its development assistance flows alongside the G8 and other donors in the future. In this report, South Korea is not included with other DAC donors in the development assistance chapter because it did not report 2009 development assistance data to the DAC (its first data will be reported in 2010) and it did not make an ODA commitment to sub-Saharan Africa in 2005.

Over the past 30 years, South Korea – the world's 13th largest economy – has transitioned from a recipient country to a donor. This culminated in its decision to join the DAC in January 2010, agreeing to abide by DAC standards and reporting requirements. In July 2010, South Korea will co-host the G20 with Canada, and in November 2010 it will welcome the G20 to Seoul. South Korea also recently committed $50 million over three years to the Global Agriculture and Food Security Programme (GAFSP) – the only emerging economy to contribute to the fund.

Since the 1990s, South Korea has both increased its ODA and expanded the type of support that it provides. Its ODA policy states that it should focus on poverty reduction and sustainable development in order to create an environment where all people can live a decent life and contribute to global peace and prosperity.[11] In sub-Saharan Africa specifically, South Korea's development assistance focuses on human resource development and government capacity-building, including projects in health, information technology, education and agriculture.

From 2000 to 2009, South Korea's total development assistance (excluding bilateral debt relief) increased from $233.31 million to $815.8 million (2009 prices) – an increase of 250%. Contributions to multilateral agencies in 2009 accounted for $235.5 million, approximately one-third of the country's total development assistance. UN agencies received $57 million, the World Bank $93.2 million[12] and regional development banks $67.7 million.[13]

South Korea's development assistance to sub-Saharan Africa also increased from 2000 to 2009: bilateral assistance grew by 465%, while multilateral ODA increased by 73%.[14] Recently, South Korea pledged to triple its global assistance by 2015 and to double its assistance to Africa by 2012. At the Korea–Africa forum in November 2009, South Korea committed to accept 5,000 African trainees and to send 1,000 volunteers to the continent between 2009 and 2012.

Trade between sub-Saharan Africa and South Korea has also significantly increased since 2000. Exports from South Korea grew from $2.3 billion in 2000 to $9.5 billion in 2008, and imports from sub-Saharan Africa increased from $3 billion to $4.2 billion.[15] According to UNCTAD's 2009 report, South Korea was also one of the top 20 countries investing in the continent, based on 2003–07 averages.[16]

$100bn

Estimated value of China's trade with Africa, a ten-fold increase over the past decade and the third largest volume after the US and France.

70%

Proportion of development assistance that South Africa directs towards its fellow Southern African Development Community (SADC) states.

SOUTH AFRICA

South Africa has been working hard to engage and improve cooperation with its neighbours; currently 70% of its development assistance goes to fellow Southern African Development Community (SADC) states.[17]

South Africa's development assistance strategy rests on three pillars: strengthening Africa's institutions (regionally and across the continent); supporting the implementation of the New Partnership for Africa's Development (NEPAD); and improving bilateral political and socio-economic relations through dialogue and cooperation. South Africa's other stated goals include promoting democracy, good governance, conflict prevention and resolution, humanitarian assistance and human capital development.[18]

South Africa's development assistance work is spread across a variety of government agencies. These include the African Renaissance Fund (ARF), which manages around 3% of the total,[19] government departments and parastatals. South Africa lacks separate financial reporting lines for its development projects; while the ARF has some reporting guidelines, it lacks a general development assistance strategy and a mechanism to track it. The OECD reports that the fund grew from just under $7 million in 2003 to almost $40 million in 2008/09.[20]

Estimates of South Africa's total development assistance vary widely, with one recent figure putting 2006 totals between $363 and $475 million (or 0.18% of GDP). Of this assistance, 55% was distributed to the country's Department of Defence, 36% was used by the Department of Education and the remainder was divided between the Departments of Agriculture, Justice and Constitutional Development, Arts and Culture, Public Service and Administration, Public Works, South Africa Police, National Treasury, Minerals and Energy, and Trade and Industry.[21] Casting such a wide net makes it difficult to track South Africa's ODA and, while in 2007 it announced its intention to create an international development agency, the South African International Development Agency (SAIDA), this appears to be still in the early planning stages.

KUWAIT, SAUDI ARABIA AND THE UNITED ARAB EMIRATES

Wealthy Arab states are some of the largest donors outside the DAC, with Kuwait, Saudi Arabia and the United Arab Emirates (UAE) ranking as the largest three.[22] Although transparency of development assistance flows is still a problem within these countries, they do report their annual ODA levels to the OECD DAC, which allows for more comparable analysis across a number of years.[23]

The majority of assistance from these states is intra-regional, and development assistance directed to sub-Saharan Africa is particularly focused on countries with large Muslim populations. In 2008, the three Arab countries gave 85% of their total development assistance to sub-Saharan Africa to just four countries: 47% went to Sudan, 21% to Senegal, 11% to Mauritania and 5% to Djibouti.[24] Development assistance from Kuwait, Saudi Arabia and the UAE tends to focus on a small number of large-scale projects, often in the transport, energy and water sectors. From 1998 to 2007, these sectors were estimated to account for two-thirds of all Arab country commitments.

Trade between Arab and African states is expanding significantly, as is the practice of Arab countries purchasing large tracts of African farmland. In Sudan alone, the UAE has acquired 750,000 hectares of land, and the Saudi investment company Foras plans to invest $1 billion in rice-growing countries such as Mali, Senegal, Sudan and Uganda.[25]

KUWAIT

Kuwait's main development assistance agency is the Kuwait Fund for Arab Economic Development (KFAED), although some assistance is also channelled through the Ministry of Finance. KFAED is the largest Arab donor agency, accounting for 17% of the region's total bilateral development assistance and 55% of its multilateral development assistance.[26]

KFAED provides many more loans than it does grants, though its loans could all be counted towards its total ODA, as they meet the DAC's grant element condition of 25%. KFAED's total ODA in 2008–09 was $699 million.[27] Since the agency's launch in 1961, sub-Saharan Africa has received 17.3% of all Kuwaiti loans – a total of 231 loans and $2.5 billion.[28] Most of these loans have focused on transport projects ($1.4 billion), energy ($389 million) and water and sewage ($257 million).

Over the past few years, Kuwait has increased its total ODA as reported to the OECD DAC. According to the DAC, the country's ODA increased from $160.9 million in 2004 to $283.2 million in 2008 (current prices).[29]

SAUDI ARABIA

The Saudi Development Fund (SDF) – launched in 1975 – is Saudi Arabia's main development assistance agency, providing concessional loans for developing country projects, some budget support and debt relief and policy support from the Ministry of Finance. Between 1975 and 2008, the SDF provided loans for 430 development projects and economic programmes that totalled $7.7 billion. This assistance was delivered to 73 countries, 42 of which were in Africa.[30] In 2008 alone, the SDF signed 16 loan agreements, for a total of $312 million, 46% (or $145 million) of which was directed towards sub-Saharan Africa. By the end of June 2007, Saudi Arabia had provided debt relief worth $162 million to 10 HIPC countries.[31]

Saudi Arabia has also significantly increased its development assistance over the past few years. According to the DAC, the country's development assistance increased from $1.7 billion in 2004 to $5.6 billion in 2008 (current prices), making it one of the largest non-DAC donors.[32] Based on these figures, Saudi Arabia's development assistance as a percentage of GNI grew from 0.5% in 2005 to 1.5% in 2008, a three-fold increase.

THE UNITED ARAB EMIRATES

The principle aim of the UAE's Abu Dhabi Fund for Development (ADFD) is to provide economic assistance to developing countries through loans, grants and technical assistance for infrastructure development initiatives. Project focuses include agriculture, industry, transport, rural development, housing, water, electricity and tourism. Between 1961, when the ADFD was established, and 2008, the Fund provided development assistance to 52 developing countries worldwide, 25 of which were in sub-Saharan Africa. According to the Fund's Annual Report, its total disbursement between 1961 and 2008 was $6.1 billion. African countries received a total of $318 million, comprising 4% of the ADFD's total loans, 10% of ADFD grants, 15% of the country's government loans and 1% of all government grants.[33]

OECD estimates of the UAE's total development assistance show that it provided $88 million (current prices) in 2008. This was a marked decrease from $429 million in 2007 and $181 million in 2004.[34]

In April 2010, the UAE hosted a financial accountability workshop for donor agencies. Supported by Islamic Relief UK and the British Charity Commission, this workshop was an important step towards improving the transparency and effectiveness of the UAE's development assistance.

2X

Growth in ODA to sub-Saharan Africa between 2000 and 2009 from South Korea, the newest member of the OECD DAC. South Korea has pledged to triple its global ODA by 2015 and to double ODA to Africa by 2012.

85%

Proportion of ODA to sub-Saharan Africa from Kuwait, Saudi Arabia and the UAE that was allocated to four countries – Sudan, Senegal, Mauritania and Djibouti.

BRAZIL

Brazil has long advocated of strong South–South cooperation and has matched its rhetoric with increased engagement in Africa, most notably under current President Luiz Inácio Lula da Silva, who has re-opened a number of Brazilian embassies in Africa and led several high-profile visits to the continent.

Although Brazil gives relatively small amounts of financial assistance to Africa, it offers significant amounts of technical support, with a specific focus on Lusophone countries. This is often pursued through a model of 'triangular cooperation', with Brazil, an OECD donor and a low-income country working together on development projects.

To date, Brazil's technical assistance has largely been directed towards the social sectors. For instance, Brazil is widely respected for its HIV/AIDS programmes, and has sent many doctors to Africa to work on this issue. Agricultural development, biofuels and the creation of regional centres of excellence also remain important areas of focus.

It is difficult to obtain reliable data on Brazil's development assistance, as there is a lack of transparency around how funding amounts are chosen and spent. A 2008 UN survey estimated that Brazil delivered $356 million in development assistance in 2006 (excluding humanitarian assistance and peacekeeping). Of this total, 24% (roughly $85 million) was directed towards sub-Saharan Africa.[35]

Brazil has also agreed to numerous debt relief measures, many directed towards sub-Saharan Africa. Under the HIPC initiative, Brazil forgave $369 million of Mozambique's debt, as well as smaller amounts owed by Tanzania, Mauritania and Guinea-Bissau.[36]

Trade between Brazil and Africa has exploded in recent years, rising 30% in 2008 to total $26 billion a year. Nigeria is the country's biggest partner (accounting for 32% of total trade), followed by Algeria (12%), South Africa (10%) and Libya (7%).[37]

INDIA

In recent years, India has taken an increasingly active role in Africa's development. The country has not only become an important trade and investment partner for the continent, but has also provided significant technical assistance, capacity-building and training for health and agriculture. Many African countries also host significant Indian diaspora communities that have helped encourage India's engagement on the continent.

Due to inconsistent reporting systems, a wide variety of Indian development assistance estimates exist. The UN reports that in 2006 total development assistance was between $504 million and $1 billion.[38] India's Ministry of External Affairs most recently reported Indian assistance to be $611.2 million in 2008/09.[39] Close to 90% of India's development assistance is distributed within Asia. Bhutan has historically been a large recipient, and Afghanistan has recently become another priority, receiving 16% of India's total 2008–09 development assistance. According to the MoEA, African countries received $22 million of the total.

India's African aid programme, called the Special Commonwealth African Assistance Programme (SCAAP), currently provides funding for 19 African countries.[40] This is an extension of the 1960s ITEC programme, which worked to improve Africa's economic and technical cooperation and to counter China's influence in the region. India also runs the Techno-Economic Approach for Africa–India Movement, which aims to promote technology transfer to West Africa, including loans for agriculture, industry, infrastructure, science, technology and training. In 2008, at the first India–Africa Forum, the Indian government also committed at least $500 million over five years for the Aid to Africa programme, which provides development grants to Africa through the MoEA.[41]

India–Africa trade is robust and growing. From 1991 to 2008, India's trade with the continent rose from $967 million to $35 billion. The Indian government has indicated that it expects to triple trade with Africa, reaching a total of $100 billion over the next five years. India also plans to double its lines of credit to the continent, hitting $5.4 billion over the next five years, and to invest in sectors such as agriculture, mining, information and communication technology (ICT), chemicals, power generation and transmission, and infrastructure.[42] Most

Indian–African cooperation is centred in South Africa, which accounts for 68% of African exports to India (mostly minerals, precious stones, metals and alloys, and chemicals).[43]

In 2007, the MoEA announced a proposal to create an India International Development Cooperation Agency. This agency would be responsible for all activities related to development, including creating a development policy framework and implementing the country's cooperation measures. It is unclear if the agency is any closer to launching, but its creation would be an important step towards tracking India's increasing engagement in Africa.

CONCLUSION

Although engagement among sub-Saharan African countries and other emerging markets is expanding in varied and complex ways, the countries profiled in this chapter reveal some common trends that offer up a number of broad policy recommendations for the future.

Above all, as emerging economies and sub-Saharan African countries continue to deepen and expand their relationships, it is critical that they work to adopt processes to guide, monitor and account for their activities and to assess the impact that new policies and projects have on the livelihoods and rights of African citizens. Without these mechanisms in place, suspicions about emerging economies' intentions in the region will continue.

Emerging donors should establish clear missions and strategies for their development assistance, trade and investment policies in sub-Saharan Africa. As their potential as donors grows, they should agree to transparent, accountable disbursements of development assistance, commit to clear pledges and timely collection of data, and strive to ensure that their development assistance policies meet the reporting requirements of the OECD DAC.

Related to this, emerging economies should also follow the aid effectiveness principles outlined in the Paris Declaration and the Accra Agenda to maximise the impact of their funding, improve partnerships with recipient countries and enhance coordination with developed country donors. In the years ahead, the G20 can be an important forum for coordination among developing countries, emerging donors and traditional, developed country donors.

Emerging countries should also increase their efforts to track trade and informal aid flows, and also support transparency and accountability efforts on the continent. They should sign up and agree to fully implement initiatives such as the Extractive Industries Transparency Initiative, the Natural Resource Charter, the Stolen Asset Recovery Initiative and the UN Anti-Bribery Convention.

Finally, the fact that some emerging economies are still major development assistance recipients themselves will become increasingly challenging for global financing mechanisms such as the Global Fund to Fight AIDS, Tuberculosis and Malaria. China and India remain two of the largest Global Fund recipients. Although Russia has recently begun receiving support from the Global Fund again, its plan to transition from recipient to donor should be an example that is followed by China, India and other emerging donors. China also recently became a net donor to the Global Alliance for Vaccines and Immunisation (GAVI), which is a step in the right direction.

G20 countries and other emerging economies are playing a larger role in the global economy and are already having a significant impact in many African countries. To gain clarity around these relationships and to maximise their support for poverty reduction efforts, strong commitments will be needed from emerging economies, as well as technical assistance from the global community. With this elevated status comes new responsibility, and these countries must ensure that engagement in Africa is carried out in a way that feeds into the continent's own plans to achieve sustained and equitable economic growth, reach the Millennium Development Goals and eradicate poverty in the longer term.

FIGURE 2

GLOBAL ODA (EXCLUDING BILATERAL DEBT RELIEF) AS % OF GNI

	2004	2005	2006	2007	2008	2009	2010 TARGET
AUSTRALIA	0.24%	0.24%	0.26%	0.29%	0.29%	0.29%	0.36%
AUSTRIA	0.20%	0.22%	0.23%	0.24%	0.24%	0.28%	0.51%
BELGIUM	0.35%	0.40%	0.40%	0.39%	0.46%	0.53%	0.70%
CANADA	0.26%	0.30%	0.27%	0.29%	0.32%	0.30%	0.33%
DENMARK	0.84%	0.80%	0.76%	0.77%	0.79%	0.87%	0.80%
FINLAND	0.35%	0.38%	0.40%	0.39%	0.44%	0.54%	0.51%
FRANCE	0.32%	0.31%	0.31%	0.32%	0.35%	0.43%	0.51%
GERMANY	0.26%	0.24%	0.26%	0.28%	0.31%	0.35%	0.51%
GREECE	0.16%	0.17%	0.17%	0.16%	0.21%	0.19%	0.35%
IRELAND	0.39%	0.42%	0.54%	0.55%	0.59%	0.54%	0.60%
ITALY	0.14%	0.19%	0.11%	0.16%	0.18%	0.15%	0.51%
JAPAN	0.18%	0.18%	0.18%	0.13%	0.16%	0.18%	0.22%
LUXEMBOURG	0.79%	0.79%	0.89%	0.92%	0.97%	1.01%	0.93%
NETHERLANDS	0.70%	0.76%	0.76%	0.76%	0.79%	0.81%	0.80%
NEW ZEALAND	0.23%	0.27%	0.27%	0.27%	0.30%	0.29%	0.28%
NORWAY	0.87%	0.94%	0.88%	0.93%	0.87%	1.06%	1.00%
PORTUGAL	0.20%	0.21%	0.21%	0.22%	0.27%	0.23%	0.51%
SPAIN	0.23%	0.23%	0.27%	0.35%	0.42%	0.45%	0.56%
SWEDEN	0.77%	0.93%	0.95%	0.92%	0.98%	1.12%	1.00%
SWITZERLAND	0.40%	0.38%	0.37%	0.37%	0.42%	0.44%	0.40%
UK	0.33%	0.32%	0.37%	0.35%	0.41%	0.51%	0.61%
US	0.17%	0.19%	0.16%	0.16%	0.18%	0.20%	-
TOTAL DAC	0.29%	0.31%	0.30%	0.30%	0.34%	0.37%	-
G7	0.21%	0.22%	0.20%	0.20%	0.23%	0.26%	-
OTHER DAC	0.41%	0.44%	0.45%	0.48%	0.51%	0.55%	-
EU DAC	0.31%	0.32%	0.33%	0.35%	0.39%	0.43%	-

FIGURE 1

SUB-SAHARAN AFRICA ODA (EXCLUDING BILATERAL DEBT RELIEF) AS % OF GNI

2004	2005	2006	2007	2008	2009	2010 TARGET	
0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.03%	AUSTRALIA
0.06%	0.07%	0.07%	0.07%	0.07%	0.09%	0.22%	AUSTRIA
0.15%	0.17%	0.17%	0.16%	0.21%	0.21%	0.34%	BELGIUM
0.08%	0.09%	0.09%	0.09%	0.13%	0.12%	0.11%	**CANADA**
0.34%	0.33%	0.33%	0.34%	0.33%	0.36%	0.29%	DENMARK
0.12%	0.13%	0.15%	0.14%	0.16%	0.19%	0.19%	FINLAND
0.12%	0.12%	0.13%	0.15%	0.14%	0.19%	0.30%	**FRANCE**
0.09%	0.07%	0.08%	0.09%	0.10%	0.11%	0.20%	**GERMANY**
0.03%	0.03%	0.04%	0.04%	0.05%	0.04%	0.12%	GREECE
0.23%	0.23%	0.28%	0.30%	0.33%	0.29%	0.34%	IRELAND
0.05%	0.09%	0.04%	0.06%	0.07%	0.06%	0.25%	**ITALY**
0.03%	0.03%	0.05%	0.03%	0.05%	0.06%	0.06%	**JAPAN**
0.31%	0.33%	0.37%	0.37%	0.40%	0.47%	0.38%	LUXEMBOURG
0.28%	0.27%	0.21%	0.24%	0.24%	0.21%	0.30%	NETHERLANDS
0.04%	0.04%	0.03%	0.03%	0.03%	0.04%	0.04%	NEW ZEALAND
0.33%	0.32%	0.32%	0.31%	0.31%	0.31%	0.29%	NORWAY
0.10%	0.10%	0.11%	0.09%	0.11%	0.10%	0.24%	PORTUGAL
0.05%	0.06%	0.07%	0.08%	0.10%	0.10%	0.21%	SPAIN
0.24%	0.33%	0.32%	0.32%	0.34%	0.37%	0.37%	SWEDEN
0.10%	0.10%	0.10%	0.10%	0.11%	0.11%	0.10%	SWITZERLAND
0.11%	0.12%	0.15%	0.15%	0.15%	0.18%	0.27%	**UK**
0.04%	0.04%	0.04%	0.04%	0.06%	0.06%	0.06%	**US**
0.07%	0.07%	0.08%	0.08%	0.09%	0.10%	0.14%	**TOTAL DAC**
0.06%	0.06%	0.06%	0.07%	0.08%	0.09%	0.13%	**G7**
0.14%	0.14%	0.14%	0.15%	0.16%	0.16%	0.21%	**OTHER DAC**
0.11%	0.11%	0.12%	0.13%	0.14%	0.15%	0.26%	**EU DAC**

OVERVIEW OF COMMITMENTS

The following table lists language from the G8 communiqués from Gleneagles, St. Petersburg, Heiligendamm, Hokkaido and L'Aquila. Each commitment excerpt also includes the relevant paragraph or section citation number within the communiqué (St. Petersburg did not use numbers in its communiqué). The excerpts are organised by sector and reflect the commitments and supporting language monitored in the DATA Report.

	2005 G8 COMMITMENTS AT GLENEAGLES	2006 G8 COMMITMENTS AT ST. PETERSBURG	2007 G8 COMMITMENTS AT HEILIGENDAMM	2008 G8 COMMITMENTS AT HOKKAIDO	2009 G8 COMMITMENTS AT L'AQUILA
DEVELOPMENT ASSISTANCE	DOUBLING OF ODA TO AFRICA 27. 'The commitment of the G8 and other donors will lead to an increase in official development assistance to Africa of $25 billion a year by 2010, more than doubling aid to Africa compared to 2004.'	DOUBLING OF ODA TO AFRICA 'We are working hard to deliver on our substantial aid commitments.'	DOUBLING OF ODA TO AFRICA 2. 'We stress our firm resolve to implement the commitments on development made, in particular, in Gleneagles. These include ... increasing, compared to 2004, with other donors, ODA to Africa by $25 billion a year by 2010. The OECD/DAC estimates the global increase of ODA by 2010 at around $50 billion a year.'	DOUBLING OF ODA TO AFRICA 40. 'We are firmly committed to working to fulfil our commitments on ODA made at Gleneagles, and reaffirmed at Heiligendamm, including increasing, compared to 2004, with other donors, ODA to Africa by US$25 billion a year by 2010.'	DOUBLING OF ODA TO AFRICA 100. 'In particular, despite the severe impact of the crisis on our economies, we reiterate the importance of fulfilling our commitments to increase aid made at Gleneagles, and reaffirmed at Heiligendamm and Toyako. For Africa, this will include increasing, together with other donors ODA by US$25 billion a year by 2010, compared to 2004.'
	AID EFFECTIVENESS 32. 'We will implement and be monitored on all commitments we made in the Paris Declaration on aid effectiveness, including enhancing efforts to untie aid...'	AID EFFECTIVENESS 'We are working on the implementation of the March 2005 Paris Declaration on Aid Effectiveness ... and have started to conduct a survey on monitoring the implementation.'	AID EFFECTIVENESS 20. 'We are working to implement the Paris Declaration on Aid Effectiveness and recognise that both donors and partner countries have steps to take to improve the impact of aid.'	AID EFFECTIVENESS 41. 'We will reaffirm during the Third High Level Forum on Aid Effectiveness our commitment to make our aid more effective based on the Paris Declaration principles.'	AID EFFECTIVENESS 102. 'The financial crisis makes it doubly important that we improve the effectiveness of our aid. We are firmly committed to implement the Paris Declaration and the Accra Agenda for Action (AAA), to ensure development effectiveness. Building on the results of the 2008 OECD Survey, we will accelerate implementation of our aid effectiveness commitments,
	INOVATIVE FINANCING ANNEX II. 'A group of the countries above firmly believe that innovative financing mechanisms can help deliver	INOVATIVE FINANCING In the Annex of the G8 Africa statement, Canada, France, Italy, Russia, the UK and the US reiterated their support	INOVATIVE FINANCING 60. 'The G8 welcome innovative financing initiatives. We note such measures, taken on a voluntary basis,	INOVATIVE FINANCING 42. 'We renew our commitment to support the development agenda agreed in the Monterrey Conference	

	2005 G8 COMMITMENTS AT GLENEAGLES	2006 G8 COMMITMENTS AT ST. PETERSBURG	2007 G8 COMMITMENTS AT HEILIGENDAMM	2008 G8 COMMITMENTS AT HOKKAIDO	2009 G8 COMMITMENTS AT L'AQUILA
	and bring forward the financing needed to achieve the Millennium Development Goals. They will continue to consider the International Financing Facility (IFF), a pilot IFF for Immunisation and a solidarity contribution on plane tickets to finance development projects, in particular in the health sector, and to finance the IFF. A working group will consider the implementation of these mechanisms.' DOUBLING OF EU ODA **ANNEX II.** 'The EU will nearly double its ODA between 2004 and 2010 ... At least 50% of this increase should go to sub-Saharan Africa.'	for AMCs and other forms of innovative financing.	to mobilise additional resources for a long term access to affordable vaccines and treatments as well as for the development of vaccines, such as the GAVI, the International Drug Purchasing Facility-UNITAID, the International Finance Facility for Immunization, and the Advance Market Commitments...' DOUBLING OF EU ODA **ANNEX II.** 'The EU will nearly double its ODA between 2004 and 2010 ... At least 50% of this increase should go to sub-Saharan Africa.'	on Financing for Development which underscored the importance of mobilizing all available sources for development including ODA, foreign direct investment and other private flows, trade, debt relief, innovative financing, and domestic resources. We will contribute to the success of the Follow-up Conference on Financing for Development in Doha thereby giving fresh impetus to the Monterrey Agenda and the global partnership launched there.'	with a strong focus on in-country implementation, to be reviewed at the 2011 Fourth High Level Forum on Aid Effectiveness.' INOVATIVE FINANCING **108.** 'We call on the international community to consider, where appropriate, broadening innovative financing initiatives on a voluntary basis and note the work of the Leading Group on Innovative Financing for Development. We will also explore the potential of new innovative financing mechanisms, including new forms of voluntary contributions by citizens and corporations.'
DEBT	MULTILATERAL DEBT RELIEF INITIATIVE **29.** 'The G8 has agreed to a proposal to cancel 100% of outstanding debts of eligible Heavily Indebted Poor Countries to the IMF, IDA and African Development Fund, and provide additional resources to ensure that the financing capacity of the IFIs is not reduced...' NIGERIA **29.** 'Achieve a 'sustainable exit for Nigeria from its debt problems.'	MULTILATERAL DEBT RELIEF INITIATIVE 'We have made good progress in lifting the debt burden from the poorest countries.' NIGERIA 'A deal resolving 100% of Nigeria's $30 billion in debts to Paris Club creditors has also been agreed and implemented.'	MULTILATERAL DEBT RELIEF INITIATIVE **2.** 'We stress our firm resolve to implement the commitments on development made, in particular, in Gleneagles. These include the historic multilateral debt relief of up to $60 billion, the implementation of which is now well underway.'	DEBT SUSTAINABILITY **55.** 'In dialogues with emerging donors, in particular as members of the G8 through the Heiligendamm Process, we will properly address such issues as ... debt sustainability. Debt cancellation initiatives by the G8 have extensively relieved many African countries of their unsustainable debt burdens. Developing countries' long-term external debt sustainability should be supported by encouraging lenders and borrowers to pursue sustainable lending practices.'	MULTILATERAL DEBT RELIEF INITIATIVE **100.** 'We will continue to provide debt relief according to the Enhanced HIPC initiative, the Multilateral Debt Relief Initiative and the Paris Club's Evian Approach.' [G8 Leaders Declaration: Responsible Leadership for a Sustainable Future]' DEBT SUSTAINABILITY AND TRANSPARENCY 'We will continue to promote debt sustainability and transparency principles which we have agreed in other fora.' [Joint Declaration: Promoting the Global Agenda]'

	2005 G8 COMMITMENTS AT GLENEAGLES	2006 G8 COMMITMENTS AT ST. PETERSBURG	2007 G8 COMMITMENTS AT HEILIGENDAMM	2008 G8 COMMITMENTS AT HOKKAIDO	2009 G8 COMMITMENTS AT L'AQUILA
TRADE AND INVESTMENT	DOHA DEVELOPMENT ROUND 1. 'We call on all WTO Members to work with greater urgency to bring these negotiations to a close by the end of 2006.' [Trade Communiqué]	DOHA DEVELOPMENT ROUND 1. 'We urge all parties to work with utmost urgency for conclusion of the Round by end of 2006.' [Trade Communiqué]	DOHA DEVELOPMENT ROUND 'We remain fully committed to the development dimension of the DDA, promoting progressive trade liberalisation, helping developing countries to better integrate into the multilateral trading system and providing support to the poorest countries in order to enable them to benefit from the significant opportunities of globalisation.' [G8 Trade Declaration]	DOHA DEVELOPMENT ROUND 5. 'A successful conclusion of an ambitious, balanced and comprehensive WTO Doha agreement is critical to economic growth and development. Given the crucial stage of negotiations, we reiterate our determination to work as a matter of urgency toward the conclusion of the negotiations and call on all WTO Members to make substantial contributions…'	DOHA DEVELOPMENT ROUND '… together with the leaders of Australia, Indonesia and Republic of Korea and in the presence of the Director General of the World Trade Organization, are committed to seek an ambitious and balanced conclusion to the Doha Development Round in 2010, consistent with its mandate, building on the progress already made, including with regard to modalities.'
	AGRICULTURE SUBSIDIES 3. 'The G8 committed to 'substantially reducing trade-distorting domestic support and substantially improving market access' and 'eliminating all forms of export subsidies and establishing disciplines on all export measures with equivalent effect by a credible end date.' [Trade Communiqué]	AGRICULTURE SUBSIDIES 3. 'We agreed to … eliminate all forms of export subsidy on cotton by 2006, to end all forms of agriculture export subsidies and to discipline all export measures with equivalent effect by end 2013 … subject to successful conclusion of the Doha Round.' [Update on Africa Communiqué]		AGRICULTURE SUBSIDIES 6. '… it is… imperative to remove export restrictions and expedite the current negotiations at the World Trade Organization (WTO) aimed at introducing stricter disciplines on these trade actions which prolong and aggravate the situation, and hinder humanitarian purchases of food commodities. Furthermore, we continue to promote the development of open and efficient agricultural and food markets…' [G8 Leaders Statement on Global Food Security]	
	MARKET ACCESS 3. 'We also reiterate our commitment to the objective of duty-free and quota-free market access for products originating from LDCs' [Trade Communiqué]; and 22d. 'We agree … to improve the	MARKET ACCESS 5. '… developed countries, and developing countries that are in a position to do so, should provide duty-free and quota-free market access … for at least 97% of products originating from all LDCs by	MARKET ACCESS 25. '… We are fully committed to provide duty-free and quota-free market access for products originating from Least Developed Countries (LDCs) to achieve substantial improvements in	MARKET ACCESS 51G. '… facilitation of free and open trade through the multilateral trade system with due consideration of the African situation … We are fully committed to provide duty-free and quota-free	MARKET ACCESS 'We stress the importance of adhering to the standstill commitment renewed in London to refrain from measures that would introduce barriers to trade and investment and to rectify

	2005 G8 COMMITMENTS AT GLENEAGLES	2006 G8 COMMITMENTS AT ST. PETERSBURG	2007 G8 COMMITMENTS AT HEILIGENDAMM	2008 G8 COMMITMENTS AT HOKKAIDO	2009 G8 COMMITMENTS AT L'AQUILA
	utilisation of our preference programmes by ensuring that rules (particularly rules of origin) are transparent and simple to follow and do not inadvertently preclude developing countries from taking advantage of those schemes.' [Africa Communiqué]	2008, or no later than the start of the implementation period of the DDA … [subject to successful conclusion of the Doha Round].' [Trade Communiqué]	market access.' [Growth and Responsibility in Africa]	market access for products originating from Least Developed Countries (LDCs) as agreed at the Hong Kong Conference.'	promptly any such measures.'
	AID FOR TRADE **22A.** 'We agree … to increase our help to developing countries to build physical, human and institutional capacity to trade, including trade facilitation measures.' [Africa Communiqué]	AID FOR TRADE **6.** 'We expect spending on Aid for Trade to increase to $4 billion, including through enhancing the Integrated Framework.' [Trade Communiqué]	AID FOR TRADE **26.** 'We expect Aid for Trade to increase to $4 billion, including through enhancing the Integrated Framework.' [Growth and Responsibility in Africa] 'Building upon the G8 Summits in Gleneagles and St. Petersburg and the recommendations of the WTO task force on Aid for Trade we urge all donors to improve the quality and quantity of the means available by 2010 and encourage partner countries to include the AfT agenda in their poverty reduction and national development strategies.' [G8 Trade Declaration]	AID FOR TRADE **51G.** '… effective implementation of the financial commitments regarding spending on Aid for Trade including trade related technical assistance, made at the WTO Hong Kong Ministerial Conference, which we expect to increase to US$4 billion including the support for marketing of African products.'	AID FOR TRADE 'We recognise that mobilising financial resources for development and the effective use of all those resources are central to the global partnership for sustainable development. As part of these overall efforts, the G8 countries are committed to meet their ODA commitments, especially to sub-Saharan Africa, including those on Aid for Trade and debt relief.'
	POLICY SPACE **2.** 'We … will continue to work to ensure that there is appropriate flexibility in the DDA negotiations so that Least Developed Countries can 'decide, plan and sequence their overall economic reforms in line with their country-led development programmes…' [Trade Communiqué]			REGIONAL INTEGRATION **51H.** '… support to continental and regional integration and cooperation will be a key element to build larger integrated markets, attract more investment, and address challenges with a trans-national dimension.'	REGIONAL INTEGRATION 'Strengthening multilateral and regional institutions that play an increasingly prominent role in development, including by fostering income and job generation, economic integration, regional trade and cooperation and contributing to promote peace and security.'

	2005 G8 COMMITMENTS AT GLENEAGLES	2006 G8 COMMITMENTS AT ST. PETERSBURG	2007 G8 COMMITMENTS AT HEILIGENDAMM	2008 G8 COMMITMENTS AT HOKKAIDO	2009 G8 COMMITMENTS AT L'AQUILA
	INVESTMENT **23A.** 'To boost growth, attract new investment and contribute to building Africa's capacity to trade we will … continue our work to build an international infrastructure consortium involving the AU, NEPAD, World Bank and African Development Bank (AfDB), recognised by NEPAD as the lead infrastructure agency, to facilitate infrastructure investment, including in cross-border infrastructure, in Africa.' [Africa Communiqué]	INVESTMENT We are helping Africa attract the private financing and inward investment which will drive growth including through the NEPAD-OECD Africa Investment Initiative, the Enhanced Private Sector Assistance for Africa and the Investment Climate Facility, launched at the World Economic Summit in June. We continue to provide significant support to the development of agriculture in Africa. Increasingly, the AU/ NEPAD Comprehensive Africa Agriculture Development Programme (CAADP) is providing a framework for collective action.	INVESTMENT **15.** 'The G8 reaffirm their support for the Infrastructure Consortium for Africa (ICA) to address infrastructure shortcomings… The G8 invite other development partners to place their relationship with the ICA on a continuing basis, with a view to harmonizing support for infrastructure development.' **28.** 'We will individually and collectively continue to support initiatives which address the investment climate, such as the Investment Climate Facility (ICF), the Foreign Investment Advisory Service of the IFC or the NEPAD-OECD Africa Investment Initiative.' [Growth and Responsibility in Africa Declaration]	INVESTMENT **50.** 'We are committed to working with Africans to create conditions that can lead to an increase of private investment … In this regard, we endorse the G8 Action Plan for Private Sector Led Growth.' **51D.** '… development of infrastructure, in particular road and power networks, focusing on trans-national solutions and coordination through the Infrastructure Consortium for Africa together with private financing.'	INVESTMENT 'We consider international investment a major source of growth, employment, innovation and development in our countries. We are committed to maximizing the positive impact of investment as a catalyst for sustainable development, including through a further dissemination of Corporate Social Responsibility standards, and to minimizing protectionist responses.'
HEALTH				INFECTIOUS DISEASES **45.** 'G8 members are determined to honor in full their specific commitments to fight infectious diseases… **45.** 'The G8 countries will scale up their efforts to contributing towards the goal of universal access to comprehensive HIV/ AIDS prevention programs, treatment and care and support by 2010 for all, and to developing and strengthening health systems…' **46A.** 'We reiterate our commitment to continue	INFECTIOUS DISEASES 'We reiterate our commitment to continue efforts, to work towards the goals of providing at least a projected US$60 billion over 5 years, to fight infectious diseases and strengthen health systems.'

	2005 G8 COMMITMENTS AT GLENEAGLES	2006 G8 COMMITMENTS AT ST. PETERSBURG	2007 G8 COMMITMENTS AT HEILIGENDAMM	2008 G8 COMMITMENTS AT HOKKAIDO	2009 G8 COMMITMENTS AT L'AQUILA
				efforts, to work towards the goals of providing at least a projected US$60 billion over 5 years, to fight infectious diseases and strengthen health.' **46D.** '… will continue to expand access to long-lasting insecticide treated nets, with a view to providing 100 million nets through bilateral and multilateral assistance, in partnership with other stakeholders by the end of 2010.' **46E.** '… we will meet our previous commitments to maintain or increase financial contributions to support the GPEI…'	
	HIV/AIDS **18D.** 'With the aim of an AIDS-free generation … develop and implement a package … with the aim of as close to possible universal access to treatment for all those who need it by 2010' and 'ensure that all children left orphaned or vulnerable by AIDS or other pandemics are given proper support.'	HIV/AIDS 'Building on the commitments we made at Gleneagles last year … pursue all necessary efforts to scale up towards the goal of universal access to comprehensive prevention programmes, treatment, care and support by 2010' and 'ensure that additional resources are made available to tackle AIDS, in view of the UNAIDS estimate that $20-$23 billion is needed annually by 2010.'	HIV/AIDS **48.** 'The G8 countries will scale up their efforts to contributing towards the goal of universal access to comprehensive HIV/AIDS prevention programs, treatment and care and support by 2010 for all, and to developing and strengthening health systems…' **48.** 'We will continue efforts … to provide at least a projected $60 billion over the coming years…' **50.** 'The G8 … will work towards meeting the needed resources for paediatric treatments in the context of universal access, at a cost of $1.8 billion till 2010 … we		HIV/AIDS 'As an important step to scaling up towards the goal of universal access to HIV/AIDS prevention, treatment, care and support in Africa, G8 members, in support of national HIV/AIDS programs … will aim to employ existing and additional programs to support life-saving anti-retroviral treatment through bilateral and multilateral efforts for approximately five million people, to prevent twenty-four million new infections, and to care for twenty-four million people including ten million orphans and vulnerable children.'

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			will also scale up efforts to reduce the gaps, in the area of maternal and child health care and voluntary family planning, an estimated $1.5 billion.' **50.** 'We will contribute substantially with other donors to work towards the goal of providing universal coverage of PMTCT programmes by 2010.'		
	THE GLOBAL FUND **18D.** 'We will work to meet the financing needs of HIV/AIDS, including through the replenishment this year of the Global Fund.'	THE GLOBAL FUND 'We will work with other donors … in the effort to secure the funding needed (for the Global Fund) for the 2006-2007 replenishment period and call upon all concerned to participate actively in the development of a four-year strategy, aimed at building a solid foundation for the activities of the Fund in the years ahead.'	THE GLOBAL FUND **49.** 'G8 members pledge to work with other donors to replenish the GFATM and to provide long-term predictable funding based on ambitious, but realistic demand-driven targets.'		
	TB **18H.** 'We will work to achieve these aims by … helping to meet the needs identified by the Stop TB Partnership.'	TB/MALARIA 'We are working to deliver the Global Plan to Stop TB, launched in January 2006, and the Global Strategic Plan to Roll Back Malaria, launched in November 2005.'	TB/HIV **54.** 'We are committed to working toward further integration of efforts against TB and HIV/AIDS and the integration of DOTS-treatment and other comprehensive approaches necessary to control TB...'		TB 'We reaffirm the commitment … to halt the spread of this disease. We will also support the Global Plan to Stop TB, 2006-2015, which aims to cut TB deaths in half by the year 2015 compared to 1990 levels … and call upon all donors and stakeholders to contribute to its effective implementation.'
	MALARIA **18G.** 'We will work to achieve these aims by … contributing to the additional $1.5 billion a year needed annually …		MALARIA **55.** 'G8 members … will work to enable the 30 highest malaria prevalence countries in Africa reach at least 85		MALARIA '… we will continue to expand access to long-lasting insecticide treated nets (LLINs), with a view

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	we can reduce the burden of malaria as a major killer of children in sub-Saharan Africa.'		percent coverage of the most vulnerable groups with effective prevention and treatment measures and achieve a 50 percent reduction in malaria related deaths … to accelerate implementation of the financial commitments we have undertaken at Gleneagles…'		to providing 100 million nets through bilateral and multilateral assistance, in partnership with other stakeholders by the end of 2010.' '… work to enable the 30 highest malaria prevalence countries in Africa (contributing to at least 80 percent of the global malaria deaths) reach at least 85 percent coverage of the most vulnerable groups with effective prevention and treatment measures and achieve a 50 percent reduction in malaria related deaths.'
	POLIO **18F.** 'We will work to achieve these aims by … supporting the Polio Eradication Initiative for the post-eradication period in 2006-08 through continuing or increasing our own contributions.'	POLIO 'We have committed $210 million to fund Polio Eradication in 2006.'	POLIO **54.** 'The G8 will make utmost efforts in cooperation with international organisations and partners to eradicate polio and will also work with others to close urgent funding shortfalls.'		POLIO '… we will meet our previous commitments to maintain or increase financial contributions to support the Global Polio Eradication Initiative, GPEI and encourage other public and private donors to do the same.'
	HEALTH SYSTEMS **17.** 'We support our African partners' commitment to ensure that by 2015 all children … have access to basic health care (free wherever countries choose to provide this) to reduce mortality among those most at risk from dying from preventable causes, particularly women and children…'	HEALTH SYSTEMS 'Improved access to prevention and treatment of diseases for those in need, through assistance programmes focused on strengthening the capacity of health systems and the training, deployment and retention of qualified health workers.'	HEALTH SYSTEMS **62.** 'The G8 welcome the 'Providing for Health' initiative as a means to work toward sustainable and equitable financing of health systems and improved access to quality health services, through linking national financing strategies with coordinated international support.' 'We will work with African states to address the different causes of this lack of human	HEALTH SYSTEMS **46A.** 'We emphasise the importance of comprehensive approaches to address the strengthening of health systems including social health protection, the improvement of maternal, newborn and child health, the scaling-up of programs to counter infectious diseases and access to essential medicines, vaccines and appropriate health-related products.'	HEALTH SYSTEMS 'We emphasise the importance of comprehensive approaches to address the strengthening of health systems … We underline the need for partner countries to work toward sustainable and equitable financing of health systems.' 'The G8 members will work towards increasing health workforce coverage towards the WHO threshold

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			resource capacity within the health sector, including working conditions and salaries with the aim of recruiting, training, and retaining additional health workers.'	**46B.** 'The G8 members will work towards increasing health workforce coverage towards the WHO threshold of 2.3 health workers per 1,000 people, initially in partnership with the African countries where we are currently engaged and that are experiencing a critical shortage of health workers.'	of 2.3 health workers per 1,000 people, initially in partnership with the African countries where we are currently engaged and that are experiencing a critical shortage of health workers.'
				NEGLECTED TROPICAL DISEASES **46F.** '... work to support the control or elimination of diseases listed by the WHO through such measures as research, diagnostics and treatment, prevention, awareness-raising and enhancing access to safe water and sanitation.' **46F.** '... we will be able to reach at least 75% of the people affected by certain major neglected tropical diseases in the most affected countries in Africa, Asia, and Latin America, bearing in mind the WHO Plan.'	NEGLECTED TROPICAL DISEASES 'We will work to support the control or elimination of diseases listed by the WHO through ... research, diagnostics and treatment, prevention, awareness-raising and enhancing access to safe water and sanitation ... We will be able to reach at least 75% of the people affected by certain major neglected tropical diseases in the most affected countries in Africa, Asia, and Latin America.'
				CHILD AND MATERNAL HEALTH **46C.** '...take concrete steps to work toward improving the link between HIV/AIDS activities and sexual and reproductive health and voluntary family planning programs, to improve access to health care, including preventing mother-to-child transmission, and to achieve	CHILD AND MATERNAL HEALTH 'The G8 will take concrete steps to work toward improving the link between HIV/AIDS activities and sexual and reproductive health and voluntary family planning programs, to improve access to health care, including preventing mother-to-child transmission ...'

	2005 G8 COMMITMENTS AT GLENEAGLES	2006 G8 COMMITMENTS AT ST. PETERSBURG	2007 G8 COMMITMENTS AT HEILIGENDAMM	2008 G8 COMMITMENTS AT HOKKAIDO	2009 G8 COMMITMENTS AT L'AQUILA
				the MDGs by adopting a multisectoral approach and by fostering community involvement and participation.'	'We will scale up efforts to reduce the gaps, in the area of maternal and child health care and voluntary family planning, an estimated US$1.5 billion.'
EDUCATION	17. 'The core aims for education and health are stated in the UN Millennium Declaration. We support our African partners' commitment to ensure that by 2015 all children have access to and complete free and compulsory primary education of good quality, and have access to basic health care (free wherever countries choose to provide this) to reduce mortality among those most at risk from dying from preventable causes, particularly women and children; and so that the spread of HIV, malaria and other killer diseases is halted and reversed and people have access to safe water and sanitation.' 18A. 'Working with African governments, respecting their ownership, to invest more in better education, extra teachers and new schools. This is made more crucial by the number of teachers dying from AIDS. As part of this effort, we will work to support the Education for All agenda in Africa, including continuing our support for the Fast Track Initiative (FTI) and our efforts	'We are working with our African partners on their commitment to provide free primary education for all African children by 2015. We support an effective implementation of the EFA Fast Track Initiative, as detailed in our Summit paper on Education.'	38. 'The G8 reiterate their commitment to 'Education for All' for sustainable development in Africa. As part of this commitment, in 2002 the major donors launched the Fast Track Initiative (FTI) to guide and accelerate the delivery of universal primary education in the world's poorest countries. This approach focuses on sustainable multi-year education plans, measurable results, fiduciary controls, and coordinated donor funding, and as such enjoys the G8's full support. The G8 will continue to work with partners and other donors to meet shortfalls in all FTI endorsed countries, estimated by the FTI Secretariat at around US$500 million for 2007. We will work together with other donors and recipient governments towards helping to fund long-term plans provided by countries to ensure every child gets to school, with attention to low income countries and fragile states furthest away from the 2015 target of universal primary completion. We will especially focus on high quality education and	48. 'Strengthening the capacity of individuals, organizations, institutions and societies is the key to sustainable development and growth, therefore education in developing countries should be reinforced at all levels. Accordingly, we attach importance to life-long learning and a holistic approach to the education system, namely, continuing to prioritise universal completion of quality primary education by boys and girls, while responding to the need for striking a good balance between primary and post-primary education in relation with national constraints and economic needs. We are committed to addressing the issues of shortage, retention and management of teachers in Africa as well as improving learning outcomes. We will work further to improve access to and the quality of education through capacity development of teachers as well as community involvement. Teacher training should be intensified emphasizing the development of needed competencies and skills. Since school health and	'The G8 reaffirms support for the FTI, its founding principles and the current reform process. We are committed to reinforcing the country-based foundation of the FTI, notably the development of education plans embedded in PRSPs which contribute to an effective implementation of sound and sustainable sector plans with primary education priorities aligned with those of both the wider education sector and other sectors to assure development results.' 'The G8 will continue efforts to mobilise bilateral and multilateral resources to meet the needs of FTI endorsed education sector plans and to close gaps in education data, policy and capacity to accelerate action on EFA. The G8 is committed to working together to ensure longer-term financing and using instruments that ensure predictability.' 'Building on the findings of the FTI evaluation and on UNESCO's work, we look forward to improved country-specific analyses of education outcomes and impacts.'

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	to help FTI-endorsed countries to develop sustainable capacity and identify the resources necessary to pursue their sustainable educational strategies. Our aim is that every FTI-elected country will develop the capacity and have the resources necessary to implement their sustainable education strategies.'		capacity development. This initiative helps bring rigor to programming as it is based upon a strong commitment by host governments and a sound combination of bilaterally and multilaterally funded programmes.'	school feeding could improve both school enrolment and children's wellbeing, we will promote synergies with other development sectors.' 49. 'We remain committed to Education for All (EFA) and the international agencies which implement it and support the efforts of the Fast Track Initiative (FTI) for universal primary education. We, along with other donors, will continue efforts to mobilise bilateral and multilateral resources to meet the shortfalls of FTI- endorsed countries estimated by the FTI Secretariat at around US$1 billion for 2008, while supporting the improvement of its effectiveness through an external evaluation. There should be a strong emphasis placed on the quality of education and program effectiveness. We will pay specific attention to countries affected by conflicts or crisis, to girls and to marginalised populations who remain mostly excluded from school. G8 progress to support FTI, including meeting shortfalls, will be monitored through a report to be delivered at the 2009 Summit.'	'The G8 will ensure stronger synergies across all actors in our countries – central and local governments, private sectors, philanthropic and civil society – to contribute effectively to development of partner countries' education systems.' 'In line with the principles of the Paris Declaration on aid effectiveness and the Accra Agenda for Action, G8 will continue to support education in countries affected by conflict or crises by advancing cross-country coordination to ensure at least a minimum level of donor presence and external financing.'

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AGRICULTURE	**20.** 'Investment is needed in sustainable agriculture, which is the most important economic sector for most Africans. African governments have made a commitment to invest 10% of their budgets in agriculture. We will strengthen our support for their commitment.' **23C.** 'Support a comprehensive set of actions to raise agricultural productivity, strengthen urban-rural linkages and empower the poor, based on national initiatives and in cooperation with the AU/NEPAD Comprehensive Africa Agriculture Development Programme (CAADP) and other African initiatives.'	'We continue to provide significant support to the development of agriculture in Africa. Increasingly, the AU/NEPAD Comprehensive Africa Agriculture Development Programme (CAADP) is providing a framework for collective action.' 'Our next steps include: … supporting agriculture development, in particular under the AU/NEPAD Comprehensive Africa Agriculture Development Programme (CAADP) …'	**36.** 'To improve food security and sustainable use of natural resources, the G8 will support AU/NEPADs Comprehensive Africa Agriculture Development Programme (CAADP) and promote policy reforms and investments in sustainable agriculture leading to higher productivity, better market access and reduced vulnerabilities in order to support the population in rural areas.'	**1.** 'We have taken additional steps to assist those suffering from food insecurity or hunger, and today renew our commitment to address this multifaceted and structural crisis.' **2.** 'We are determined to take all possible measures in a coordinated manner, and since January 2008 have committed, for short, medium and long-term purposes, over US$10 billion to support food aid, nutrition interventions, social protection activities and measures to increase agricultural output in affected countries. In the short-term, we are addressing urgent needs of the most vulnerable people.' **2.** 'We will also look for opportunities to help build up local agriculture by promoting local purchase of food aid.' **7.1A.** 'Reverse the overall decline of aid and investment in the agricultural sector, and to achieve significant increases in support of developing country initiatives, including – in Africa – through full and effective implementation of the Comprehensive Africa Agricultural Development Programme (CAADP).'	**3.** '… We will partner with vulnerable countries and regions to help them develop and implement their own food security strategies, and together substantially increase sustained commitments of financial and technical assistance to invest in those strategies. Our action will be characterised by a comprehensive approach to food security, effective coordination, support for country-owned processes and plans as well as by the use of multilateral institutions whenever appropriate. Delivering on our commitments in a timely and reliable manner, mutual accountability and a sound policy environment are key to this effort. We see a comprehensive approach as including: increased agriculture productivity, stimulus to pre and post-harvest interventions, emphasis on private sector growth, smallholders, women and families, preservation of the natural resource base, expansion of employment and decent work opportunities, knowledge and training, increased trade flows, and support for good governance and policy reform.' **9.** '… We agree to support a global effort whose core principles are country ownership and effectiveness.

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					We pledge to advance by the end of 2009 – consistent with our other actions aimed at an improved global governance for food security – the implementation of the Global Partnership for Agriculture and Food Security. Its mission includes enhancing cooperation in achieving global food security, promoting better coordination at the country level and ensuring that local and regional interests are duly voiced and considered.' 12. '… We will aim at substantially increasing aid to agriculture and food security including through multiyear resource commitments. In this respect, we welcome the commitments made by countries represented at L'Aquila towards a goal of mobilizing $20 billion over three years through this coordinated, comprehensive strategy focused on sustainable agriculture development, while keeping a strong commitment to ensure adequate emergency food aid assistance…' ['L'Aquila' Joint Statement on Global Food Security]

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WATER AND SANITATION	18i. 'Implementing the G8 water action plan agreed at Evian, in partnership with the AfDB initiative on rural water and sanitation, including through increasing aid in this sector; maintaining political momentum and commitment on the water issue; and reinforcing co-ordination and monitoring mechanisms.'	'... We are supporting strengthened cooperation among African river basin organisations, and giving support to the African Ministers' Council on Water, as well as the leading role of the African Development Bank in this key sector. We are contributing to efforts to improve the effectiveness of aid to Africa's water sector.'		47. 'Good water cycle management is crucial in order to address the issue of water, which has a cross-sectoral nature. In this regard, acknowledging the need to accelerate the achievement of the internationally agreed goals on water and sanitation, we will reinvigorate our efforts to implement the Evian Water Action Plan and will review it on the basis of a progress report prepared by our water experts by the next Summit.'	'We are determined to build a stronger partnership between African and G8 countries to increase access to water and sanitation, based on the principles of shared responsibility and mutual accountability.' 'To support the implementation of the African commitments, G8 countries will: assist the building of capacity in African countries to develop and implement national water and sanitation plans; improve coordination within multi-donor platforms to promote aid effectiveness; align assistance to better reflect national priorities; improve bilateral and multilateral contributions to financial mechanisms aimed at mobilizing investment; assist the AU Commission, AMCOW and Regional Economic Communities in response to the African demands for institutional support.' [Statement: A Stronger G8-Africa Partnership on Water and Sanitation]

METHODOLOGY MEASURING PROGRESS ON DEVELOPMENT ASSISTANCE

WHAT ARE THE MAIN SOURCES OF DATA?

OECD DEVELOPMENT ASSISTANCE COMMITTEE (DAC) ONLINE DATABASE: www.oecd.org/dac

- Table 1 for all disbursements of official development assistance (ODA) 1960–2008.
- Table 2a for disbursements by recipient country and region.
- Table 5 for all commitments by sector.
- Table 7b for tying status of ODA.

CRS DATABASE

- For all commitments and all details, 1973–2007.

The DAC releases preliminary ODA figures each April for the previous calendar year. These figures can be found at: www.oecd.org/dac/stats/dac/reftables.

These preliminary data provide only a basic breakdown (by region, but not by sector) and are subject to revision. The DAC then releases final data in December for the previous year; these include a full breakdown of the ODA figures by sector. The DATA Report therefore uses the latest 2008 data for sector-specific analysis and the preliminary 2009 data for total volume analysis. The preliminary data for 2008, used in the 2009 DATA Report, were revised for some countries in the final December 2009 release. These revised and final 2008 figures have now been used for the purpose of this report.

WHAT IS THE DAC AND WHY DOES ONE USE ITS DATA?

The DAC is the Development Assistance Committee of the OECD. In 2009 its members were: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the UK, the US and the European Commission. South Korea joined the DAC in 2010.

The DAC, set up in 1960, has set an internationally agreed-upon standard definition for what can and cannot be counted as ODA. ODA is made up of grants or concessional loans given by the official sector to a defined list of developing countries. The promotion of economic development and welfare must be the main objective of the loan or grant. If a loan is given, the grant element must be at least 25% (this measures the concessionality of the loan based on its interest rate, maturity and grace period; a grant would be 100%). Loans or grants for military purposes cannot count as ODA.

Reporting to the DAC is mandatory for all DAC members. What can be reported as ODA is governed by strict rules, with which all members of the DAC must comply. This means that there are objective, internationally comparable figures for ODA going back to 1960, which are produced and validated by the OECD DAC each year. These provide an accepted benchmark for measuring performance.

WHAT IS THE DIFFERENCE BETWEEN BILATERAL AND MULTILATERAL DEVELOPMENT ASSISTANCE AND HOW DOES ONE MEASURE THEM?

DAC data on ODA from donor countries measure the outflow of resources from donors and split it into two categories: bilateral and multilateral. The DATA Report gives donors credit for all the contributions that they make to sub-Saharan Africa, including their contributions to multilateral organisations.

Multilateral ODA is comprised of the contributions made to multilateral organisations that are not earmarked and can be used anywhere (with the exception of some regional banks). By definition, therefore, the multilateral contributions from each donor are not disaggregated by country or region.

The DAC reports how much has been contributed to each multilateral agency from each donor. It also reports how much has been spent by each multilateral agency by country and sector. ONE combines these two sets of information to work out the contribution from each donor to a sector or a country. When ONE reports total ODA to sub-Saharan Africa, it reports an estimate of the proportion of ODA contributed to the multilateral agency from each donor that was then spent in sub-Saharan Africa. ONE calculates this by apportioning the total contribution received by the multilateral agency from each donor, according to the proportion of the multilateral agency's expenditure that went to sub-Saharan Africa. For example:

- Canada contributed $15.6 million to UNICEF in 2008 (in 2009 prices).
- 48% of UNICEF's expenditure was in sub-Saharan Africa in 2008.
- Therefore Canada contributed $7.4 million (48% of $15.6 million) to sub-Saharan Africa via its contribution to UNICEF in 2008

Donor contributions to multilateral agencies are often given for a three-year period. This means that the ODA received by the multilateral agency may be quite high one year and low in another. For the purposes of establishing a baseline upon which to measure commitments to increase ODA, ONE has averaged 2004 and 2005 multilateral ODA to sub-Saharan Africa and added that to the bilateral ODA to sub-Saharan Africa in 2004. This total is used as the 2004 baseline year. This averaging avoids the 'lumpiness' of a replenishment year establishing an artificially high baseline figure. When discussing increases from the baseline year (2004) for the G8 Gleneagles commitments, ONE uses this average multilateral baseline to calculate increases.

Bilateral ODA encompasses all other activities that are eligible to be counted as ODA, including earmarked funding that is given to a multilateral organisation. Donors report to the DAC on how much bilateral ODA goes to each region. Therefore DAC data tell us how much of each donor's bilateral ODA has gone to sub-Saharan Africa each year.

SECTOR ATTRIBUTION OF MULTILATERAL DEVELOPMENT ASSISTANCE

Sectoral development assistance combines both bilateral and multilateral commitments. As previously stated, bilateral contributions by sector are reported to the DAC in the finalised figures.

Multilateral agencies report to the DAC on how much multilateral (not earmarked) funding they have spent on a sector (health, education, etc.) and a country/region each given year. This will not be the same as the multilateral contributions they received in that year. In some cases it may be smaller because, as noted above, multilateral contributions may be given in advance for a two- or three-year period. In other cases it may be larger because it includes multilateral contributions from previous years.

ONE shows how much is contributed by each donor to a sector by apportioning the total spent by the multilateral agency on the sector according to the proportion of the multilateral agency's income that has been contributed by each donor. For example:

- The International Development Association (IDA) spent $316 million on large water systems in sub-Saharan Africa in 2008.
- Canada contributed 6.2% of IDA's overall income in 2007.
- Therefore Canada contributed $19 million (6.2% of $316 million) to water systems in sub-Saharan Africa via its contribution to IDA.

However, the shares apportioned to each donor are also allocated by the length of the commitment; this avoids lumpiness in the data caused by three-year replenishments.

HOW DOES ONE ALLOCATE GENERAL BUDGET SUPPORT TO SECTORS?

General Budget Support (GBS) is ODA that is given to a finance ministry or to a sectoral ministry to support the overall budget. It is not allocated by the donor to a particular sector or activity, but is designed to increase the overall spending on activities to reduce poverty, particularly in health and education.

In order to attribute GBS to sectors, the proportion of averaged African government expenditure to the health, education, agriculture and water sectors is applied to total GBS for each year that data are available. For health and education, annual averages are calculated from data provided by WHO and UNESCO respectively. Average proportions of government expenditure to health were approximately 10% between 2004-06. Proportions to education ranged from 21% to 25% over 2004 and 2008. For agriculture, an assessment during the formulation of national medium-term investments programmes under NEPAD estimated government expenditure at 5.6% of total public expenditure during 2004-08. IMF Government Expenditure statistics allow for annual estimations over the period that range from 4% to 7%. Due to the complex nature of water sector financing, no reliable estimates are readily available. For this sector, an estimation of 5% was used throughout.

WHY ARE THERE SOMETIMES DIFFERENCES BETWEEN A COUNTRY'S OWN DATA AND THE DAC DATA?

There are a number of possible reasons for this. For example, a country's own data may follow a different financial year or a country may report in categories that are different from the DAC-defined ODA category. Another possible cause of disparity is that management of development assistance is often split between several ministries. While activities by all of these should be collectively reported in the DAC ODA figures, domestic reporting may cover only the activities of the main development assistance ministry. In addition, government reporting is often based on budgets; DAC reporting deals with annual disbursements. Finally, a number of countries use multiple coding, where an activity will be coded for several sectors (for instance 20% to water, 50% to health, 30% to infrastructure), but DAC coding allows for only one sector per project.

HOW DOES ONE DECIDE WHAT A PROPORTIONATE SHARE IS?

The proportionate share is based on a country's share of total GNI. The DATA Report follows the convention of capping the US's proportionate share. The US share of DAC GNI in 2008 was 46%, but its proportionate share has been capped at 33%. The gap between these two figures has not been compensated for – by increasing the share of other G8 or other DAC countries, for example.

Where the target is for all DAC donors, ONE takes the proportionate share as being each donor's share of collective DAC GNI. Where the target is a G8, global or OECD one, it takes the proportionate share of G8, global or OECD GNI.

In 2008, Canada's GNI was $1,362 billion (2009 constant prices), constituting 3.79% of total DAC GNI. Canada's proportionate share of a DAC target is thus 3.79% of the total. Canada's share of a G8 target is 4.61%.

HOW IS DEBT RELIEF COUNTED AS ODA?

Multilateral debt cancellation is included in this report for ODA through multilateral contributions. This is because donors pay for multilateral debt cancellation through their contributions to the institutions that cancel debts. Therefore the cost to a donor of cancelling multilateral debt is paid through its contributions to the multilateral agency (e.g. IDA or the African Development Bank). For bilateral debt, under current rules, once debt has been cancelled donors can report the whole face value of the debt as ODA. This means that the principal, interest and penalties on arrears for the whole period that the debt has remained unpaid are counted in the ODA figures at the point of cancellation, and are included in the DAC reports. This amount does not reflect either the value to the developing country or the cost to the donor country of cancelling the debt. For example, the US is able to cancel a loan to a poor country at a markedly discounted rate – typically 10–15% of the original face value – and yet receive credit at the DAC for the full face value. The recipient country will see only a small fraction of the cancellation as a new flow from which it can fight poverty.

WHY HAS ONE DECIDED TO EXCLUDE BILATERAL DEBT RELIEF FROM THE MEASURES OF PROGRESS ON DEVELOPMENT ASSISTANCE?

To assess whether countries' reported ODA flows represent real increases in new resources, ONE has excluded all bilateral debt relief from its measures of progress. Debt relief is immensely valuable and, as a result of it, governments are now able to spend resources on health, education and stronger economies instead of debt servicing. ONE gives due credit for debt cancellation in the debt section of this report.
However, as noted above, the rules on counting bilateral debt cancellation as development assistance, which are set by the donors themselves, overstate both the value of the debt relief and what the donor has to pay to provide it. Exactly how much should be counted is unclear, due to lack of transparency by donors in terms of what budget provisions they must make to provide debt cancellation.

In addition, by 2010 it is unlikely that any sub-Saharan African countries will be significantly benefiting from debt cancellation. Therefore G8 donors need to make budgetary provision to achieve the 2010 target without relying on ODA inflated by bilateral debt cancellation figures.

In the absence of information from donors on what it costs them to provide bilateral debt cancellation, ONE measures progress on the ODA promise excluding all bilateral debt relief, so as to not risk obscuring real underlying ODA figures and trends for reaching the 2010 target. ONE remains hopeful that a more accurate means of accounting for bilateral debt relief will become available so that, in the future, donors can be duly credited for the true allocations they make for bilateral debt cancellation in their annual budgets. In the interest of transparency, ONE also shows how much bilateral debt cancellation has been counted in ODA for each G8 donor.

WHAT WAS THE NIGERIAN DEBT 'BUY-BACK' IN 2006?

Part of the debt deal with Nigeria agreed in 2005 was that the country would 'buy back' part of its debt at 60% of its face value. The difference between the face value and the amount that official creditors received from Nigeria was about $3.1 billion. As there was no precedent for such a discount, it was unclear whether it could be counted as ODA. In addition, the buy-back of debt by the debtor at a market-related discount is not explicitly mentioned in the DAC rules. In the absence of a ruling, donors made individual choices about whether to count this discount offered on the buy-back in their ODA. All G8 countries chose to include it.

DAC rules have now been clarified to cover this eventuality. Market-related discounts will only be counted in future when they are part of comprehensive debt treatment for the country concerned, and only then if the main objective of the agreement is development or welfare.

WHY DOES ONE USE CONSTANT 2009 PRICES?

Using constant prices ensures that the value of the commitment is not eroded by inflation. The commitments made in 2005 at Gleneagles covered both sector outcomes and financing inputs. Inflation reduces the value of the dollar commitments made in 2005. As a result, the same amount of money in nominal terms will buy less and will not be enough to pay for the sector outcomes to which the G8 committed themselves. If inflation was just 2% a year between 2004 and 2010, the ultimate target would be reduced by $2.4 billion.

The G8 Communiqué issued in June 2005 stated: 'The commitments of the G8 and other donors will lead to an increase in Official Development Assistance to Africa of $25 billion a year by 2010, more than doubling aid to Africa compared to 2004... On the basis of donor commitments and other relevant factors, the OECD estimates that Official Development Assistance from the G8 and other donors to all developing countries will now increase by around $50 billion a year by 2010, compared to 2004.'

Although the G8 countries did not explicitly say that they were making commitments in 2004 prices, the OECD estimates referred to above are, explicitly, in 2004 prices. This was reconfirmed in April 2007 in a statement from the Chair of the DAC and the Secretary-General of the OECD.

In order to show progress in real terms, ONE applies the DAC deflators for both commitments and resource flows to convert all amounts into 2009 prices. However, it would be equally valid to apply the deflator to ODA volumes so that it was expressed in 2004 prices, and then to compare that with the original commitments.

HOW DOES ONE COUNT CONTRIBUTIONS FROM INNOVATIVE FINANCING MECHANISMS?

There are three main mechanisms for innovative financing for development: International Finance Facilities (IFFs), UNITAID and the Advanced Market Commitments (AMCs). These are all eligible to be counted as ODA, but on slightly different terms for each mechanism.

AMCs are made via the World Bank's International Development Association (IDA) and are therefore included in countries' DAC-reported multilateral ODA to IDA. Disbursements by the World Bank for AMCs are not yet reported.

Contributions via UNITAID are reported as bilateral ODA under the category of public-private partnerships and are not yet disaggregated on the DAC database. They will therefore be included in total ODA, but cannot be reported separately by donor.

The International Finance Facility for Immunisation (IFFIm) has slightly different rules. Under the IFF model, a donor makes a long-term, legally binding commitment to contribute over a period of time. Based on these commitments, money is raised in the financial markets and used immediately to deliver services. Only the donor's contributions to an IFF – typically spread over 15–20 years – can be counted as ODA, not the frontloaded disbursements. Currently the IFFIm is the only operational IFF. GAVI (the Global Alliance for Vaccines and Immunisation) is a public-private partnership which manages the IFFIm. Contributions to GAVI are recorded as bilateral ODA. Disbursements by IFFIm are not recorded in DAC statistics.

This report measures progress on two bases: inputs of finance and outcomes on the 2005 targets – for universal primary education, for example. Contributions to IFFs enable funding to be frontloaded (the full cumulative value of a 20-year commitment by donors can be spent immediately) and therefore contribute to the earlier achievement of outcomes. ONE therefore reports on spending by IFFs attributable to each donor as well as the long-term annual contributions.

HOW DOES ONE CALCULATE TARGETS AND MEASURE PAST PROGRESS?

This report measures progress in levels of ODA between 2004 and 2009. It then compares this with what would have been achieved between 2004 and 2009 if the G8 donors had made regular annual increments on a steady path to their 2010 goal. When the G8 made its commitments in 2005, there were five years to go until the target date of 2010. It would have been difficult to make major adjustments to development assistance spending in 2005 after the G8 Summit in June of the same year, so 2006 was the first year when there was real evidence of progress.

The G8 set 2010 targets for development objectives, but did not set annual interim targets. This report sets a straight-line trajectory showing the path that donors would need to be on if they made regular annual steps towards the 2010 target. To calculate the increases needed for 2010, the track is measured from actual assistance to sub-Saharan Africa in 2009 to the target figure for 2010. Some G8 donors have set a target date before 2010. For these countries, ONE assumes that their ODA will be maintained at the target level up until 2010.

WHAT ARE THE ODA TARGETS FOR 2010?

HOW ARE THE DEVELOPMENT ASSISTANCE TARGETS FOR SUB-SAHARAN AFRICA CALCULATED?

All DAC figures in the table below are in 2009 prices, unless otherwise stated, using DAC deflators. This is consistent with the DAC, which reports on the projected 2010 ODA figures in constant prices. To convert between national currencies and US dollars, ONE uses the DAC annualised exchange rates.

Annual ODA to sub-Saharan Africa includes both bilateral contributions and the share of each donor's multilateral contributions estimated to be allocated to sub-Saharan Africa. The multilateral contributions are averaged for 2004 and 2005 for the purposes of establishing a baseline. Because multilateral contributions are often disbursed in lumps, ONE considers it fairer to smooth these two years for the purposes of establishing a baseline for progress. ONE monitors progress towards the 2010 targets net of bilateral debt relief.

Although donors will not necessarily make progress towards their target in regular annual steps, ONE monitors the progress that each donor would need to make to be on track to achieve the commitments based on annual increases. Using this method, the scale of the annual increase needed can be better assessed.

	STATEMENT OF COMMITMENT IN THE G8 COMMUNIQUE ON AFRICA	METHODOLOGY FOR CALCULATING TARGET
CANADA	'Canada will double its international assistance from 2001 to 2010, with assistance to Africa doubling from 2003/04 to 2008/09. In addition, the 2005 Federal Budget provided an additional Cdn$342 million ($263 million) to fight diseases that mainly afflict Africa. The Cdn$200 million ($154 million) Canada Investment Fund for Africa will provide public-private risk capital for private investments, and Canada will provide Cdn$190 million ($146 million) to support the African Union (AU)'s efforts in Darfur, as well as Cdn$90 million ($69 million) for humanitarian needs.'	When Prime Minister Stephen Martin unveiled this commitment, Finance Minister Ralph Goodale cited Cdn$1.4 billion ($1.1 billion), in 2004 prices, as the 2003/04 baseline for doubling development assistance to Africa. Subsequently, Canada has argued that although the planning figure for 2003/04 was CAD$1.38 billion, the actual disbursement was only CAD$1.05 billion. So, because spending was under budget by around $250 million in 2003/04, Canada's target for 2008/09 has been reduced by CAD$500 million. This figure has been accepted by many of Canada's NGOs. ONE adopted this revision for the 2008 report and has maintained it subsequently. This figure has been used as the basis for calculating Canada's target and includes both bilateral and multilateral ODA. The new baseline sets the target for the 2008/09 budget year at CAD$1.7 billion ($1.5 billion). Canada did not set interim annual targets to achieve this goal. In lieu of such targets, ONE tracks progress against a projected straight-line trajectory between the most recent year for which data are available and the 2008/09 target. The target year for Canada of 2008/09 overlaps with two calendar years. For this analysis, ONE assumes that commitments should be delivered by the end of 2009.

	STATEMENT OF COMMITMENT IN THE G8 COMMUNIQUE ON AFRICA	METHODOLOGY FOR CALCULATING TARGET
FRANCE	'France has announced a timetable to reach 0.5% ODA/GNI in 2007, of which two-thirds will be for Africa – representing at least a doubling of ODA since 2000 – and 0.7% ODA/GNI in 2012.' France subsequently clarified its sub-Saharan Africa target, announcing that 66% of bilateral and 50% of multilateral ODA would be allocated to sub-Saharan Africa. In early 2008, President Sarkozy moved the target date for reaching ODA levels of 0.7% of GNI back from 2012 to 2015.	ONE uses OECD projections of GNI to estimate the value of 0.51% of GNI in 2010 and to set the value for the 2010 ODA target. To calculate the target for sub-Saharan Africa, ONE uses France's own estimates that 35% of ODA will be multilateral and 65% will be bilateral. Within those shares, 50% and 66% respectively are targeted for sub-Saharan Africa, as stated in the French commitment. ONE tracks progress in 2009 against a projected straight-line trajectory between the country's 2008 ODA to sub-Saharan Africa and the 2010 target. The increases needed in 2010 are calculated as the difference between the 2010 target and 2009 preliminary ODA to sub-Saharan Africa.
GERMANY	'Germany (supported by innovative instruments) has undertaken to reach 0.51% ODA/GNI in 2010 and 0.7% ODA/GNI in 2015.' This commitment was made as part of the EU commitment which included a pledge that half of the increases would be directed to Africa.	ONE uses OECD projections of GNI to estimate the value of 0.51% of GNI in 2010. The Africa component of the target, based on the commitment that it should receive half of the increase in ODA, is calculated as follows. The increase in ODA is calculated by estimating the dollar volume for the increase between 2004 ODA/GNI and the 2010 ODA/GNI target. Half of this total is estimated as the increase for sub-Saharan Africa. It is added to total ODA disbursed to sub-Saharan Africa in the 2004 base year – with the multilateral component averaged for 2004 and 2005 – to achieve the 2010 target. ONE tracks progress in 2009 against a projected straight-line trajectory between the country's 2008 ODA to sub-Saharan Africa and the 2010 target. The increases needed in 2010 are calculated as the difference between the 2010 target and 2009 preliminary ODA to sub-Saharan Africa.
ITALY	'Italy has undertaken to reach 0.51% ODA/GNI in 2010 and 0.7% ODA/GNI in 2015.' This commitment was made as part of the EU commitment which included a pledge that half of the increases would be directed to Africa.	ONE uses OECD projections of GNI to estimate the value of 0.51% of GNI in 2010. The Africa component of the target, based on the commitment that it should receive half of the increase in ODA, is calculated as follows. The increase in ODA is calculated by estimating the dollar volume for the increase between 2004 ODA/GNI and the 2010 ODA/GNI target. Half of this total is estimated as the increase for sub-Saharan Africa. It is added to total ODA disbursed to sub-Saharan Africa in the 2004 base year – with the multilateral component averaged for 2004 and 2005 – to achieve the 2010 target.

	STATEMENT OF COMMITMENT IN THE G8 COMMUNIQUE ON AFRICA	METHODOLOGY FOR CALCULATING TARGET
		ONE tracks progress in 2009 against a projected straight-line trajectory between the country's 2008 ODA to sub-Saharan Africa and the 2010 target. The increases needed in 2010 are calculated as the difference between the 2010 target and 2009 preliminary ODA to sub-Saharan Africa.
JAPAN	'Japan intends to increase its ODA volume by $10 billion in aggregate over the next five years. It has committed to doubling its ODA to Africa over the next three years and has launched the Health and Development Initiative with a $5 billion commitment over the next five years. For the Enhanced Private Sector Assistance (EPSA) for Africa facility, Japan will provide more than $1 billion over five years in partnership with the African Development Bank.' At the Tokyo International Conference on African Development (TICAD) in 2008, Japan further committed to double bilateral ODA to sub-Saharan Africa, net of debt relief, by 2012. Later clarification indicated that Japan considered an average of 2003-2007 ODA to be the baseline for this increase.	A doubling of Japan's bilateral assistance to Africa by 2007, using 2003 as a base year, was an unambitious target. Japan chose the year with the lowest bilateral spending in the previous decade as its base year. The Gleneagles commitment to Africa expired in 2007. This report therefore monitors Japan's new TICAD commitment to double bilateral grants (excluding debt forgiveness grants), together with a doubling of net bilateral loans and an increase in disbursements to the African Development Bank from $120 million to $140 million (all current prices). This gives a total 2012 target of $1.8 billion. This report monitors net bilateral ODA to sub-Saharan Africa as a proxy for this target, and monitors progress in its contributions to the AfDB. A 2010 interim target is estimated by drawing a straight-line trajectory between 2007 bilateral ODA – the figure known when the commitment was made and the last year of the average baseline calculation – and the 2012 target. The TICAD commitment was for the whole of Africa. For consistency, ONE continues to monitor aid to sub-Saharan Africa, but takes this into consideration when assessing progress against the commitment.
UNITED KINGDOM	'The UK has announced a timetable to reach 0.7% ODA/GNI by 2013.' This commitment was made as part of the EU commitment which included a pledge that half of the increases would be directed to Africa. More recently, the UK's 2007 Comprehensive Spending Review (CSR) established a global ODA target of £9.14 billion ($14.28 billion) by	To calculate a global ODA target for 2010, ONE converts the CSR 2010/2011 figure from fiscal to calendar years. The Africa component of the target, based on the commitment that it should receive half of the increase in ODA, is calculated as follows: The increase in ODA is calculated by estimating the dollar volume for the increase between 2004 ODA/GNI and the 2010 ODA/GNI target. Half of this total is estimated as the

	STATEMENT OF COMMITMENT IN THE G8 COMMUNIQUE ON AFRICA	METHODOLOGY FOR CALCULATING TARGET
	2010/2011. This was reconfirmed in its most recent budget statement.	increase for sub-Saharan Africa. It is added to total ODA disbursed to sub-Saharan Africa in the 2004 base year – with the multilateral component averaged for 2004 and 2005 – to achieve the 2010 target. Interim targets for 2008 and 2009 are calculated in a similar fashion, drawing on the CSR targets for 2008/09 and 2009/10.
UNITED STATES	'The US proposes to double aid to sub-Saharan Africa between 2004 and 2010. It has launched the Millennium Challenge Account, with the aim of providing up to $5 billion a year; the $15 billion Emergency Plan for AIDS Relief, an initiative to address humanitarian emergencies in Africa of more than $2 billion in 2005; and a new $1.2 billion malaria initiative. The US will continue to work to prevent and mitigate conflict, including through the five-year, $660 million Global Peace Operations Initiative.'	At the time of the 2005 Gleneagles Summit, US ODA to sub-Saharan Africa, based on preliminary 2004 data, was reported to be $4.4 billion in current prices. This was the baseline from which the US committed to double its development assistance to $8.8 billion in 2010 (current prices). The DAC figures now report that 2004 ODA to sub-Saharan Africa was $5.4 billion, and this figure is used to measure increases in ODA to the region. ONE tracks progress in 2009 against a projected straight-line trajectory between the country's 2008 ODA to sub-Saharan Africa and the 2010 target. The increases needed in 2010 are calculated as the difference between the 2010 target and 2009 preliminary ODA to sub-Saharan Africa.

HOW IS 2009 PIPELINE ODA ESTIMATED?

CANADA

Canada's latest budget provides CAD$4.6 billion and CAD$4.9 billion for its International Assistance Envelope (IAE) for FY2009/10 and FY2010/11 respectively. Once debt relief is excluded, ONE converts this to CY2010 to give CAD$4.8 billion ($3.9 billion). Based on past proportions of IAE that translate into ODA, ONE estimates global assistance as CAD$5.4 billion ($4.77 billion). Development assistance for sub-Saharan Africa is not specified. This report, therefore, takes the average share of total ODA that has gone to the region between 2007 and 2009 (37%) to give an estimate of CAD$2.02 billion ($1.77 billion).

FRANCE

France's 2009 Projet du Loi de Finances pour Politique Française en Faveur du Développement provides, firm, three-year spending commitments for global ODA, including values for debt relief. 2010 global ODA, net of debt relief, is set at €7.37 billion ($10.64 billion). Development assistance for sub-Saharan Africa, however, is not given. This report, therefore, takes the average share of total ODA that has gone to the region between 2007 and 2009 (43%). Applied to 2010 global ODA, this gives an estimate of €3.17 billion ($4.42 billion) for sub-Saharan Africa.

GERMANY

The ODA-relevant part of the Federal Ministry for Economic Cooperation and Development (BMZ) budget will increase by €258 million. Moreover, a major ODA increase will result from the German contribution to the Clean Technology Fund of €500 million (for which KfW banking group will be leveraging its own funds on the capital market). There are many uncertainties such as DEG's ODA contributions, imputed student costs and further KfW operations on the capital market for contributions to, for example, the IFC's Infrastructure Crisis Facility. Of the increase of €258 million, €210 million is earmarked for Afghanistan. With Germany's track record of spending 27% of its increases for sub-Saharan Africa, €13 million of the remaining €48 million can be expected to be disbursed in that region. In addition, roughly 10% of the Clean Technology Fund's current investment portfolio is in sub-Saharan Africa. The German contribution could therefore increase German ODA to the region by €50 million, giving an estimated total increase of €63 million ($88 million) in 2010.

ITALY

There have been no legislative changes (the budget law made no new provisions) nor other political actions that would modify, in real terms and net of debt relief, what was delivered in 2009. Assistance to sub-Saharan Africa will, therefore, remain largely unchanged in 2010. Debt relief is expected to increase, particularly to the Democratic Republic of Congo. Within the overall figure there may be minor movements with a positive impact on sub-Saharan Africa, but their actual relevance will only be recognisable at a later date.

JAPAN

Japan's draft Project Budget for FY2009/10 and FY2010/11 details global ODA as reported to the OECD, including details of debt relief. Based on these figures, ONE calculates net global ODA, excluding debt relief, for calendar year 2010 as ¥1,143 billion ($12.2 billion). Development assistance for sub-Saharan Africa is not given. The Data Report, therefore, takes the average share of total ODA that went to the region between 2007 and 2009 (29%) in order to calculate an estimate for 2010.

Based on the draft Project Budget, ONE also calculates net bilateral ODA, excluding debt relief, for calendar year 2010 as ¥765 billion ($8.2 billion). This report takes the average share of Japan bilateral ODA to sub-Saharan Africa over the 2007-09 period (23%) to calculate an estimate for bilateral aid to the region.

UNITED KINGDOM

In May 2009, the Department for Iinternational Development published projected budgets for 2009/10 and 2010/11 of £6.84 billion and £7.76 billion respectively. Of this, £2.9 billion and £3.4 billion respectively was earmarked for sub-Saharan Africa. ONE has adjusted this to calendar years, giving DFID an expected budget of £3.3 billion ($5.1 billion) in 2010. Clear estimates for non-DFID ODA in 2010 were not available at the time of publication. ONE therefore assumes that estimates are unchanged from the previous year, which produces a total ODA pipeline of £3.78 billion ($5.9 billion) for the region in 2010.

UNITED STATES

President Obama's budget request for FY2011, prepared by the Office of Management and Budget (OMB) and submitted to Congress 1 February 2010, includes estimates of outlays for fiscal year 2010. Although the US fiscal year and the DAC calendar year do not match exactly, the OMB's estimates in past years have proved to be reasonably reliable for estimating ODA disbursements for the coming calendar year. Amounts for sub-Saharan Africa are calculated based on these estimates and the historical proportion allocated to the region from each development assistance account. Projections for Millennium Challenge Corporation (MCC) disbursements in 2010 are drawn from estimates provided by the MCC, as of 30 September, 2009.

WHAT INFORMATION HAS ONE USED TO ASSESS ODA EFFECTIVENESS?

The section in the report on the effectiveness of ODA uses reports published by the DAC, especially its Working Party on Aid Effectiveness, and data collected by Debt Relief International (DRI). ONE compares data points for each of the six areas monitored: transparency and reporting (two indicators); predictability (four indicators); working with national systems (three indicators); untying and local procurement (two indicators), Country Programmable Aid (two indicators), and grant/loan ratio of ODA (one indicator).

The data on tied aid and grant/loan ODA ratio are taken from the OECD/DAC's Development Cooperation Report. Additional information on tied aid is drawn from DAC's 2010 review, 'Implementing the 2001 DAC Recommendations on Untying Aid' (31 March 31, 2010) and an independent evaluation, 'Untying Aid: Is it Working?', published by the Overseas Development Institute December 2009.

DAC DATA

As part of the OECD DAC process to monitor progress on the commitments made in the Paris Declaration on Aid Effectiveness in 2005, the DAC undertook a baseline survey in 2006, using 2005 data, of 34 countries, 19 of which are in sub-Saharan Africa. The data collection process was managed by coordinators appointed by recipient countries, who worked with donors and recipient countries to complete surveys. A second survey was conducted in 2008, using 2007 data, in 55 countries, 29 of which are in sub-Saharan Africa. Nearly half of all development assistance (excluding debt relief and humanitarian assistance) delivered in 2007 was recorded in the 2008 survey. The broader participation in the 2008 survey means that the findings are based on a more reliable and representative set of data. However, in order to ensure comparability, in this report, all trends noted represent the 33 countries that were covered in both surveys. While major differences in the performance of G7 donors are clearly identified in the surveys, inherently, there are limitations in any self-reporting system. A recent DAC report, issued on 31 March 2010, summarises donor self-assessments of their Accra effectiveness commitments; these are noted where appropriate in ONE's analysis. These self-assessments, however, should be viewed with caution and judged more rigorously when the third statistical survey is released in 2011. All figures should be regarded as having a significant margin of error.

HIPC CAPACITY BUILDING PROGRAMME (CBP)

ONE also relies on analysis conducted by recipient governments in 33 Heavily-Indebted Poor Countries (HIPCs), 29 of which are in sub-Saharan Africa, with the support of Debt Relief International's HIPC Capacity Building Programme (CBP) and its regional partners. CBP helps recipient country governments to systematically and objectively assess their inflows of development assistance. ONE's 2010 DATA Report uses data collected from 2005 to 2009. Eleven countries completed the assessment each of these years. The indicators and how they are measured are described below.

Not all G7 donors were active in all recipient countries surveyed and the results do not cover, for any G7 donor, more than a proportion of its ODA to sub-Saharan Africa.

MEASURES OF ODA EFFECTIVENESS

TRANSPARENCY AND REPORTING

The first transparency and reporting indicator is measured in DAC's baseline 2006 and follow-up 2008 survey. It measures ODA disbursed by donors to recipient governments (not ODA that goes to non-government actors), as reported to the DAC, and compares that with what the recipient government includes in its budget estimates of external ODA flows. The second transparency and reporting indicator is from the CBP. It covers the percentage of total development assistance – including ODA to non-government actors, as reported to the DAC – that is recorded in the recipient country's budget.

PREDICTABILITY

The first predictability indicator is from the DAC's baseline 2006 and follow-up 2008 survey. It measures the short-term predictability of aid flows, and compares ODA scheduled for disbursement with disbursements recorded by the recipient government in fiscal year 2007.

The other three predictability indicators are from the CBP. The first is similar to the short-term DAC predictability measure described above. The second indicator tracks the degree to which commitments are made with a clear disbursement timetable. The third is a measure of medium-term predictability, showing the extent to which donors make multi-year commitments.

Separately, this year's DATA Report notes an additional and relatively new means of measuring predictability: Country Programmable Aid (CPA). Defined by the OECD as 'core' development assistance, CPA is ODA that qualifies as budget support, sector-wide programme support or various forms of project and programme support that partner countries are potentially able to programme themselves. CPA is calculated by subtracting various elements of unpredictable ODA (debt relief, humanitarian aid, administration costs), ODA that is spent within the donor country, food aid and funding to national or international NGOs.

WORKING WITH NATIONAL SYSTEMS

There are two DAC indicators from the baseline 2006 and follow-up 2008 surveys. They show what percentage of ODA uses recipient governments' systems. This measure does not include flows to NGOs. The first measure is the percentage of ODA to governments that uses recipient countries' public financial management systems. The second indicator is the percentage of ODA to recipient governments that uses local procurement systems.

The CBP criterion also monitors procurement, measuring the average time it takes for a particular donor's funds to complete procurement procedures – from pre-tender document preparation to contract award (regardless of whether it uses a donor's own or the recipient government's procurement systems). The length of delay for each donor reflects partly whether it uses its own systems, which are usually slower.

UNTYING ODA AND LOCAL COMPETITIVE PROCUREMENT

The DAC measures the percentage of bilateral aid reported in 2008 that was tied. ONE also monitors the percentage of ODA to Least-Developed Countries that is tied. It is important to note that the DAC data do not include the two key categories in which most tying of ODA is found – food aid and technical assistance. The DAC's recent report, Implementing the 2001 DAC Recommendations on Untying Aid: 2010 Review (March 2010), provides current data for 2008 on all tied aid, including food and technical assistance.

The CBP measures how much ODA is subject to competitive local procurement, and notably does cover both technical assistance and food aid.

GRANT/LOAN PROPORTION OF ODA

For the first time, the 2010 DATA Report includes data on the percentage of ODA provided as grants and loans, as reported by the DAC in its annual Development Cooperation Report.

ACRONYMS

ACT	Artemisinin-based combination therapy
ADF	Africa Development Fund
ADFD	Abu Dhabi Fund for Development
AECF	African Enterprise Challenge Fund
AFD	Agence Française de Developpement
AfDB	African Development Bank
AGOA	African Growth and Opportunity Act
AHSI	African Health Systems Initiative
ALSF	African Legal Support Facility
AMC	Advance Market Commitment
AMFm	Affordable Medicines Facility for Malaria
APP	African Progress Panel
ARF	African Renaissance Fund
ART	Antiretroviral therapy
ARV	Antiretroviral
AU	African Union
BMGF	Bill and Melinda Gates Foundation
BMU	German Ministry of the Environment
BMZ	German Ministry for Economic Cooperation and Development
CAADP	Comprehensive Africa Agriculture Development Programme
CAP	The EU's Common Agricultural Policy
CFA	Comprehensive Framework for Action
CIDA	Canadian International Development Agency
CIFA	Canadian Investment Fund for Africa
CO2	Carbon Dioxide
COMESA	Common Market for Eastern and Southern Africa
CSO	Civil society organisation
DAC	Development Assistance Committee
DDA	Doha Development Agenda
DDR	Doha Development Round
DfID	Department for International Development (UK)
DFQF	Duty-free and Quota-free Market Access
DOTS	Directly Observed Therapy
DRI	Debt Relief International
EAC	East African Community
EBA	Everything But Arms Programme
ECOWAS	Economic Community of Western States
EFA	Education for All
EITI	Extractive Industry Transparency Initiative
EPA	Economic Partnership Agreement
EPSA	Enhanced Private Sector Assistance
ETF	Education Transition Fund
ETS	European Trading Scheme
FAO	United Nations Food and Agriculture Organization
FDI	Foreign direct investment
FTI	Fast Track Initiative
FTT	Financial transaction tax
GAFSP	Global Agriculture Food Security Programme
GAVI	Global Alliance for Vaccines and Immunisations
GBS	General Budget Support
GDP	Gross domestic product
GFATM	Global Fund to Fight AIDS, Tuberculosis and Malaria
GFRP	Global Food Response Programme
GHCP	Global Health Care Partnership
GIR	Gross intake ratio
GMAP	Global Malaria Action Plan
GNI	Gross national income
GPEI	Global Polio Eradication Initiative
HIPC	Heavily Indebted Poor Countries

HLTF	UN High Level Task Force on the Global Food Security Crisis
IATI	International Aid Transparency Initiative
IBRD	International Bank for Reconstruction and Development
ICA	Infrastructure Consortium for Africa
ICF	Investment Climate Facility for Africa
IDA	International Development Association (World Bank)
IFC	International Finance Corporation (World Bank)
IFFIm	International Financing Facility for Immunisations
IFIs	International Financing Institutions
IFPRI	International Food Policy Research Institute
IMF	International Monetary Fund
INFRA	Infrastructure Recovery and Assets Platform
IPCC	Intergovernmental Panel on Climate Change
ITN	Insecticide-treated net
KFAED	Kuwait Fund for Arab Economic Development
LDCs	Least Developed Countries
LDCT	Least-Developed Countries' Tariff
LICs	Low-Income Countries
LLITNs	Long-lasting insecticide-treated bed-nets
MCA	Millennium Challenge Account
MDG	Millennium Development Goal
MDRI	Multilateral Debt Relief Initiative
MDR-TB	Multi-drug-resistant tuberculosis
MFW4A	Making Finance Work for Africa
MOEA	Ministry of External Affairs (India)
NEPAD	New Partnership for Africa's Development
NER	Net enrolment ratio
NGO	Non-governmental organisation
NTD	Neglected tropical disease
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
OPIC	Overseas Private Investment Corporation
P4P	Purchase for Progress
PCR	Primary school completion rate
PEPFAR	President's Emergency Plan for AIDS Relief
PMI	President's Malaria Initiative
PMTCT	Prevention of mother-to-child transmission (of HIV)
S&DT	Special and Differentiated Treatment
SACU	Southern African Customs Union
SADC	Southern African Development Community
SCAAP	Special Commonwealth African Assistance Program (India)
SDF	Saudi Development Fund
SSA	Sub-Saharan Africa
StAR	Stolen Asset Recovery Initiative
TICAD	Tokyo International Confernece on African Development
UKAN	United Kingdom Advocacy Network
UNCAC	UN Convention Against Corruption
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commision for Africa
UNFCCC	UN Framework Convention on Climate Change
UNICEF	United Nations Children's Fund
UNITAID	United Nations Funding Facility for the Treatment of HIV/AIDS, Malaria and TB
UPE	Universal primary education
WFP	World Food Programme
WHO	World Health Organization
WTO	World Trade Organization
XDR-TB	Extensively drug-resistant tuberculosis

ENDNOTES

EXECUTIVE SUMMARY

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2 President Obama's speech at the UN in September 2009. http://www.whitehouse.gov/the_press_office/remarks-by-the-president-to-the-united-nations-general-assembly/

3 These increases do not take into account 2010 and 2011 cuts in global assistance that were announced by Spain as this report went to print. As part of sweeping budget cuts to stave off economic collapse, Spain has announced cuts of at least €600m over 2010 and 2011, although final cuts may be higher. It is not yet known what proportion of these cuts will be implemented in 2010, nor how assistance to sub-Saharan Africa will be affected.

4 See endnote 3.

5 See endnote 3.

6 Data available as of UNAIDS' November 2009 AIDS Epidemic Update. UNAIDS has not yet released official AIDS data for 2009; ONE anticipates that these will be released by December 2010.

7 According to data presented in UK Statistics on International Development, the UK met 92% of the target to double 2003/04 bilateral ODA to sub-Saharan Africa by 2007/08.

8 The UK has recommitted to its ODA plans, despite falling projections of national income. This means that it is expected to reach 0.61% ODA/GNI in 2010. This is comfortably on track to reach 0.7% by 2013, as planned.

2010 AND BEYOND

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DEVELOPMENT ASSISTANCE

1 This report tracks commitments made at the G8 Summits in 2005 and since. However, while Russia is part of the G8, it is not an OECD DAC donor and did not make explicit commitments to scale up development assistance as part of the collective totals. Therefore, Russia is not held accountable for contributions towards this commitment. Throughout the DATA Report, 'G7' is used when referring to ODA commitments. Where non-ODA commitments and non-ODA references are made, 'G8' is used.

2 G8 Communiqué. 2005.

3 Calculating the external resources required for achieving the G8's health outcomes in sub-Saharan Africa is difficult, particularly given the

various estimates available and the potential for overlap between health sectors. The figure of $29.47 billion by 2010 is ONE's best estimate, based on the most recent figures we have for the following areas: HIV/AIDS (UNAIDS. 2009. 'What Countries Need: Investments Needed for 2010 Targets.' UNAIDS: Geneva, p.7 – based on an assumption that donors contribute two-thirds of funding); malaria (RBM. 2008. 'Global Malaria Action Plan for a Malaria-Free World'. RBM: Geneva. Based on an assumption that 82% of funding in Africa comes from donors and there is no private spending on malaria. GMAP, p.248); polio (WHO and UNICEF. 2009. 'Budgetary Implications of the GPEI Strategic Plan and Financial Resource Requirements 2009–2013.' p.19 – based on an assumption that donors contribute 80% of funding); maternal, newborn and child health (The Partnership for Maternal, Newborn and Child Health. http://www.who.int/pmnch/activities/calltoactionstatement/en/index.html – based on an assumption that donors contribute 80%); tuberculosis (Stop TB Partnership. The Global Plan to Stop TB. http://www.stoptb.org/global/plan/funding/region/default.asp – based on an assumption that donors contribute 50% of funding); and health systems (The High Level Task Force on Innovative Financing for Health Systems. 2009. http://www.who.int/pmnch/media/membernews/2009/htltf_wg1_report_EN.pdf).

4 The French government has indicated that 2010 ODA will actually be higher than that projected in budget documents, largely through increased lending and IMF contributions. Volumes are currently unknown.

5 Because multilateral contributions are often disbursed in lumps, ONE considers it fairer to smooth 2004 and 2005 for the purposes of establishing a baseline for progress.

6 These increases do not take into account 2010 and 2011 cuts in global assistance that were announced by Spain as this report went to print. As part of sweeping budget cuts to stave off economic collapse, Spain has announced cuts of at least €600m over 2010 and 2011, although final cuts may be higher. It is not yet known what proportion of these cuts will be implemented in 2010, nor how assistance to sub-Saharan Africa will be affected.

7 See endnote 6.

8 See endnote 6.

9 Expressed in current prices, Canada's Gleneagles commitment was originally interpreted as a doubling of ODA from a baseline of CAD$1.4 billion ($1.1 billion) in 2003–04. After Gleneagles, Canada clarified that the 2003–04 baseline was CAD$1.05 million ($750 million), because it had spent less on ODA to sub-Saharan Africa in 2003–04 than was anticipated. 2004 ODA, from which the report measures progress (in 2009 prices), was CAD$1.152 billion ($1.113 billion).

10 According to data presented in UK Statistics on International Development, the UK met 92% of the target to double 2003/04 bilateral ODA to sub-Saharan Africa by 2007/08.

11 The UK has recommitted to its ODA plans, despite falling projections of national income. This means it is expected to reach 0.61% ODA/GNI in 2010. This is comfortably on track to reach 0.7% by 2013, as planned.

12 At the time of Gleneagles, the US had reported preliminary 2004 ODA to sub-Saharan Africa at $4.4 billion (in 2004 prices). Subsequently, it revised final 2004 ODA levels to sub-Saharan Africa upward to $5.1 billion (in 2004 prices). 2004 ODA, from which this report measures progress (in 2009 prices) is $5.387 billion.

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[3] UNCTAD. 'World Economic Situation and Prospects 2010, Global Outlook'.

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'US-African Trade Profile 2009'.

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INVESTING IN PEOPLE

[1] Calculating the external resources required for achieving the G8's health outcomes in sub-Saharan Africa is difficult, particularly given the various estimates available and the potential for overlap between health sectors. The figure of $29.47 billion by 2010 is ONE's best estimate, based on the most recent figures we have for the following areas: HIV/AIDS (UNAIDS. 2009. 'What Countries Need: Investments Needed for 2010 Targets.' UNAIDS: Geneva, p.7 – based on an assumption that donors contribute two-thirds of funding); malaria (RBM. 2008. 'Global Malaria Action Plan for a Malaria-Free World' RBM: Geneva – based on an assumption that 82% of funding in Africa comes from donors and there is no private spending on malaria. GMAP, p.248); polio (WHO and UNICEF. 2009. 'Budgetary Implications of the GPEI Strategic Plan and Financial Resource Requirements 2009–2013.' p.19 – based on an assumption that donors contribute 80% of funding); maternal, newborn and child health (The Partnership for Maternal, Newborn and Child Health. http://www.who.int/pmnch/activities/calltoactionstatement/en/index.html – based on an assumption that donors contribute 80%); tuberculosis (Stop TB Partnership. The Global Plan to Stop TB. http://www.stoptb.org/global/plan/funding/region/default.asp – based on an assumption that donors contribute 50% of funding); and health systems (The High Level Task Force on Innovative Financing for Health Systems. 2009. http://www.who.int/pmnch/media/membernews/2009/htltf_wg1_report_EN.pdf).

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CANADA

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5 CPA is a relatively new concept used to measure assistance. From the total ODA amount, it subtracts unpredictable elements of assistance (debt relief, humanitarian aid, administration costs), ODA that is spent within the donor country, food aid and core funding to national or international NGOs. In short, CPA measures the portion of ODA that includes budget support, sector-wide programme support and many forms of project and programme mechanism that promote development, representing what partner countries themselves can programme.

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3 CPA is a relatively new concept used to measure assistance. From the total ODA amount, it subtracts unpredictable elements (debt relief, humanitarian aid, administration costs), ODA that is spent within the donor country, food aid and core funding to national or international NGOs. In short, CPA measures the portion of ODA that includes budget support, sector-wide programme support and many forms of project and programme mechanism that promote development, representing what partner countries themselves can programme.

4 CPA is measured as a proportion of IDA including debt relief. This is done to reflect the proportion of donor assistance representing actual flows to developing countries.

5 Imputed student costs are the estimated costs of education students from developing nations in donor countries. Under DAC rules, donors may choose wheher to include these costs in their ODA or not. Most countries, including France, have chosen to include such costs.

GERMANY

1 Including bilateral debt relief, Germany's ODA/GNI was also 0.35% in 2009.

2 CPA is a relatively new concept used to measure assistance. From the total ODA amount, it subtracts unpredictable elements of assistance (debt relief, humanitarian aid, administration costs), ODA that is spent within the donor country, food aid and core funding to national or international NGOs. In short, CPA measures the portion of ODA that includes budget support, sector-wide programme support and many forms of project and programme mechanisms that promote development, representing what partner countries themselves can programme.

ITALY

1 Gleneagles Communiqué, 2005.

2 Including bilateral debt relief, Italy's ODA/GNI was 0.16% in 2009.

3 CPA is a relatively new concept used to measure assistance. From the total ODA amount, it subtracts unpredictable elements (debt relief, humanitarian aid, administration costs), ODA that is spent within the donor country, food aid and core funding to national or international NGOs. In short, CPA measures the portion of ODA that includes budget support, sector-wide programme support and many forms of project and programme mechanism that promote development, representing what partner countries themselves can programme.

JAPAN

1 Including bilateral debt relief, Japan's ODA/GNI was also 0.18% in 2009

2 CPA is a relatively new concept used to measure assistance. From the total ODA amount, it subtracts unpredictable elements (debt relief, humanitarian aid, administration costs), ODA that is spent within the donor country, food aid and core funding to national or international NGOs. In short, CPA measures the portion of ODA that includes budget support, sector-wide programme support and many forms of project and programme mechanism that promote development, representing what partner countries themselves can programme.

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UNITED KINGDOM

1 Gleneagles Communiqué 2005; UK Comprehensive Spending Review (CSR) 2007. In its 2007 CSR, the UK announced an additional target for ODA to sub-Saharan Africa, namely that bilateral and multilateral spending by DFID would at least double between 2004 and 2010, from £1.3 billion to £2.6 billion. This figure increased to £3bn in the 2009/10 budget. ONE has not included this target because the figure applies only to DFID spending, while ONE is concerned with total ODA. Additionally, the figure is recognised as a minimum and may be subject to revision.

2 http://www.number10.gov.uk/news/speeches-and-transcripts

3 http://onevote2010.one.org/on-the-record/conservative/

4 According to data presented in UK Statistics on International Development, the UK met 92% of the target to double 2003/04 bilateral ODA to sub-Saharan Africa by 2007/08.

5 The UK has recommitted to its ODA plans despite falling projections of national income. This means it is expected to reach 0.61% ODA/GNI in 2010. This is comfortably on track to reach 0.7% by 2013 as planned.

6 In order to calculate interim targets, the DATA Report applies the EU commitment of half of all ODA increases going to sub-Saharan Africa to each of the years budgeted in the CSR. See methodology chapter for further details.

7 Including bilateral debt relief, the UK's ODA/GNI ratio was 0.52%

8 The UK's interim target for 2010 is 0.56% ODA/GNI, but ONE estimates that it will surpass this target at 0.61% ODA/GNI.

9 The CSR does not disaggregate debt relief. All values in this section, therefore, are ODA to sub-Saharan Africa including debt relief.

10 http://www.dfid.gov.uk/Media-Room/News-Stories/2009/Revised-DFID-spending-for-Africa/

11 CPA is a relatively new concept used to measure assistance. From the total ODA amount, it subtracts unpredictable elements (debt relief, humanitarian aid, administration costs), ODA that is spent within the donor country, food aid and core funding to national or international NGOs. In short, CPA measures the portion of ODA that includes budget support, sector-wide programme support and many forms of project and programme mechanism that promote development, representing what partner countries themselves can programme.

UNITED STATES

1 Gleneagles Communiqué. 2005.

2 A nuance to the US's progress should be noted. In 2005 at Gleneagles, President Bush committed to 'double' assistance to sub-Saharan Africa from $4.4 billion in 2004 to $8.8 billion in 2010. The US later revised the ODA amount in 2004 to $5.73 billion (in 2009 prices and net of bilateral debt relief), thus closing part of the gap to reach $8.8 billion by 2010. If we view the commitment to 'double' as increasing assistance by $4.4 billion from a starting point of $5.73 billion, rather than $4.4 billion, then the US met 78% of the 2010 target in 2009, making an increase of $3.44 billion from the actual 2004 level. ONE's pipeline analysis for 2010 indicates that the US will almost certainly reach the 2010 target increase even if the higher baseline for 2004 is applied.

3 Including bilateral debt relief, US ODA/GNI for 2009 was also 0.20%.

4 CPA is a relatively new concept used to measure assistance. From the total ODA amount, it subtracts unpredictable elements of assistance (debt relief, humanitarian aid, administration costs), ODA that is spent within the donor country, food aid and core funding to national or international NGOs. In short, CPA measures the portion of ODA that includes budget support, sector-wide programme support and many forms of project and programme mechanisms that promote development, representing what partner countries themselves can programme.

5 US–Africa Trade Profile. 2009. International Trade Commission, Department of Commerce. Accessible at: www.agoa.gov

EUROPEAN UNION

1 The 0.56% collective target includes a sub-set of targets for new-accession EU member states. These have individual, lower 2010 targets of 0.17% (and 0.33% by 2015). The EU15 collective target is therefore higher than 0.56% in order to compensate for these lower targets. For purposes of consistency, the DATA Report tracks ODA data provided by the OECD DAC, which only provides data on the EU15.

2 http://europa.eu/rapid/pressReleasesAction.do?reference=IP/05/862&format=HTML&aged=0&language=EN&guiLanguage=en

3 http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/451&format=HTML&aged=0&language=EN&guiLanguage=fr

4 Ibid.

5 Including bilateral debt relief, the EU's collective global ODA/GNI was 0.44%.

6 European Commission. 2009.

DEVELOPMENT ASSISTANCE COMMITTEE (DAC)

1 2010 Global targets are based on those presented by the DAC, with the exception of the UK's, which is taken from its Comprehensive Spending Review.

2 2004–09 increases are based on absolute ODA values. These differ from those presented elsewhere in the report, which measure progress from a smoothed baseline.

3 2004–09 increases are based on absolute ODA values. These differ from those presented elsewhere in the report, which measure progress from a smoothed baseline.

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7 Ibid.

8 L. Corkin. 2009. 'China, Africa and the Environment'.

9 Ibid.

10 D. Brautigam. 2009. Op. cit.

11 ODA Korea, Ministry of Foreign Affairs and Trade. www.odakorea.go.kr/eng/policy/philosophy.php

12 Including IDA, IBRD, IFC and MIGA.

13 OECD-DAC website: http://stats.oecd.org

14 Ibid.

15 Ibid.

16 UNCTAD. 2009. 'Economic Development in Africa'.

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18 W. Braude et al. 2008. 'Emerging Donors in International Development Assistance: The South Africa Case'.

19 Ibid.

20 OECD DAC. 2010 'Development Cooperation Report 2010'.

21 W. Braude et al. 2008. Op.cit.

22 Qatar is also a significant donor but, with no available annual reports for its agencies or estimates from the DAC, it has not been included for analysis.

23 Total development assistance by Arab donors is made up of contributions from different government agencies, as is reported to the OECD. However, availability of the information outside of the OECD-DAC concerning development assistance contributions by all government agencies is not transparent; only the annual reports of the main development agencies (KFAED, SDF and ADFD) are publicly available for comparable analysis.

24 OECD DAC website: http://stats.oecd.org

25 J. Vidal. 2010. 'How food and water drive a new foreign land grab in Africa'. The Guardian.

26 E. Neumayer, 'Arab-related Bilateral and Multilateral Sources of Development Finance: Issues, Trends and the Way Forward'.

27 KFAED. 2009. 'Annual Report 2008–09'.

28 Ibid.

29 OECD DAC website: http://stats.oecd.org

30 SFD. 2008. 'The Saudi Fund for Development Annual Report 2008'. Accessed at www.sfd.gov.sa/english

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32 OECD DAC website: http://stats.oecd.org

33 ADFD. 2007. 'Welcome to Abu Dhabi Fund for Development.' Accessed at www.adfd.ae/home-en.htm

34 OECD DAC website: http://stats.oecd.org

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42 http://allafrica.com/stories/200907310935.html

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