

EXECUTIVE SUMMARY

This report is being released at the midway point of two efforts to realise real change for the world's poor: the longer-term effort to achieve the Millennium Development Goals (MDGs) between 2000 and 2015, as agreed in the Millennium Declaration of 2000, and the short-term effort to get Africa on track to achieve these goals between 2005 and 2010, as agreed and pledged by the G8 and EU in 2005. It is an important time to take stock of progress to date and to correct the course of action.

The third annual DATA Report is intended to help policy-makers do just that – take stock and correct the course of action. It is an annual snapshot of progress and a record of the extent to which the 2005 commitments have thus far been delivered.

Assistance has increased slightly, and Africans have in fact made tremendous progress using the resources that have reached them. However, even as stories of success should be reassuring the global community that its commitments were worthwhile and that its role in partnership with Africa can truly save lives and offer hope for the future of millions, donors are stalling the full delivery of that which they committed. This should be a year in which the mechanisms for increasing assistance should be fully functional and scaling up rapidly towards the 2010 target. Instead, change remains incremental and tremendous success stories on the ground are not being taken to scale in the manner necessary to realise the shared goals of the international community.

Unfortunately, as in the past two years, donors are yet again 'off track' in delivering upon their commitments and, with every 'off track' year that passes, fully delivering the

commitments by 2010 becomes more difficult. Landmark commitments to increase assistance, to maximise its efficiency, to make trade finally work for Africa and to offer universal access to life-saving antiretroviral drugs or even to primary education are still taken seriously by the citizens in whose name they were made and by those in Africa striving to fight poverty. (Although this year's DATA Report does not include a dedicated chapter to commitments made on food and sustainable agriculture, we are committed to including one in next year's report). Achieving them is still possible but it will require redoubled efforts, especially given the slow start. The DATA Report attempts to more clearly track progress and to outline the steps needed to reach the 2010 targets and help Africans get on the right track for 2015.

KEY FINDINGS

HALFWAY TO THE TARGET DATE, THE G8 HAVE DELIVERED ONLY 14% OF THE ODA COMMITMENT

Using development assistance as a proxy for the package of commitments, the G8 have delivered 14% of their total commitment over the past three years – or roughly \$3 billion of the \$21.8 billion in additional official development assistance (ODA) committed, increasing ODA from \$15.8 billion in 2004 to \$18.8 billion in 2007.¹ This means that in order to meet the target by 2010, rather than deliver an average increase of just \$1 billion per year as they have done collectively for the past three years, the G8 must deliver an average of \$6.7 billion per year for the next three years (These figures will change slightly once Japan's new commitment is taken into account).

DIFFERENT COUNTRIES MADE DIFFERENT PROMISES AND ARE KEEPING THEM TO DIFFERENT DEGREES

In 2007, two countries (Canada and France) 'clarified' their commitments, resulting in a reduction of the overall total; one country (Japan) met its very unambitious commitment; three countries (Canada, France and Japan) reduced their assistance to sub-Saharan Africa; two countries (the US and the UK) provided data that revealed a high likelihood of fully delivering their commitments by 2010; and two countries posted robust increases in the level of their assistance (Germany's increase being the result of a planned budgetary commitment, Italy's the result of a tax windfall). Each country's story is slightly different, but each has a role to play in ensuring the integrity of the G8 commitment as a whole. In particular, clear annual timetables for delivery are needed from all donors.²

COUNTRIES OUTSIDE THE G8 ARE DOING THEIR PART TO TAKE THEIR COMMITMENTS FORWARD

The G8 made very public commitments to Africa at Gleneagles, but other countries have also made commitments to the region. At the EU Council in May 2005, all 15 longstanding EU members committed to delivering 0.51% ODA/GNI by 2010, on the way to 0.7% by 2015, with half of these increases directed to sub-Saharan Africa. While this commitment provided

the starting point for the UK, Italy, France and Germany at Gleneagles, other countries such as Spain, Ireland, Belgium and Finland took on the challenge as well. To date these smaller, non-G8 EU members are collectively outperforming the G8 in terms of follow-through on their commitments. Between 2006 and 2007, even as G7 countries increased ODA to Africa by 4.7%, non-G7 DAC members increased theirs by 8.6%. In terms of meeting their commitments, G8 countries have delivered on 14% of what they promised, while non-G8 DAC countries have delivered on 21%.

THE 14% THAT HAS COME THROUGH IS DELIVERING RESULTS

The list of examples of success that were cited in last year's DATA Report have continued to grow and to prove that investments undertaken in partnership with Africa can deliver real results. There are now 2.12 million HIV-positive Africans receiving life-saving antiretroviral therapy, whereas in 2002 there were only 50,000. Some 29 million children are now going to school for the first time. Almost 26 million children received a basic package of immunisations between 2001 and 2006, and 46 million bed nets were distributed through the Global Fund alone – helping to reduce malaria rates dramatically in countries such as Tanzania, Rwanda and Ethiopia.

SOME COUNTRIES ARE ALLOWING A FIRST GLIMPSE AT 2010 WHILE OTHERS CONTINUE TO OBSCURE EVEN THE PAST

For the first time this year, DATA has tried to look beyond the limitations of the DAC data, which represents the best available, to estimate future spending levels and to get its first glimpses of 2010. Some countries' budget systems allow for a robust analysis. The UK's three-year budget-setting cycle allows for estimates of ODA levels in 2010, and these promise nearly to reach the full extent of the UK's commitment by then. The US provides expected spending rates for existing budgets, from which DATA could estimate the outlays by 2010

which indicate that the Gleneagles commitment should in fact be delivered by then.

However, other countries make analysis much more difficult. As of April 2008, Italy had still to report to the DAC on its sectoral spending for 2006 in a manner that the DAC felt was strong enough to release, and Canada had not released statistical figures that would allow for analysis of the relation between budgets and ODA for Africa. Some countries are still deliberating on the exact interpretation of their commitments, making measurement even more difficult. If such a lack of transparency makes it difficult for DATA to report, imagine the difficulty for a finance minister in Africa trying to make plans for the future, having to hope that the promised resources are forthcoming but having no way to know for sure.

THERE IS NO ROADMAP FOR ACCOUNTABLE ANNUAL DELIVERY

Unfortunately the G7 never committed to annual interim targets on the way to achieving their 2010 promises on ODA. This makes it difficult to collectively hold them accountable on progress. Last year, DATA called on Chancellor Merkel of Germany to urge the G8 leaders in Heiligendamm to deliver a set of annual targets, but the G7 have not yet provided such a roadmap. In lieu of targets set by the G7, DATA has drawn straight-line trajectories to the 2010 target to demonstrate what would be required under a steady trajectory. Some donors have criticised DATA's methodology for measuring progress, but still refuse to unveil their own. As noted above, given the slow progress over the past three years, donors will need to substantially increase their spending between 2008 and 2010 in order to meet their commitments. While some have revealed plans to reach the 2010 target, most have not. Making such information public would better ensure the delivery of commitments and allow recipients to plan more effectively, thereby improving results.

THE G8 ARE STILL FAILING TO MAKE TRADE POLICY WORK FOR DEVELOPMENT

Reducing poverty in Africa requires not only development assistance, but policy changes and assistance that enable African farmers and small businesses to earn and grow through trade. The current food crisis only underscores the long-term challenges that trade distortions such as agricultural subsidies

have helped to create. A true development partnership with Africa requires that trade policy is linked to poverty alleviation. Trade negotiations have not fully addressed what matters most to the developing world – agriculture – and trade cannot work for Africa without addressing this important sector. Trade negotiations did not deliver this in 2007 and, unless G7 leaders change their current course in trade negotiations and overcome domestic politics, there is not much hope for 2008 either. A new approach is needed that can enable Africa to use the powerful tool of trade to participate in domestic, regional and global markets.

DONOR PERFORMANCE ON IMPROVING AID EFFECTIVENESS IS PATCHY

Aid effectiveness refers to the way in which development assistance is delivered so that it best achieves its intended goal. This year's report includes an expanded review of aid effectiveness, and the findings have been mixed. Some donors clearly have taken aid quality more seriously than others but, even for individual donors, performance on one indicator might be positive and on others quite the opposite. The Accra High Level Forum on Aid Effectiveness in September 2008 offers a key opportunity for the G8 to strengthen their commitment. At a minimum, a positive outcome from Accra would be for donors to implement their commitment to report and publish activities in all recipient countries in time for those countries' national budget cycles. It is important for the G8 and other DAC donors to show high standards of transparency if they are to encourage similar openness by other donor countries, which are becoming more important for Africa.

SUMMARY OF PROGRESS

DEVELOPMENT ASSISTANCE

Underlying all of the ambitious sectoral commitments made in 2005 was the commitment to mobilise an additional \$25 billion in development assistance for Africa by 2010 and to spend this money effectively. Due to some clarifications, the total committed by the G7 is now an increase in official development assistance (ODA) from \$15.8 billion in 2004 to \$37.6 billion in 2010 – an increase of an additional \$21.8 billion. Three years since the commitments were made, only \$3 billion of the increase has been delivered by the G7 – leaving \$18.8 billion still to be delivered. (In total, the OECD DAC nations committed to deliver a total of \$26.1 billion in additional ODA to sub-Saharan Africa by 2010; to date, they have delivered \$3.934 billion of that total.) In order to be on a straight-line trajectory to delivering the full commitment by 2010, the G7 would have needed to increase assistance by \$5.88 billion between 2006 and 2007 – but with only \$837 million in additional assistance in 2007, they have fallen \$5.04 billion short of that target.

There is wide variation amongst donors, both in terms of the ambition of the original commitments and the progress against those commitments to date. On the whole, the EU G8 members made more ambitious commitments, but thus far have not delivered extensively. On the other hand, Canada, Japan and the US made relatively less ambitious commitments and yet are moderately closer to meeting them.

In this year's analysis, DATA used currently available budget information to estimate 2008 ODA levels from G7 donors. In total, DATA expects the G7 to increase ODA by \$2.6 billion in 2008 – a much larger increase than has been made over the past few years, but still \$3.8 billion short of the increase necessary to be on a steady track towards the 2010 targets. The pipeline analysis reveals that two donors – the US and the UK – have undertaken budgetary provisions that DATA estimates should allow both to at least come close to meeting their 2010 targets.

The analysis also evaluates four measures of aid effectiveness using indicators agreed to by all G8 members as part of the Paris Declaration. In total, The DATA Report

considers ten indicators across transparency and reporting, predictability, use of national systems and untying aid and local competitive procurement. Using these indicators, DATA has ranked countries in four groups from most effective ODA to least effective: the UK; Canada and Germany; France and Japan; Italy and the US.

DEBT

The 2005 commitment on debt was to cancel 100% of the multilateral debts owed to the IMF, World Bank and the African Development Bank (ADB) by Highly Indebted Poor Countries (HIPC). The effort, known as the Multilateral Debt Relief Initiative (MDRI), was designed to deliver multilateral cancellation in a manner that would ensure that the institutions would not lose financing capacity as a result. By the end of 2005, the IMF, World Bank and ADB shareholders had agreed with the G8 members and finalised agreements to implement almost \$50 billion of additional debt cancellation. The Poverty Reduction Strategy Plans devised by African governments as part of the HIPC deal have ensured that African countries have largely used the funds that they no longer spend on debt service to help reduce poverty. Partly because of debt cancellation, qualifying countries increased the share of their government revenues directed to poverty reduction from 37.8% in 2000 to 55.1% in 2007. In absolute terms, this means an increase in poverty-reducing expenditure of \$14 billion.

The G8 are on course to fully meet their commitment to cancel 100% of multilateral debts to qualified poor countries. Ensuring that donors compensate the international financial institutions for the loss in income due to the agreement remains a long-term task and, while most G8 countries have taken provisional measures to ensure long-term financing, some do not have sufficient commitments beyond 2008. This year's report welcomes the flexibility shown by donors in 2007, which ensured that Liberia could benefit from the debt commitment at a critical moment in the country's development, and notes that similar flexibility may be needed in the future. The G8 must also take it upon themselves to establish a charter for responsible lending and creditor co-

responsibility, a fair and transparent process for considering odious debt and a lasting solution to the issue of vulture funds.

TRADE

Development assistance can help bridge unmet financial needs as countries strive to meet the MDGs, including the goals set out in the Gleneagles Communiqué, but in the long run countries want and need improved trade opportunities to fuel development and growth. In 2005 the G8 committed to 'make trade work for Africa'. DATA interprets this commitment to mean that the G8 would work through the Doha development round, or other vehicles if necessary, to ensure that African countries can better access local, regional and global markets and that they would have the capacity necessary to produce goods for those markets. The package required to do this includes the reduction of agricultural subsidies so as to regularise the price of goods on the market; enhanced access to rich country markets through reduced tariffs, with simpler rules of origin for preference programmes; aid for trade to help countries produce and deliver goods; and, last but not least, the policy space to ensure that trade agreements are handled through each country's due democratic process and that they fit each country's economic development agenda.

The need to improve trade policy has been spotlighted recently by headlines regarding the global food crisis. Continuing trade restrictions and subsidies on agricultural products and weak infrastructure, compounded by other economic shocks, have distorted global markets and increased food prices beyond the reach of poor people. The World Food Programme estimates that the cumulative impact of these factors means that 100 million more people could be driven deeper into poverty. Some countries will react to these headlines by calling for even greater subsidies to produce more subsidised food for the global market. But we cannot allow this crisis to reinforce some of the policies that have exacerbated it in the first place.

At the time this report went to press, the Doha development round was still being held up by the politics of rich nations, with little real focus on development needs. The G8 must still deliver upon their commitment to make trade work for Africa, and yet they have thus far failed to do so through Doha or through lasting and significant bilateral

policy changes. DATA calls for an African Trade Initiative to be implemented, either through Doha or by individual G8 countries, that addresses the impact of subsidies on global markets; reinforces and simplifies preference programmes granting access to G8 markets for African goods; scales up aid for trade to enhance Africa's capacity to produce and export; and ensures the policy space needed throughout these transitions.

HEALTH

The health commitments made by the G8 in 2005 were ambitious. The G8 committed to provide universal access to HIV/AIDS treatment, prevention and care; to fully scale up efforts to fight TB; to reach 85% of those in need of malaria prevention and treatment; to fulfill the financing needs to eradicate polio; and to build health systems so as to fulfill basic child and maternal health access. The G8 also committed to meet the financing needs of the Global Fund to Fight AIDS, Tuberculosis and Malaria. Unfortunately there are no comparable data available to track all of these commitments across donors, and DATA has therefore not been able to establish 'on/off track' assessments for each donor. It has instead evaluated progress using available data, which reveal that on the whole progress has been made in the efforts to fight infectious diseases, but that less progress has been made in building efficient health systems that can address basic child and maternal health needs, amongst other basic needs.

There has been notable progress in the fight against HIV/AIDS, malaria and polio.

- Nearly 2.12 million people were on Antiretroviral Therapy (ART) by December 2007, representing a tremendous increase from the 50,000 on treatment in 2002. In total, this means that 30% of Africans in need of treatment are receiving it (roughly on a par with the global average for developing countries), but this still falls far short of 'universal access', which is defined as reaching 80% of those in need. According to UNAIDS, funding for the fight against HIV/AIDS reached \$10 billion in 2007, yet funding needs by 2010 loom large at over \$40 billion.

- Progress has also been made in the fight against malaria, with successful bed net distribution campaigns reducing child mortality in high-burden countries. As of November 2007, the Global Fund alone had distributed more than 46 million bed nets to countries in which malaria is endemic. In fact, for the first time in decades, the goal of eradicating malaria in Africa is being discussed again and is spurring increased attention and funding for the disease.

- The goal of eradicating polio is tantalisingly within reach; only 1,300 cases occurred worldwide in 2007, and just 375 of these were in Africa. Ensuring that polio, like smallpox, becomes a disease of the past would represent a huge achievement. The G8 should continue to play their part to ensure that this is achieved.

However, progress in the fight against tuberculosis (TB) and in the effort to build functioning health systems to improve child and maternal health has been much slower. Despite its impact on HIV/AIDS and the toll it takes on individuals, TB continues to be significantly underfunded. The Stop TB Global Plan called for \$1.25 billion to be spent in Africa in 2007, but only \$436 million was available. As resources to fight specific diseases are scaled up, funding for health systems as a percentage of total health sector spending has declined in the past three years. Although there have been small increases in absolute funding for health systems, these increases have not kept pace with increases for infectious diseases.

Providing an overall assessment of progress is difficult because of the collective nature of the goals, but the G8 is broadly not meeting a proportionate share of the needs in funding for these health goals. Delivering on the health commitments will require a sustained scale-up to fight HIV/AIDS, meaningful individual commitments to fight malaria and TB and overall increased commitments to resource the Global Fund. Further, to ensure the success of these targeted investments and to make progress in improving child and maternal health, donors must turn their attention in 2008 to the underlying need in Africa for functioning health systems, including training and retaining health-care workers across the continent.

EDUCATION

Education is another sector in which the G8 committed to work with African governments towards a lofty but achievable goal – to ensure that all children complete a full course of primary schooling. No specific financing targets were committed to in 2005 by G8 leaders, but DATA has tracked G8 progress using the best estimates available for the cost of achieving global universal primary education, and has found that the G8 collectively have not delivered their proportionate share of the resources needed to achieve this goal. Individually, only two countries (Canada and the UK) are on track with this commitment.

Dramatic gains have been made in primary education in Africa since the turn of the century. Some 29 million more children were attending school in 2005 than in 1999. This was due to greater prioritisation of education by African governments, savings from debt relief and targeted development assistance. But there are still 33 million children out of school, and demographic pressure will remain a challenge for the next decade, as the numbers of primary school-age children grow at a sustained rate. As enrolments increase, the quality of education for those attending school must also be improved. The G8 committed to fully scaling up the Education For All Fast Track Initiative, but funding gaps remain for a number of endorsed African countries. Furthermore, the G8 must turn their attention to the even greater challenge of scaling up assistance to meet the needs of children living in fragile states. In addition, African countries will need to scale up their domestic resources, and other leading non-G8 donors, such as the Netherlands, will have to continue their leadership by filling the remaining financing gap.

WATER AND SANITATION

The commitments made to water and sanitation at the Gleneagles Summit were not as robust as commitments made to other sectors. In the Gleneagles Communiqué, the G8 committed to increasing aid to the sector and referenced a 2003 pledge to prioritise water and sanitation as part of their overall ODA allocation. Interpreting these commitments, while attempting to honour the original intent of the G8's pledges, led DATA to determine that, at a minimum, the proportion of development assistance dedicated to water and sanitation should be held constant as overall development assistance

increases. Because sub-Saharan Africa has the world's lowest rates of access to improved water and sanitation, the region should receive at least the same proportion of ODA that is given to water and sanitation globally. Water and sanitation comprised 5.5% of global ODA from 1990 to 2005, a level that DATA has chosen as a target to measure progress towards the G8 commitment in this report.

As a whole, the G8 are off track in keeping this commitment. In 2006 (the most recent year for which data are available), they directed 3.83% of their total ODA to sub-Saharan Africa towards the sector. While two G8 countries (Germany and the UK) came close to directing a 5.5% share, three were slightly off track (France, Italy and Japan) and the remaining two (the US and Canada) were far off track. Prioritisation of Africa as a region was also disappointing: although Africa is furthest from reaching the MDG targets on water and sanitation, in 2006 only 27% of the G8's overall funding for the sector went to the continent. Although countries like the US and Japan are among the largest donors to water and sanitation globally, thus far they have failed to extend their expertise to Africa and continue to designate extremely small shares to the region. To get on track, the G8 need to scale up development assistance for the water and sanitation sector to 5.5% of ODA and prioritise Africa in the global allocation of water and sanitation financing.

GOVERNANCE AND SECURITY

Good governance and security are critical preconditions for achieving meaningful poverty reduction in Africa and must be front and centre in G8 and African efforts to meet the Millennium Development Goals. In this year's report DATA has combined governance and security into one chapter, and in this chapter has evaluated G8 and African commitments and progress alongside one another. DATA has done this in recognition of the fundamental linkages between governance and security, and also of the basic co-dependence of G8 and African commitments in these sectors.

2007 saw improvements in governance and security in a number of countries, but also some very disappointing setbacks (i.e. Kenya) and continued stalemates in others (i.e. Zimbabwe). Despite these setbacks, however, across the continent the number of democracies is on the rise and the number of countries in conflict is in decline.

The issues of governance and security and the relationship between African efforts and G8 efforts should be seen in a somewhat symbiotic light: meaningful progress on governance and security in Africa will come only if G8 commitments are met by reciprocal African commitments. Similarly, to succeed, African governments must have support and, to some extent, incentives from G8 countries to make meaningful reforms. At Gleneagles, the G8 made a number of governance commitments to sign international conventions and treaties, such as the UN Convention Against Corruption (UNCAC), and to support African-owned initiatives such as the African Peer Review Mechanism (APRM). On peace and security, the G8 made a range of commitments; this report measures progress on promises surrounding peacekeeper training, supporting the African Standby Force and addressing the crisis in Sudan. It is important to note that the commitments monitored in this year's report do not represent the full portfolio of activities undertaken either by donors or by African governments to address governance or security, nor will fulfilment of these commitments alone adequately address the issues of governance and security in Africa.

The 2008 Report finds that donors have largely delivered on their commitments to sign and ratify the UN Convention against Corruption (UNCAC) and the OECD Convention Against Bribery, and that they are also supporting the Extractive Industries Transparency Initiative (EITI) and the APRM. African governments have stepped up efforts to promote good governance, with 28 countries signed up to participate in the APRM process and 15 countries meeting the conditions to be EITI candidate countries. Governance is improving in many countries across the continent, but much more remains to be done: too many countries – both among the G8 and in Africa – still need to move beyond simple ratification of an agreement and towards meaningful enforcement.

On peace and security, G8 donors committed to train 75,000 peacekeepers and to support the AU mission in Sudan and the African Standby Force (ASF). G8 donors are on track to meet the commitment to train 75,000 peacekeepers, but support to the AU mission in Sudan has been inadequate and efforts to support the ASF have been uneven across different donors. The Peacebuilding Commission and Central Emergency Response Fund (CERF) have been established since Gleneagles and, though there are some funding

shortfalls, both have made important progress in their first few years of operation. Efforts by African governments to improve security across the continent have picked up in recent years, and African countries continue to supply large numbers of peacekeeping troops for missions both within and outside of Africa. Progress in setting up the regional brigades for the ASF, however, has been uneven across regions and is a very clear area in which G8 support could be helpful.

AFRICAN COUNTRIES' PROGRESS IN FULFILLING THEIR OWN COMMITMENTS

In this year's report, in addition to monitoring the governance and security commitments made by African governments, DATA has tried to present some of the key sectoral commitments made by African leaders on health, education, water and sanitation and trade. As with governance and security, true progress relies upon partnership and a shared sense of priority.

The biggest challenge in preparing this chapter was a lack of data. African efforts to monitor their own commitments are largely underfunded and data are hard to come by. Even statistics provided by major international institutions are dated and sparse. To this end the Ibrahim Index is an important new innovation. DATA also applauds the work that the African Monitor has done in compiling and assessing commitments made to African people by the international community, as well as their own governments. Further work by the African Monitor is looking into progress against commitments in more detail and, with additional support, its findings could help to access better data for a far more comprehensive picture. Although the picture painted in this chapter is not comprehensive, it highlights the need for increased research and accountability so that African civil society can better monitor its own governments' efforts.

In the health sector, African governments have committed to increase domestic resources for health, adhere to the 'Three Ones' principles on HIV/AIDS to maximise efficiency and coordination with all stakeholders, and devise plans for health capacity enhancement. Four African countries met their target of spending 15% of their budgets on health in 2004, and the majority of countries (for which there are data available) have both worked to implement the Three Ones and have

established a plan to expand human resources for health, although these plans will still require financing.

In education, African governments have prioritised the sector by diverting savings from debt cancellation and domestic resources to scale up the number of children enrolled. However, higher enrolments have further highlighted the need to address quality levels and completion rates. To address this, governments have committed to longer-term planning and have prioritised financing. African governments are developing long-term plans that detail financing gaps where the international community can support countries' development objectives.

African governments have agreed to the creation of water sector plans and have also established the African Ministerial Conference on Water (AMCOW), which presents a first opportunity for African governments to collectively coordinate resource needs, as well as develop a comprehensive approach to financing. Beyond this, there remains a large opening for governments to identify concrete actions that can be taken domestically in order to bring about improvements in the water sector.

As African countries work to capture a greater percentage of global trade, they are addressing intra-African trade and linking trade plans to national economic development plans. Many African countries have created regional economic blocs that can increase their collective economic strength and enhance intra-African trade. At the same time, more African countries are integrating trade and investment promotion into poverty alleviation strategies and improving business climates to better facilitate these transactions.

G8 COUNTRY ASSESSMENTS

CANADA

2010 TARGET **CAD\$2.1bn** (\$1.5bn)

2007 ODA **CAD\$1.176bn** (\$904m)

CHANGE 2006-07 **-CAD\$115m** (-\$88m)

CHANGE 2004-07 **CAD\$94m** (\$72m)

% OF INCREASE ACHIEVED **10.8%**

INCREASE NEEDED 2007-08
CAD\$420m (\$298m IN 2004 PRICES)

ESTIMATED INCREASE 2007-08
CAD\$159m (\$113m IN 2004 PRICES)

Canada is off track to meet its ODA quantity commitment, despite the fact that a diminished baseline has weakened its overall commitment. In 2007 Canada reduced ODA to sub-Saharan Africa and, while plans for 2008 show improvement, they are not enough to be on track. Canada is one of only two countries on track for education, but its performance in other sectors is mixed. It ties for second place with Germany among the G8 on quality of aid but, like other G8 nations, is not leading the charge to 'make trade work for Africa'.

In 2007, Canada's ODA net of bilateral debt relief to sub-Saharan Africa decreased by CAD\$115 million (\$88 million), or 8.9%. Though bilateral ODA to sub-Saharan Africa increased by CAD\$82 million over 2006 levels, multilateral flows decreased by CAD\$197 million. To be on track as determined by a straight-line trajectory, DATA estimates that Canada should have increased its ODA to sub-Saharan Africa by CAD\$220 million (\$169 million) in 2007. In total, its ODA to the region increased by CAD\$94 million (\$72 million) between 2004 and 2007, net of bilateral debt relief.

DATA estimates that Canada will direct approximately CAD\$1.432 billion (\$1.016 billion in 2004 prices) to sub-Saharan Africa in 2008. This is an increase of CAD\$159 million (\$113 million in 2004 prices), but far less than the

increase of CAD\$420 million (\$298 million in 2004 prices) needed to be on track.

FRANCE

2010 TARGET **€6.06bn** (\$7.529bn)

2007 ODA **€2.316bn** (\$2.877bn)

CHANGE 2006-07 **-€53m** (-\$66m)

CHANGE 2004-07 **€269m** (\$334m)

% OF INCREASE ACHIEVED **6.7%**

INCREASE NEEDED 2007-08
€1.315bn (\$1.551bn IN 2004 PRICES)

ESTIMATED INCREASE 2007-08
€256m (\$301m IN 2004 PRICES)

France is currently off track on its commitment to increase ODA, despite moving its global goal of 0.7% ODA/GNI back from 2012 to 2015. France committed to spend the majority of increased ODA in sub-Saharan Africa but, even as its global ODA increased slightly in 2007, its assistance to the region decreased. France is a clear leader in its support for the Global Fund and the use of innovative finance, but along with other members of the EU has failed to deliver pro-development trade reform. Even though it hosted the conference that gave birth to the Paris Declaration on aid effectiveness, it is not a leader in this area.

In 2007, France's assistance to sub-Saharan Africa declined by €53 million (\$66 million). Its multilateral allocation to the region dropped by €13 million, and its bilateral assistance net of bilateral debt relief declined by another €40 million. To be on track as determined by a straight-line trajectory, DATA estimates that France should have increased its ODA to sub-Saharan Africa by €1.128 billion (\$1.402 billion) in 2007. Despite the decline last year, France's ODA

to sub-Saharan Africa increased by a net €269 million (\$334 million) over the period 2004-07.

DATA estimates that, despite the recent declines in France's ODA to Africa, approximately 39.9%, or €2.696 billion (\$3.178 billion in 2004 prices), will be allocated to Africa in 2008. This would be an increase of €256 million (\$301 million in 2004 prices) from 2007 levels, but is less than the required increase of €1.315 billion (\$1.551 billion in 2004 prices) to get on track towards the revised commitment.

GERMANY

2010 TARGET **€4.993bn** (\$6.204bn)

2007 ODA **€2.19bn** (\$2.72bn)

CHANGE 2006-07 **€250m** (\$311m)

CHANGE 2004-07 **€391m** (\$485m)

% OF INCREASE ACHIEVED **12.2%**

INCREASE NEEDED 2007-08
€965m (\$1.161bn IN 2004 PRICES)

ESTIMATED INCREASE 2007-08
€527m (\$634m IN 2004 PRICES)

Germany remains off track in 2007 despite posting significant increases in development assistance to sub-Saharan Africa. Additional welcome increases are planned for 2008, but in order to reach the 2010 target, these annual increases will need to grow. Germany is a leader on water and sanitation and hosted a strong Global Fund replenishment but is off track in education and, along with other members of the EU, has failed to deliver pro-development trade reform.

Excluding bilateral debt relief, Germany increased its development assistance to sub-Saharan Africa by €250 million (\$311 million) between 2006 and 2007. To be on track as determined by a straight-line trajectory, DATA estimates that it should have increased its ODA to the region by €672 million (\$836 million) in 2007. In total, Germany's total development assistance to sub-Saharan Africa net of bilateral

debt relief increased by 6.9% or €391 million (\$485 million) between 2004-07.

DATA estimates that Germany's ODA to sub-Saharan Africa will increase by approximately €527 million (\$634 million in 2004 prices) to a total of €2.682 billion (\$3.384 billion in 2004 prices) in 2008. Though a strong increase, this is less than the €965 million (\$1.161 billion in 2004 prices) increase needed to be on a steady track towards the 2010 target.

ITALY

2010 TARGET **€3.858bn** (\$4.793bn)

2007 ODA **€883m** (\$1.097bn)

CHANGE 2006-07 **€335m** (\$417m)

CHANGE 2004-07 **-€34m** (-\$43m)

% OF INCREASE ACHIEVED **-1%**

INCREASE NEEDED 2007-08
€1.066bn (\$1.232bn IN 2004 PRICES)

ESTIMATED INCREASE 2007-08
€168m (\$195m IN 2004 PRICES)

Italy's commitment is hugely ambitious but the country is hugely off track based on DATA's trajectory. Although good progress was made in 2007 to restore previous cuts in assistance to Africa and the 2008 pipeline reveals a solid increase, Italy needs to ensure that these are sustained increases and not one-time payments. Since 2005, much of its ODA has been used to replenish arrears owed to multilateral funds but, beyond that, activity is unclear because of weak reporting on expenditures. Along with other members of the EU, Italy has failed to deliver pro-development trade reform.

Italy's total ODA to sub-Saharan Africa net of bilateral debt relief rose by €335 million (\$417 million) between 2006 and 2007 to reach a total of €883 million (\$1.097 billion), representing an increase of 61% in one year. However, this increase does not fully compensate for past performance. In order to be on track towards its 2010 target, Italy should have increased its ODA to the region by €973 million (\$1.207 billion)

in 2007. Despite a strong 2007 performance, Italy actually cut development assistance by a net €34 million (\$43 million) between 2004 and 2007.

DATA estimates that Italy will allocate approximately €1.118 billion (\$1.291 billion in 2004 prices) to Africa in 2008. This is an increase of €168 million (\$195 million in 2004 prices), but is less than the €1.066 billion (\$1.232 billion in 2004 prices) needed to get on track.

JAPAN

2007 TARGET FOR BILATERAL ODA

¥121.31bn (\$1.12bn IN 2004 PRICES)

¥122.6bn (\$1.06bn IN CURRENT PRICES)

2007 BILATERAL ODA

¥125.5bn (\$1.16bn IN 2004 PRICES)

¥122.3bn (\$1.04bn IN CURRENT PRICES)

CHANGE IN TOTAL ODA TO SUB SAHARAN AFRICA 2006-07

-¥21.3bn (-\$197m IN 2004 PRICES)

-¥25.1bn (\$213m IN CURRENT PRICES)

CHANGE IN TOTAL ODA TO SUB SAHARAN AFRICA 2004-07

¥70.4bn (\$598m IN 2004 PRICES)

¥43.6bn (\$370m IN CURRENT PRICES)

% OF INCREASE IN BILATERAL ODA TO SUB SAHARAN AFRICA ACHIEVED

100% USING 2004 PRICES. **98%** USING CURRENT PRICES

ESTIMATED INCREASE 2007-08

-¥6.223bn (-\$59m IN 2004 PRICES)

Using 2004 constant prices Japan has fulfilled a very weak commitment to double bilateral ODA to sub-Saharan Africa from a 2003 baseline, but in 2007 it cut ODA to the region compared with 2006 levels and has also reduced global ODA in the past two years. Though it is not assessed in this Report, Japan made a new commitment to double bilateral ODA to Africa by 2012 at TICAD, but once again, omitted multilateral assistance from its pledge. Japan has not extended its

expertise on water to Africa and although it co-chairs the FTI, it has not pushed global education goals. On trade, it has done little to integrate its trade policy with development to create opportunities for African countries.

In 2007, Japan reduced its ODA net of bilateral debt relief to sub-Saharan Africa by ¥21.269 billion (\$197 million), or 8% in 2004 prices. This decrease was due to a 48% drop in multilateral assistance. Japan's bilateral ODA to the region increased to ¥125.495 billion (\$1.161 billion), thus surpassing the modest 2007 target for bilateral assistance made in 2005 when evaluated in 2004 prices. However, in current prices, Japan fell just short of the target.

DATA estimates that approximately 24% of Japan's global ODA will be allocated to Africa in 2008. DATA therefore estimates that its ODA for sub-Saharan Africa will be approximately ¥220.974 billion (\$2.098 billion in 2004 prices) in 2008. This is a decrease of ¥6.223 billion (\$59 million in 2004 prices).³

UK

2010 TARGET **£3.551bn** (\$6.508bn)

2007 ODA **£1.985bn** (\$3.637bn)

CHANGE 2006-07 **£26m** (\$48m)

CHANGE 2004-07 **£566m** (\$1.037bn)

% OF INCREASE ACHIEVED **26%**

INCREASE NEEDED 2007-08 **£562m** (\$957m IN 2004 PRICES)

ESTIMATED INCREASE 2007-08 **£287m** (\$490m IN 2004 PRICES)

The UK has increased the volume of ODA to Africa more than any other G8 country and data is not yet available to assess whether the UK has met its target for doubling bilateral ODA between fiscal years 2003/04 and 2007/08. DATA's estimates of 2008 ODA to sub-Saharan Africa project that the UK will remain off track in its effort to meet the 2010 target, but longer-term budgetary commitments show a positive trajectory

that will bring it close to doing so. On aid quality and on education the UK is a clear leader. It has also led calls within Europe for pro-development trade reform, even though the EU has failed to deliver.

In 2007, UK ODA net of bilateral debt relief to sub-Saharan Africa was lower than expected, increasing only by £26 million (\$48 million) whereas an increase of £662 million (\$1.213 billion) would have been necessary to be on track, as determined by a straight-line trajectory. The bilateral component of ODA to the region net of debt relief actually fell by £32 million (\$59 million), while multilateral spending increased by £58 million (\$106 million). To date, between 2004 and 2007 the UK increased assistance to sub-Saharan Africa by £566 million (\$1.037 billion).

DATA estimates, based on an average of allocations since 2004, that UK ODA to Africa will be approximately 39.6% of its total ODA, or £2.425 billion (\$4.127 billion in 2004 prices), in 2008. This is an increase of £287 million (\$490 million in 2004 prices), but less than the increase of £562 million (\$957 million in 2004 prices) required in 2008 to be on DATA's trajectory.⁴ Longer-term budgetary commitments, however, show a positive trajectory that will bring the UK close to meeting its target by 2010.

US

2010 TARGET **\$8.8bn**

2007 ODA **\$5.414bn**

CHANGE 2006-07 **\$413m**

CHANGE 2004-07 **\$581m**

% OF INCREASE ACHIEVED **15%**

INCREASE NEEDED 2007-08 **\$1.2bn** (\$1.1bn IN 2004 PRICES)

ESTIMATED INCREASE 2007-08 **\$940m** (\$868m IN 2004 PRICES)

The US is currently off track on its ODA commitment as compared with a straight-line trajectory, but DATA estimates it

has sufficient increases in the pipeline to fulfill its commitment by 2010. The US has been a clear leader on HIV/AIDS and malaria and has made significant contributions to Africa's peace and security. The latest (2006) DAC spending figures reveal that it did not emphasise primary education or water and sanitation as much as other G8 members. The US ranks last among the G7 on aid quality and, despite pressure from the White House and other quarters for reform, domestic policy indicates little encouragement for a pro-development outcome from the Doha negotiations.

In 2007, US ODA net of bilateral debt relief to sub-Saharan Africa increased by \$413 million or 8.26% from 2006 levels. To be on track as determined by a straight-line trajectory, DATA estimates that the US should have increased its ODA by \$950 million – an increase of 19%. To date, between 2004 and 2007 it delivered a total increase of \$581 million.

DATA estimates that the US will increase ODA to sub-Saharan Africa by \$940 million (\$868 million in 2004 prices) in 2008, a level more than twice as high as the increase between 2006 and 2007. This increase, however, would still fall short of the \$1.2 billion (\$1.1 billion in 2004 prices) increase needed to be on a steady track. Based on the known pipeline for sub-Saharan Africa, DATA estimates that US disbursements for the region in 2010 will total approximately \$8.9 billion in 2004 prices, slightly exceeding the commitment made at Gleneagles.

LOOKING FORWARD

The conditions that led the G8 to consider Africa a special case in need of special assistance are still present. Indeed, the case is getting stronger. Even though 2.12 million people are now on life-saving ARV treatment, an additional 1.7 million became infected with the HIV virus in 2007. Even though 29 million more children have started school, 33 million school-age children still have not. If anything, new challenges threaten to make the situation that much worse, as climate change has now been revealed as an impending threat that will affect Africa first and worst, despite it being the continent that has contributed least to the problem. The food crisis that is currently capturing headlines around the world will not quietly retreat in a couple of months' time once the emergency food aid funds are mobilised. It will continue to threaten food supplies, making poor people in Africa even poorer, unless a sustainable solution is found that addresses the need for sound systemic investments in agriculture and also addresses food equity through rationalised trade policies.

The challenge before us is two-fold: we must aggressively scale up what has already been seen to work, and at the same time do so in a manner that builds sustainable systems for

Africa to use well into the future. Investments such as those in HIV/AIDS, malaria and education are critically important and must continue at a much faster pace, but if we want these efforts to truly help fight poverty and foster growth for Africa, we must take on the even more difficult task of helping to build up those structures that rarely make it into a glossy annual report on results – the infrastructure, the human resources, the systems that will make it all work. These more complicated systemic needs are still largely underfunded and uncoordinated, and require dedicated efforts by donors and African governments alike to tackle.

The path ahead is now much steeper due to the slow delivery of funds over the past three years. Meanwhile the needs only grow more urgent. It is critical that when donors sit down to discuss their commitments to Africa, they do so in the spirit of true partnership – which requires honesty, clarity and accountable annual timetables – so that donors and recipients alike can make plans to climb the steep path to 2010. Responding to the urgency will take real commitment and real leadership, and DATA hopes that this is what the G8 leaders will now provide.